



# METCO

MURAMOTO ELECTRON (THAILAND) PUBLIC COMPANY LIMITED

Registration No. Bor. Mor. Jor. 326

**Minutes of the Annual General Meeting No.1/2018**  
**of**  
**Muramoto Electron (Thailand) Public Company Limited**

**Date, time, and place**

The meeting was held on 26 January, 2018, at 14:00 hrs.in the Tulip Room of the Rama Gardens Hotel, No. 9/9 Viphavadirangsit Road, Bangkhen, Bangkok.

**Directors attending the meeting :-**

1. Mr.Yoichi	Muramoto	Director
2. Mr.Yoshiyuki	Muramoto	Director
3. Mr.Tatsuya	Awazu	Director
4. Mr.Ichiro	Nishimura	Director
5. Mr.Paichitr	Rojanavanich	Director
6. Mr.Wanchai	Umpungart	Director
7. Mr.Nop	Rojanavanich	Director

Prior to beginning the meeting, according to the agenda detail in the invitation letter to attend the meeting, Mr. Mr. Yoichi Muramoto, the Chairman of the meeting asked for a few seconds to deliver his speech as follows:

First of all, I would like to thank you all for taking your precious time to participate in the 2018 Annual General Meeting of Muramoto Electron (Thailand) Public Company Limited today.

I am Muramoto Yoichi, Chairman of the Remuneration Committee.

Today, I would like to serve as the Chairman of this Annual General Meeting according to Article 37 of the Articles of Association. Prior to commencing the meeting, I invite Inventech, the company helping us run this meeting, to share information about conducting the meeting.

<Explanation given in Thai by METCO>

I would like to explain the conduct of this Annual General Meeting.

Firstly, the issues submitted to the meeting for approval according to the meeting agenda will be explained. Then, the shareholders may ask questions or make comments. In the case of a question, please raise your hand, and the Chairman of the meeting will invite the shareholders to ask questions in turn. The questioner shall walk to the nearest microphone, provide the name and number in the participants' list, and address the issue.

After the question-and-answer session, the shareholders shall cast votes by the ballots issued at the registration procedure.

According to Article 38 of the Articles of Association regarding voting, one share shall be counted as having one vote. For a proposal for consideration in each agenda point, the shareholders shall mark either

"For", "Against", or "Abstain" in the box on the ballot paper and sign it. In the case of a proxy from a shareholder who owns proxy B or proxy C which has already cast a vote, please be careful not to vote again with the ballot.

Then, only the ballots of "Against" or "Abstain" will be submitted. Therefore, any shareholder who did not submit a ballot will be considered as "For" on the ballot concerning the proposed item.

If both the "Against" and "Abstain" boxes are marked on a ballot paper, this ballot paper shall be considered void; therefore, please be careful on this matter. The ballots with the "For" mark must be retained by the shareholders; the Company's staff will collect them after the meeting.

For this voting, Ms Vipawee from KPMG Phoomchai Audit Limited will act as the witness for determination of any incorrect procedure, or which ballots are void.

After Ms Vipawee's inspection, the result of the vote count of For, Against, Abstain, and void ballots will be announced.

For a shareholder attending today's meeting and abruptly leaving the meeting due to urgent work, you may cast your vote on the items not yet raised in the meeting. In this case, please mark either the "For", "Against", or "Abstain" box on the ballot, sign it, and raise your hand. The Company's staff will collect your ballot paper and give it to Ms Vipawee. She will cast your vote accordingly when each item is raised in the meeting.

If a shareholder votes twice on a passing resolution, the ballot will be considered void.

In order to run the meeting smoothly, a shareholder arriving late for the Annual General Meeting after the close of registration may attend the meeting, but shall not receive a ballot paper for any issue which already announced the voting result. In addition, if a proxy form is incomplete, it shall be rejected. However, the proxy may attend the meeting, but will not receive a ballot paper.

