



# DRIVE

THE CREATIVE INNOVATION

Form 56-1 One Report 2023

Inoue Rubber (Thailand) Public Company Limited





# Form 56-1 One Report 2023

Inoue Rubber (Thailand) Public Company Limited

# Contents

**6**

**Message from  
the Chairman**

**8**

**Financial  
Highlight**

**9**

**Key Performance  
in 2023**

**13**

**Part 1**

Business Operations  
and Performance

**128**

**Part 2**

Corporate  
Governance

1. Structure and Business Operations	14
2. Risk Management	55
3. Driving Business for Sustainability	62
4. Management Discussion and Analysis: MD&A	124
5. General Information and Other Important Information	126
6. Corporate Governance Policy	129
7. Corporate Governance Structure of the Board of Directors and the Sub-Committees	139
8. Report of Key Corporate Governance Activities	152
9. Internal Control and Connected Transactions	172



188

**Part 3**

Financial  
Statements

255

**Attachment**

<b>Attachment 1</b>	Information of the Board of Directors, Executives, Controlling Persons and Company Secretary	256
<b>Attachment 2</b>	Information of the Directors of the Subsidiaries	296
<b>Attachment 3</b>	Information of Head of the Internal Audit	297
<b>Attachment 4</b>	Business Assets and Information on Asset Valuation	298
<b>Attachment 5</b>	Good Corporate Governance Handbook	299



## Message from the Chairman

Dear All Shareholders,

The last 2023 was a challenging time for the growth of Thai economic development due to global dynamics change, both from the time after the COVID-19 pandemic, conflict between global balance of power and existing geopolitical science factors which are slowing down the economic crisis, increased inflation, increased in product costs, and so on, including trend of changing society whether leading to digital era, elderly society, and so on. This also includes being aware of the importance of conducting environmentally friendly business, such as reducing greenhouse gas emissions and establishing rules or green standards in developed countries. Our directors and executives are committed to operating and developing continuously with the important goal of overcoming the limit and responding to the trend of change driven by technology, innovation, creativity, and competitive capacity, including awareness of the environment and society, in order to lead to sustainable growth.

In 2023, the Company still achieved strategic goals, earning a total income of 5,476.96 million Baht with net profits of 159.77 million Baht, a 45.32 percent increase from the previous year. Meanwhile, the Company is committed to continuously adjusting and increasing the efficiency of our production process and operations through the use of technology such as automation, e.g. an automatic car transport product or an arm robot involving for manufacturing, which can reduce costs and

(Mrs. Pimjai Leeissaranukul)  
Chairman / Executive Chairman

increase the effectiveness of the manufacturing process, as well as support capacity building for continuous participation in competition.

Furthermore, the Company is concerned with long-term business operations and intends to expand our operations in accordance with the ESG framework. It focuses on corporate governance policy compliance in all agencies, transparency administration and being able to check, as well as supporting participation and communication with all relevant stakeholders, assisting in the care of society and the environment through activities and required projects, including determining long-term goals leading to carbon neutrality by 2050.

We expect that the global automobile industry will grow steadily through 2024, despite the ongoing economic downturn. However, Thailand's electric vehicle industry will be crucial in 2024. As indicated by the number of electric vehicle registrations in 2023, we believe a clear trend of expansion of this type of product. This shows that there has been a significant increase from the previous year, as well as a government investment policy that encourages electronic vehicle manufacturers, both ICE and EV, to establish manufacturing bases in Thailand with an aim

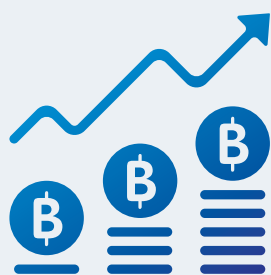
to be a Southeast Asian hub. Therefore, we are ready to provide research development for Inoue Rubber (Thailand) Public Company Limited, and our subsidiary, IRC (Asia) Research Limited, which has been conducting research for more than 28 years, and we are ready to support all types of vehicle systems in the future. This is in response to policy and to support the opportunity for Thailand's vehicle industry to grow sustainably.

With our strengths in research and development, particularly elastomer products developed through various innovations for supporting life quality and well-being of users, which are comprehensive in various industries across countries such as agriculture, real estate development, or basic infrastructure, and so on. The Company conducted a research and development sample of products consisting of Vi-Pafe rubber, which is the safe innovation, reducing potential risk from severe harm, and is made by natural rubber with materials made from a residue from industrial manufacturing. This has resulted in sport flooring and multi-purpose flooring (Vi-Pafe), which supports the BCG policy of using resources in productive ways.

Finally, the Board of Directors wishes to express gratitude to shareholders, joint venture partners, business partners, customers, and all other related parties for their international support with sustainability. We are ready to be on the customer's side while also raising the experience level, having ESG at the heart of strengthening the business operations, which may lead to sustainable growth in the future as planned.

# Financial Highlight

Inoue Rubber (Thailand) Public Company Limited and its subsidiaries as of September 30<sup>th</sup>, 2023



Unit: Million Baht

Consolidated Financial Statement	2021	2022	2023
<b>Statement of Comprehensive Income</b>			
Sales and Services Income	5,297.38	5,883.17	5,417.21
Cost of Sales and Services	4,577.50	5,442.82	4,926.64
EBIT	421.07	122.38	170.13
Net Profit	340.03	109.94	159.77
<b>Balance Sheet</b>			
Total Asset	5,295.38	5,272.35	5,032.50
Total Liabilities	1,400.91	1,440.32	1,103.18
Total Equity	3,894.47	3,382.03	3,929.32
<b>Financial Ratio</b>			
Net Profit Margin (%)	6.42	1.87	2.95
Return on Asset (ROA) (%)	6.42	2.09	3.17
Return on Equity (ROE) (%)	8.73	2.87	4.07
Debt to Equity (D/E)	0.36	0.38	0.28
Earnings per Share (THB)	1.77	0.57	0.83
Book Value per Share (THB)	19.47	19.94	20.44

September 30<sup>th</sup>, 2023

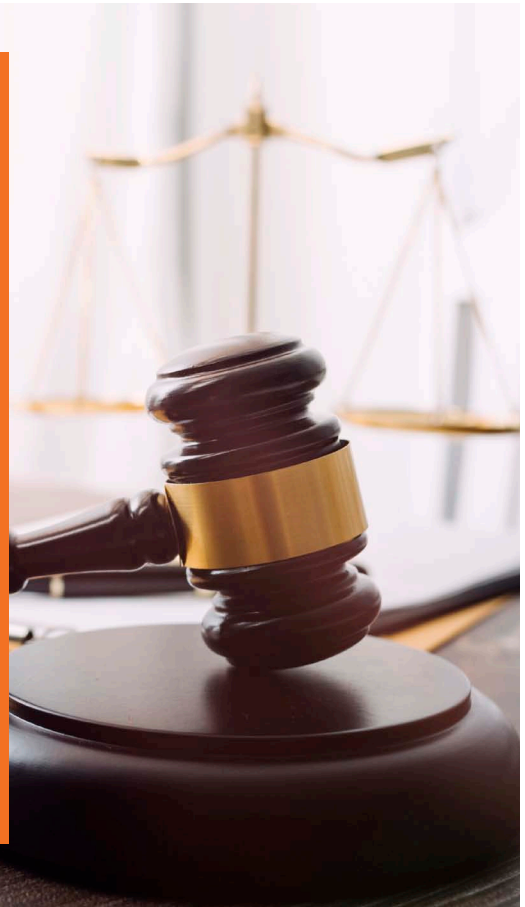


# Key Performance in 2023

## Corporate Governance



Certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC) for 3 years since the approval date on 30 June 2020 and our membership will be expired on 30 June 2023



Corruption Incident (s)

0 Case



No Gift Policy

8



Executives and Employees acknowledged and agreed to act in complied with the Handbook of Good Corporate Governance

100%



Complaint (s) made to Whistle Blowing Channel of the Company

0 Case

# Economic Growth



Total Revenues

5,476.96

Million Baht



EBIT

170.13 Million Baht



Net Profit

159.77 Million Baht



Dividend Payment

0.4178 Baht/Share

## Revenue Percentage per Business Group

- Motorcycle Tires 34.43%
- Automotive Parts 34.22%
- Motorcycle Tubes 8.94%
- Other Industries 22.41%



## Automation Development


29 Projects      6.87 Million Baht

# Environment

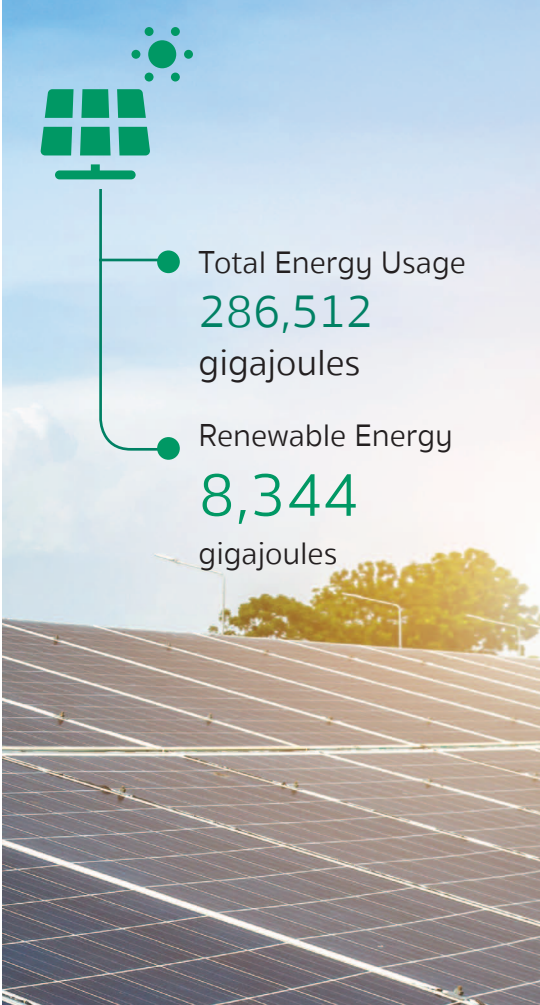


Direct GHGs emissions  
(Scope 1)  
**12,797 tCO<sub>2</sub>e**

Direct GHGs emissions  
(Scope 2)  
**18,362 tCO<sub>2</sub>e**



- Total Energy Usage  
**286,512**  
gigajoules
- Renewable Energy  
**8,344**  
gigajoules




Water Usage  
**168,516 m<sup>3</sup>**




Waste Management  
with 3Rs  
**989 Tons**




Chemical Spill (s)  
**0 Case**



# Creating Value

for Society



## Safety

Total Hours of  
No Lost Time Accident



Rangsit  
898,123 hrs..



Wang Noi  
602,151 hrs.

## Total Number of employees

1,288 persons



Male 827 persons



Female 461 persons



**CSR**  
Corporate  
Social  
Responsibility

## CSR Project in 2022

8 Projects



# PART 1

## BUSINESS OPERATIONS AND PERFORMANCE

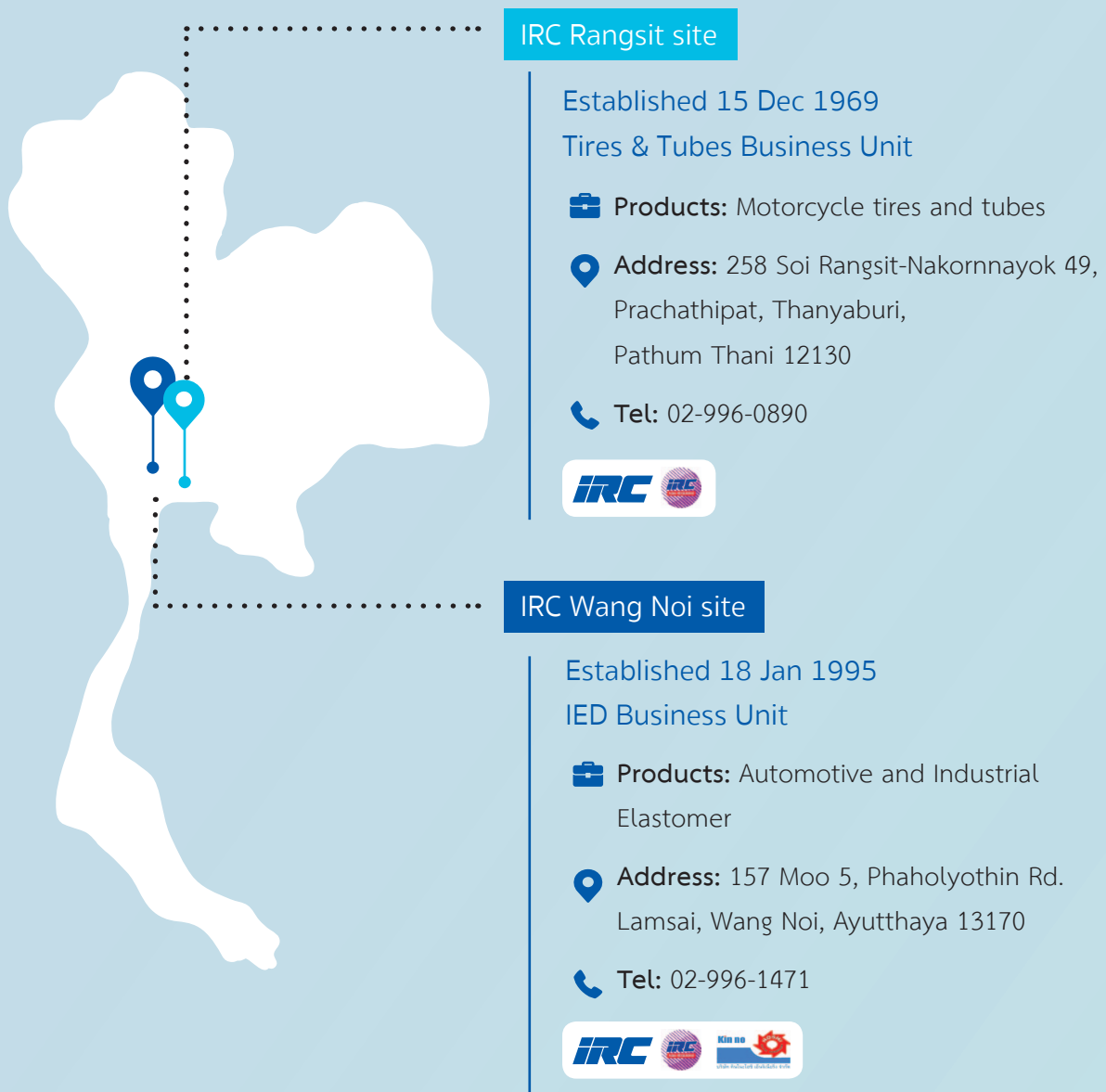


# 1. STRUCTURE AND BUSINESS OPERATIONS

## 1.1 Policy and Overview of Business Operations

### Background

Inoue Rubber (Thailand) Public Co., Ltd. “IRC” is a joint-venture company, established on December 15, 1969 with the aim to manufacture elastomer products for automotive and other industries, and motorcycle tires and tubes with high quality at the international standards. Those quality products are manufactured from Rangsit, Pathum Thani and Wang Noi, Ayutthaya plants. The Company aims for continuous and sustainable growth, and value creation to the stakeholders on the basis of strategies and business plans prescribed according to the good corporate governance.



The Company's farsightedness on the significance of research and development, variety and quality of products, the Company has established the subsidiaries which are IRC (Asia) Research Limited and Kin No Hoshi Engineering Co., Ltd., in order to efficiently support the customer demand. At present, the subsidiaries of the Company are in total of two companies as follows.

## Subsidiaries



### IRC (Asia) Research Limited

Founded on 18 July 1995

To support the operations of research and development design business for industrial elastomer parts product, and motorcycle tires-tubes product for Inoue Rubber (Thailand) PCL. both in motorcycle tire and tube production and Industrial Elastomer Parts Production, to be mostly consistent with the consumer demand. The investment promotion has been approved by the Office of the Board of Investment on 26 December 1996. The Company's shareholding proportion is 99.99%



### Kin No Hoshi Engineering Co., Ltd.

Founded on 9 November 2001

To support the Company business operations in manufacturing metal molds for industrial elastomer parts. The Investment promotion has been approved by the Office of the Board of Investment on 30 November 2001. The Company's shareholding proportion is 99.99%

## Joint Venture

### Inoue Rubber Vietnam Co., Ltd.

The Company's shareholding proportion 8%

## Throughout 54 years

of our business history,

“IRC” has managed to achieve sustainable growth with the commitment to create innovation together with production capacity enhancement in order to control product quality at reliable and trustful level as well as maximize customers' satisfaction both locally and internationally.



### 1.1.1 Vision, Mission, Goal, and Strategy

## Vision



To be a Leading Sustainable Elastomer Company  
Driven by the Innovation of Reliable Quality  
Elastomer Products, Newly Developed Materials  
and Rubber Tires in compliance with Environmental  
Social and Governance (ESG) on the basis of 7 policies





1



Sustainability in Safety and Environment

2



Quality in Each Product with International Quality Systems

3

Best Satisfaction to Customers in 4 Product-Dimensions



Price/Cost at the Best

Competitive Level for Customers



Quality at the Best

Competitive Quality Rating by Customers



Delivery at the Best

Competitive Delivery Rating by Customers



Services / Solutions at the Best Service

to Solutions for Customers at All Time

4



Create the Opportunities of Human Resource Improvement to Achieve Competencies in All Levels

5



Continuous Research and Development for New Innovations, Products, Processes and Market and Keep Generating the Outputs of Existing Business

6



Generating Strong Financial Status and Attractive Return to Shareholders

7



Supporting the Good Corporate Governance and Corporate Social Responsibility

# Mission

1




Dedicated to develop technological development and innovation beyond the limitation in order to enhance maximum benefit and long-term value

2



Enhance the competitiveness and net profit by improving the efficiency of:

 <b>Reliable Quality Products and Services</b>	 <b>Usage of Production Resources (4M)</b>
 <b>Effective Communication</b>	 <b>Data Validity and Data Management</b>
 <b>Marketing and Service Teams</b>	 <b>Procurement</b>

3



To emphasize on human capital management, personnel competency development and corporate culture enhancement in accordance with corporate values in order to achieve the expected outcome

“ Strive to learn and pursue to overcome obstacle and advance in the path of growth. ”

4



Be a sustainable company in compliance with Environmental, Social and Governance (ESG)

(Environmental Preservation, Sustainable Ecosystem Creation, BCG Support, Carbon Neutrality Achievement, Climate Change Issue Monitoring, together with Risk Management, Supply Chain Management and Good Corporate Governance)

# Goal

The Company adheres to the operations that promotes the quality of life and safety of the customers who use the Company's products and simultaneously maintain the environment, worthily use the resources, concerns good ethics in business operations, take care of all groups of stakeholders, in order to create value and good quality of life, as well as supply chain.

For the goal of the Company's sustainable growth, the Company gives precedence to quality upgrade towards an international standard level, along with building growth and sustainability with promotion and development of innovation and technology, and operations under concern on the social and environmental impact, and good governance in order to bring the organization towards achievement of its vision in "aiming to be an Innovative Driven and Sustainable Leading Company for Highly Reliable and Quality Elastomer Products and Rubber Tires in compliance with Environmental, Social and Governance (ESG)". The goal of business operations covers the business, society, and environment as follows.



Competitive business with good turnover



Ethically operate the business, respect the rights, and take the shareholder and stakeholder responsibilities



Mitigate the environmental impact

The goal of minimizing net carbon dioxide or greenhouse gas emission is defined in order to mitigate climate change impact by implementing the continuous improvement project for efficiency of energy and resource consumption, as well as investing in the Solar Panel Installation Project in consumption of renewable and alternative energies for electricity consumption that can mitigate the greenhouse gas emission.



## Being beneficial for the society

The Company operates its business along with continuously and equally taking care of all groups of stakeholders in order to create sustainability together with growth of its business. It performs CSR After-Process activities, and creates shared values among business, society, and environment through the process of CSR/CSV in-Process, for instance, Career and Life Provision Project, Khlong Pang Rubber Plantation Cooperative Project in Trang Province, etc.

In the COVID-19 pandemic period, the Company has supported and assisted the group of stakeholders, government agencies, and persons who were affected from the said situation, for example, provision of high flow nasal oxygen cannula to the hospitals in Ayutthaya, Pathum Thani, and Nonthaburi Province; provision of Permanent Installed Negative Pressure Room Preparation Unit to the Police General Hospital; donation of alcohol gels manufactured by the Company, and PPE to the staff, communities, business partners, customers, and public interests (such as nationwide schools and hospitals); provision of discount coupons to the customers who have purchased the Company's motorcycle tires; and decrease in credit term for payment previously from the requirement for paying product cost to the business partners within 2 months to be payment within 1 month, etc.



## Being adaptable under the changing factors

The Company realizes on the continuous and ceaseless social and global changes. Therefore, it is always ready for coping with the changing situations, for example, management of the impacts from the COVID-19 pandemic situation both in terms of sales volume and manufacturing process. The said situation has currently resulted in the recovery of the Company's sales volume from the year 2020, no impact on manufacturing process up to the stage of manufacturing discontinuity, and the product development to fulfill New Normal Lifestyle – the changing consumer behavior, such as the change in travelling modes from bus into personal vehicle, the awareness on living sanitation affecting the opportunity of new innovation and business that covers both upstream supply chains and new markets.

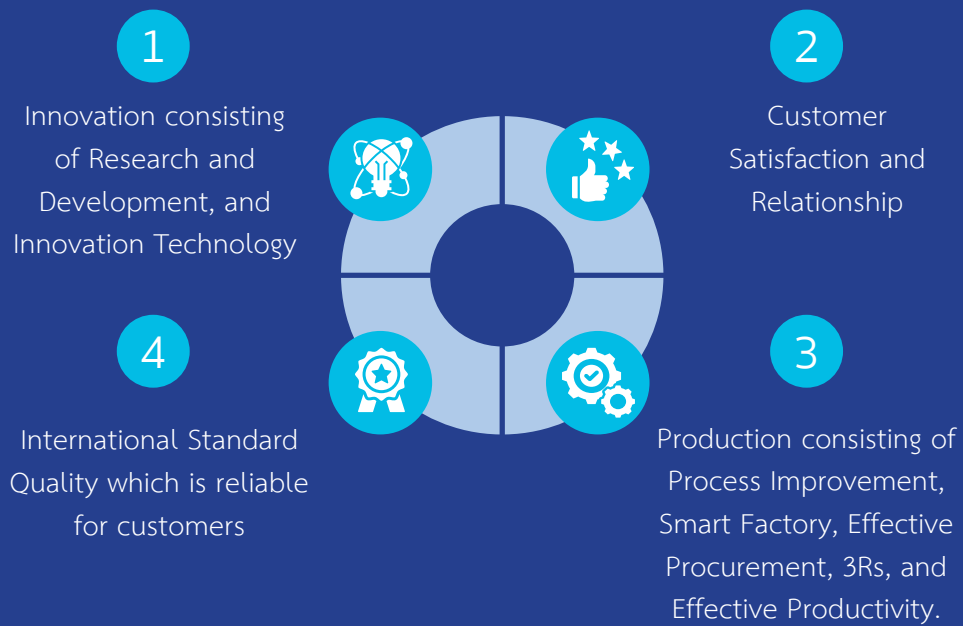
The National Electric Motor Vehicle Promotion Policy with the goal that Thailand is a Hub of electric motor vehicles in the future. This will be a positive effect in the increasing potentiality of the new electric automobile manufacturers (New comers), and business opportunity in this field where the Company is potential in research and development of unique products for the demand of electric cars. Meanwhile, according to the policy information in 2030, there have still been automobiles in the group of Internal Combustion Engine (ICE), and Hybrid Electric Vehicle (HEV).



## Sustainable Business Operation Strategy of IRC

The IRC's route toward the sustainability starts from the stable foundation on three basis of all IRC members, or called "IRC DNA", consisting of 1. Our company is our Home, 2. Corporate culture, and 3. Competency Development and Career Path along the road to firm sustainability, there must be the risk management and supply chain management supervised by the Risk Management Committee. On the other hand, supervision of Environmental Conservation and Good Corporate Governance supervised by the Good Corporate Governance and Social Responsibility Committee, and the Audit Committee.

Meanwhile, the journey toward sustainable goal is carried out via all of four significant schemes as follows.



In each operating plan, it consists of the definite plan, goal, and indicator under the daily/monthly/quarterly monitoring and evaluation by the Executive Committee and the Board of Directors of the Company. The results from all of these four plans will lead to the competitiveness in price, quality, and trust of the products, and growth of revenue derived from three main channels, namely



in order to attain IRC's sustainable goal.

## 1.1.2 Significant Changes and Developments

### June 2020

The Treasury Stock Buyback Project for financial management has been ended, whereas the Company has bought back total of 7,792,300 shares or 3.9% of total sold treasury stock of the Company in total value of Baht 113,784,070.00.

