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May 12, 2022

Subject: Management Discussion and Analysis for Quarter 2/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 Quarter2/FY2022 (ended March 31, 2022) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q2/FY2022	Q2/FY2021	change	%YoY
Total Revenues	1,594.79	1,449.35	145.44	10.03%
Cost of Sales and Services	1,423.56	1,188.75	234.81	19.75%
Selling and Administrative Expenses	100.93	96.37	4.56	4.73%
EBIT	70.29	164.22	(93.93)	-57.20%
Net Profit	64.15	131.89	(67.74)	-51.36%
Basic Earnings per Share (baht)	0.33	0.69	(0.36)	-52.17%

Performance Report

The global economy is affected by Russia-Ukraine Crisis which causes increasing commodity prices, mainly from rapidly increasing crude oil and energy prices and also the shortage of upstream production capacity. In addition, there was Demand Pull in many countries which causes raw material shortage and higher raw material prices. Meanwhile, China has continually implemented the Covid-Zero regulation that might result the supply chain disruption. Otherwise, Thai economy is continuously recovered from the Government relief measures and the recovery of international trade partners. This affects the sales and production costs of the Company and subsidiaries during 2nd quarter of the fiscal year 2022 (January 1, 2022 to March 31, 2022) as follows;

1. The company's total revenue increased by 145.44 million baht or 10.03% from the same period last year.
2. The cost of sales and services increased by 234.81 million baht or 19.75% from the same period last year, mainly due to the increase of raw material costs according to 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 4.56 million baht or 4.73% from the same period last year.

Overall, in Q2/FY2022, the Company had net profit around 64.15 million baht, decreased around 67.74 million baht or 51.36% compared to the same period last year, mainly from the higher raw material prices. The Company recorded earning per share at 0.33 baht.



Financial Status

As of March 31, 2022, the company had total assets of 5,240.76 million baht, decreased by 54.62 million baht compared to September 30, 2021. The main reason is the decrease of value of equity instrument which is resulted from the review of cash flow projection in relation to dividend income. The Company has delayed receiving cash inflow from dividends during the period that the investee builds a new manufacturing plants.

The total liabilities of the company were 1,521.41 million baht, increased by 120.51 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 3,719.34 million baht, decreased by 175.13 million baht from unappropriated retained earnings result from dividend payment and also from other components of equity related to measurement of equity instruments which decreases from the review of cash flow projection in relation to dividend income and the Company has delayed receiving cash inflow from dividends during the period that the investee builds a new manufacturing plants. This results in the book value per share of the company at 19.35 baht and the debt to equity ratio (D/E ratio) at 0.41.

Cash Flow

For the three-month period ended March 31, 2022, the Company had net cash generated from operating activities around 168.20 million baht, decreased about 211.79 million baht compared to the same period last year. The net cash used in investing activities was around 121.62 million baht, decreased about 150.43 million baht compared to the same period last year, mainly from investment in debt instruments. The net cash paid for financing activities around 170.17 million baht, increased about 60.47 million baht compared to the same period last year, mainly from dividend payment.

As of March 31, 2022, the Company had cash and cash equivalents around 879.73 million baht, decreased around 23.67 million baht compared to March 31, 2021.

Please be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

(Mr. Shigeki Yamada)

Chairman

President