I have now finished this information on how to conduct the meeting. If anybody has any doubts or questions, please raise your hand. For a tranquil meeting, if there are no more questions please turn off or switch mobile phones to silent or vibration mode.

### **Meeting start**

Mr. Yoichi Muramoto, Chairman of the Board of Directors, shall serve as the Chairman of the meeting. The Chairman informed that there were 47 shareholders present in person, representing the total number of 330,142 shares, and represented by proxy 29 persons, counting the total number of 17,098,437 shares, hence total number of shareholders and proxies present for this meeting is 76 persons, holding 17,428,579 shares or 83.4% of the total of 20,898,100 trading shares, that constituted the necessary quorum. Therefore, he opened the 2018 Annual General Meeting.

The starting time was 14.10 hrs.

Prior to commencing the meeting, the Chairman introduced the Directors of the Company attending the meeting, but due to an urgent matter Chairman Ishikawa was absent, and the members present were as follows:

Vice-Chairman of the Board of Directors: Mr. Yoshiyuki Muramoto (Chairman of the Board of Directors of SIMA Co., Ltd. & the Risk Management Committee)

Director :Mr. Tatsuya Awazu

Tatsuya Awazu was appointed a Director in place of Director Yamamoto, who resigned the position in November 2017.

Director: Mr. Ichiro Nishimura

Independent Director, Chairman of the Audit and Nomination Committee:

Mr. Paichitr Rojanavanich

Independent Director and Audit Committee member: Mr. Wanchai Umpungart

Independent Director and Audit Committee member: Mr. Nop Rojanavanich

and the independent auditor from KPMG Phoomchai Audit Limited, Ms Siripen, and three other persons attended the meeting.

The meeting started according to the agenda in the invitation letter to attend the meeting as follows:

**Agenda 1. To certify the minutes of the Annual General Meeting No. 1/2017, held on January 27, 2017**

The Chairman proposed to the meeting to approve the minutes of the Annual General Meeting No. 1/2017, held on 27 January, 2017, and a copy of the minutes was sent to the shareholders in advance along with the invitation letter to attend the meeting.

The Chairman asked the meeting to vote on Agenda 1 in accordance with the informed procedure. After completely checking the vote count, he announced the voting result of this agenda point as follows:

Resolution:The Meeting unanimously approved this agenda point with the voting comprising:

Approved	81	person	representing	17,487,784	vote	in the percentage of	100.0000
Disapproved	-	person	representing	-	vote	in the percentage of	-
Abstained	-	person	representing	-	vote	in the percentage of	-

**Agenda 2. To consider and approve the Statement of the Financial Position and Statement of Comprehensive Income for the year ended 30 September, 2017**

The Chairman proposed that the meeting consider the Company's Statement of Financial Position and Statement of Comprehensive Income for the year ended 30 September, 2017. These statements were sent to the shareholders in advance along with the invitation letter and the 2017 Operating Performance of the Company was printed in the Annual Report. Therefore, they were briefly reported as follows:

When combined with the sales of SIMA, a subsidiary company, the Company achieved a sales revenue of 14,068 million Baht. Compared with last year, the revenue having declined by about 1,978 million baht. Almost all sales revenue from the automobile and printer industry in 2017 has decreased significantly; especially the centre panel for high popularity cars, such as the Toyota Altis and Toyota Camry, which were the main orders for the Company; have been EOL in the past year. Even though

the Company tried to receive the same orders it received orders for the SIENA, RAV4 and SUV models instead.

Other sectors of the automotive industry have been affected by President of the U.S.A. Donald Trump who strongly criticized the result of the stalemate situation in 2017.

Epson achieved a greater profit in the printer business, but in 2017, Epson focused on increasing orders for its own manufacturers in China, Indonesia and Philippines, causing our Company's profit to decrease.

The Company achieved a net profit before tax deduction of 281 million Baht, less than the previous fiscal year's 363 million Baht, compare to its profit of 644 million Baht, the reason being the continuous decrease in revenue and appreciation of the Thai Baht since January 2017, which created a loss from exchange rate of 14 million Baht. Furthermore, the space rental fee from Sony ended in March 2017.