However, according to the related rules, the Company was able to sell the bought back treasury stocks after expiration of 6 months term from the completion date of treasury stock buyback, but not more than 3 years from the said completion date of treasury stock buyback. If the selling period of bought back treasury stocks is expired, and the Company does not sell or incompletely sells the bought back treasury stocks, the relevant laws prescribe that the Company shall decrease paid-up capital using Write-Off Method for the registered shares which are bought back and incompletely sold for selling the bought back shares according to the said Treasury Stock Buyback Project.

### November 2019

The Treasury Stock Buyback Project of the Company had been commenced for financial management within the maximum financial limit of not more than 118 million Baht, and the number of bought back treasury stocks had not been more than 4% of total sold treasury stocks. It was the entry to purchase in the SET, and buyback term for Treasury Stocks was not more than 6 months from 9 December 2019 to 5 June 2020.

### September and December 2020

The Company has been certified for Green Industry Level 4: Green Culture.

### October 2021

Mr. Shigeki Yamada has been appointed as the President to replace Mr. Katsunori Ito who was resigned.

### August 2021

Mr. Masayuki Inoue who had held the position of Director of Inoue Rubber (Thailand) Pcl. since 1991 passed away on 15 August 2021.

### May 2023

The Company reduced registered paid-up capital by writing off the repurchase shares which have not been resold of 7,792,300 shares.

### November 2023

Mr. Hideo Oya has been appointed as the director to replace Mr. Kazuo Sato

Mr. Kanin Laochinda has been appointed as the Executive Director and Managing Director.



รางวัลชมเชยองค์กรโปร่งใส ๒๕๖๕  
 เกียรติยศแห่งคุณธรรม จริยธรรม และความซื่อตรง  
 มอบให้แก่  
 บริษัท อินโนเว รับเบอร์ (ประเทศไทย) จำกัด (มหาชน)



### 1.1.3 Awards and Successes



#### **December 2022**

Received Sustainability Disclosure Recognition 2022 from Thaipat Institute

#### **March 2023**

Received TDEM Supplier Awards Year 2022 from Toyota Daihatsu Engineering and Manufacturing (1. 2022 Local Overall Outstanding Performance 2. 2022 Local Cost Improvement 3. 2022 Local VA Performance and 4. 2022 Local CO<sub>2</sub> Reduction Early Achievement of 2025 Target)

Received “Golden Award in the category of Junior Manufacturing QCC Prize”

Received “Honorable Mention from 11<sup>th</sup> NACC Integrity Awards” from the office of National Anti-Corruption Commission

Received Safety Riding Award Year 2022 from Thai Honda

#### **August 2023**

The Company was 1 out of 5 companies that was selected to be “BCG Model Pilot Factory” from project of “BCG Economy driving by circular economy system in factory (under the economy driving project following the BCG policy for industrial sector to reduce CO<sub>2</sub>)”, organized by Department of Industrial Works, Ministry of Industry

#### **October 2023**

Received “Excellent Award” from QCC/KAIZEN presentation at INOAC QC-KAIZEN INTERNATIONAL CONVENTION organized by INOAC CORPORATION in Japan

Received “Gold Award” from QCC presentation at International Convention on Quality Control Circles (ICQCC) No.48 organized by China Association for Quality at Beijing, China

#### **November 2023**

Received CGR evaluation result at “5 Stars (95%)” from Corporate Governance survey of listed company project in 2023 by Thai Institute of Directors

Received SET ESG Ratings in 2023 at “A-Level (75 out of 100 scores)” from the Stock Exchange of Thailand





### **December 2021**

Sustainability Disclosure Recognition 2021

### **November 2021**

Received HRH Princess Maha Chakri Sirindhorn Thailand Corporate Excellence Awards 2021 organized by Thailand Management Association (TMA) in collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University

### **December 2021**

Received Honourable Mention from the 10<sup>th</sup> NACC Integrity Awards organized by the Office of National Anti-Corruption Commission

### **January 2022**

Received an Automation Award for production process development by using robot from INOAC CORPORATION

Received an IT Award for contesting of “Tire Component Stock Intelligence Program” from INOAC CORPORATION

### **February 2022**

Received “2021 BEST QUALITY AWARD” from Thai Yamaha Motor Co., Ltd.

### **September 2022**

Rangsit Factory received 3Rs Award from Department of Industrial Works

Received Zero Waste to Landfill Achievement Award from Department of Industrial Works

### **October 2022**

Wang Noi Factory was awarded as the Eco Factory where has Social Value Impact (Silver Award)

### **November 2022**

Received “ASEAN Regional Quality Award Finalist” from NISSAN MOTOR (THAILAND)

IRC was selected to be in THSI list (Thailand Sustainability Investment) for year 2022



### **September 2020**

Wang Noi factory has been certified as Green Industry Level 4: Green Culture

### **December 2020**

Received the Automation Award for production process development by using robot from INOAC CORPORATION

Rangsit factory has been certified as Green Industry Level 4: Green Culture

Received 3Rs+ Award in the aspect of Economic Returns at Gold Medal Level, at the Waste Utilization Development Project 2020

Received 3Rs Award, at the Waste Utilization Development Project 2020

Received the Sustainability Disclosure Acknowledgement Award 2020 in the category of Honorary Award (Sustainability Disclosure Recognition) organized by Thaipat Institute

### **January 2021**

Received Supplier Quality Excellence Award 2020 from General Motors (Thailand) Ltd. The award is given to the automotive part supplier that has outstanding performance exceeding GM standards, presenting the best technology and manufacture the highest quality parts in the automotive industry

### **June 2021**

Wang Noi factory has been certified the prevention and solving drug problems in the workplace standards from being able to prevent and solve drug problems in the workplace in accordance with the requirements set by Phra Nakhon Si Ayutthaya Province

### **November 2021**

Listed in Thailand Sustainability Investment (THSI) 2021 awarded by the Stock Exchange of Thailand. The Company is one of 146 listed companies with outstanding performance on Environmental, Social and Governance for 5 years consecutively

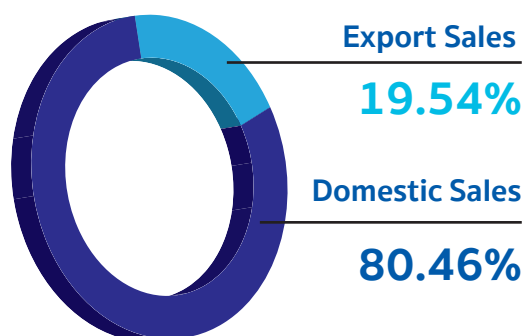
## 1.2 Nature of Business



### 1.2.1 Revenue Structure

The Company's business is classified into 2 business lines consisting of Industrial Elastomer Parts Business Line and Motorcycle Tires and Tubes Business. In 2023, (October 2022 – September 2023), the Company has had the proportion of domestic sales at 80.46%, and export at 19.54%. As the revenues have been generated from sales volume of motorcycles' tires and tubes, and automobiles and motorcycles' elastomer parts. Therefore, turnover of the Company mainly depends on total domestic production and distribution of automobiles and motorcycles.

#### Sales Proportion



The Company's revenue structure for the past 3 fiscal years consists of;

Business Unit/ Product	Ended on 30 September					
	2021		2022		2023	
	Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
<b>Industrial Elastomer Parts</b>						
Domestic Sales	2,892.81	54.63	3,260.43	55.43	3,027.67	55.91
Export Sales	34.08	0.64	35.40	0.60	39.25	0.72
<b>Total</b>	<b>2,962.89</b>	<b>55.27</b>	<b>3,295.83</b>	<b>56.04</b>	<b>3,066.92</b>	<b>56.63</b>
<b>Motorcycle Tires and Tubes</b>						
Domestic Sales	1,356.50	25.62	1,530.03	26.01	1,329.79	24.56
Export Sales	1,012.19	19.11	1,055.76	17.95	1,018.66	18.81
<b>Total</b>	<b>2,368.69</b>	<b>44.73</b>	<b>2,585.79</b>	<b>43.96</b>	<b>2,348.45</b>	<b>43.37</b>
<b>Grand Total (Million Baht)</b>	<b>5,295.58</b>	<b>100.00</b>	<b>5,881.62</b>	<b>100.00</b>	<b>5,415.37</b>	<b>100.00</b>

## 1.2.2 Products Information

### 1. Industrial Elastomer Parts

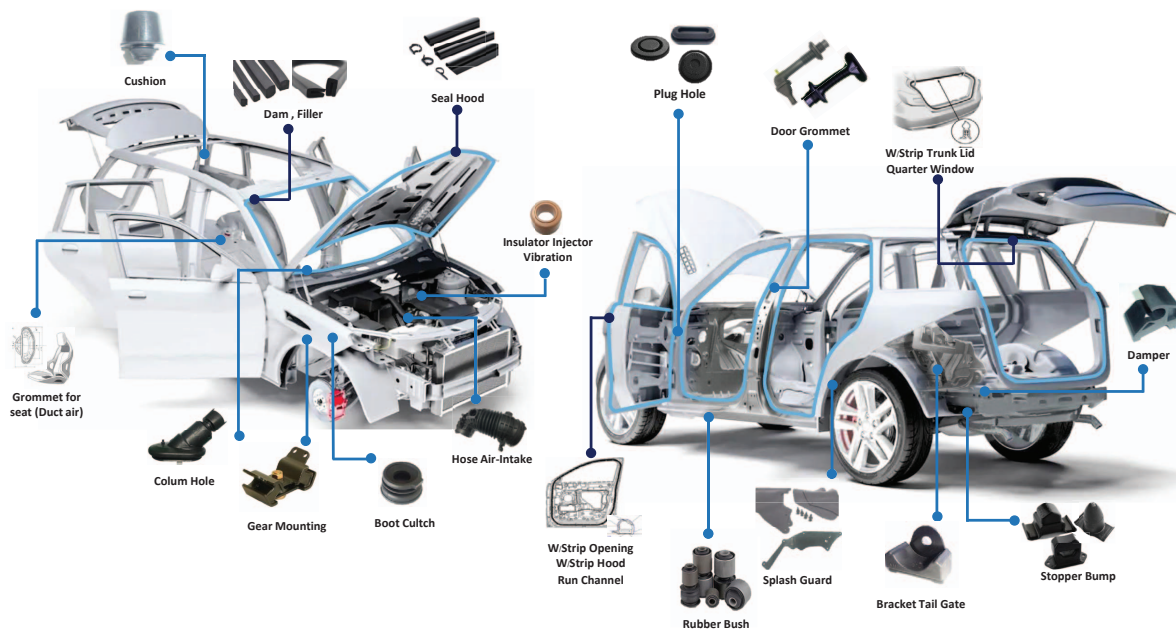
#### (1) Nature of Products or Services

The Company has manufactured and developed industrial elastomer parts based on customer demands under various specification and different application. Our industrial elastomer parts can be divided into 2 main categories namely;

#### Group I Elastomer Parts for Automotive Industry



#### Elastomer parts for cars



#### 1 Elastomer Parts in Engine Room

- Gauge Oil
- Air Intake Hose
- Cylinder Gasket

#### 2 Elastomer Parts in Powertrain System

- Column Hole
- Shift Lever Dust Cover

#### 3 Elastomer Parts for Shockproof

- Rubber Hood Seal
- Fuel Hose Seal
- Rubber Bumper
- Hanger
- Clamp Injection Pipe
- Bump Stopper
- Damper
- Oil Pump Cover

#### 4 Elastomer Parts for Interior and Rubber Seal

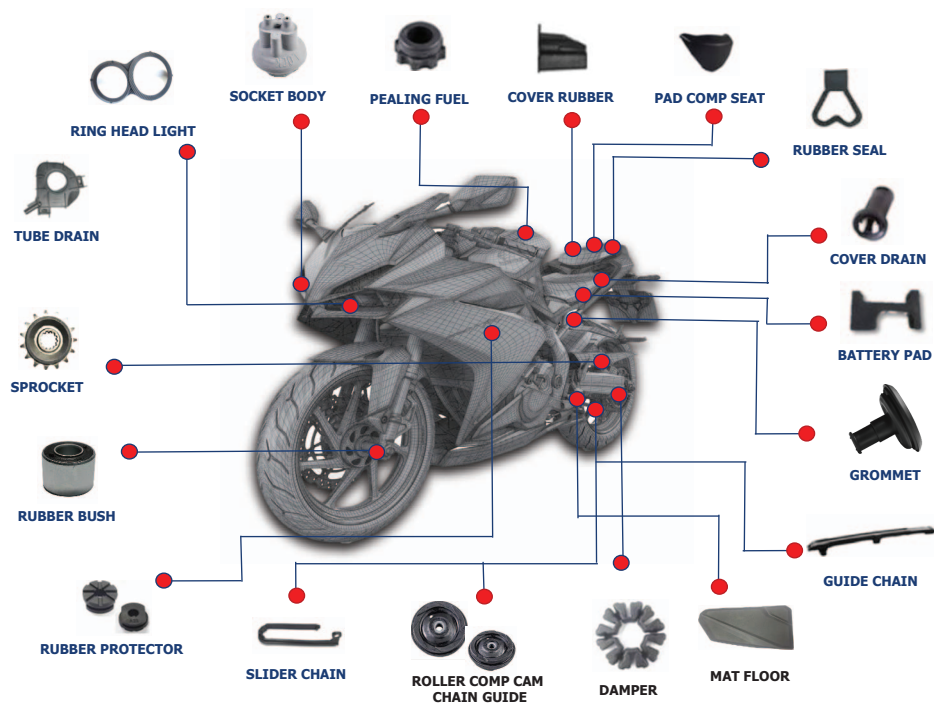
- Inner Weather Strip
- Socket Cover
- Dam
- Door Grommet
- Splash Shield
- Fuel Tank Shield
- Rubber Side Step
- Tube Protector
- Upper Rubber Molding
- Boot Clutch Release
- Fork Support
- Rubber Mat
- Rubber Seal

#### 5 Elastomer Parts for EV

- Motor Rubber Pad
- Battery Rubber Seal
- Charging Rubber Seal



#### Elastomer parts for motorcycles



#### 1 Elastomer Parts for Motorcycle's Body

- Peeling Fuel
- Battery Pad
- Cover Frame
- Rubber Strap Tools

#### 2 Elastomer Parts for Shockproof

- Chain Guide
- Slider Chain
- Roller Comp Cam Chain Guide
- Sprocket
- Oil Seals

3

### Elastomer Parts for Shockproof

- Rubber Bush
- Damper
- Rubber Protector

4

### Elastomer Parts for Interior and Rubber Seal

- Rubber Cover
- Grommet
- Rubber Seal
- O-ring
- Tube Drain
- Socket Body
- Headlight Ring
- Rubber Screw Pad

## Group II Elastomer Parts for Other Industries

The Company has undertaken R&D to support usage in other industries regarding to our customers' specification and using in various aspects such as rubber parts used in the infrastructure projects, agricultural, construction machineries, cooling machines, construction materials, sealing rubber container, sealing rubber valve for the Metropolitan Waterworks Authority, and others depending on customers' needs

### Elastomer parts for electrical appliances and air conditioners (Thermal System)



### Elastomer parts for agricultural machinery (Agro-based)

- Fuel Tube
- Bonnet
- Grommet

### Elastomer parts for Infrastructure system

House Wall Seal

- Setting Box
- Seal and Gasket

Expansion Joint

## Infrastructure

Dust Seal



Butterfly Valve



## Rail System

Maintenance Parts



Rail Pad

Rubber Baseplate Pad



## Vi-Pafe® Products



## Elastomer Parts for Road Safety



Traffic Pole from Natural Rubber

## (2) Market and Competition Conditions

### 1. Policy on Promoting Competition and Production Distribution

The main customers of Industrial Elastomer Parts consist of car and motorcycle manufacturers as well as other industries such as air-conditioners, agricultural machinery, construction industry and other aforesaid infrastructures. Our products are represented as original equipment manufacturers or OEMs thus our sales from this business line vary to the economic and industry situation as well as overall domestic consumption.

Based on our extensive research and development, our objective is to promote the use of raw materials within the county and expand marketing opportunities for various rubber products, such as sport fields, court fields, playgrounds, sidewalks, and others. We prioritize manufacturing high-quality products that meet acceptable standards and are safe for users. This means ensuring that there are no contaminated toxic substances that could pose health and safety risks for users. Our commitment to using registered products, which are a result of Thai innovation and the concept of recycling materials in conjunction with rubber, has led to a highly successful response and continuous high sales this year. In fact, our growth rate has been more than six times that of 2019. This not only supports rubber agriculturists and farmers, but also improves the quality of life and promotes good hygiene within the local community, leading to further sustainability. In the past year, we have also expanded our research to develop other products, such as traffic poles made from natural rubber and flexible delineator posts. These products have been registered as Thai innovations and have been sold and installed in more than five provinces.

Accordingly, the Company believes in the way of market expansion on the existing customers, and the continuous expansion of customer base in new potential markets based on our strength and innovation.

Main Groups of Customers





### 1. Original Equipment Manufacturer: OEM

For the automobile manufacturers, the Company supplies to Mitsubishi, Toyota, Isuzu, Honda, Nissan, Mazda, Suzuki, Ford, Hino, Great Wall Motor, Mine Mobility, whereas for the motorcycle manufacturers, the Company supplies to Honda, Suzuki, Kawasaki, Yamaha, and Ducati. IRC's Quality elastomer products are generally assembled in built-up cars and motorcycles, and are exported to many countries globally.

Additionally, IRC's quality elastomer products are also exported to be assembled in other countries as well as are supplied to manufacturers as spare parts for both domestic and international service centers with the guarantee depending on the customers' specification.

### 2. Sub-Automobile and Sub-Motorcycle

This group is the part-manufactures which supply for OEMs including the first-tier suppliers — which directly supply parts for automotive and motorcycle OEMs — and the second-tier suppliers— which are sub-contract to supply parts to the first-tier suppliers; for example, IRC supplies our quality elastomer products to first-tier automotive glass manufacture to be assembled before delivering to OEMs later on.

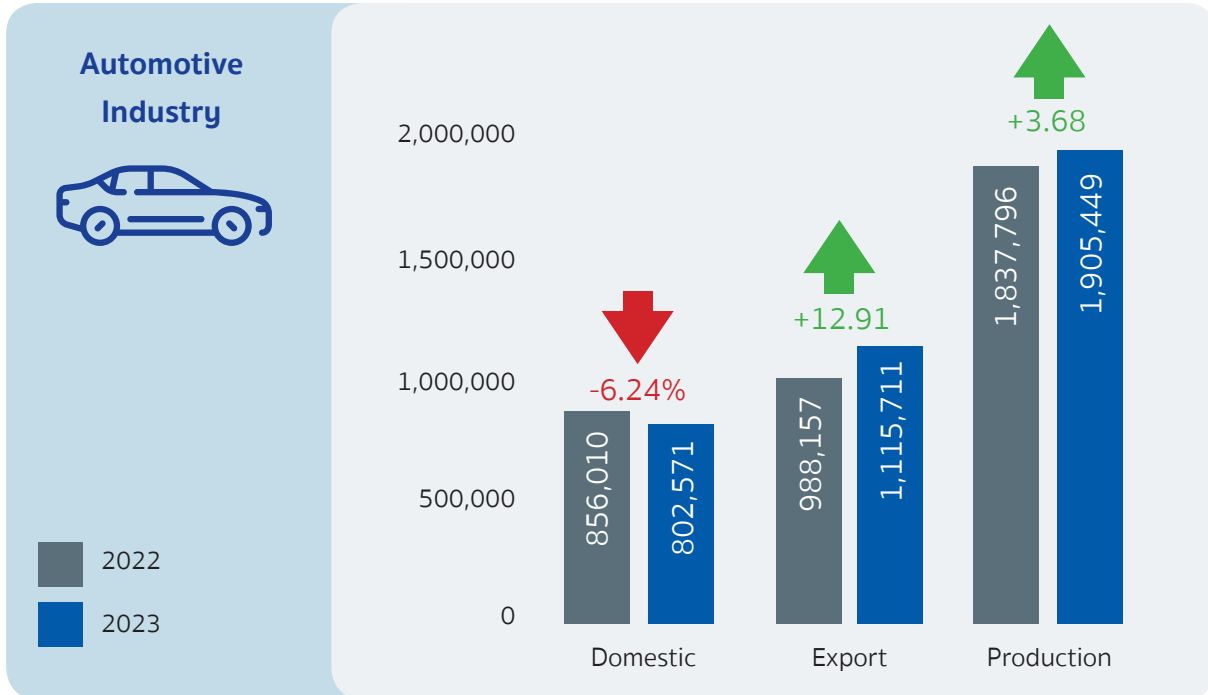
### 3. Others Industries

The group of customers are variety as product features such as

- Cooling machines, e.g. Mitsubishi Electric, Daikin Industries, and Toshiba Carrier etc.
- Agricultural machines, e.g. Kubota and Kobelco, etc.
- Vi-Pafe; e.g. Running tracks, Futsal field, floor paving and Rubber Chip.
- Other goods, e.g. SCI Corporation Co., Ltd. (a valve manufacturer supplies to the Metropolitan Waterworks Authority), Hitachi (a water pump and washing machine manufacturer), and Panasonic (a speaker manufacturer), etc.
- Rail System e.g. BTS and PANDROL
- Road Safety
- Infrastructure

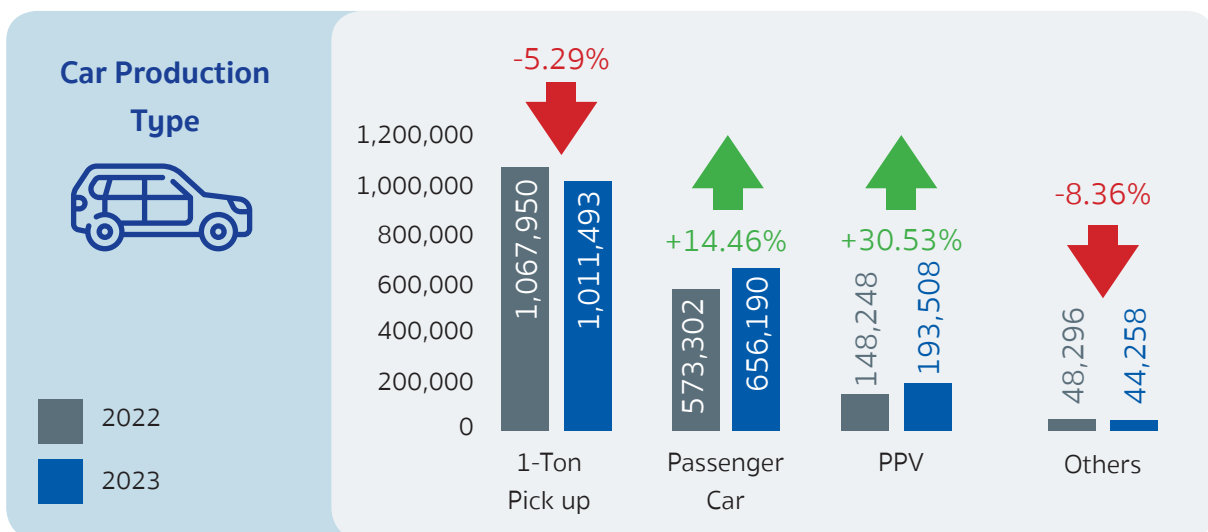
## 2. Market Conditions

### Overview of the Automobile Industry in 2021

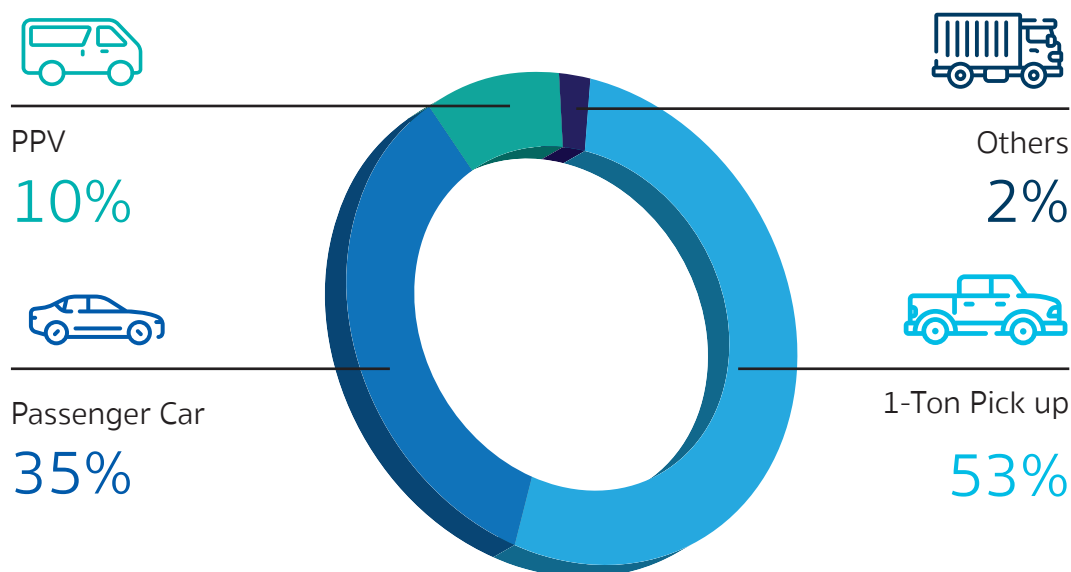


The global economy continues to recover from the effects of the COVID-19 outbreak in 2020, various economic activities have continued and are factors that helps drive the economy forward. Even though the world currently is facing the impact of geopolitical problems such as the conflict situation between Russia and Ukraine or Israel and Hamas caused energy prices to rise that affected to the inflation and made the purchasing power of users has decreased. On the other hand, the supply chain of semiconductor shortages has improved significantly which help Thailand total automotive production for fiscal year 2023 was 1.91 million unit increased from previous year 3.68%

Total domestic car sales was 0.80 million unit decreased 6.24% from previous year and total export car was 0.1.12 million unit increased 12.91% The main market group includes Asia, Oceania, Middle East, Europe and North America.



