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February 10, 2022

Subject: Management Discussion and Analysis for Quarter 1/FY2022

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 Quarter1/FY2022 (ended December 31, 2021) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q1/FY2022	Q1/FY2021	change	%YoY
Total Revenues	1,417.42	1,342.12	75.30	+5.61%
Cost of Sales and Services	1,282.35	1,094.72	187.63	+17.14%
Selling and Administrative Expenses	103.23	97.06	6.17	+6.36%
EBIT	31.84	150.34	(118.50)	-78.82%
Net Profit	27.14	121.18	(94.04)	-77.60%
Basic Earnings per Share (baht)	0.14	0.63	(0.49)	-77.78%

Performance Report

Global and Thai economy recovered from government's stimulus measures together with the progress of COVID-19 vaccination. There was demand pull in many countries which caused raw material shortage and higher raw material prices, together with the rapid increase of crude oil price because of increasing production that was insufficient for the demand, as well as the uncertainty of the world situation such as Russia-Ukraine crisis. For this period, the production of automobiles in Thailand increased 1.95%, and production of motorcycles slightly increased 0.03% compared to the same period last year. This affected the sales and production costs of the Company and the subsidiaries during the 1st quarter of the fiscal year 2022 (October 1, 2021 to December 31, 2021) as follows;

1. The company's total revenue increased by 75.30 million baht or 5.61% from the same period last year.
2. The cost of sales and services increased by 187.63 million baht or 17.14% from the same period last year mainly due to the increase of raw material costs according to the demand and supply, together with the increase of oil price, and the increase of freight expenses due to the container shortage.
3. Selling and administrative expenses increased by 6.17 million baht or 6.36% from the same period last year.

Overall, in Q1/FY2022, the Company had net profit around 27.14 million baht, decreased around 94.04 million baht or 77.60% compared to the same period last year, mainly from the higher raw material prices. The Company recorded earning per share at 0.14 baht.



Financial Status

As of December 31, 2021, the company had total assets of 5,288.72 million baht, decreased by 6.66 million baht compared to September 30, 2021.

The total liabilities of the company were 1,372.19 million baht, decreased by 28.72 million baht compared to September 30, 2021 mainly due to the decrease of trade and other payables.

In this regard, the Company has shareholders' equity of 3,916.52 million baht, increased by 22.06 million baht from unappropriated retained earnings. This results in the book value per share of the company at 20.38 and the debt to equity ratio (D/E ratio) at 0.35.

Cash Flow

For the three-month period ended December 31, 2021, the Company had net cash used in operating activities around 36.43 million baht, decreased about 216.79 million baht compared to the same period last year. The net cash used in investing activities was around 58.42 million baht, mainly from investment in property, plant and equipment, decreased about 173.78 million baht compared to the same period last year.

As of December 31, 2021, the Company had cash and cash equivalents around 908.48 million baht, increased around 58.21 million baht compared to December 31, 2020.

Please be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

Chairman

(Mr. Shigeki Yamada)

President