Next, I would like to report briefly on the business forecast for 2018, and the status of the core products.

In 2018, there are many expectations of the economy increasing in the U.S.A. and globally, and the world-wide increase in stock prices is a plus factor supporting these expectations. However, the automotive related industry will need to change due to the new automotive trends, such as EV and driver-free vehicles, thus, there is the possibility of a stalemate situation in the expansion of the automotive business.

For the printer business, Epson tends to expand and expects to achieve a little more revenue than in 2017, but overall there is an assumption of decreasing revenue for two years.

For the automobile industry-related business, which is currently our core business, I would like to make a separate report for that business segment as follows:

1. The main business, of Centre Panels in vehicles, suffered greatly decreased sales until August 2017, due to the lack of orders for the Altis and Camry models as mentioned above.  
From August, we will produce a new model which is in preparation; however, the situation in 2018 will remain a year of hardship, the same as in the past year.
2. The production of Single CD units installed in vehicles has reached saturation level, and considering the cost and efficiency the Company has decided to cease manufacturing this product in 2018.  
On the other hand, we are currently negotiating for the display panel business, which is expected to start in the fourth quarter if the negotiations succeed.
3. The automobile Keyless business has been growing continuously since the start of that business in 2015. However, the situation has declined, but the Company expects an increased sales volume of a new model (Type 7), which will start in June.

4. Production of the PCB for cameras installed in vehicles ended in March. We do not expect to increase the sales volume of PCB for DV, but the Blu-ray for Lexus has exceeded sales expectations, thus we will consider how to increase its value.

Overall, in the automotive business during the past three years, during which time our Company dedicated much effort to increase the market and planned to produce new models, but fiscal 2018 will be challenging because all the effort will only achieve a result in the fourth quarter.

On the other hand, the Company has keep an eye on the new trend of the industry, such as driver-free vehicles, and research information.

Lastly, for the printer business, we expect a slight increase in sales over last year, and in spite of fierce competition we will try to receive more orders. Moreover, we will produce new models from June, which will increase sales revenue by the end of 2017 and continue during 2018.

The Chairman asked the meeting to vote on Agenda 2 in accordance with the informed procedure. After completely checking the vote count, he announced the voting result of this agenda point as follows:

Resolution: The Meeting unanimously approved this agenda point with the voting comprising:

Approved	83	person	representing	17,488,985	vote	in the percentage of	100.0000
Disapproved	-	person	representing	-	vote	in the percentage of	-
Abstained	-	person	representing	-	vote	in the percentage of	-

**Agenda 3. To consider and re-elect the Directors retiring from office at the end of their term for another term**

The Chairman informed the meeting that according to the law and the Articles of Association one-third of the number the Directors shall retire upon expiry of their term of office at the Annual General Meeting each year. This year, three Directors, Mr. Paichitr Rojanavanich, Mr. Yoshiyuki Muramoto and Mr. Yoichi Muramoto, must retire accordingly. In addition, as Director Yamamoto wished to dedicate his effort to the factory in Indonesia, he resigned from the position of Director on the 30<sup>th</sup> of November 2017. Therefore, the Company appointed Mr. Tatsuya Awazu, who has worked with METCO since 2001 and currently is the 2<sup>nd</sup> and 3<sup>rd</sup> Factory manager, to the position of Director. However, the retiring persons may be re-elected as Directors of the Company. Thus, the Chairman proposed that the meeting consider re-electing the three retiring Directors for another term of office, along with Mr. Awazu, who assumed the position in February 2017. Details about the three Directors and Mr. Awazu were published in shareholder meeting invitation letter.