## Ratio of Car Production per type in Fiscal Year 2023



Considering the types of vehicle, the production ratio in the 2023 Fiscal Year can be described as follows:

- 1-Ton Pickup: Its production ratio is 53% of total car production in Thailand, decreased 6.27%.
- Passenger Car: Its production ratio is 35% of total car production in Thailand, increased 18.12% from the previous year.
- Pick-Up Passenger Vehicle or PPV: Its production ratio is 10% of total car production in Thailand, an increase of 20.83% from the previous year.
- Others (Van, Bus and Truck) for Commerce: Its production ratio is 2% of total car production in Thailand, an increase of 8.36% from the previous year.

### 3. Competition

The size of industrial rubber parts product market in Thailand has been large, resulting in rather intense competition, availability of several players, and ability to manufacture products for various industries. This has caused this market interesting. However, the Company is experienced in manufacturing the industrial tire products for long time, and has the standard and modern manufacturing process, and reliable technologies, resulting in ability to consistently share the top market share.

In 2023 (October 2022 – September 2023), the company was standing in top 5 market share of industrial rubber parts products for automobiles, obtaining the fourth order or 12.80% for OEM market, whereas there were complete distribution channels from sales to the Manufacturer or Original Equipment Market (OEM) Market, and the Continuous Industrial Customer Group of Sub-Automobile and Sub-Motorcycle Manufacturers. In 2023, revenues have been at 34.22% from the OEM market.

If classifying by type of product, it indicated that in 2023, revenue from distribution of industrial products amounted to Baht 3,066.88 million, being classified by sales via OEM 4W+ Market at 27.48%, OEM 2W Market at 6.74%, and other industrial markets, such as refrigerator, and agricultural mechanical machines at 22.42% of total sales volume of the Company. However, the OEM market of the Company includes the group of automobile assembly plant customers, such as Mitsubishi, Toyota, Isuzu, Honda, Nissan, Mazda, Suzuki, Ford, Great Wall Motor, and Mine Mobility and motorcycle assembly plant customers, such as Honda, Suzuki, Kawasaki, Yamaha, and Ducati, etc.

## **2. Motorcycle Tires and Tubes**

### **(1) Nature of Products or Services**

IRC offers variety of motorcycle tires and tubes products which are different in each type and usage, for instance, tires used for running on normal roads, tires used for obstacle race, tire for scooter, and tires for heavy usage. In part of products, the research and development is conducted to fulfill the demand of motorcycle manufacturers, and the group of customers who sell spare parts to the general motorcycle users, and home users both in domestic and foreign markets. The safety is a part of issues emphasized by us at a topmost level, and is a condition leading to all designs and developments of tires.

### **(2) Market and Competition Conditions**

IRC is the leader in the motorcycle tire and tube markets in Thailand which has been relied and utilized in the quality of the product manufacturing and supply potential by motorcycle manufacturers in Thailand such as Honda, Yamaha, Suzuki, Kawasaki, etc.

With the distinctive points in quality, manufacturing potential, and delivery, together with the after service, these bring about our success in achieving the number one market share in Original Equipment Manufacturer (OEM) market continuously. Additionally, the Company has strong commitments towards research and development of product and production process to continuously supply customers with accepted-quality products and deliver new innovation to meet the diverse customer demands and lifestyles whether in terms of pattern, size, specification and performance. Currently, the Company is able to manufacture tire and tube products for multi-purposes over than 600 models such as on-road tires, mini-cross tire, off-road tires, scooter tires, heavy-duty tires, snow tires, energy-saving tires, and tires for electric vehicle motorcycle, etc.

In 2023, IRC has launched many new motorcycle tire models, for example, Off-Road and On/Off-Road Tires such as IRC VX-40 and GP-610 which have over 14 sizes for selection, additional models for SCT-001 for Scooter Tires as well as GS-23 for Cruiser Tires which is tubeless tire for domestic and export markets.

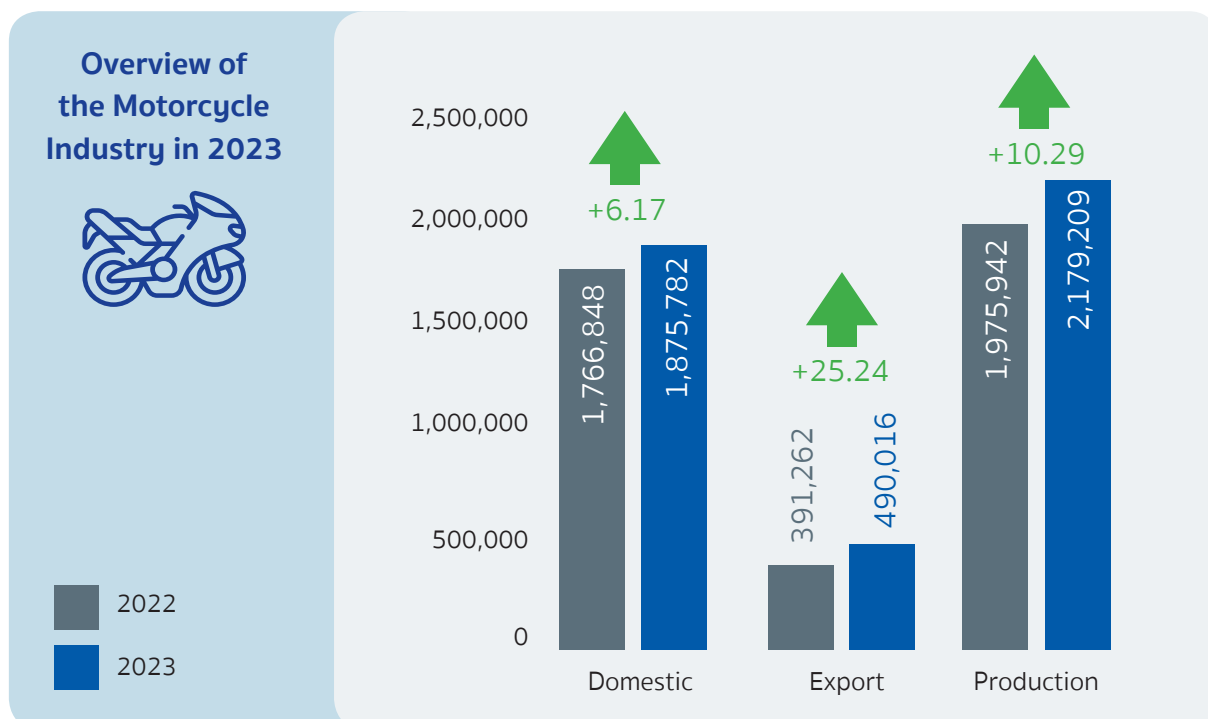
## 1. Policy on Promoting Competition and Production Distribution

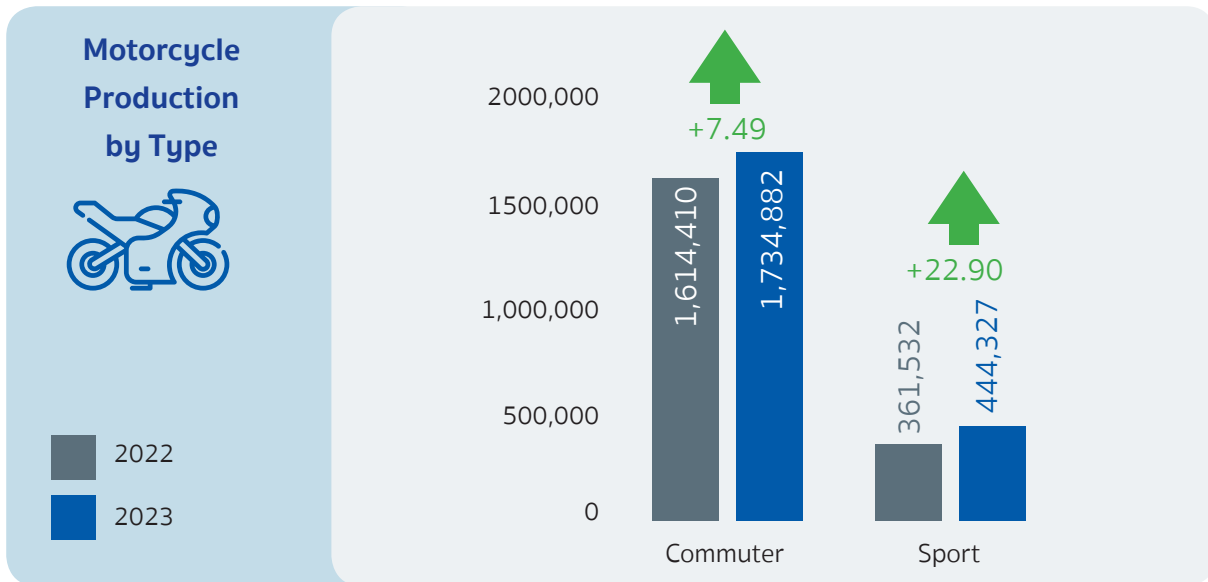
### Main Groups of Customers

Main groups of motorcycle tire and tube customers are separated by domestic and export distribution namely;



## 2. Market Conditions





For an overview of Thai motorcycle market in the accounting year of 2023, total production was 2.18 million automobiles, being classified into 1.74 million unit for family motorcycles, and 0.44 million unit for sport motorcycles. The overview was expanded by 10.29% from previous year. The family motorcycle group was expanded by 7.46% as well as sport motorcycle group 22.90 from previous year.

### 3. Competition

IRC is the first Thailand manufacturer of motorcycle tire-tube products under “IRC” brand. There are the complete distribution channels from sales to the Manufacturer or Original Equipment Market (OEM), and sales of spare parts to Replacement (REP) Market and Export Market.

In 2023, the revenue distribution of motorcycle tires-tubes amounted to Baht 2,348.44 million being classified into sales via OEM Market by 26.11%, REP Market by 29.07%, and Export Market by 44.82% of total sales volume of the Company.

#### 1.2.3 Research and Development, and Innovation

IRC (Asia) Research Limited (IAR) under the support of the Board of Investment of Thailand has taken the modern machines, equipment and software for participating in the research development with Thai and Japanese specialists.

In addition, the readiness in product development in collaboration with the customers has been a key factor in fulfilling the customer demand in order to bring about the product development and innovation that truly fulfills the demand. Moreover, there have been the research projects in collaboration with the government agencies, leading to the research results which are consistent with the government sector’s requirements. Thus, IAR is one of the drivers of product and service development for increasing the sustainable competitiveness.

The Company has conducted research and development both in terms of product innovation and production process innovation in order to fulfill the customer demand, and to be ready for supporting the changes upon change into the use of EV motor vehicles, whereas the products in other industrial groups have been developed in replacement of the missing sales volume of rubber products in spare parts of combustion engine automobiles.



### (1) Product Innovation and Development

The research and development is considered as one of IRC's strengths. We do not aim at the production growth of good and high quality products into the market only. However, we remain determining towards the new product creativities and innovations to fulfill the customer demand along with developing the production process towards smart factory in order to control the product quality to be reliable, trustworthy, and build maximum satisfaction to both domestic and foreign customers by adhering to work rules, business ethics and code of conduct of the staff by realizing on the significance of formula/product process development, as well as storage and protection of the Company's confidential information, for instance, copyright, patent, research information, market information and customer information, whereas the Company has cultivated and built an awareness on the said matters to the staff at all levels in order to lead to the sustainable growth and create a positive impact to be arisen in the long term.

From 2020, IAR, Wang Noi Plant, has been accredited for testing laboratory capability according to TIS 17025-2561 Standards (ISO/IEC 17025:2017): General Requirements of Testing Laboratory and Calibration Capability.

### Innovative Products and Product Development

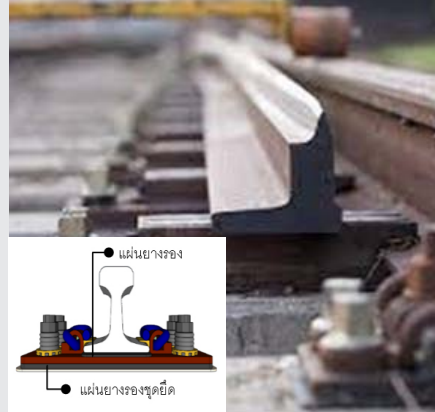
#### Plant oil

The oil extracted from plants is a natural raw material that is environmentally friendly and suitable for use in the production of synthetic rubber. Oil plants have properties that allow them to blend well with rubber and various chemical substances, making them a suitable additive. This reduces the viscosity of the rubber compound, making it easier to flow during the manufacturing process and also allows for adjustments to the mechanical properties of the rubber. Therefore, using oil plants as an alternative to petroleum oil in rubber mixing is a viable option. Additionally, oil plants can also be used in the production of railway rubber pads.



### Railway rubber pads

In the previous year, IRC gained trust from the jargon manufacturer which meets with international standards to be a researcher and develop of compound rubber formula from natural rubber for manufacturing jargon rubber pads to support the expansion as per Thailand's basic infrastructure development plan related to railway transportation, including bringing the sustainability. This opens up opportunities for Thailand's train industry to grow



### Rubber floors made from renewable materials

Our company is dedicated to the ongoing improvement of rubber flooring granules and synthetic flooring products. We strive to enhance the quality of our products to provide a wider range of benefits. We follow the principles of the BCG principles and utilize Thai rubbers as well as materials derived from waste generated during the production process. These renewable materials are incorporated into the production of rubber granules and used in the construction of sports fields and multi-purpose areas. This approach allows us to effectively utilize resources, minimize industrial waste disposal, and reduce environmental pollution by following to the principles of 3R: Reduce, Reuse, and Recycle. This also decreases the reliance on imported chemicals by ensuring that the floor meets quality standards. Additionally, it is highly adaptable and can be utilized in landscape enhancement projects in different public parks, providing safety for users and enhancing the aesthetic appeal of the area.





## (2) Innovation in Production Technology

The automotive market is experiencing heightened competition, which is accompanied by an increase in the cost of raw materials. Over the past year, IRC has prioritized the development of adjustments in multiple areas to ensure sustainable business growth. This includes a strong commitment to creativity and innovation in both product development and manufacturing processes. This article will examine the manufacturing process with the goal of achieving increased output while utilizing minimal resources and adhering to the principles of the 4R policy. This is an automated system designed for use in different stages of production, verification, and transportation. It incorporates the concept of “Lean Automation” to ensure that the product quality meets customer requirements at a competitive price, thereby establishing trust. The objective is to ensure highest customer satisfaction both domestically and internationally. In addition, IRC actively contributed to enhancing the production process by engaging in QC Circle activities both domestically and internationally. They also participated in Kaisen Activities, Total Production System Activities, and the latest initiative, Machine Competitiveness Enhancement (MCE), in collaboration with the Toyota collaboration club. Furthermore, IRC developed an automatic Mobile Robot or AMR for internal use within the factory.

In 2019, the Company has begun to use the Smart factory system in production, making it possible to use Big Data for further development in 2020 by generating data to support AI systems that will be used for production controls, such as blowing tires or using robots to transport work pieces in the manufacturing process (Mobile Robot), etc.



## Performance

IRC provided and supported the employees by allowing them to enhance their ability to create and improve in all dimensions of production process in order to have competitiveness of the company such as create annually the contest, for example, Quality Control Circle as well as KAIZEN.

Tools / Projects	Details	Employee Group
Quality Control Circle: QCC	Project for work-related improvement, encouraging the employee to demonstrate their performance, improve their proficiency, and learn through each other, creating self-esteem, teamwork, and good corporate culture in every employee of every level, for the best interest of the organization in terms of satisfying customer needs, cost reduction, and further performance efficiency enhancement	Whole Organization
Kaizen	The improvement of working process for cost reduction, efficiency enhancement, simple improvement of working environment of each individual	Whole Organization
Product Innovation	To develop product innovation in order to expand market as well as research and develop material by applying BCG model to be a part of environmental friendly as well as reduce the greenhouse gas emissions.	Engineering and Research and Development Department

In 2023, IRC has developed products and projects for the installation of in-line automation as well as a trial installation of Big Data and Smart Factory programs to analyze the overall performance of the machine, to improve production efficiency and product quality, and to reduce the waste from production process.



## The innovation of production technology results from 2020-2022

Projects Name	Total Projects				Productivity Up (Baht)			
	2020	2021	2022	2023	2020	2021	2022	2023
Quality Control Circle: QCC	137	135	151	127	7.85	4.77	7.47	11.31
Kaizen	950	685	775	854	13.91	16.33	6.54	12.47
Automation Projects	31	47	23	29	21.85	44.07	30.60	6.87

## Awards and Achievement in Production Technology



Received “Excellent Award” from QCC/KAIZEN presentation at INOAC QC-KAIZEN INTERNATIONAL CONVENTION organized by INOAC CORPORATION in Japan



The Company was 1 out of 5 companies that was selected to be “BCG Model Pilot Factory” from project of “BCG Economy driving by circular economy system in factory (under the economy driving project following the BCG policy for industrial sector to reduce CO2)”, organized by Department of Industrial Works, Ministry of Industry.



Received “Gold Award” from QCC presentation at International Convention on Quality Control Circles (ICQCC) No.48 organized by China Association for Quality at Beijing, China



Received “Golden Award in the category of Junior Manufacturing QCC Prize

## Enhancing the Production Process

The implementation of the OFS program is to conduct real-time monitoring of the production process and assess the performance of the OEE production process, in order to use the acquired data to make improvements to the process, reduce waste and apply the information to increase productivity.

The introduction of automation to the production process aims to mitigate fatigue and human error, increase confidence in the quality of various processes, as well as increasing productivity, such as

- The raw material automatic weighing machine, for the rubber compound mixing process, such as chemicals, oil, and other substances.
- The automatic mobile robot (AMR), to deliver raw materials to the front of the rubber mixer.
- The use of a barcode system to confirm the accuracy of the use of raw materials before mixing the rubber compound.
- The automatic blender machine, which mixes the rubber compound without the need for any manual assistance.
- The automatic tape attachment and automatic inspection machine.
- The all-in-one automatic inspection by camera and packing machine.
- Utilizing the AMR to deliver the finished product from the inspection department to the warehouse.
- Improving the production process to reduce energy consumption and greenhouse gas (GHG) emissions, such as modifying the production's heat energy source from the use of steam generated from a boiler that fuel oil to using heat electricity-generated heat, or insulating machines that use heat in its production process.
- Reducing the amount of hazardous waste that must be sent for disposals, such as used lubricant or hydraulic oils, from preventive maintenance oil changes to the application of an oil quality analyzer that analyzes oil quality and provide supporting information prior to a decision to make oil changes.
- Extending the life of lubricant and hydraulic oil changes with the introduction of a small particle oil filter to improve the oil's properties and extend the oil change period by not less than 25% of the normal service life without affecting the machinery's operations.
- The implementation of the online and offline system's machinery predictive maintenance for monitoring and validating the condition of machinery that are crucial for the production process and preventing sudden damages (Breakdown Maintenance).
- The implementation of control programs and a document distribution system (the Papyrus Paperless System) in quality document work to reduce the use of paper.

## 1.2.4 Investment Privilege

The Company and its subsidiaries have been granted for taxation privilege according to the Investment Promotion ACT B.E. 2520 (1977) by the approval of the Board of Investment under the prescribed conditions. The essence of the taxation privilege is as follows.

Details	Inoue Rubber (Thailand) PCL.		Kin No Hoshi Engineering Co., LTD.
1. BOI Certificated No.	64-0736-1-07-1-0		63-0570-1-00-1-0
Dated	17 March 2021	17 March 2021	15 April 2020
2. Policies for Investment Promotion	Motorcycles Tires and Tubes Manufacturing	Elastomer parts for Vehicles and Compounded Rubber	Metal Molds Manufacturing and maintenance
3. Privileges			
3.1 Being exempt of corporate income tax for net profit generated from operating the promoted and exempt business without requiring to include dividend from the promoted business which is exempt of corporate income tax to calculate for tax payment	3 Years	3 Years	5 Years
3.2 Being permitted for deducting loss for the year arisen during being exempt of income tax from net profit arisen after the exemption period of corporate income tax for 5 years period from the expiry date pursuant to Clause 3.1	Being permitted	Being permitted	Being permitted
3.3 Being exempt of reduction in important tax for machines as considered by the Board for approval	Being exempted	Being exempted	Being exempt

Details	Inoue Rubber (Thailand) PCL.		Kin No Hoshi Engineering Co., LTD.
3.4 Being exempt of import duty for raw materials and essential materials required for importing from foreign countries to be used in manufacturing for exporting from the first importing date	Not being exempt	Being exempt	Not being exempt
3.5 Being reduced of corporate income tax for net profit generated from operating the promoted business in the rate of 50% of normal rate for 5 years period from the expiry date pursuant to Clause 3.1	Not being reduced	Not being reduced	Not being reduced
4. Effective Date for Exercising the Right under BOI Certificate	24 July 2021	24 July 2021	3 May 2021

### 1.2.5 Policy of Investment in the Subsidiaries and Associated Company

The Company establishes the policy of investment in its subsidiaries for operating the business to support the Company's business lines, and enhance the competitiveness, facilitate the easiness in management line with investment value in both subsidiaries as at 30 September 2023 at 20.05 million Baht and associate company at 82.74 Million Baht (the detail as per Note to Financial Statements 11.2 and 13)

For the policy of managing the subsidiaries and the associated company, the Company has appointed the executives to hold the director and executive office in the subsidiaries and the associated company in order to closely participate in management and formulation of significant policies.

### 1.2.6 Supply of Products

#### (1) Total Production Capacity

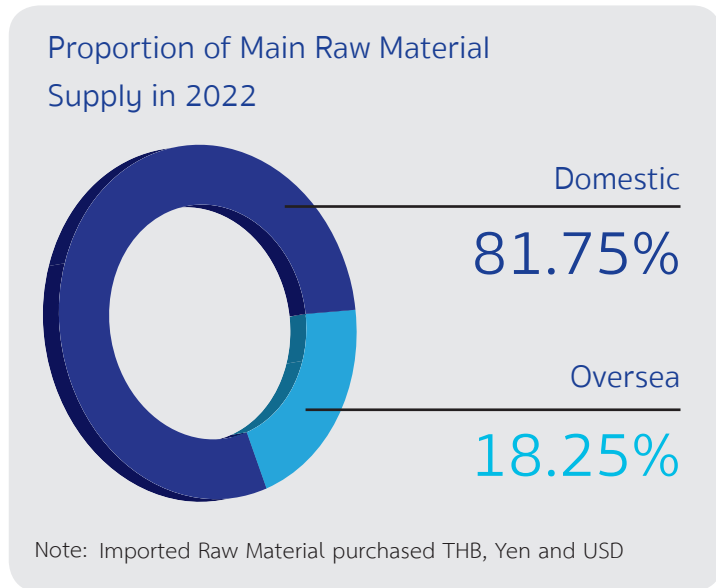
The production capacity is classified by production line of the following products

	Production Capacity/Year	
	2022	2023
Industrial Elastomer Parts	329 Million Units	329 Million Units
Motorcycle Tires and Tubes	19 Million Units	19 Million Units

## (2) Supply of Raw Materials and Products used in Manufacturing

In supplying raw materials for using in manufacturing, the Company formulates the policy by mainly taking into account from quality, price, delivery ability, and source of production through inspection of property and test from standard laboratories. However, the ordering is carried out according to the general properties of the manufacturers and properties prescribed by the automobile manufacturing company's customers. Moreover, there have still been the policy of seeking for the source of production of alternative and various raw materials, ability to use in replacement, and fulfilling the future customer demand, and cost to ensure the competitiveness in the market in order to enhance the market competitiveness in all dimensions.

