



-Translation-

May 14, 2024

Subject: Management Discussion and Analysis for Quarter 2/FY2024

To: Managing Director

The Stock Exchange of Thailand

Inoue Rubber (Thailand) Public Company Limited (the “Company”) would like to clarify its operation results for the Quarter 2/FY2024 (ended March 31, 2024) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q2/FY2024	Q2/FY2023	change	%YoY
Total Revenues	1,229.24	1,460.50	(231.26)	-15.83%
Cost of Sales and Services	1,032.92	1,297.57	(264.65)	-20.40%
Selling and Administrative Expenses	97.91	97.74	0.17	0.17%
EBIT	98.41	65.19	33.22	50.96%
Net Profit	90.63	60.92	29.71	48.77%
Basic Earnings per Share (baht)	0.47	0.32	0.15	48.30%

Performance Report

During the second quarter, the global economy was moving in the recovery direction with the limitation of a positive effect on world trade. According to the US economy which is the main driver expands from service sector. Meanwhile, the Chinese economy is likely to expand at a slower pace due to lingering problems in the real estate sector. The weak consumption and excess production capacity lead to oversupply of products in market. This puts pressure on the production and export sectors in many countries. Moreover, geopolitical conflicts are still protracted. For Thai economy, the expansion continues from tourism sector and supporting force of consumption. However, the production and export sectors are still recovering slowly following a slowdown in global demand and from Thailand's structural factors, especially the decrease of competitive ability. As a result, industrial production contracted. Car production in Thailand decreased by 18.45 percent, and motorcycle production in Thailand decreased by 8.14 percent compared to the same period last year. These factors have the following impact on the company's and subsidiaries' sales and production costs during the second quarter of fiscal year 2024 (January 1, 2024, to March 31, 2024):

1. The company's total revenue decreased by 231.26 million baht or 15.83% from the same period last year.
2. The cost of sales and services decreased by 264.65 million baht or 20.40% from the same period last year due to the highly decrease of raw material costs and also the ability to monitor and control production costs.
3. Selling and administrative expenses increased by 0.17 million baht or 0.17% from the same period last year.



Overall, in Q2/FY2024, the Company had net profit around 90.63 million baht, increased around 29.71 million baht or 48.77% compared to the same period last year. The Company recorded earning per share at 0.47 baht.

Financial Status

As of March 31, 2024, the company had total assets of 4,975.56 million baht, decreased by 56.94 million baht compared to September 30, 2023, mainly due to the decrease of Property, plant and equipment and Inventories.

The total liabilities of the company were 985.83 million baht, decreased by 117.34 million baht compared to September 30, 2023 mainly due to the decrease of trade and other payables.

In this regard, the company has shareholders' equity of 3,989.73 million baht, increased by 60.41 million baht from unappropriated retained earnings. This results in the book value per share of the company at 20.76 baht and the debt to equity ratio (D/E ratio) at 0.25.

Cash Flow

For the six-month period ended March 31, 2024, the Company had net cash generated from operating activities around 234.84 million baht, increased about 158.06 million baht compared to the same period last year. The net cash generated from investing activities was around 62.72 million baht, increased about 167.31 million baht compared to the same period last year mainly due to the maturity of debt instruments. The net cash used in financing activities was around 80.49 million baht, increased about 24.38 million baht compared to the same period last year mainly due to higher dividend payment.

As of March 31, 2024, the Company had cash and cash equivalents around 1,363.21 million baht, increased around 549.85 million baht compared to March 31, 2023.

Please be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)
Chairman

(Mr. Shigeki Yamada)
President