The Chairman asked the meeting to vote on Agenda 3 in accordance with the informed procedure. After completely checking the vote count, he announced the voting result of this agenda as follows:

3.1 Resolution: Mr.Paichitr Rojanavanich, who retired upon expiry of his term, was re-elected for another term.

The Meeting unanimously approved this agenda point with the voting comprising:

Approved	83	person	representing	17,488,985	vote	in the percentage of	100.0000
Disapproved	-	person	representing	-	vote	in the percentage of	-
Abstained	-	person	representing	-	vote	in the percentage of	-

3.2 Resolution: Mr.Yoshiyuki Muramoto, who retired upon expiry of his term his term, was re-elected for another term.

The Meeting unanimously approved this agenda point with the voting comprising:

Approved	81	person	representing	17,466,085	vote	in the percentage of	99.8690
Disapproved	2	person	representing	22,900	vote	in the percentage of	0.1309
Abstained	-	person	representing	-	vote	in the percentage of	-

3.3 Resolution: Mr. Yoichi Muramoto, who retired upon expiry of his term his term, was re-elected for another term.

The Meeting approved this agenda point by a simple majority of the shareholders attending the meeting and entitled to vote with the voting comprising:

Approved	83	shareholders	representing	17,488,985	vote	equivalent to	100.0000
Disapproved	-	shareholders	representing	-	vote	equivalent to	-
Abstained	-	shareholders	representing	-	vote	equivalent to	-

3.4 Resolution: Appointed Mr.Tatsuya Awazu as the Director to replace Mr.Shinichiro Yamamoto resigned from Director

The Meeting, by unanimous vote of the total votes of shareholders attending the meeting and having the right to vote, approved this agenda as follow:

Approved	83	shareholders	representing	17,488,985	vote	equivalent to	100.0000
Disapproved	-	shareholders	representing	-	vote	equivalent to	-
Abstained	-	shareholders	representing	-	vote	equivalent to	-

#### Agenda 4. To consider the Directors' remuneration

The Chairman proposed that the meeting consider the Directors' remuneration. He suggested that the independent Directors should be paid the same amount as last year as follows:

1. Remuneration for the Independent Directors, 15,000.00 Baht/person/month
2. Remuneration for the Chairman of Audit Committee, 20,000.00 Baht/person/month
3. Remuneration for the Audit Committee, 10,000.00 Baht/person/month

The Chairman asked the meeting to vote on Agenda 4 in accordance with the informed procedure. After completely checking the vote count, he announced the voting result of this agenda as follows:

Resolution:The Meeting approved this agenda point by a simple majority of the shareholders attending the meeting and entitled to vote with the voting comprising:

Approved	83	shareholders	representing	17,488,985	vote	equivalent to	100.0000
Disapproved	-	shareholders	representing	-	vote	equivalent to	-
Abstained	-	shareholders	representing	-	vote	equivalent to	-

#### Agenda 5. To consider the allocation of profit, dividend payment rate, and dividend payment date.

The Chairman informed the meeting that in 2017 the Company achieved accumulated earnings, after paying dividends in February 2017, of 3,863 million Baht, with a profit in 2017 of 182 million Baht, thus, the unappropriated retained earnings at the end of the 2017 accounting period achieved 4,045 million Baht. This year, there was no need to allocate the annual net profit to the legal Reserve Fund because the Company's Reserve Fund has reached 10 percent of the registered capital. Furthermore, the Company has the policy to pay dividends to the shareholders. The Board of Directors has deemed it appropriate to propose for the shareholders' consideration an allocation of profits and distribution of dividends at the rate of 8.00 baht (eight baht) per share to the qualifying shareholders. Therefore, the shareholders whose names appear in the Share Register on 8 February, 2018, shall be entitled to receive such dividend payment. As a result, the total the amount paid out in dividends will be 167 million baht, and unappropriated retained earnings carried forward will be 3,878 million baht, and the dividend will be paid to those who hold the shares as of the 8<sup>th</sup> of February on the 23<sup>th</sup> of February, 2018.