The main raw materials used in manufacturing include natural rubber, synthetic rubber, carbon black, steel parts, canvas, valve, wire, and other chemical which are the manufacturing mixtures in the supply proportion of main raw materials within the country and foreign countries as follows



## (3) Environmental Impact from Manufacturing Process and Disposal of Abundant Raw Materials

- None -

## (4) Environmental Disputes or Litigations

- None -

## (5) Undelivered Works

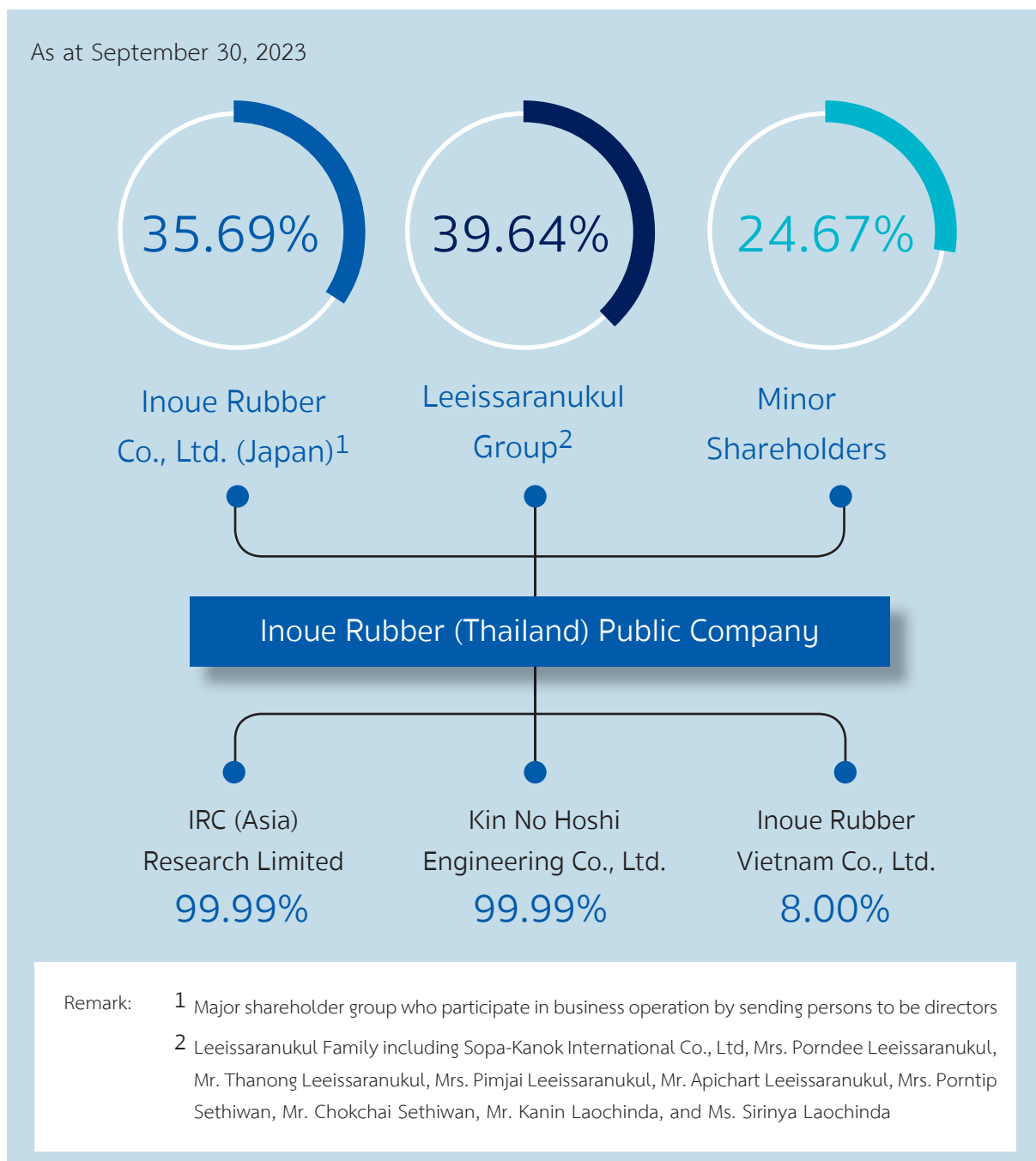
- None -



## 1.3 Shareholding Structure of the Company

### 1.3.1 Shareholding Structure of the Company

The Company has commenced its business operations in motorcycle tires-tubes manufacturer throughout the joint-venture of the group of Leeissaranukul Family and Inoue Rubber (Japan) Co., Ltd. which both are the current major shareholders since 1969, and continuously expanding its business. Currently, the Company has been operating its business in 2 business units which are 1) Motorcycle Tires and Tubes Business and 2) Industrial Elastomer Parts Business under the following shareholding structure.



# General Information and Other Important Information



## Company Name

Inoue Rubber (Thailand) Public Company Limited

## Abbreviation

IRC

## Company Registration Number

0107536001737



## Type of Business

Manufacturer of Industrial Elastomer Part and Motorcycle Tires and Tubes



## Registered Capital/ Paid-Up Capital

192,207,700 Baht (fully paid-up)

## Number of Share

192,207,700

Ordinary Shares

## Par Value

1 Baht



## Site (Head Office)

258 Soi Rangsit – Nakornnayok 49, Prachatipat, Thanyaburi,  
Pathum Thani 12130



## Tel

02-996-0890



## Fax

02-996-1439



## Website

[www.ircthailand.com](http://www.ircthailand.com)



## Company that IRC held more than 10% share

1

### IRC (Asia) Research Limited



258 Soi Rangsit – Nakornnayok 49, Prachatipat,  
Thanyaburi, Pathum Thani 12130



**Tel:**

02-996-0890



**Fax:**

02-996-1439



#### Type of Business:

Conducts mainly researches and development for the Company's raw materials and products



#### Registered Capital

30 million Baht,  
paid-up capital 10.05  
million Baht

#### Share Portion

99.99%

2

### Kin No Hoshi Engineering Co., Ltd.



157 Moo 5, Phaholyothin Rd., Lamsai, Wang Noi,  
Ayutthaya 13170



**Tel:**

(66) 35 272 206-7



**Fax:**

(66) 35 214 896



#### Type of Business:

Manufactures metal molds for motorcycle and automotive elastomer parts. Currently, mainly manufactures various types of mold for the Company.



#### Registered Capital

10 million Baht, paid-up  
capital 10 million Baht

#### Share Portion

99.99%

### 1.3.2 Parties with Conflict of Interest

- None -

### 1.3.3 Relations with Major Shareholders

The groups of the Company's major shareholders are the group of Leeissaranukul Family and Inoue Rubber (Japan) Co., Ltd. whereas both groups had jointly established Inoue Rubber (Thailand) Co., Ltd. in 1969. Inoue Rubber (Japan) Co., Ltd. is the supporter of the manufacturing technology and distribution. The joint venture and operating collaboration agreement has been made. The Board of Directors and the management team are the group of persons who have the appropriate knowledge, competence, and experience for the organizational management and mission to fulfill the market demand and the national level demand.

In 1993, the Company registered to transform as a Juristic Person according to the public law, and listed in the Stock Exchange of Thailand. The composition of the Board of Directors has been adjusted into more balance in business operations, consisting of directors, independent directors, and members of the Audit Committee.

The Company is managed by the joint-management system of the experts both from Thailand and Japan, together with a clear norm of the operating power manual by mainly adhering to the Corporate Governance Code, Business Ethics, and Code of Conduct with all stakeholders.

However, the information of all types of connected transactions, values, conditions and rules has been disclosed in Topic: Internal and Connected Transactions.

### 1.3.4 Shareholders

#### Major Shareholders

List of the top 10 shareholders as at closing date on June 7, 2023

Shareholders		Number of Shares	Shareholding Percentage
1.	Inoue Rubber (Japan) Co., Ltd.*	68,600,000	35.69
2.	Sopa-Kanok International Co., Ltd.**	50,666,000	26.36
3.	Dr. Vicharat Chawa-amphorn	7,888,888	4.10
4.	Mrs. Pimjai Leeissaranukul**	5,568,575	2.90
5.	Mrs. Porntip Sethiwan**	4,884,875	2.54
6.	Mr. Apichart Leeissaranukul*	4,697,700	2.44
7.	Mr. Thanong Leeissaranukul**	4,370,500	2.27
8.	Mrs. Porndee Leeissaranukul**	3,200,000	1.66
9.	Mr. Viriya Trangadisaikul	3,091,200	1.55
10.	Mr. Niti Osathanugrah	2,838,000	1.48

Remark: \* and \*\* are the major shareholders that participate in formulating the Company's management via Directors nominated to IRC's Board of Directors

\*\* Leeissaranukul family Shareholding

Name		Position	Number of Shares		Trading during Fiscal Year 2023	Proportion (%)
			30 SEP 2022	30 SEP 2023		
Mrs. Pimjai	Leeissaranukul / <sup>1</sup>	Chairman / Executive Chairman / Executive Director	5,568,575	5,568,575	-	2.90
Spouse and minor children						
Mr. Shigeki	Yamada	President / Executive Director	-	-	-	-
Spouse and minor children						
Mr. Soichi	Inoue / <sup>2</sup>	Director	-	-	-	-
Spouse and minor children						
Mr. Thanong	Leeissaranukul/ <sup>1</sup>	Director	4,370,500	4,370,500	-	2.27
Spouse and minor children						
Mr. Apichart	Leeissaranukul / <sup>1</sup>	Director	4,697,700	4,697,700	-	2.44
Spouse and minor children						
Mrs. Porntip	Sethiwan / <sup>1</sup>	Director	4,884,875	4,884,875	-	2.54
Spouse and minor children						
Mr. Kazuo	Sato	Director	-	-	-	-
Spouse and minor children						
Mrs. Anchalee	Chavanich	Independent Director	-	-	-	-
Spouse and minor children						
Assoc.Prof. Jaruporn	Viyant	Independent Director	-	-	-	-
Spouse and minor children						
Mr. Kittichai	Raktakanit	Independent Director	-	-	-	-
Spouse and minor children						
Mr. Surong	Bulakul	Independent Director	-	-	-	-
Spouse and minor children						
Mr. Takeshi	Arakawa	Managing Director	-	-	-	-
Spouse and minor children						
Mrs. Witchuda	Kupongsak	กรรมการบริหารฝ่ายบริหารและควบคุม	-	-	-	-
Spouse and minor children						
Mr. Narongchai	Rattanaekawin	Executive Director of Administrative and Control Unit	10,000	10,000	-	0.005
Spouse and minor children						
Mr. Suchart	Kootiratrakarn	Deputy Executive Director of Tire & Tube Business Unit	1,000	1,000	-	0.0005
Spouse and minor children						
Mr. Akira	Tokoro	Executive Director of Motorcycle Tire and Tube Business Unit	-	-	-	-
Spouse and minor children						
Ms. Praewphan	Songhong	Finance Division Manager	-	-	-	-
Spouse and minor children						

Remark: /<sup>1</sup> Major shareholder: Leeissaranukul family,

/<sup>2</sup> Major shareholder: Inoue Rubber (Japan)

## 1.4 Registered and Paid-up Capital

In May 2023, The Company reduced its registered capital from 200,000,000 Baht to 192,207,700 Baht, being classified into 192,207,700 ordinary shares at par value of 1 Baht/share, whereas the shareholders have the voting right of 1 share per 1 vote.

## 1.5 Issuance of Other Securities

- None -

## 1.6 Dividend Policy

### • Dividend Policy of the Company

The Company's dividend payment policy is not paying more than 65 percent of net profit of consolidated financial statements after deducting corporate income tax and legal reserve by considering the fiscal year performance.

### • Dividend Policy of the Subsidiaries

The subsidiaries dividend payment policy will be considered depending on each subsidiary performance.

### • IRC Dividend Payment in the past 3 years

Year	2021	2022	2023*
Earnings per share (THB/share)	1.77	0.57	0.83
Dividend per share (THB/share)	0.8845	0.2910	0.4178
• BOI	0	0.2496	0.4178
• NON-BOI	0.8845	0.0414	0
Dividend payout ratio (%)	50.00	50.00	50.00

\*In case getting approval by 2024 AGM

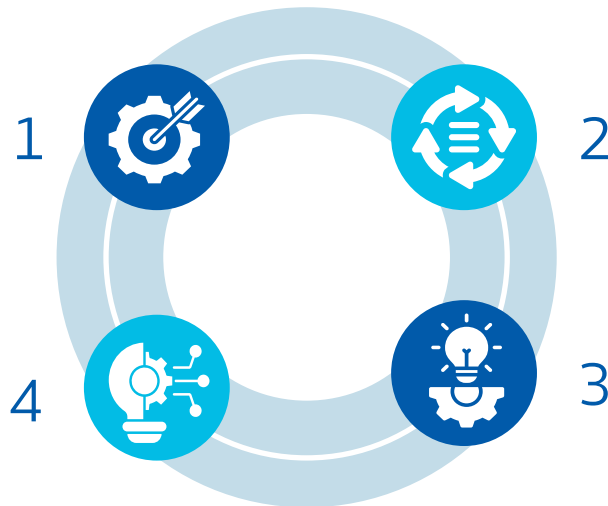
## 2. Risk Management

### 2.1 Risk Management Policy and Plans

#### 2.1.1 Risk Management Policy

“The Company determines and realizes risk management as a part of good corporate governance in driving the organization growth stably regarding the impacts on the Company’s objective, goal, reputation, and image. Thus, the enterprise risk management standard is established and communicated throughout all business units for inculcating the understanding of framework, procedure, and plan of risk management at an appetite level. This can be ensured that each business unit shall assess, control, monitor and report risk at the same standard level regularly

Therefore, the Risk Management Committee has established the policy framework, procedure and plan of risk management by emphasizing on;



1 The maximum efficiency of risk management at the minimum or appetite level;



3 Encouraging employees at all level to acknowledge and prevent the risk that might occur;



2 Continuously monitoring, reviewing, examining and assessing current and upcoming risks in accordance with changing circumstances both from internal and external factors by establishing risk assessment criteria and managing risk assessments to cover business operations;



4 Encouraging risk management and innovation as the Company’s culture and driving to value enhancement of the Company”

## 2.1.2 Risk Management Culture and Tools

Nowadays, global economics and situations changes and moves forward abruptly, leading to a continued growth of business challenges. The Board of Directors saw that the Risk Management is a key process for business operation and to lead the business to achieve sustainable growth, in line with the Code of Good Corporate Governance FY2017. Thus, appointed the Risk Management Committee to manage the Company's risk with systematic, follow the law, good practice, and global standard which are Committee of Sponsoring Organizations of the Treadway Commission (COSO ERM) along with ISO 14001:2015 and ISO 9001:2015. Specifically focus in these 4 risk factors; Strategy, Operational, Financial, and Compliance, under the Risk Appetite, and including the risk control of the Company and its subsidiaries, leading to strategic and business plans that aligned with the Company's mission and vision both for the short-term and long term.

To push the Company to make a better achievement of its objective and target, the Risk Management Committee has defined the roles and responsibilities of the Risk Management Committee, by emphasizing about the role that the risk owner must know and understand the risk of his/ her responsible job, together with promoting the contest and competition about innovation and management for internal organization, for every level of employee to recognize and participate in risk management, leading to a Systematic Report and maximize efficiency.

Moreover, the Risk Management Committee has revised the Key Risk Indicators (KRIs), which cover the Company's major businesses; Motorcycle Tires and Tubes Business Unit and Industrial Elastomer Parts (IED) Business Unit, for Key Risks evaluation and created and reviewed the Business Continuity Plan (BCP) as a preparation in case of emergency, in order to prevent the damage to business operation or the Company's stakeholders. Also, follow-up the performance of the

## 2.2 Risk Factors for the Company's Business Operations

Overview of key risk factors affecting the Company's operations are as follows;

### 2.2.1 Strategy Risk

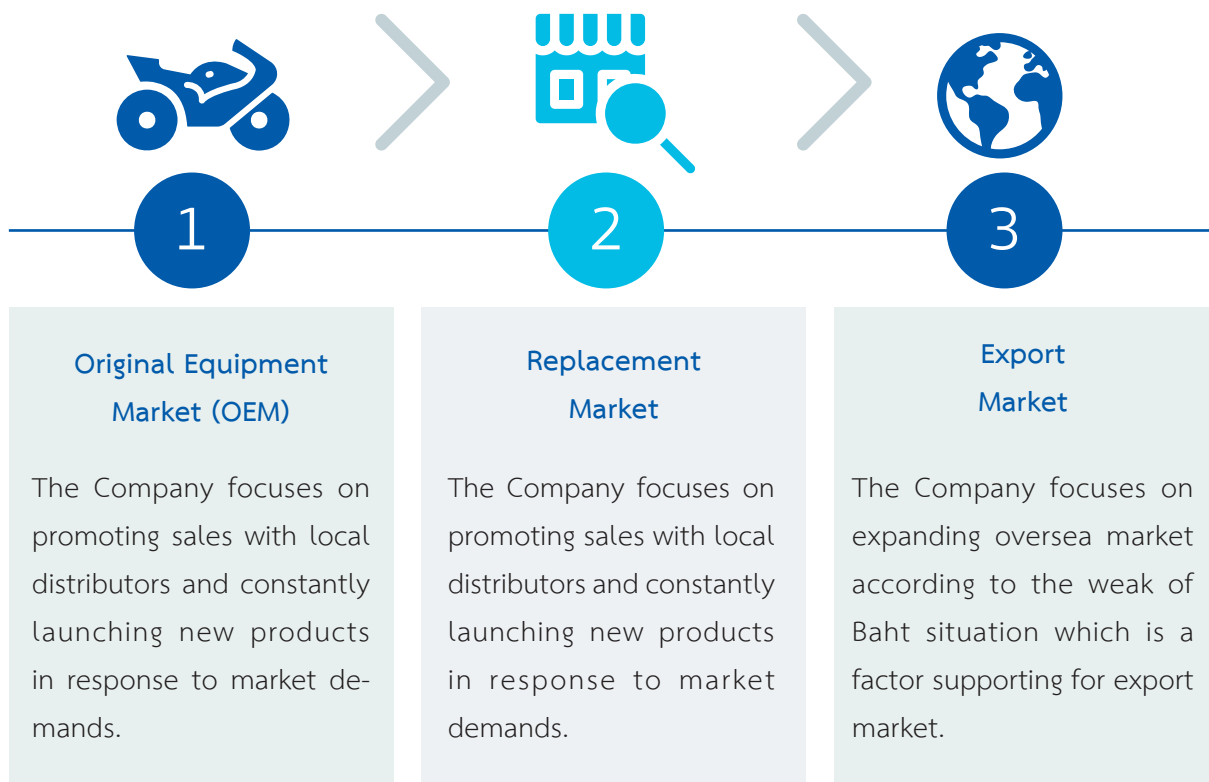
- **Risk from Automotive Industry**

Over the past year, Thai Automotive industry has been high competition regarding the entry of electric vehicles which are becoming popular recently as the significant growth of cumulative electric vehicle registration number and the policies of new government to support ICE and EV car manufacturers to establish the production plant in order to make Thailand to become EV car manufactures hub in South East Asia. Inoue Rubber (Thailand) Public Company Limited is ready to support research and development, especially its subsidiary, IRC (Asia) Research Limited which has been involved in research and development for more than 28 years and has necessary experience and readiness in providing development support across all future automotive systems, and others which is in line with the current situation.



### Motorcycle Tires and Tubes Business Unit:

The Company maintains a strategy based on three major market classifications, which are as follows:



### Industrial Elastomer Part Business Unit:

The conflict between Russia and Ukraine, one of the countries that possessed important resources for the manufacturing of automotive parts such as semiconductors, has caused the value of various metals to reach an all-time high. Furthermore, the constraint has existed since the COVID-19 situation. This caused shortages in supply chains of various manufacturer, including the automotive industry. The shortage of semiconductor is expected to improve. However, it still has an impact, causing delays in the automobile production and delivery. The automobile manufacturers have solved the problem by using the model switch method, which prioritizes the production of models that use existing semiconductors or a smaller number of semiconductor-based cars.

- **Risk from Transitioning to Electric Vehicle (EV)**

Currently, the direction and trend of the automotive industry is in the transition from internal combustion engine (ICE) vehicles to electric vehicles (EVs). This transition will also have a significant impact on the automotive parts industry. Because electric vehicle technology needs parts and components that differ greatly from those used in gasoline vehicles. Especially in the OEM market such as Powertrain, Engine, will be replaced by an electric motor (E-Motor). However, some types of parts can still be shared between electric vehicles and gasoline-powered vehicles, such as the body and suspension system.

According to the government policy, electric vehicles are expected to account for 30% of total car production by 2030. This includes production of hybrid electric vehicles (HEV/PHEV). As a result, the Company's ICE-related products can still enter the hybrid car market. Meanwhile, with current technological advancements, the Company is able to develop products for electric vehicles and is currently working on product design with customers. Furthermore, the Company is developing electric motorcycle tires specifically. As a result, the Company has a significant opportunity to enter the electric vehicle market.

In order to prevent the risk of variation during the transition period, the Company has developed new products in new markets, including various innovations and expedited the development of its potential in new product development such as Weather Strip, Glass Run, Anti-Vibration Rubber, and Chargers product. As well, the Company is expanding into the other industrial products such as floor paving rubber made from recycled rejected rubber in the manufacturing process, development of rubber parts used for sealing glass grooves and floors in buildings or tall buildings, or rubber parts used in the construction industry, and so on. We will develop a variety of products to fulfill a wide range of customers' demands in order to increase market expansion opportunities. Additionally, the products will be designed to improve functionality and features. Furthermore, the Company is researching the design of rubber parts used in car assembly in order to accommodate and respond to customer requests more quickly and correctly. This is also part of our strategy for retaining market share in the automobile segment.

- **Risk of Climate Change**

Climate change is a major concern for all sectors, so guidelines to reduce greenhouse gas emissions (GHGs) have been developed, including regulations to reduce current greenhouse gas emissions as well as legislation and regulations to limit future greenhouse gas emissions.

The importance of resolving such issues is recognized by the Company. In 2022, the Company established the Carbon Management Committee to determine the Company's path toward carbon neutrality, carbon credit trading, and zero greenhouse gas emissions (Net Zero). In addition, the Company has set goals and processes that will lead to such goals in accordance with the missions of the Thai government, as well as to prepare for future changes in regulations and policies, such as carbon taxation, trade barriers related to GHG emissions, and so on.

- **Risk of Relying on the Major Customers**

In this year, the Company distributed motorcycle tire and tube products and Industrial Elastomer parts products to 14 major customers.

The Company has always had a good relationship with such customers. However, there are many operators who are direct competitors to the Company. So, there is a potential that customers will not renew their contracts with the Company and will instead purchase products from competitors. If the Company has to lose such customers, it would have a significantly impact on revenue. If the Company is unable to find a replacement customer, the Company's long-term survival may be jeopardized.

However, in order to remain competitive, To maintain current customers as best as possible, to continuously follow the progress with customers, acquiring more new customers and new markets such as automobile and electric motorcycle manufacturers, as well as customers in other industries to maintain strong sales, the Company has consistently controlled its risks by improving the quality of its products and services.

## 2.2.2 Operational Risk

- **Risk of Technology and Innovation in the Production Process**

The Company has brought lean concept, improving the manufacturing process to be a smart factory, Business Intelligence (BI) system, supplemented with the Total Productive Management (TPM) to co-develop with intelligent technologies, to enhance the efficiency, reduce cost, and losses in production management. The Company has also been encouraged to promote the Company's innovation deemed as part of the Company's corporate culture conforming to the Company's organizational vision and missions and the Thailand 4.0 model progressed by the government. These well-developed strategies will lead to greater competitiveness and success, while creating potential values for the Company's products and services in a sustainable manner. Moreover, to maintain the quality standards of the Company's productions, the Company has also determined to focus on controlling, developing, and maintaining machinery and equipment to ensure effective production process at all times.

- **Risk of Occupational Health and Safety and the Quality of Employees**

The Company has never abandoned the importance of developing a concrete foundation of the organization by fostering knowledge promotion to create good and consistent consciousness among employees in order to work according to the expected goals and objectives. The Company is also aware of the highest safety in the workplace as it helps reduce all possible risks that may take place during the employees' daily operations. The Company aims to become a "zero-accident" workplace through the instillation and implementation of safety principles among employees. All employees in the Company are encouraged to pursue the Safety Culture, being committed to doing good things and refraining from being involved in improper practices. A safety training program is featured in the Safety Day, a corporate activity launched to ensure sufficient knowledge on occupational health and safety for employees. In 2022, the Occupational Health and Safety Committee has performed in accordance with the Company's target excellently. Moreover, the responsible departments in the Company monitor flood problems closely, while submitting significant reports on flood-related incidents to the top executives for acknowledgement on a weekly basis. Aside from an overwhelming risk of flood, the Company also holds its fire evacuation drill regularly.

- **Risks of Information Systems and Cyber threats**

The Company is well aware of the cyber threats that have had a significant impact on the digital world. Maintaining security against cyber threats is thus critical to the business and the organization. As a result, the Company has established an information system security policy to mitigate the risk of business interruption caused by such events, and the Company also requires regular risk assessment concurrently.

### **2.2.3 Financial Risk**

- **Risk from Fluctuations in Foreign Exchange Rates**

The Company had transactions in both Japanese Yen (JPY), US Dollar (USD), and Euro (EUR). In 2022, Thai Baht was the weakest in the period of 16 years as a result of the US Federal Reserve's (FED) monetary policy, which affected raw material import prices, resulting in higher import costs.

However, the Thai Baht's depreciation is still a factor favoring exports. As a result, the Company focused more on the export market to compensate for the sluggish domestic sales caused by the economic circumstance.

The movement of exchange rates and raw material prices is regularly monitored by the Company. In addition, the Company defined a Forward Contract policy and developed methods to mitigate this transactional risk involving foreign currency. A report also made on a regular basis for Management to acknowledge and reported to the Risk Management Committee every quarter.

- **Risk of Customer's Credit**

For a customer's credit risk, there is a report about the terms of an account receivables to the Management regularly; in order to make a follow-up action whenever potential risky transactions are found; and such data are shown in the Financial Statement report every quarter. However, most of the Company's account receivables do not reach the maturity; thus, they do not affect the liquidity and the financial status of the Company.

### **2.2.4 Compliance Risk**

- **Risk of Compliance and Regulations related to the Company**

The Company is fully aware and committed to perform in complied with the laws, rules and regulations both production, business operation, accounting, occupational health and safety, labour, information disclosure, anti-corruption altogether with other global standards that deemed necessary and concerned the Company's business such as ISO Standards. Thus, the Company's has performed follows such rules and standards excellently.

In 2023, there is a review of Risk Management policy, Risk Management Committee's charter, as well as Roles, Duties and Responsibilities of the Board of Directors, Corporate Governance Policy to be aligned with the Corporate Governance Code 2017 (CG Code), and the rule and regulation prescribed by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). One of the guarantees that the Company has performed following the law,

rule, regulation in the aspect of environmental, social, and governance is being selected by Thaipat Institute to be the Company with outstanding performance in the area of Environmental, Social, and Governance (ESG: ESG100), or rather called as “ESG100 Securities” group as of 2023 for 6 years consecutively.

- **Risk of Social and Environment**

Moreover, the Company is fully aware that in order to be the “Corporate Citizenship”, is not only performed following the laws, rules, and regulations, it also includes the listening and responding to the needs and expectations of the stakeholders with fairness. The Company has established the Environmental Committee and Social Responsibility Committee to communicate between the Company and the Stakeholders, to ensure that the Company can operate the business in the society sustainably.

- **Risk of Corruptions**

For Anti-Corruption, the Company has declared their intention to be part of the Thai Private Sector Collective Action Against Corruption (CAC). The certification is valid for 3 years from the date of approval on June 30, 2020, and the expiration date would be on June 30, 2023, to ensure that the Company has an appropriate internal control and risk assessment system. The Company also defined the Anti-Corruption policy which is publicized on the Website and communicated to director, executives and employees through the Handbook of Good Corporate Governance.

## 2.2.5 Emerging Risk

- **Risk from Inflation**

The increases in product prices have a direct impact on consumer decision-making. If energy and transportation costs are high, all consumer goods prices may rise at the same time. This will undoubtedly have an immediate impact on consumers. Rising product prices cause problems such as decreased purchasing power, which may lead to people reducing their consumption. As a result, domestic consumption grows at a slower rate than expected. However, the situation and customer orders are being closely monitored by the Company.

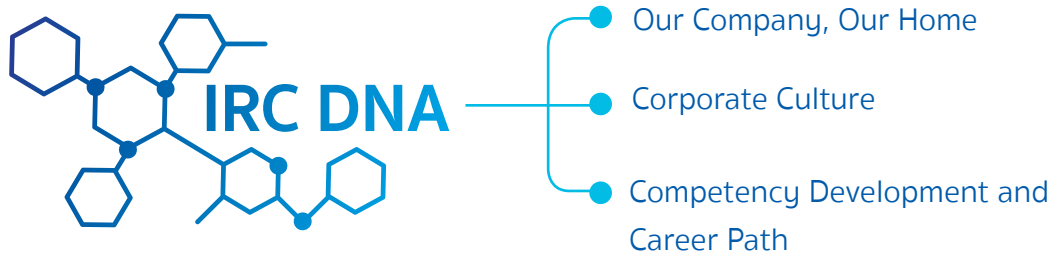
- **Risk of Geopolitical Conflict**

The geopolitical conflict is still remaining such as the conflict between United State and China, The war between Russian and Ukraine or recently between Israel and Hamas. These conflict made huge impact to global economic, the inflation or energy price surge that reflect higher direct and indirect material cost which can cause a recession, slow demand and economic uncertainty although the conflict between Russia and Ukraine have been eased but Israel-Hamas war made the economic further worsens the global economic, even the situation is still limited but Thai economy has not yet fully recovered due to the effects of the inflation, high energy prices and tourism industry. It could get even worse if Israel-Hamas war spreads to other countries, especially the countries in the Middle East. It may affect world energy prices to increase. Moreover, the current direction of monetary policy of FED, makes the Baht/US dollar depreciated and Thailand is a net energy importing country, these can cause the effect of higher cost or even the higher inflation.

# 3. Driving Business for Sustainability

## 3.1 Sustainability Management Policy and Target

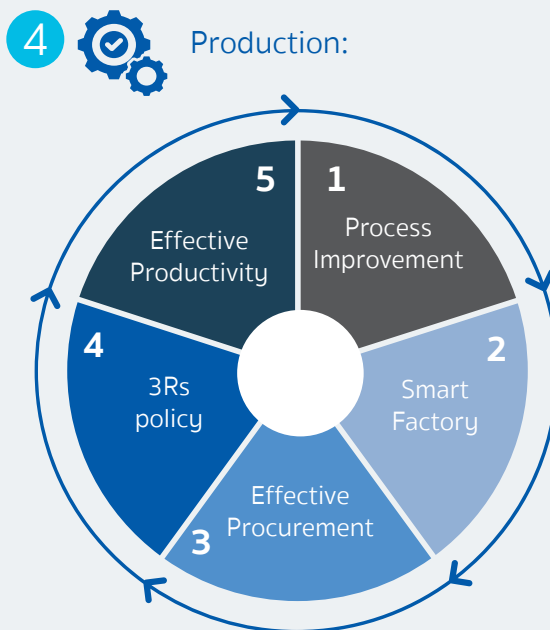
IRC is resolute to propel the organization to sustainability as per the sustainability strategy of the Company. It begins with the concrete base of everybody in IRC called IRC DNA, which consists of



Along the road to firm sustainability, there must be the risk management and supply chain management conducted by Risk Management Committee. On the other hand, Good Corporate Governance and Code of Conduct are conducted by Good Corporate Governance and Social Responsibility Committee. In addition, transparency and accountability are conducted by the Audit Committee.

The roadmap for sustainability goal requires 4 key plans as follows.

- 1  Innovation; the Research and Development, and Innovation Technology
- 2  Customer's Satisfaction & Relation
- 3  International Standard Quality that is Reliable for Customers



Each department consists of a plan, a target, and an indicator, which are monitored and evaluated daily, monthly, and quarterly by the Executive Committee and the Board of Directors.

These key plans bring about the competitiveness in cost, quality and product reliability, as well as revenue growth responsible by 3 main channels which are 1. Existing Products, 2. New Products and 3. New Markets that all lead to IRC's sustainability goal.

Given its sustainability goals, IRC has formulated sustainability management policies and plans in line with its business operations and corporate strategies to reflect its commitment to develop a business with the focus of environmental, social and governance (ESG) issues, following the Company's vision. Additionally, the Company has developed its policies to be in line with the sustainable development goals (SDGs) of the United Nations and has reported activities that aim to achieve global sustainability in this report.

## 3.2 Impact Management to Stakeholders in the Business Value Chain

### 3.2.1 Value Chain

There are processes to connect with stakeholders at all stages throughout the organization's value chain. The company has created value for the society and environment through its products and services following the organization's vision on corporate governance and the BCG model, which focuses on economic development in three main areas including bio economy, circular economy, and green economy to boost the country's competitiveness.

## Value Chain

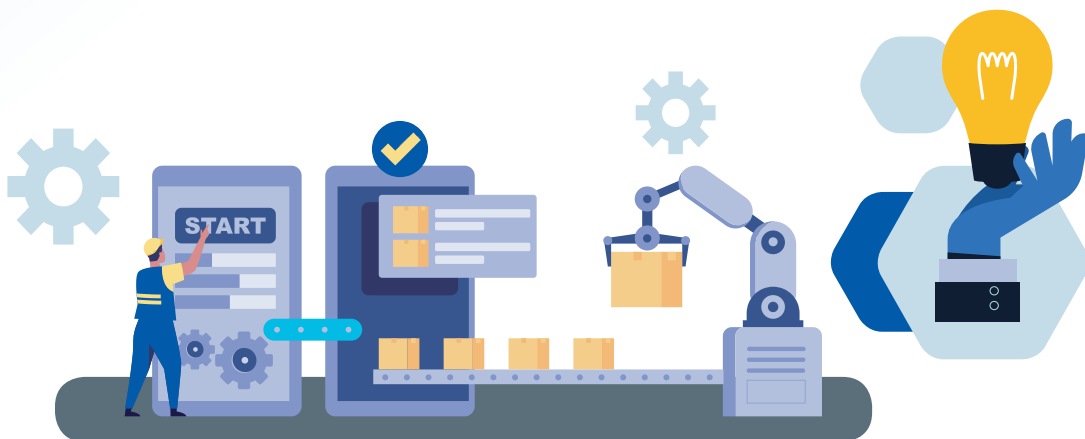
### 1 Explored

- Good quality and competitive price from manufacturers with international standards, technology and sustainability



### 2 Product Design

- Quality Control
- Create environmentally friendly innovations
- Support innovation for vehicles of the future
- Create new products and innovations





### 3 Excellent Technology

- Increase efficiency and effectiveness of the production process
- Reduce environmental impact in production process
- Energy Saving
- 3Rs

### 4 Delivery Quality Product

- Delivery Quality & Safety Product to Customer
- Environmental friendly products



### 5 Quality life


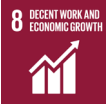




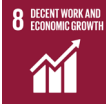


- Encourage safe driving
- Improve the quality of life of consumers

### 3.2.2 Analyzed the Stakeholders in Value Chain

The Company has analyzed the organization's value chain that directly and indirectly involves stakeholders from upstream to downstream. The stakeholders are divided into seven groups consisting of employees, customers, suppliers, society / community / environment, shareholders, competitors, and government agencies. The Company continues to listen to stakeholders' opinions at least once a year and is truly determined to engage with stakeholders to effectively meet their needs and expectations and to improve sustainability management processes.






Stakeholders	Expectation of stakeholders	Response to stakeholders	Performance on stakeholder engagement
<p data-bbox="247 286 406 324"><b>Employees</b></p> 	<ul data-bbox="438 291 758 795" style="list-style-type: none"> <li>• Fair employee benefits and compensation</li> <li>• Health and sanitation at work and job security</li> <li>• Happy working environment</li> <li>• Professional skill development to keep up with the changes</li> <li>• Complaint channel for fair hearings</li> </ul>	<ul data-bbox="782 291 1101 1220" style="list-style-type: none"> <li>• Establish policies and employee treatment practices</li> <li>• Establish policies on employee conduct and treatment of other employees</li> <li>• Establish IRC’s safety, occupational health, and working environment policies</li> <li>• Provide personal protective equipment (PPE) for employees</li> <li>• Have a plan to develop skills for employees at all levels in the organization (reskilling and upskilling)</li> <li>• Create a channel for fair hearings for employees such as an HR Clinic</li> </ul>	<ul data-bbox="1125 291 1428 705" style="list-style-type: none"> <li>• No accident at work that leads to death.</li> <li>• Average number of training hours of 35 hours/person/year</li> <li>• No complaint related to human rights principles.</li> <li>• No labour dispute</li> </ul> 

Stakeholders	Expectation of stakeholders	Response to stakeholders	Performance on stakeholder engagement
<p>Customers</p> 	<ul style="list-style-type: none"> <li>Reliable quality</li> <li>Reasonable quality and price</li> <li>Supply chain management, On-time delivery</li> </ul>	<ul style="list-style-type: none"> <li>Recognize and adhere to “The spirit of quality” that represents the “Quality is priority. On-time delivery. Satisfied customers.” Motto</li> <li>Comply with the rules and standards at all times</li> <li>Promote internal quality control in each production unit</li> <li>Receive support from Chief Executive Officer and Managing Director for the Quality Assurance Unit’s decisions</li> <li>Continuously participate in marketing activities with customers</li> </ul>	<ul style="list-style-type: none"> <li>Awards, certificates, plaques, and accolades received from customers and other organizations</li> </ul>   
<p>Suppliers</p> 	<ul style="list-style-type: none"> <li>Fair and equal treatment of suppliers</li> <li>Efficient supply chain</li> <li>Assistance</li> <li>Encourage environmentally friendly purchasing (Green Procurement)</li> <li>Potential joint development</li> <li>Timely payment management</li> </ul>	<ul style="list-style-type: none"> <li>Establish policies and practices on supplier and/or creditor treatment</li> <li>Support potential development of sub-contractors (SMEs)</li> <li>Provide support to improve the quality of rubber from Khlong Pang Cooperative, Trang province to achieve international certification such as PEFC’s ISO 19001 :2015 sustainable rubber plantation standard</li> <li>Accurate, complete and timely payment schedule</li> </ul>	<ul style="list-style-type: none"> <li>Selected suppliers were able to deliver quality products and services to the company in a timely manner</li> <li>Small and medium enterprises (SMEs) are able to increase their competitiveness, strengthening the country’s economy</li> </ul>    

Stakeholders	Expectation of stakeholders	Response to stakeholders	Performance on stakeholder engagement
<p>Society/ community/ environment</p> 	<ul style="list-style-type: none"> <li>• Pollution and environmental management</li> <li>• Environmentally friendly products</li> <li>• Climate change</li> <li>• Efficient resource management</li> <li>• Ecological conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Establish social and environmental responsibility policies</li> <li>• Establish environmental policy</li> <li>• Establish a monitoring and surveillance agency for environmental complaints</li> <li>• Conduct environmental monitoring and evaluation on a regular basis to improve and develop an efficient environmental management system</li> <li>• Help the society and communities during the Covid-19 pandemic by providing personal protective equipment (PPE) such as face masks, 75% alcohol gel, high flow oxygen therapy, and negative pressure room setup to hospitals</li> <li>• Additionally, the company provides rice and water to help the communities and villagers in need</li> </ul>	<ul style="list-style-type: none"> <li>• Built strong relationships with neighbors in the Rangsit and Wang Noi areas</li> <li>• Participated in social development (CSR) activities to create shared values between the organization and the society (Creating Shared Value or CSV)</li> </ul>

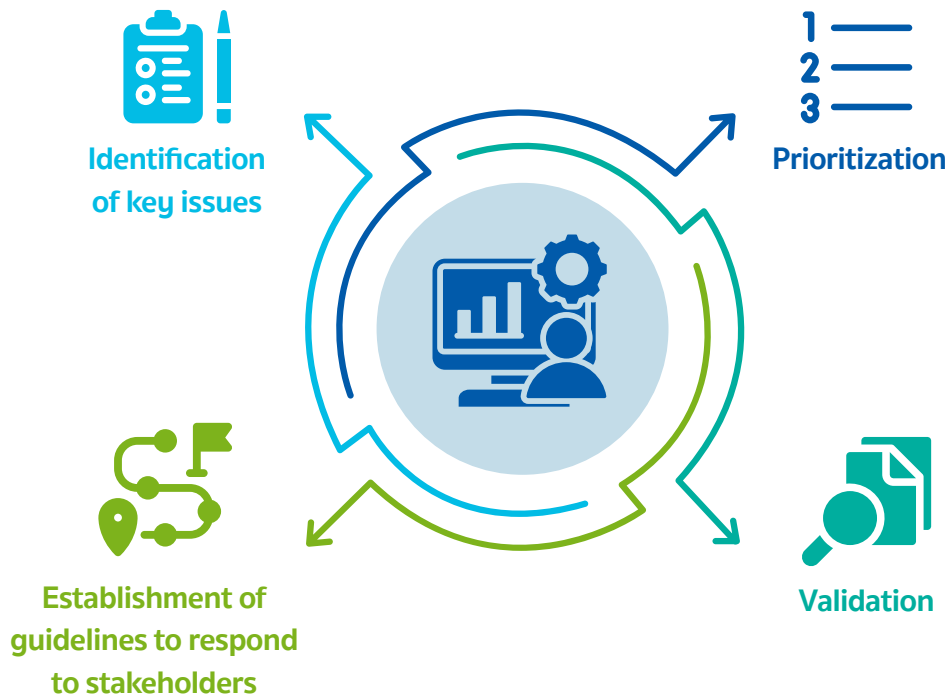


Stakeholders	Expectation of stakeholders	Response to stakeholders	Performance on stakeholder engagement
<p>Shareholders</p> 	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Transparency in business management</li> <li>• Effective risk management</li> </ul>	<p>The board of directors, as representatives of all shareholders, has the following duties:</p> <ul style="list-style-type: none"> <li>• Create policies and manuals on corporate governance and business ethics</li> <li>• Promote continuous development of corporate governance</li> <li>• Support the preparation of sustainability report</li> <li>• Appoint the Corporate Governance and Social Responsibility Committee and the Risk Management Committee</li> <li>• Develop a risk management plan</li> </ul>	<ul style="list-style-type: none"> <li>• Received the “Excellent” CGR rating from the Thai Institute of Directors Association</li> <li>• Selected to be SET ESG Rating “A” for year 2023 from the Stock of Exchange of Thailand</li> </ul>  
<p>Competitors</p> 	<ul style="list-style-type: none"> <li>• Business operations that are transparent and compete fairly</li> <li>• Assistance and exchange of information that is beneficial to overall industry</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a competitor treatment policy</li> <li>• Disclose the Company’s information in the annual report and sustainability report</li> </ul>	<ul style="list-style-type: none"> <li>• Developed processes that can increase efficiency, reduce costs, preserve the environment such as Total Production System (TPS), and development of the industry as a whole</li> <li>• Create a network of good business partners</li> </ul>  

Stakeholders	Expectation of stakeholders	Response to stakeholders	Performance on stakeholder engagement
<b>Government Agency</b> 	<ul style="list-style-type: none"> <li>• Certification</li> <li>• Comply with concerned Law and Regulation</li> <li>• Control environment inside the Company at required standard</li> <li>• Acknowledged the new regulation</li> </ul>	<ul style="list-style-type: none"> <li>• The Company asks permission and certification from related parties before starting the operation.</li> <li>• The Company follows concerned law and regulation.</li> <li>• Be responsible for society, as well as control, maintain, preserve and promote environment</li> <li>• Monitoring the new regulation</li> </ul>	<ul style="list-style-type: none"> <li>• The Company and its subsidiaries do not have legal dispute or lawsuit where the directors, executives, or related person are being involved.</li> <li>• Received the 10<sup>th</sup> NACC Integrity Awards from Office of the National Anti-Corruption Commission</li> </ul>  

### 3.2.3 Assessment of the Materiality Issues and the Stakeholders

Procedure to Assess Key Issues for Sustainability



# 1



## Identification of Key Issues

The Company has established the scope of analysis on key issues for sustainability as follows:

**Internal factors:** Analyze the sustainability issues affecting the value chain for short-term and long-term sustainability, covering from raw material selection activities until delivery to consumers, including key factors affecting the Company's Vision, Mission and Sustainability Strategies

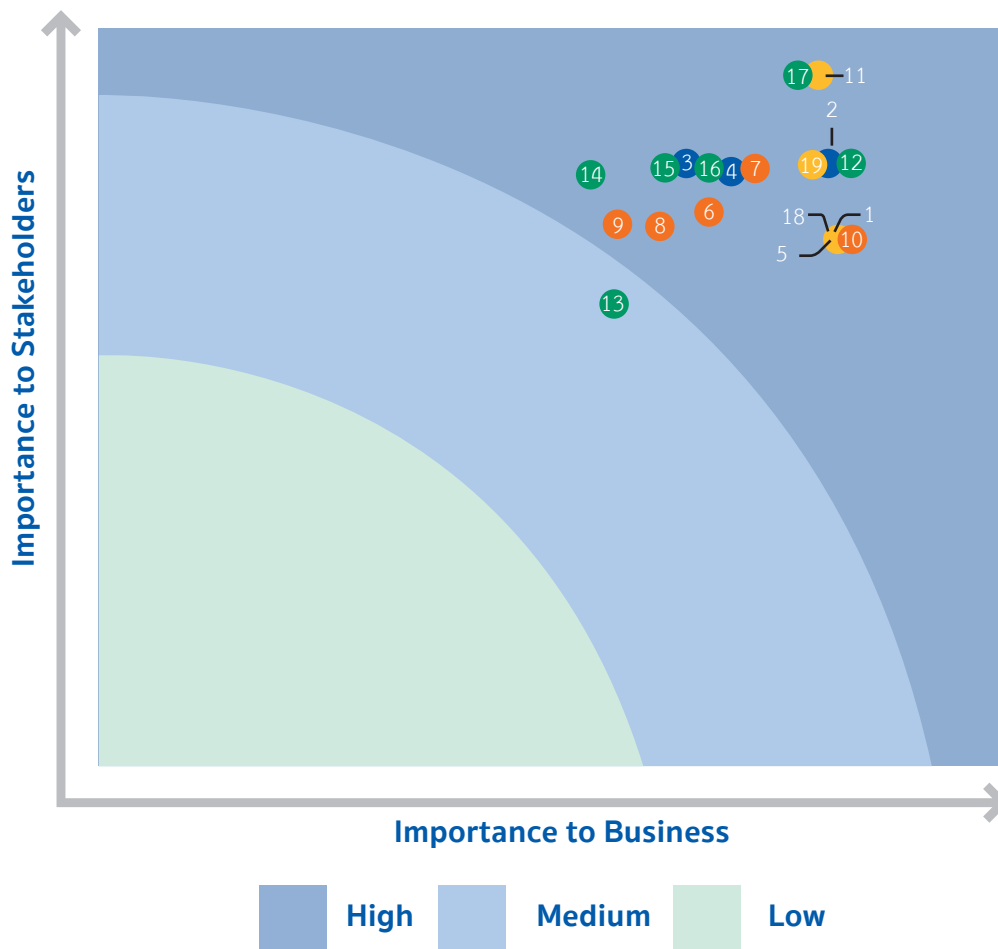
**External factors:** Analyze issues under the attention of stakeholders, tendency of Thailand and the world, and the UN Sustainable Development Goals (SDGs)

# 2



## Prioritization

Consider the interesting internal factors and external factors and prioritized issue by stakeholders and executive committee as showed below.







## Economic

- 1 Quality and Cost Competitiveness
- 2 Risk Management
- 3 Supply Chain Management
- 4 Business and Social Innovation
- 5 Quality Reliability



## Social

- 6 Human Rights
- 7 Occupational Health and Safety
- 8 Customer Relationship Management
- 9 Human Resource Improvement
- 10 Employee Engagement



## Environmental

- 11 Environmental Management
- 12 Energy Conservation and Global Warming
- 13 Ecosystem Conservation
- 14 Climate Change
- 15 Environmental Friendly Products
- 16 Efficient Resources Management



## Governance

- 17 Anti-Corruption
- 18 Good Corporate Governance
- 19 Corporate Social Responsibility

\*Remark: Vertical is key issues to stakeholders, analyzed from collecting primary and secondary data such as interviews, evaluations, data from the shareholders' meeting minutes and other news sources from stakeholders, etc.

Horizon is key issues to the organization, analyzed from the evaluation of impacts on the organization by executives, and long-term risks.

### 3



#### Validation

In 2023, the Good Corporate Governance and Social Responsibility Committee reviewed the materiality issues by considering Thailand's Roadmap, the development to Thailand Industry 4.0, the economic direction both domestic and international levels, and the United Nation's Sustainable Development Goals or SDGs, then presented to the Executive Committee for consideration as a practitioner. Lastly, the materiality issues were proposed to the Board of Directors to consider whether they comply with the overall enterprise direction and appropriateness. This is to ensure that the materiality issues are selected, reviewed, and assessed comprehensively and up-to-date.