The Chairman asked the meeting to vote on Agenda 5 in accordance with the informed procedure. After completely checking the vote count, he announced the voting result of this agenda point as follows:

**Resolution:**The Meeting approved this agenda point by a simple majority of shareholders attending the meeting and entitled to vote with the voting comprising:

Approved	79	shareholders	representing	17,162,193	vote	equivalent to	98.1313
Disapproved	5	shareholders	representing	322,800	vote	equivalent to	1.8457
Abstained	-	shareholders	representing	-	vote	equivalent to	-
Voided Ballot	1	shareholders	representing	4,000	vote	equivalent to	0.0228

**Agenda 6.To appoint the Auditors and fix their remuneration for 2018.**

The Chairman proposed that the meeting consider appointing the auditors and fixing their remuneration for the 2017 accounting period as follows: Mrs. Siripen Sukcharoenyingyong, Certified Public Accountant Registration No. 3636, or Mr. VairojJindamaneepitak, Certified Public Accountant Registration No. 3565, or Mr. Yoothapong Soontalinka, Certified Public Accountant Registration No. 10604 from KPMG Phoomchai Audit Limited the as auditors of Muramoto Electron (Thailand) Public Company limited for the 2018 accounting period. The remuneration of the auditors shall be fixed as follows: not exceeding 3,250,000 baht (three million two hundred and fifty thousand baht) for Muramoto Electron (Thailand) Public Company Limited, and 1,030,000 baht (one million and thirty thousand baht) for SIMA Technology Co., Ltd. Total 4,280,000 baht (four million two hundred and eighty thousand baht)

The Chairman asked the meeting to vote on Agenda 6 in accordance with the informed procedure.

After completely checking the vote count, he announced the voting result of this agenda as follows:

**Resolution:**The Meeting unanimously approved this agenda point with the voting comprising:

Approved	85	shareholders	representing	17,488,993	vote	equivalent to	100.0000
Disapproved	-	shareholders	representing	-	vote	equivalent to	-
Abstained	-	shareholders	representing	-	vote	equivalent to	-

**Agenda 7. To consider and approve the short-term loan of US\$2 million to Muramoto Asia Pte., Ltd., a subsidiary company in the Muramoto Group of Companies**

The Chairman proposed that the meeting approve the short-term loan to Muramoto Asia Pte., Ltd. of US\$2 million. Muramaoto Asia Pte. Ltd. has been designated as the Treasury Centre of the Muramoto Group of Companies since 2013. The plan provides for efficient fund management and the prevention of capital flight for the Muramoto Group of Companies. This time it plans to borrow the money for investment in a new business. The loan period will be for one year and may be renewed. The average interest rate will be 1.65 % it higher than current market rate.



However, Muramoto Asia paid 1 million USD for the loan at the end of 2017, thus the Company decided to renew the debt for 2 million USD, equivalent to 66 million Baht with the interest rate of 1.5% for a period of 1 year, which is renewable.

Because of the change in agenda due to the payment by Muramoto Asia after the invitation letter was issued, this agenda point explains the status, but this is not a voting item.

**Agenda 8. Utilization of ERP system (SAP) in the Company.**

The Chairman explained the importance of big data control being promoted since 2014, which will improve working efficiency, by systematically analyzing solutions. The system combines data from all the departments in real-time, which reduces analysis resources (human, money, data, and items).

The headquarters has purchased the SAP license, which is the world-leading ERP system widely used for production, purchase, stock and finance modules. The Company has used these modules via the Cloud since 2017 to manage information and increase efficiency. For this license the Company pays the headquarters 2.5-3.0 million Baht per month, and is confident it is worth this cost.

**Agenda 9. Other Business (If any)**

No suggestion or other agenda was raised.

The Chairman thanked the shareholders attending the meeting and hoped to receive further support and suggestions beneficial to the Company, and declared the Annual General Meeting closed.

The meeting closed at 16.55 hrs.



(Signed) .....

*(Handwritten signature of Mr. Ichiro Nishimura)*

(Mr. Ichiro Nishimura)

GM/Director report on behalf of The Chairman of the meeting