# 4



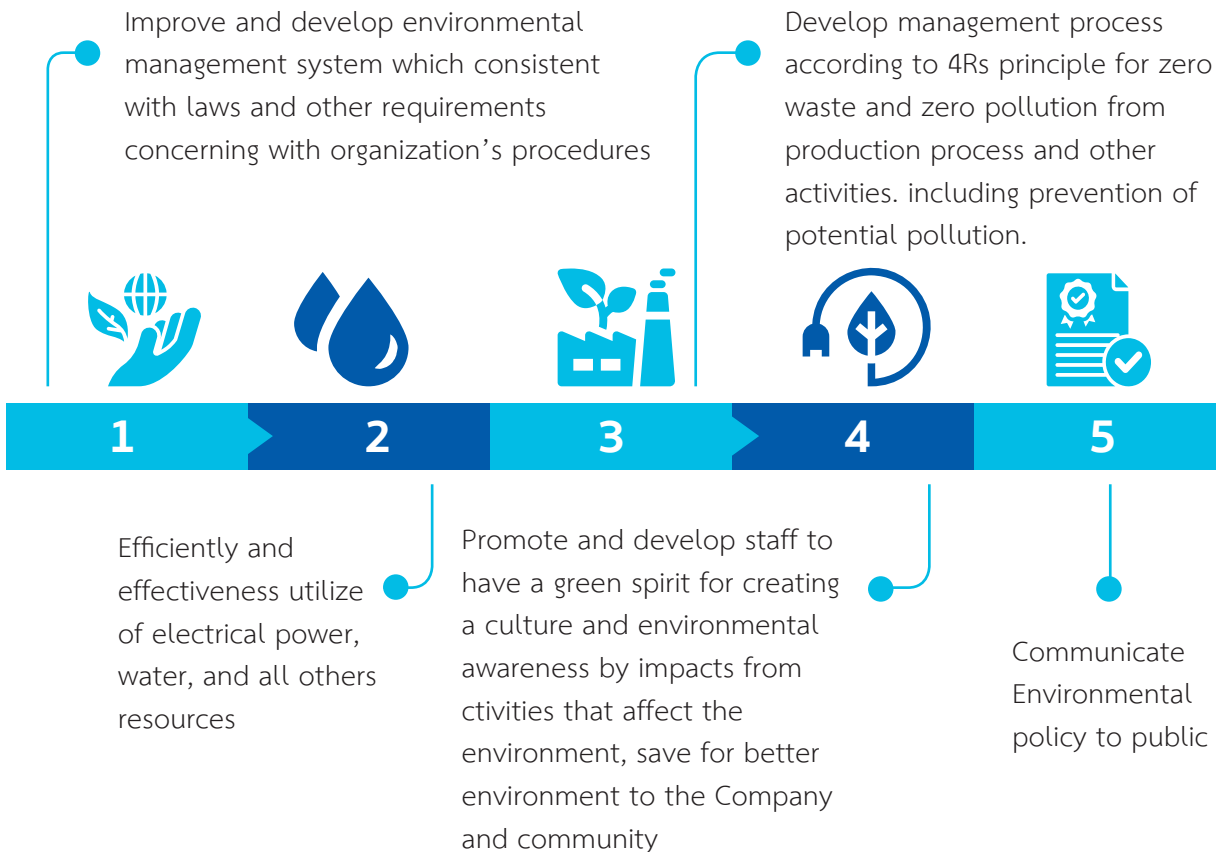
## Establishment of guidelines to respond to stakeholders

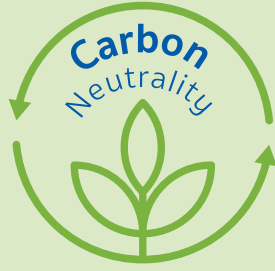
Key issue on sustainability considered and approved by the Board of Directors will determine the operational direction at the plan/project level and use it as a strategy to drive the business to meet the needs of stakeholders, and suitable for business operations in the current business ecosystem.

## 3.3 Sustainability Management in Environmental Dimension

### 3.3.1 Environmental Policies and Practices

IRC has defined “Environmental Policy” to be upheld by all members within the organization in order to drive sustainable development in the aspects of environmental conservation and maintenance of balanced ecosystem.





## Vision and Mission towards Carbon Neutrality

### Vision

**IRCT Group** will achieve organizational Carbon Neutrality and business sustainability by 2050 through collaborative creation with its stakeholders



# Strategies towards Carbon Neutrality



- Carbon Emissions — Reduce carbon emissions from operating 30% by 2030 through productivity improvement and efficient use of energy and resources
- Waste Management — Reduce pollution emissions through waste reduction, efficient use of resources and effective waste treatment (4Rs) leading to Zero Waste to Landfill



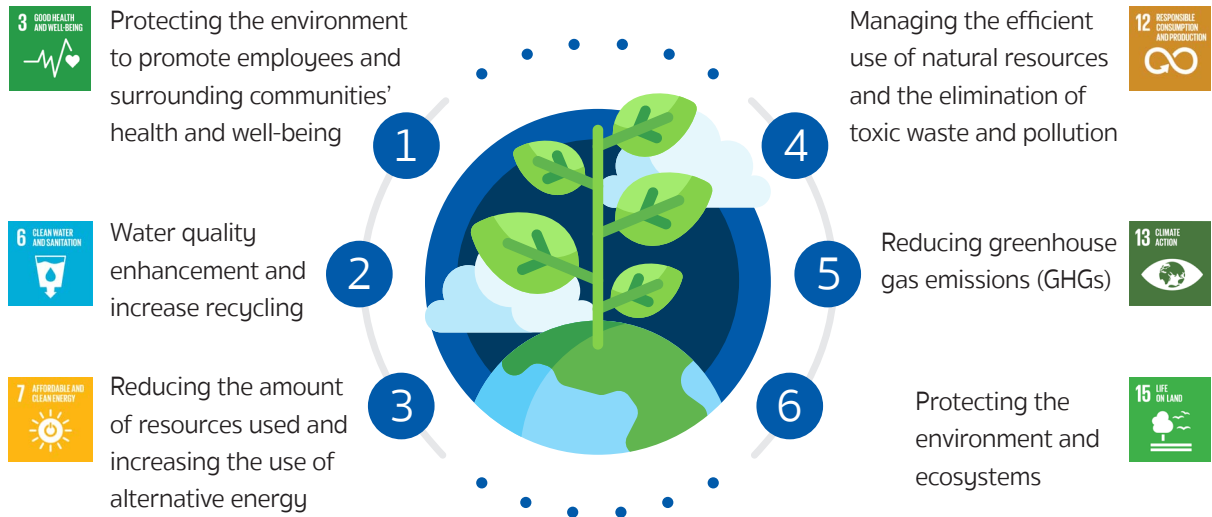
- Renewable Energy — Introduce renewable energy sources into the organization
- Sustainable Transportation - Use appropriate energy efficient vehicle with low emissions rate
- Green Products
- Support Carbon Footprint-certified products/ raw materials
- Consider Green Investment



- Forests — Store carbon by planting trees and protecting existing forests
- Energy Conservation Project - Carbon credits can be used to offset corporate greenhouse gas emissions or traded in the carbon credit market

## Management Approach

To play a part in fostering a good environment within the Company and pass on to nearby communities, the society, the nation and the world community. The Company seeks to fasten its response to climate change threats by sticking to the Sustainable Development Goals (SDGs) in 6 of its main goals in which the Company can participate in tackling the climate change. The currently emerging issues surrounding climate change include.



### Environmental Good Governance

The Company adheres to the method of environmental management as Environmental Good Governance principle, which is an international standard.

Moreover, we comply with the 6 important principles that is transparency, fairness, and people participation toward environmental management. This leads to the suitable judgment for both policy and good operation towards sustainable environmental.



### Green Industry

The Company has developed into a green industry as guided by the project of the Ministry of Industry. The framework helps promote continuous environmental improvements, and demonstrate social and environmental responsibility both inside and outside the organization; as well as the supply chain. At present, the Company has been awarded with the Green Industry Certification Level 3: Green System. Our aim is to reach the level 4, green culture (Green Industry Level 4: Green Culture) and later on, level 5 green industry (Green Industry Level 5: Green Network).

### 3.3.2 Environmental Performance

2023 Target

---



NO environmental complaints from nearby communities



NO significant violations of environmental laws and regulations



Certified Carbon Footprint for Organization: CFO

#### Key Environmental Performance in 2023



Certified ISO 14001 Standard for the **8<sup>th</sup>** consecutive year

Certified by Ministry of Industry as Green Industry **Level 4** (Green Culture)



The Quality of air measured by an external agency is in the standard range



Certified Carbon Footprint for Organization: CFO from Thailand Greenhouse Gas Management Organization (Public Organization)



Certified Waste Management in Factory according to **3Rs** principle from Ministry of Industry



The quality of water discharge by an external agency is in the **standard range**



In 2023, **NO** environmental complaints from nearby communities

In 2023, **NO** significant violations of environmental laws and regulations

The Company has been certified by the environmental management system ISO 14001, an international standard economically and socially recognized as a result of the promotion and implementation of environmental policies and sustainability strategies, as well as established the environmental and energy culture, so that all employees work together in an environmentally friendly way for business operations of all areas, until becoming part of the corporate culture, leading to continuous and sustainable development, which can bring about good results in various aspects as follows.

- Increase business opportunities and build trust for customers
- Reduce production costs from efficient use of energy and resources
- Provide a standard water treatment system which is able to recycle water for the use in a green area and cooling tower system
- Being accepted by stakeholder groups such as communities, government agencies, customers, shareholders, etc.

## Build Local Environmental Volunteer Network with Government and Organization

In 2023, the Company actively participated in an exhibition and supported the World Environment Day event on 5 June. As part of the Rangsit environmental conservation project, the Company served as a speaker and focused on promoting the separation of recycled waste, raising awareness about the importance of the environment, and encouraging the preservation and conservation of the environment. The Company also emphasized the need to reduce energy and resource consumption, properly dispose of waste, sort garbage, and collectively work towards reducing global warming and increasing green spaces. Additionally, the Company emphasized the production of environmentally friendly products and the management of pollution and the environment. The ultimate goal of these efforts was to strengthen and sustain the Company's environmental operations in the area.





The Company actively engaged in a large-scale cleaning initiative targeting roads and public areas, in collaboration with the affiliated group, with the aim of mitigating PM 2.5 pollution. In addition, on January 20, 2023, the Company offered assistance in providing drinking water on IRC's brand. Furthermore, the Company reported the results of our efforts in various areas such as production, consumption, service provision, energy reduction, waste reduction, greenhouse gas reduction, and the expansion of green spaces. These efforts aim to support the promotion of health and the management of hygiene, environment, and waste in the community, and the report was submitted to Rangsit municipality.



### Environmental Conservation with Local Communities

The Company commits to mitigate the adverse effects on the community, particularly those related to the environment such as dust, sound, and odor. This will be achieved through organized field trips that prioritize collaborative problem-solving with the community.



## 1. Energy Management and Climate Change Strategy

### Key Performance in Energy Management in 2023



Solar power consumption of **1.434** MW, increasing from 2022 by **2.14%** from the additional installation of Solar Rooftop

Reduced energy consumption per Ton of production **4.02%**



Canceled the use of boiler in manufacturing process in Wang Noi Plant, resulting in a decrease in fossil fuel consumption volume and electricity cost saving



The Company is aware of the climate change problem, problem of severe natural disasters that damage life, property and natural resources, therefore has established a responsible business plan, promoted sustainable and valuable energy consumption, planned the development of systematic production process and operations, promoted the supply and consumed environmentally sensitive energy, and promoted clean energy development project to reduce the impact on the environment and community, alleviated the problem of global warming, and respond to the Paris Agreement under the United Nations Framework Convention on Climate Change.

### Energy Saving Policy

- The Company will operate and develop appropriate energy management system which is a part of the Company's business operations and it has to be implemented in accordance with relevant laws and regulation.
- The Company will continuously improve the energy efficiency in order to meet the nature of business, production technology and internationally best practices.
- The Company will set annual plan and goal for the energy conservation and communicate with all employees for accurate understanding and compliance.
- The Company regards that the energy conservation is the duty and responsibility of all executives and employees at all levels and they are required to deliver their cooperation to comply with the energy saving measures, to monitor and report relevant issue to the energy saving committee.
- The Company will support the necessary resources, including personnel, budget, time as well as training courses and encourage all employees' participation through presenting their suggestions that are beneficial to energy saving of the Company.
- The Company by energy saving committee will revise the energy saving policy, goal, and plan on annual basis.

### Management Approach

- Economical and cost-effective energy use by cultivating values and awareness of energy use.
- Plan and control energy efficiency and maximize benefits. Reduce energy loss in all steps engaged. Regular monitoring and supervision of electrical appliances is done to lessen energy leakage.
- Use of renewable energy especially one from natural sources such as solar energy.
- Use of renewable energy especially one from natural sources such as solar energy.
- Devise products with lower environmental impacts, and use green technology as part of consideration for future investment projects.
- Reduce fossil fuel consumption by changing into renewable energy, and planning the worthwhile energy consumption by creating value and awareness on energy consumption.

## Business Value Addition through the Greenhouse Gas Emission Reduction Project



### Promotion Project for Preparing Carbon Footprint for Organization (CFO) in collaboration with Thailand Greenhouse Gas Management Organization (Public Organization)



The Company has participated in the Promotion Project for Preparing **Carbon Footprint for Organization (CFO)**, Phase 8, which is a key tool supporting the preparation of information and report of greenhouse gas volume in the organizational level for enhancing the capacity in managing and reducing greenhouse gas emissions, and for mutually reducing and controlling carbon dioxide emissions, resulting in global warming.



### Energy Conservative Project



#### Rangsit Plant



#### Install Solar Rooftop sized 603.68 kWp

The power generation system from solar cell provides clean energy that does not causes pollution and helps reduce global warming, the Company is aware of environmental problems, therefore, has installed a 603.68 kWp Solar Rooftop for the whole rooftop area of the plant where solar cells can be installed, it could generate electricity for 923,962.38 kWh/year, saving electricity cost for 3,511,057 Baht/year, reducing GHG emissions by 553.083 tons of CO<sub>2</sub>/year.



3,511,057  
Baht/year

### Energy efficiency improvement project to prevent loss of heat energy by insulating the rubber dryer.

Improving energy efficiency to prevent loss of heat energy by insulating the rubber dryer

- Saving energy cost 59,385 KWh/year
- Reduce cost 267,233 Baht/year
- Reduce GHG 29.68 tonco2/year



267,233  
Baht/year

### Reusing waste condensate in the production process instead of using the Electric heater system

Expand the results of the energy efficiency improvement project by reusing waste condensate in the production process instead of using an electric heater system to reduce energy use.

- Saving energy cost 79,488 KWh/year
- Reduce cost 357,696 Baht/year
- Reduce GHG 39.73 tonco2/year



357,696  
Baht/year



### Wang Noi Plant

#### Cancellation on the use of boiler in manufacturing process

Wang Noi Plant cancelled the use of boiler in manufacturing process, resulting in ability to save electric energy cost by 2,321,568 Baht/year comparing to last year.



2,321,568  
Baht/year

#### Install Solar Rooftop sized 997.92 kWp



The Company installed a solar rooftop sized 997.92 kWp on the whole rooftop area of the plant, the renewable electricity was generated in replacement of external energy for 1,403,981 kWh/year, saving electricity cost of 6,951,517.82 Baht/year, reducing carbon dioxide emissions of 817 tons of carbon dioxide/year



6,951,517  
Baht/year

## Operating Plan



Continuously implement the Energy Conservation Project in order to enhance the efficiency of energy consumption and greenhouse gas emissions



Operate according to the strategic plan in management of greenhouse gas emissions in long term to be consistent with the requirements and commitments determined both in the national level and global level

## Energy Management Goal



The tension of GHG not more than 0.45



Energy Consumption not more than 920 Kwh/Production ton

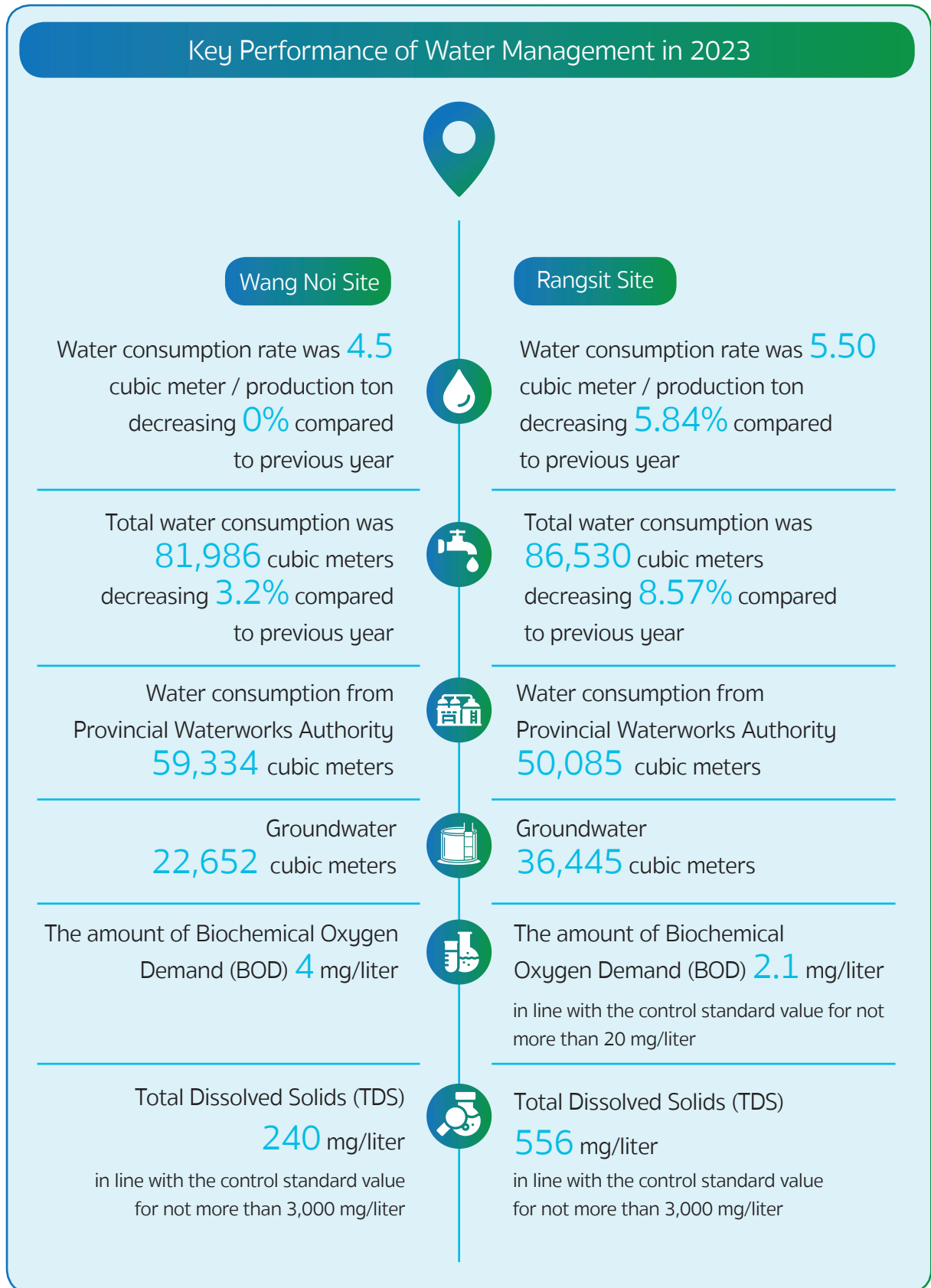


Expand the Solar Rooftop installation to reduce electricity consumption within the factory as well as lowering GHG emissions.



## 2. Water Management

### Key Performance of Water Management in 2023



## Management Approach



1

Establish the water management system for sustainable water use

2

Apply technology in the management and increase the quality of waste water process

3

Implement 3Rs principle to increase water efficiency by reducing the use of water and reusing of after treatment water (recycled water)

4

Analyze water quality to be in accordance with the legal criteria on a regular basis

## Water Management Project

### Water Recycle



#### Work Plan of 2023

Water Recycling in order to recycle water in the cooling system, the Company employs the 3Rs principle to enhance water usage efficiency. This involves reducing water consumption and utilizing treated water through the application of Electrocoagulation technology. This technology utilizes electric current to generate a concentrated magnetic field, which effectively separates various substances such as bacteria, oil, and heavy metals from water. Importantly, this process does not require the use of chemical substances and poses no harm to the environment. Additionally, it helps reduce the amount of sludge generated from the treatment system and improves the efficiency of water treatment, enabling it to be recycled for use in the cooling system and maintaining green spaces.

#### Overall Results

To reduce the use of groundwater in the cooling system and preserve green areas, a total of 9,200 cubic meters per year, which is equivalent to 3% of the water after undergoing treatment, will be recycled.



## Water Reuse

Water Reuse in Green Space



### Overall Results

The Company installed a meter that measures the volume of reused water that can be collected.

## Water Reduction

### Work Plan of 2023

Water reduction campaign to promote water conservation by training employees to create a green culture, posting campaign labels throughout the factory, and using 3Rs



### Overall Results

To encourage employees to recognize the importance of water and remind them to save water when they see the label





### Work Plan of 2023

Environmental Safety and Energy Conservation Day water and energy reduction campaign. This increases awareness of using resources wisely for maximum benefit

### Overall Results

Staff are aware of resource use for maximum benefit.



### Work Plan of 2023

Campaign to raise awareness and promote resource use in a beneficial way by providing training courses on resource use based on the 4Rs concept (Reduce, Reuse, Recycle, and Refuse) to employees within the organization

### Overall Results

To arrange the training course to create awareness related to environment every year

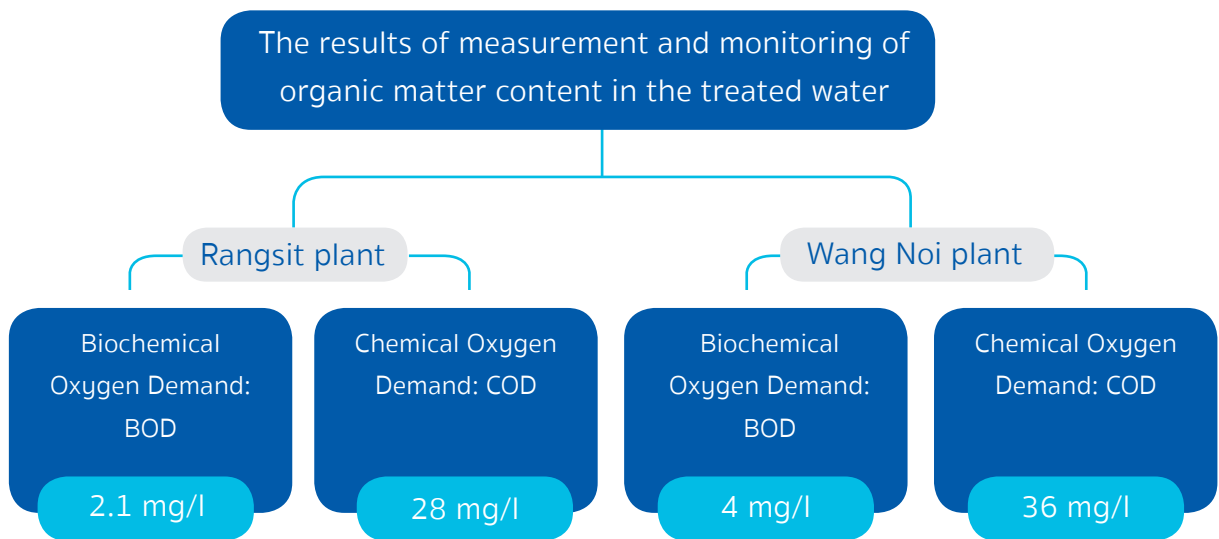


## Wastewater Management

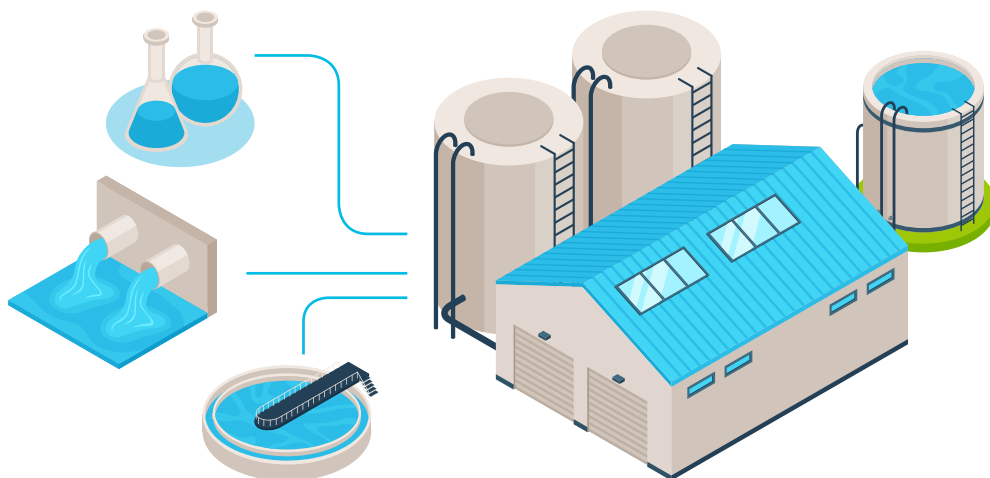
The Company applies “Electrocoagulation” technology in wastewater treatment relying on the reaction of very high voltage electric current in generating magnetic field with intensity until enabling to separate substances, for instance, bacteria, water, heavy metals, out of water, without use of chemicals, and without environmental hazard.

In addition, the Company manages effluent with the 3Rs Principle in order to reduce effluent volume which will be discharged down into the Company’s reservoir, whereas there is Wastewater Recycle System for recycling water in the production process.

In 2022, the responsible work unit of the Company measured and monitored the organic content in the treated water as shown below



The Company’s ability to maintain effluent standards to be in the level of not more than 20 milligram/liter according to the criteria for determining effluent quality of the Ministry of Industry. The Company recycles the clean water which is completely treated, for instance, watering, cooling system, for emergency backup, such as fire, etc.



## Operational Plan

For the wastewater reduction within the organization, the Company has efficiently controlled and managed the water before discharging by using 3Rs principle with the following actions

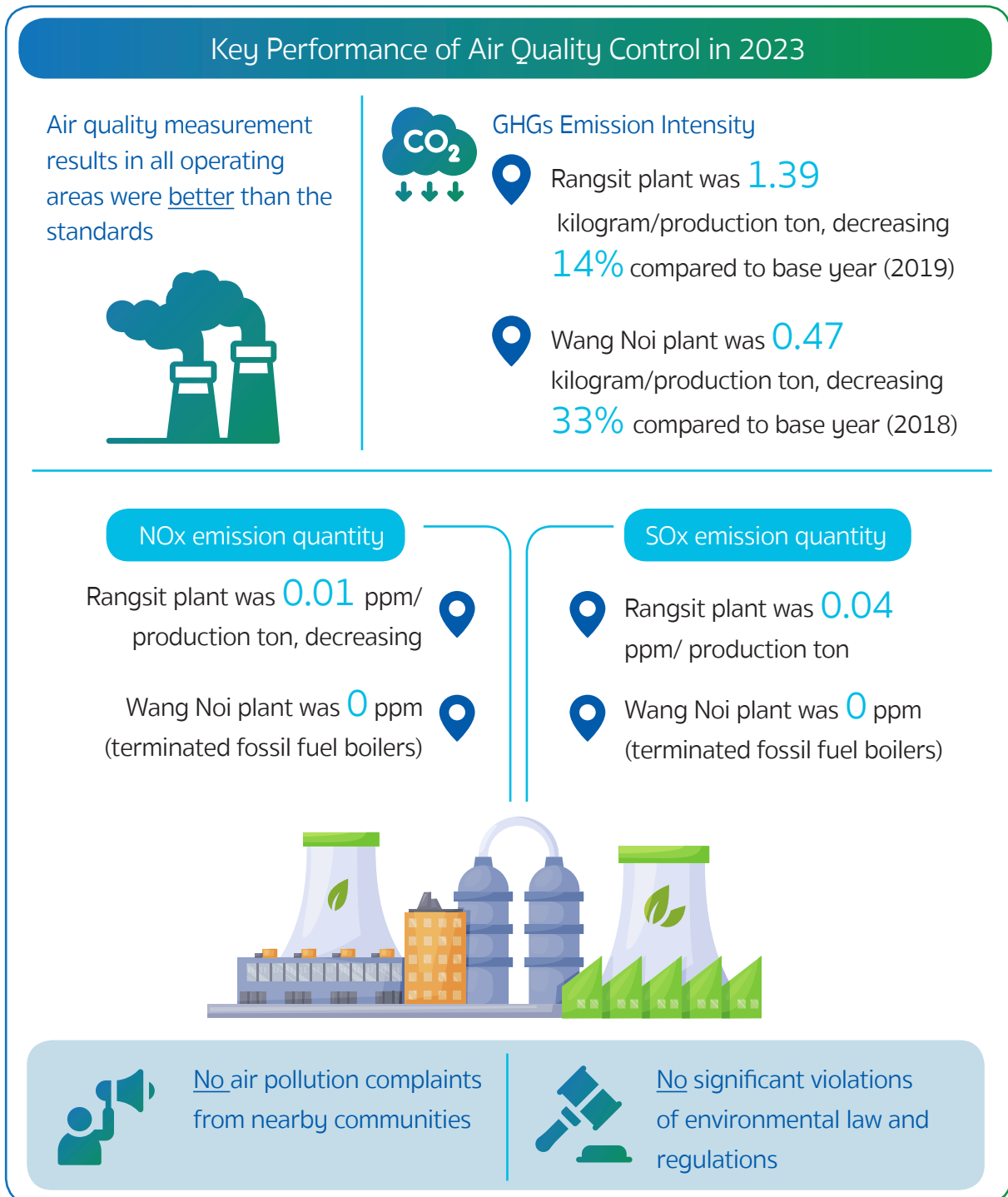
- Carry out various project to reduce the amount of waste water, such as reducing water utilization, reusing of wastewater and recycling waste water, etc.
- Monitor and investigate the wastewater quality by having certification from the external organization to ensure that the water quality released in the Company's pond is in accordance with the standards set by law. Together with improve the efficiency of the wastewater treatment system to be able to generate quality recycled water for using in various activities in the factory to replace the purchase of tap water from the Provincial Waterworks Authority.
- For the water management in the Company, there is the control of water usage in various activities of the Company appropriately. The amounts of the water used in the special activities such as Big cleaning day and Wet Scrubber cleaning are recorded. Moreover, there are checklist to monitor the leaks in various areas in the Company that may cause water extravagant. There is also a campaign to raise awareness among employees about the importance of water resources and to reduce the use of water
- Install a photovoltaic water turbine at the water storage pond, Rangsit plant.

## Goals

- To make the results of environmental pollution measurement within the standard range and continuously improve the Company's waste water quality control system.
- To implement various programs to reduce the amount of waste water such as reducing water consumption, waste water recycling.
- To develop a recycling water production system to be more efficient and to reuse waste water for other benefits, such as watering plants, flushing water in toilets; and to reuse waste water in Wet Scrubber system.
- To reduce water usage 3% comparing to 2022.

### 3. Pollution and Waste Management

#### 3.1 Air Quality Control



The Company develops its business together with the control of air pollution emission not just complying with the legal requirements, but it also takes into account the impact on the surrounding communities and societies, as well as invests for continuously reducing the complaints on dust, smell, and noise affecting the surrounding communities, for instance, the use of efficient pollution treatment system, the improvement of manufacturing process at some points for creating the confidence and reducing the community concerns.

## Management Approach

### Air Quality Management Projects



#### Rangsit Factory

##### Project of solar electrical energy production system with capacity 1.6 MWp

The IRC Rangsit and Wang Noi factories have passed the Thailand Voluntary Emission Reduction Program (T-VER) assessment under the Project of Solar Electrical Energy Production System with Capacity of 1.6 MWp certified by MASCI in March 2023.

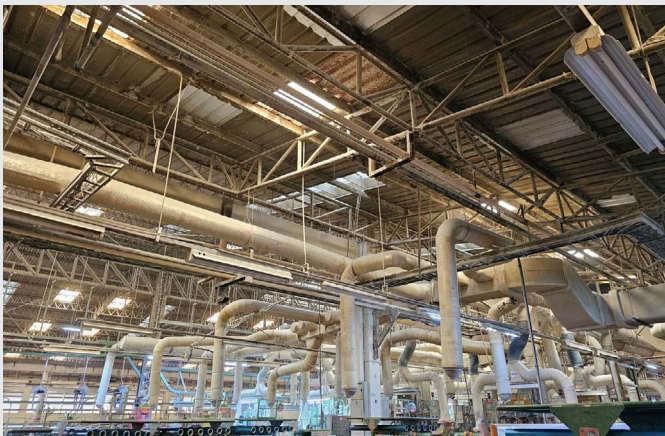


##### Overall Result

- The amount of electrical energy that can be produced in net from conducting renewable electrical energy project is average to 2,147 MWh per year.
- The amount of greenhouse gas that is expected to reduce/store equals to 992 tCO<sub>2</sub>eq per year

##### Energy efficiency improvement project in the manufacturing sector

Project on improving energy efficiency in the inner tube preparation section by switching from a 67 kWh air conditioning system to a 3 kWh Evaporative Cooling system



##### Overall Result

- It can save electric energy for 423,936 kWh./year.
- It can reduce greenhouse gas amount for 211.91 ton of carbon dioxide.

### Project for raising awareness and developing the most cost-effective use of resources with the greatest benefits

To create a culture among the organization's staff that promotes and supports a low carbon society. This will be achieved through the ongoing implementation of Green Idol and Green Idea activities on every month.



#### Overall Result

- To arrange the campaign every month

### Project of promotion and creation of resource use in worthwhile manner with highest benefits

On the Environmental Safety and Energy Conservation Day, How to Love activity is to reduce greenhouse gas emissions and increase absorption of greenhouse gases

#### Overall Result





## Wang Noi Plant

### Electrostatic Precipitator (ESP)



Air treatment systems use electrostatic particle separation, which involves sucking particles from the air or smoke into a machine that is charged and gains positive ions. Following that, air will pass through the sheet containing several positive ions, and the particles will be charged and turned positive, attaching to the sheet containing negative ion particles. Regarding the oil, it will fall into the oil tank, saving the filter and allowing it to eliminate particulate matter smaller than 0.3 nanometers.

### Overall Result

It has an efficiency to treat/eliminate and be able to eliminate

- Amount of dust increased by 87.9%
- Amount of volatile organic compounds (VOCs) increased by 91%
- Amount of oil mist increased by 80%

### Evaluation results of environmental satisfaction of communities surrounding the Company (%)

	2017	2018	2019	2020	2021	2022	2023
Yu Charoen Village	80	97	93.5	91.57	-*	94.91	97.00
Sri Prajak Village	74	97	94	91.39	-*	97.50	96.00

\*Note: In 2021, there was no satisfaction survey of surrounding communities due to the COVID-19 situation

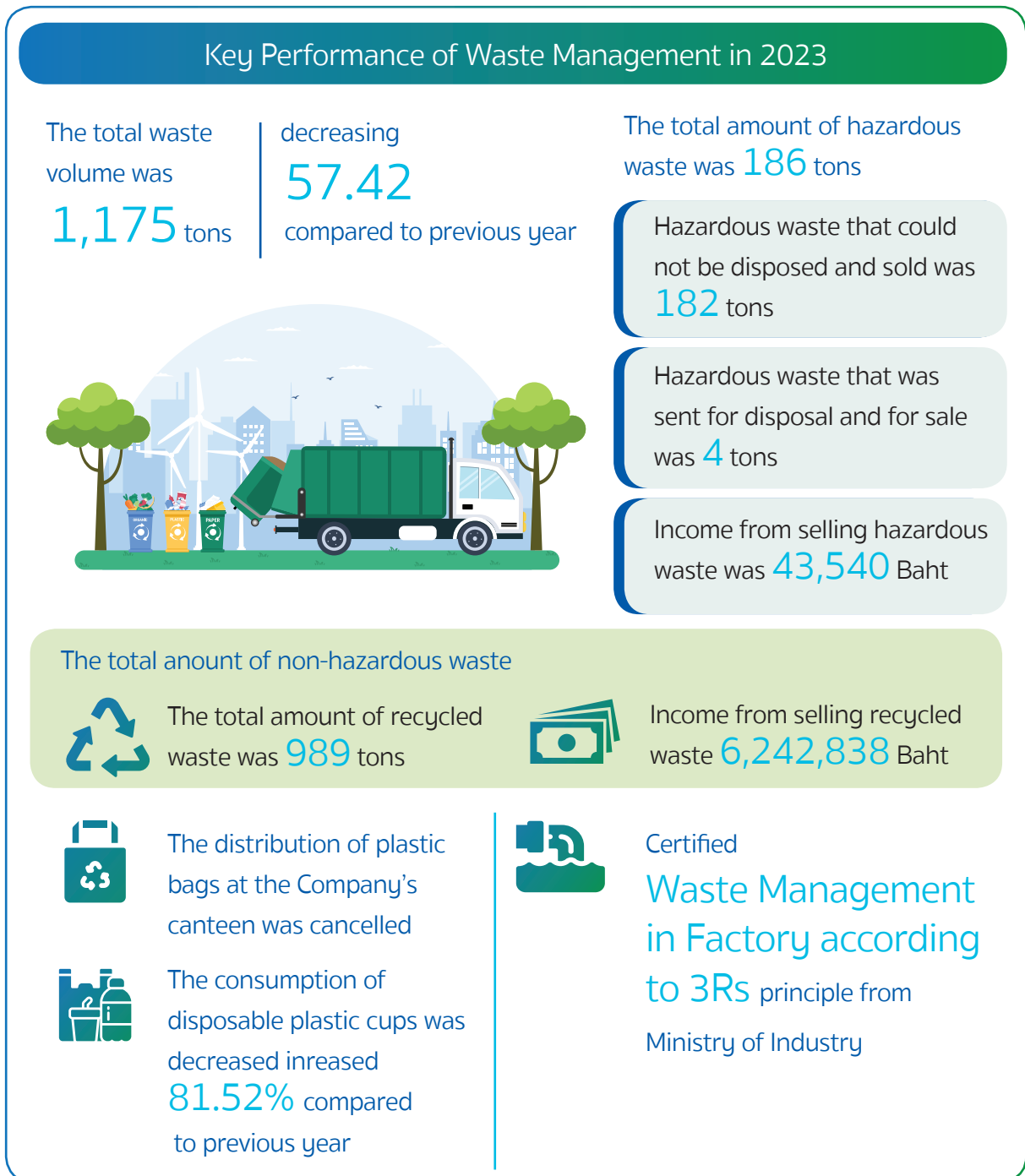
### Operating Plan

- Improve and increase the efficiency of Air Pollution Treatment System
- Expand the installation of Solar Rooftop for reducing the electric energy consumption inside the plant

### Goals

- Environmental pollution value measurement result is within the standard criteria, and the Air Quality Control System of the Company is developed for the continuous improvement.
- There are no complaints on environmental issues.

## 3.2 Waste Management



The Company is committed to managing waste inside the Company on an efficient manner to wisely harness resources and mitigate global warming. Similarly, the Company ensures compliance with relevant laws regarded as an important part of the business and responsible to the community, the society and the environment.

### Management Approach

The Company has applied the 3Rs principles in waste management. It includes production planning, machine improvement, work methods development, and desirable employee characteristic promotion to emit the least amount of waste. The Company manages each type of waste legally

as per utilization by using the 3Rs principles – Reduce, Reuse and Recycle. The notion also covers the use of renewable resources and the rejection of non-environmentally friendly products. Thirdly, the development of technology is put in place to help cope with waste during the process, such as automation that combats waste in the production process and the introduction of several initiatives to cut reliance on paper and shorten work processes.

### 1 Merit from Waste Project

Donate money from selling wastes to 3 organizations as follows:

1. Rangsit Babies' Home Foundation, Khlong 5, Pathum Thani
2. Old Age Home, Khlong 6, Pathum Thani
3. Siriraj Hospital



### 2 Sell food waste from the Company's cafeteria as animal food

### 3 Stop giving out plastic bags at the Company's cafeteria and campaign to encourage the use of cloth bags to reduce the amount of plastic waste

### 4 Rubber scraps from the production process

The Company sells rubber scraps as part of the production process to turn into alternative fuels to reduce reliance on fossil fuels as much as possible. Likewise, some rubber scraps produce flooring rubber tiles (Vi-Pafe) under the brand IRC and are sold to rubber scrap-processing plants to manufacture recyclable rubber. It is regarded as one of the 3Rs process of the Company.

### 5 Sewage disposal and unused materials

To combat sewage disposal and unused materials, the Company has long run a campaign to separate waste before throwing away. This is to ensure that unwanted materials are properly used and management can be appropriately and systematically completed.

- Hazardous waste: the Company has selected agencies/companies with working standards and licenses to perform waste management as a service provider for treatment/disposal of waste or unused materials.
- Recyclable waste is sold to buying agencies/companies for recycling purposes.
- General waste is managed by hiring the municipality to be responsible for the matter.




The Company formulates a guideline for managing infectious wastes in the COVID-19 pandemic situation, for instance, medical mask, and Antigen Test Kit (ATK). Due to the necessity of proper and efficient management of these wastes for preventing the disease contagion, as well as for safety of the related operators, therefore, the Company has defined the specific waste discarding point for the said infectious wastes.



<p><b>Future Operating Plan</b></p> <p>A campaign of discarding wastes in proper types both of general waste and recycle waste so that the acquired recycle wastes are taken for participating in the Merit Waste Project</p> 	<p><b>Goals</b></p> <ul style="list-style-type: none"> <li>• Cancel all types of disposable plastics</li> <li>• Reduce consumption volume <math>\geq 20.25</math> Ton</li> <li>• Reuse by <math>\geq 31.34</math> Ton</li> <li>• Recycle by <math>\leq 775.06</math> Ton</li> <li>• Landfill of waste <math>\leq 0</math> Ton</li> </ul>
--	--

#### 4. Leakage & Spill Prevention and Management

Operational Results of Leakage & Spill Prevention and Management in 2023

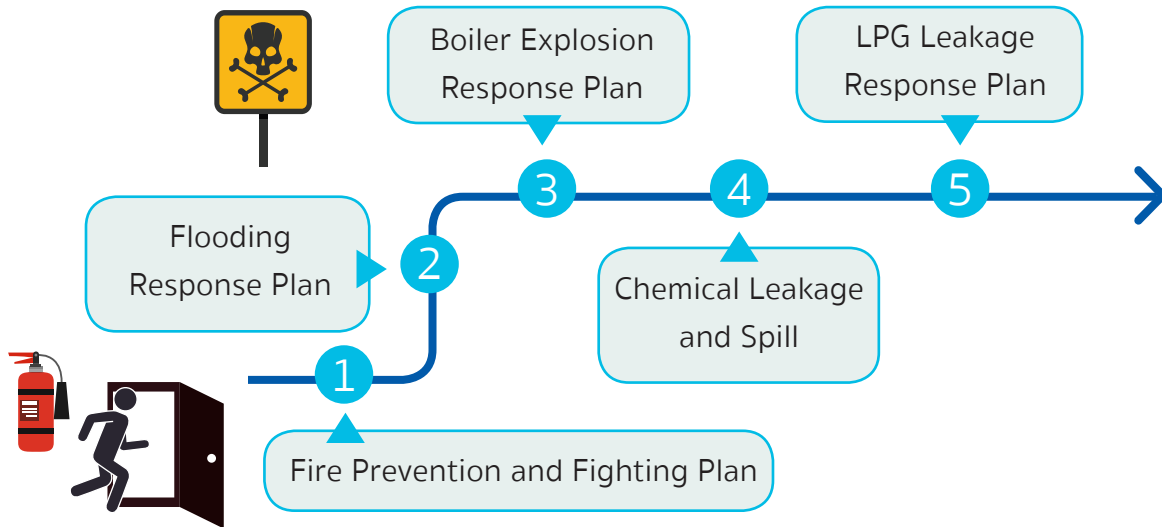


NO significant spillage of chemical or LPG for 8 consecutive years

The Company determines to develop the operations to prevent significant spills that may affect the environment and the surrounding community, as well as to enhance the business trust. More importantly, this is aimed to prepare for the case of chemical spills so that the employees have knowledge about the control of chemical spills and are able to solve the immediate situation.

## Management Approach

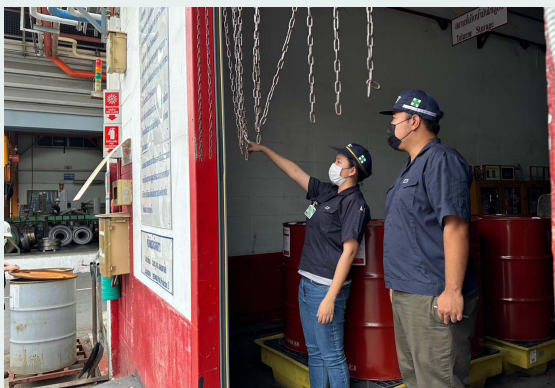
The Company has an annual emergency drills to review and prepare our employees to promptly solve and suspend if any emergency occurs, all 5 emergency response plans are as follows:



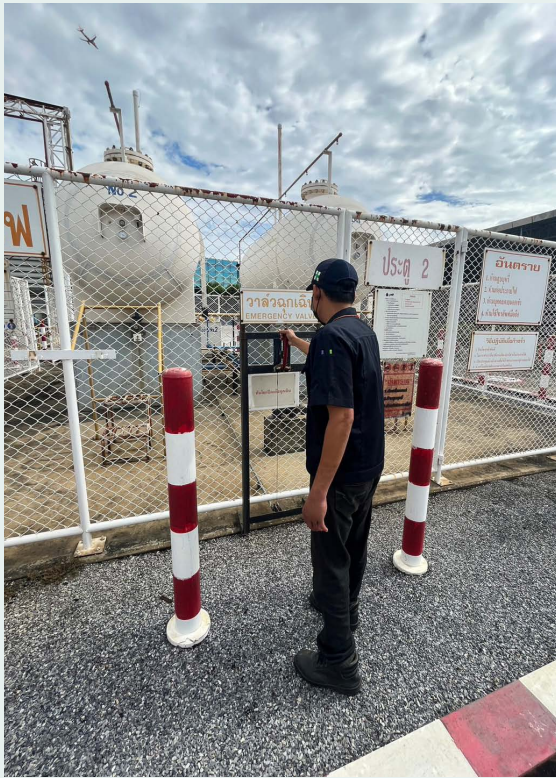
The Company holds the training of fire prevention and fighting plan



The Company holds the training of Chemical Leakage and Spill Chemical



The Company holds the training of LPG Leakage Response Plan

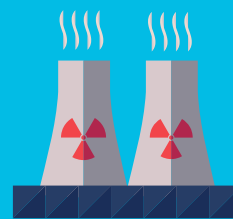


### Future Operating Plan

- The drill of evacuation plan and staff training are carried out once a year.
- Any new activity or production process will be assessed of risks to review and add necessary measures if any leakage or spill occurs into drains and natural water source, as well as the extended area or container as 2nd step in the event of an emergency.
- Wang Noi Plant plans to construct an inflammable chemical storage building by planning to use a budget of 3.5 million Baht

### Goal

No significant leakage of oil and chemicals throughout the operation period



## 3.4 Management of Social Dimension

### 3.4.1 Social Policy and Practices

#### Social policy and practices

IRC is confident that every employee who has joined IRC was selected through a fair and transparent process based on the principles of good governance and business ethics without discrimination against race, religion, gender, age, or physical disabilities. The Company considers each person's qualifications, knowledge, abilities, skills, relevant work experience, and potential that can be developed along with the organization's growth. The guidelines and policies have been developed as follows:

#### 1. Human Rights

IRC employees at all levels are treated fairly, equitably, and respectfully based on the fundamental human rights in line with the international principles to achieve the sustainability development goals (SDGs) as well as related laws and regulations in recruitment, performance appraisal, employee potential development, and skill and knowledge training necessary for performing the duties of each job position in order to enhance their potential and support their career advancement through training activities, seminars, and on-site visits with speakers from inside and outside the organization.

IRC has established policies and procedures for employees including employee conduct and other employee treatment practices based on its corporate governance policy that is in line with national and international human rights principles such as the UN Guideline Principles on Business and Human Rights (UNGPs). IRC has signed the UN Women's Empowerment Principles (WEPs) to recognize gender equality, unleash the potential of all genders, and equally empower all employees to reach their potential, including encourage business partners and suppliers to operate in all aspects of human rights.

#### 2. Employee Treatment

To motivate and reward IRC employees, the company provides compensation and benefits to employees at all levels with fairness. All employees are treated and must treat other employees on the basis of equality and fairness that is in line with the human rights principles such as non-discrimination, no forced or child labor, no involvement with human trafficking, and gender equality. Under fair treatment, employees will be appointed, relocated, awarded, or punished based on good-faith considerations that take into account knowledge, abilities and suitability of the employees with comparison with the labor market and taking into consideration the changing living conditions. Moreover, employees will receive special compensation that matches the company's performance in both short and long terms. Additionally, the company provides opportunities and supports employees in being promoted and developing their abilities by assessing the scope of their positions and responsibilities

Aside from that, recognizing the importance of mental health care for employees, the company has set up a counseling unit as a channel for listening to employees' problems, expanding employees' perspective, and creating understanding of various issues. The company provides a service corner for counseling or HR CLINIC to resolve issues that can affect employees' quality of life.

### **3. Employee Development**

IRC focuses on both employees' and the company's success. It is, therefore, the company's core mission to focus on developing not only employees' knowledge and skills, but also their attributes so that all employees are a fit to the company's culture. This begins on the first day that a person becomes a member of IRC, which is the orientation day. New members will experience learning at the Productivity Training and Education Center, covering important aspects of the organization such as safety issues. Given the company's priority in people, new members must learn about safety through a simulation-based training. New members must be aware of and understand the basic system of machinery as well as avoid any possible hazard at work. The Human Resources Development will follow up and evaluate employee performance (on-the-job training) to assess the readiness of work at the production level and the employee's performance and ability to adapt to the organization at all levels.

Benefit for the organization: Human resource development will increase productivity and reduce costs as employees become more proficient in the work they do, reducing errors that might occur. As a result, human resource development is one way that enables an organization to keep up with changes and proudly compete with other businesses.

Benefit for employees: When employees are highly productive, more doors of opportunities will be opened for career advancement. Continuous employee development will also reduce the turnover rate of skilled personnel by strengthening the relationship between employees and the organization. As a result, employees are committed and dedicated to achieving the organization's success.

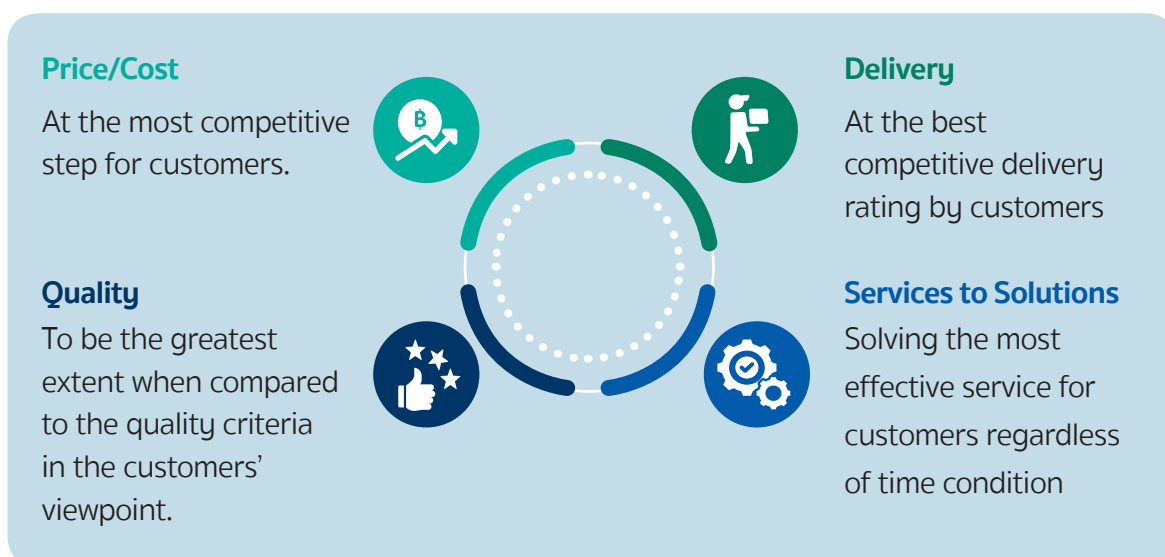
### **4. Occupational Safety and Health**

Determined to operate its business with employee safety as a priority, IRC has established the Occupational Safety, Health and Environment Committee following the Ministerial Regulations on the Standard for Administration and Management of Occupational Safety, Health and Environment B.E.2549 (2006). The company has established policies for occupational safety, health, and work environment as a guideline for welfare, safety, and environment by promoting hygiene, safe working environment, and accident prevention, starting from training to educate new employees on workplace safety and supporting activities to raise such awareness among employees.

## 5. Customer Management

As per the “Good Corporate Governance” manual, IRC strictly ensures compliance to regulations and practical guidelines. The focus is placed on quality and punctual product delivery, including better than-expected products with fair conditions. The Company provides correct, adequate and timely information about products and service so that clients are equipped with information for making a decision. No exaggeration is given to advertisement and other communication methods as this may result in misunderstanding over quality, quantity and conditions of products or service. Likewise, another key matter is the confidentiality of customers. The Company does not unlawfully use any information for own benefit or related parties. Moreover, the Company caters to the needs of customers rapidly and offers systems and channels in order for customers to effectively complain quality of products and services, survey clients’ satisfaction and conclude information for the purpose of analysis and quality revision and development.

The highest level of customer satisfaction in 4 dimensions of products and services is 1 out of the 7 policies under the vision and mission regulated by the Board of Directors and the Executives. The framework will propel the Company to the designated targets as listed below:



## 6. Communities

IRC determined the goal and operated the CSR activities according to sustainable business strategy, and Social Responsibility and Environment Policy. IRC has focused on environmental responsibility and ecosystem conservation, and creating shared value between social and business together. IRC also developed social living by corporate social responsibility activities (Corporate Social Responsibility: CSR).

The Board of Directors, Executive Committee, and Good Corporate Governance Social Responsibility Committee collaborated to determine the Company’s CSR activities strategy as followed;



“IRC” develops work-related knowledge and skills, ensures a good quality of life and well-being, and promotes green culture within the organization.

“Activity with the Communities” to secure a good relationship and to perform environmental activities with stakeholders

“Nation / Community” to spur development and help solve the country’s problems through the Company’s strengths. Encourage sharing value for the society and social enterprise

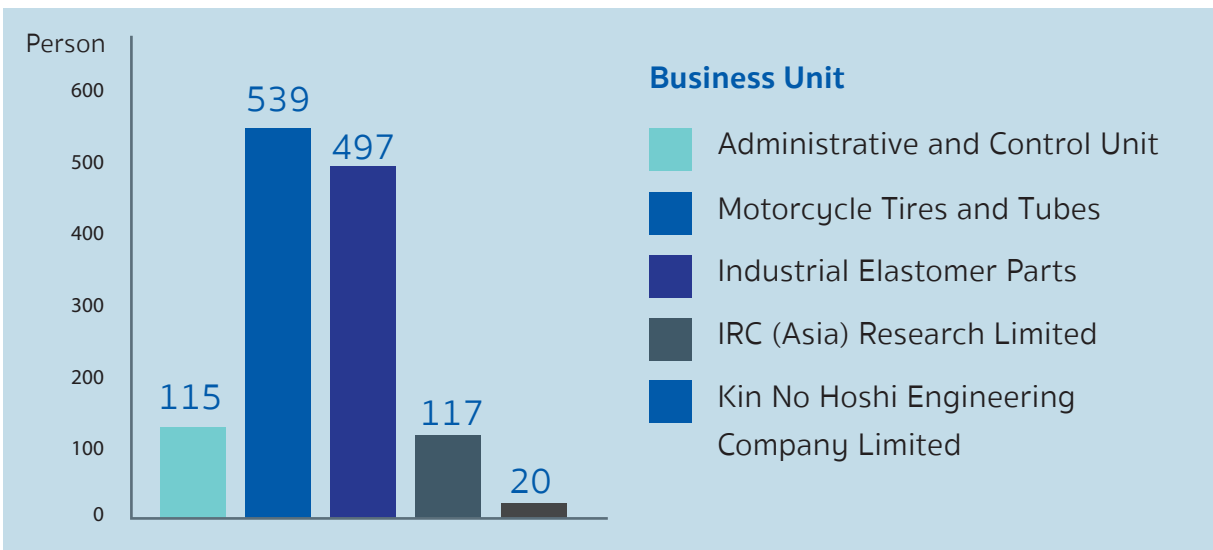
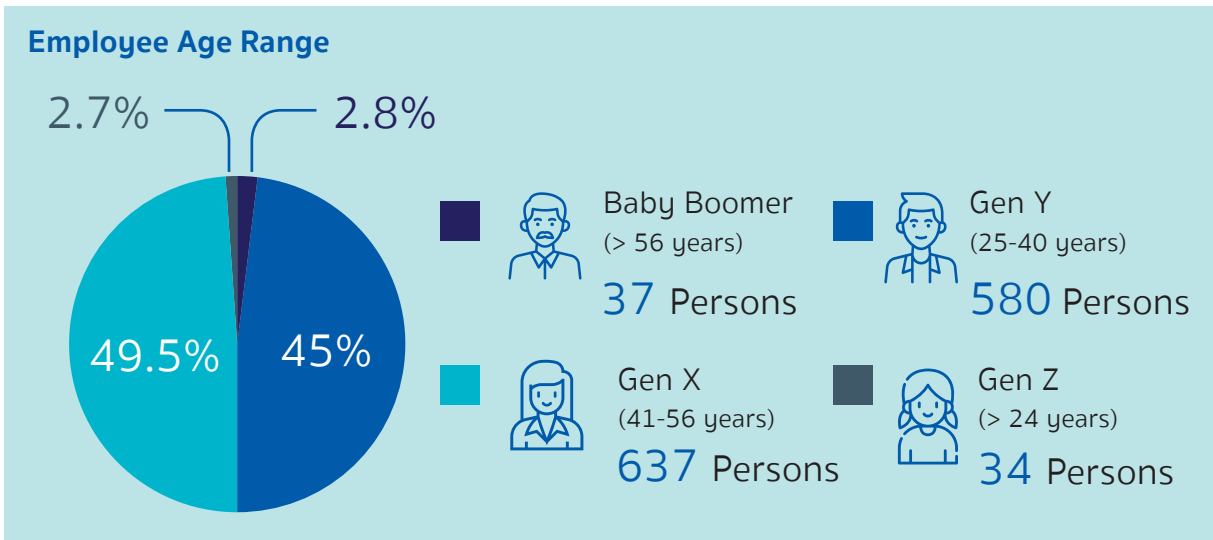
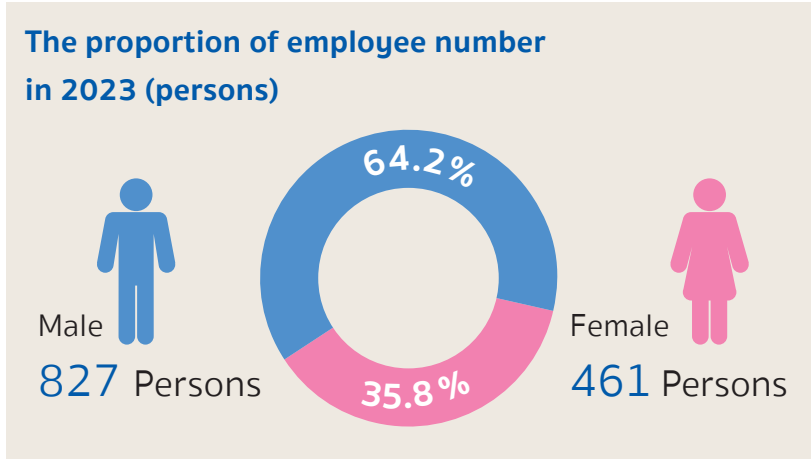
“Global” the Company deploys an economic, social and environmental framework that responds to sustainable development goals (SDGs) such as global warming fight, a greenhouse gas emission campaign, etc.

	Goal	Performance	Complied with SDGs
Human Rights	No complaint about human rights issue	No complaint about human rights issue	 
Employee Compensation and Benefits	Turnover < 20%	Turnover = 12.5%	   
Employee Development	Employee training average > 25 hr./person/year	Employee training average 25.19 hr./person/year	  
Customer Relationship	Customer’s satisfaction > 90%	100%	

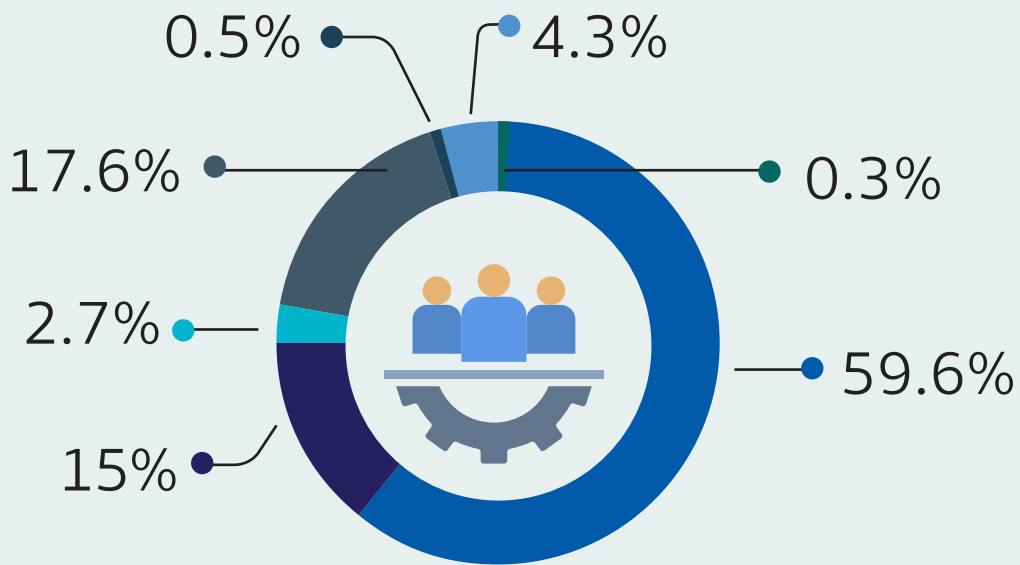


### 3.4.2 Performance on Social Aspect

With its vision to become a leader in innovation and smart factory, the company has been recruiting new generations of personnel for operational and support departments to modernize its production process and deliver highest quality products to customers. Accordingly, the number of new employees has been decreasing. As modern machineries are utilized and operations are more accurate, machineries have increasingly been used in operations to replace operational staff.



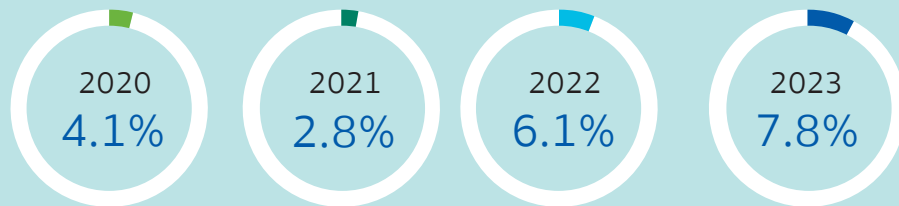
The proportion of employee number in 2023 (as level)



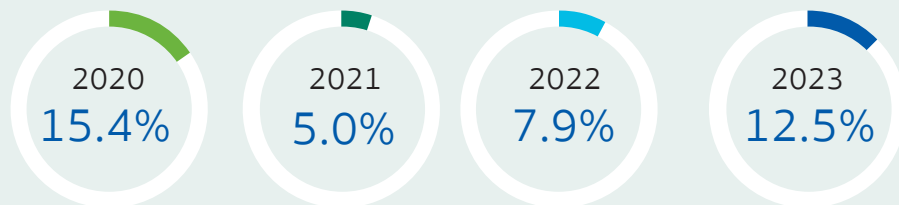
<span style="color: #0056b3;">■</span> Workers 768 Persons	<span style="color: #00a0c0;">■</span> Staff 34 Persons	<span style="color: #2c3e50;">■</span> Specialists 7 Persons	<span style="color: #006d6d;">■</span> Executives 4 Persons
<span style="color: #2c3e50;">■</span> Foreman 193 Persons	<span style="color: #2c3e50;">■</span> Chiefs 227 Persons	<span style="color: #0070c0;">■</span> Managers 55 Persons	

Remark: The Company hired 6 disabled employees out of 1,288 total employees and provided vocational advancement under Section 35, Empowerment of Persons with Disabilities Act, B.E.2550 as required by law.

New Employee Rate (%)



Turnover Rate (%)



## 1. Employee Treatment and Human Rights

### Human Rights

There were no complaints or lawsuit regarding human rights violations in the past year.

### Labor Rights

IRC therefore encourages our employees to form “LaborUnion”, which is a group legally established to represent the overall employees in overseeing the employment conditions as well as employee benefits and welfares and at the same time collaborate with the Company in providing good and healthy working conditions through holding regular consultancy meetings between the executives and the Labor Union. The Company has also appointed Employees Committee to act as employee representative and of which its members consist of directors appointed by the Labor Union and election to consult with representatives who are senior management in ensuring that appropriate welfare and benefits are provided to IRC employees.

### Monetary Welfare

Apart from the benefits which all employees are directly entitled to, IRC also cares for the family members of its employees by providing monetary benefits for various occasions such as the death of father, mother, spouse or children of the employees, including maternity and marriage allowances.

- Provident Fund Program under which the employees are allowed to make their own savings plan. The savings rate and money contributed by the employer shall start from 3-6% and continually increase according to the employment period specified by the Company.
- Medical allowance for employees, including spouse and children
- Death, maternity and marriage allowances to aid employees and their families
- Life insurance

### Healthcare Welfare

IRC recognizes the importance of having good physical and mental health and have therefore arranged the following health-related welfares including:



**Annual health check**



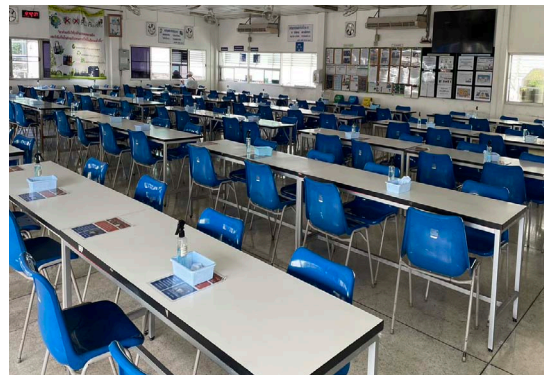
**Health and Medical Center with specialized physicians to give medical service and advice to employees**



**Sport Day activity**



**Gym and fitness center**



**Clean and hygienic cafeteria that serves foods at affordable price**

### **Other Employee Welfares**

- IRC offers uniforms and safety shoes for staff every year
- Transportation service
- Recreational and Internet Centers
- Special privilege in buying IRC products
- Special activities such as Thank You party

### **Employee Care**

IRC emphasizes personnel along with promoting activities and taking care of good welfare all the time, for 2023 Target, the Company focuses on the importance of supervising, advising and listening to employees about work and life to create happiness in living together in IRC society.

## Action Plan to Increase Employee Engagement and Satisfaction

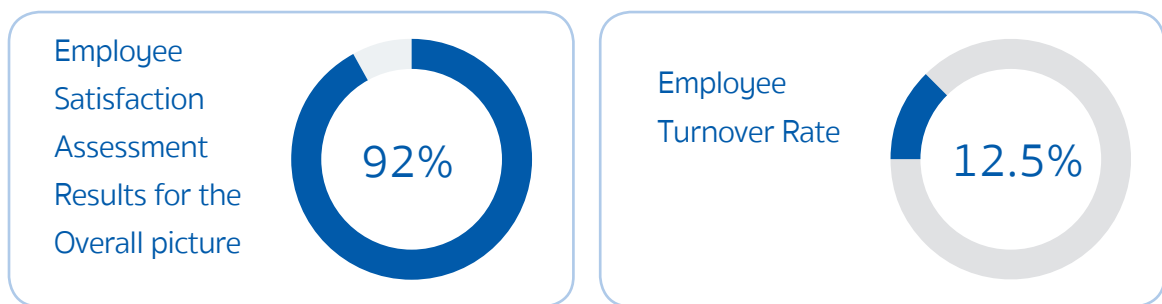
The Company focuses on creating the inclusion and engagement of personnel to the organization (Employees Engagement) so that they can feel a part of organization. The Company cares employees well through many projects such as:

- 1) Add channels to listen to and discuss problems. Through the service of HR CLINIC Room in Head Office area and Wang Noi Plant as another channel for listening the problems or consultation to increase the perspectives and understanding of many areas. Therefore, we provided a corner of consultation and listening to employees about their problems or HR CLINIC for taking care and serving personnel.
- 2) Allocate monetary and non-monetary compensation and welfares to employees
- 3) Build a collaborative environment through various activities

## Employee Satisfaction Evaluation

The Company conducts an employee satisfaction survey annually. The goal is to assess employee satisfaction towards their work as well as their engagement with the organization. In addition, use the evaluation results to help the organization to develop its employee management system, learning and motivating, as well as creating employee satisfaction and well-being.

## Satisfaction Evaluation Results and Employee Turnover Rate in 2023



## Employee Development

As for employee potential promotion, IRC offers training courses to refresh knowledge and work skills twice a year, to ensure that employees at all levels are knowledgeable, capable and consistent with working standards. Other offers include the Individual Development Plan by looking into the strengths and weaknesses of staff. It deals with the functional competency by own and supervisors to identify areas of improvements and development. This process enables employees to get to the point when developing themselves and more obviously see changes in behavior after the sessions. The data obtained through the analysis will be used to select additional training courses for individual development. It is offered as an in-house training program with the focus on the basic course of work and promotion. Also, off-house trainings center on the development of potential in specific titles. As for on-the-job training, trainers lead a close coaching program from the first day until a probation is completed. IRC also observes skilled employees and on-site performance

and ensures that employees possess skills as specified in accordance with the requirements of the international standard quality system (ISO 9001:2015).

At present, digital transformations have been accelerated in many organizations to enhance personnel development, increase digital knowledge and skills, and develop new skills for employees through reskilling and upskilling to improve employees' knowledge and skills.

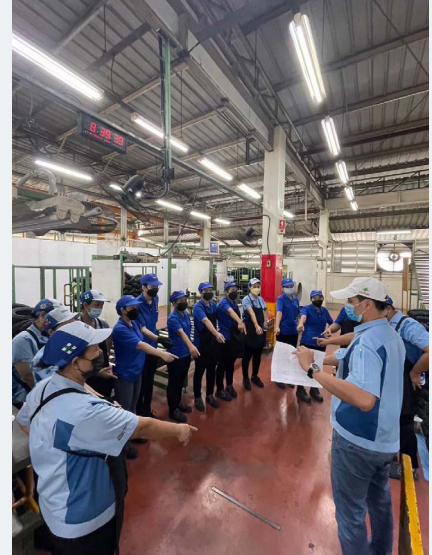
In 2023, the Company has implemented a strategy for enhancing the competency of its employees which in line with the Company's business direction, including the development of employees with high potential, leadership skills and other skills. The Company organizes various types of training such as workshops, online classrooms, and practical learning, etc. The average training hours for employees are 25.19 hours/person/year and the number of trained employees is 1,288 people.

### Employee Development Training Courses in 2023

Training Courses	Number of employees participating (persons)
Developing Need Analysis and IPDs Foreman Development	213
Fundamental and Internal audit of ISO 9001:2015 and IATF 16949:2016	226
Fundamental of TPS	46
Business Acumen for Rubber Industrial	48
Total Productive Maintenance: TPM	74
Labor Law	163
Human Resource Development for practice	44
Automation advance Training	38
Leadership skills	84
Productivity improvement and cost reduction	204
Communication skills	150
Standard training and refresh on the job training	1,230
(Developing Need Analysis and IPDs Foreman Development)	213



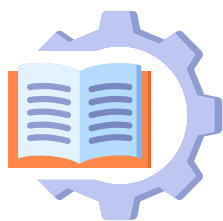
### Average number of training hours per year of employees (divided by employee level)



Level	Average hour/year
Manager	25.39
Chief	46.09
Foreman	25.96
Staff	17.18
Worker/Skilled worker	19.25

### Employee Development Target in 2024

The Company will focus on the development of personnel to have work potentials together with the development of desirable behaviors according to the core values of organization for supporting the mission of empowering personnel at all levels with following targets:



**Personnel at all levels are developed in knowledge and competence, skills and attitudes based on the established individual competency framework.**

**Personnel at all levels develop their behaviors consistent with the core values of the Company.**

**Create an organization to become a learning organization**

## Safety and Occupational Health

### Safety Campaign Activities

1. **Safety Day:** To make employees aware of work safety, with activities in both the formats according to the new normal measures, as well as online activities, as follows.

- Organizing contests to create security-related catchwords
- Organizing contests to create safety bulletin boards
- Attending online exhibitions and answering questions to win prizes



2. **Safety and Environment Activity Week:** Held to create knowledge, understanding and awareness of safety and the environment, so that employees can implement it correctly. This year, the Company publicized the activity through online communications to all employees.

3. **Risk Assessment Machine Safety:** Machine safety inspection for creating safety before allowing employees to work with the machine by setting up the inspector team to evaluate the risk assessment or the improvement before operating the machine

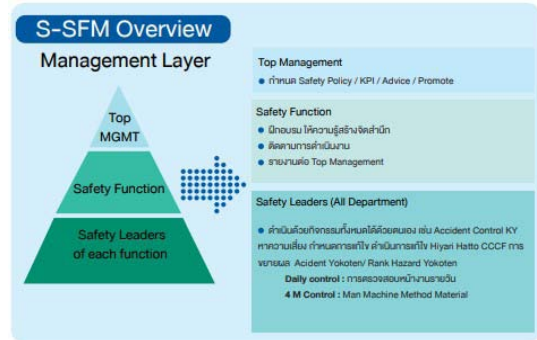
4. **Safety Culture Activities:** To instill a culture of safety among the organization's employees, as well as for other people entering the factory premises, by educating, providing practice guidelines, creating public relations campaign signs for employees to acknowledge, and stating their commitment to adhere to the safety culture, along with conducting a monthly evaluation of the compliance safety culture





**5. Safety Shop Floor Management (S-SFM)**

**Activities** is a work site safety management activity that is intended to manage and control safety within the work area. It consists of a total of 22 requirements that must be met, as well as the creation of Safety Expertise Levels 1, 2, 3, and 4 for each department so that they may gain the necessary knowledge and understanding with regard to Safety Shop Floor Management (S-SFM) activities and be able to implement it correctly.



**6. TCC (Toyota Co-Operation Club) Safety Activity.**

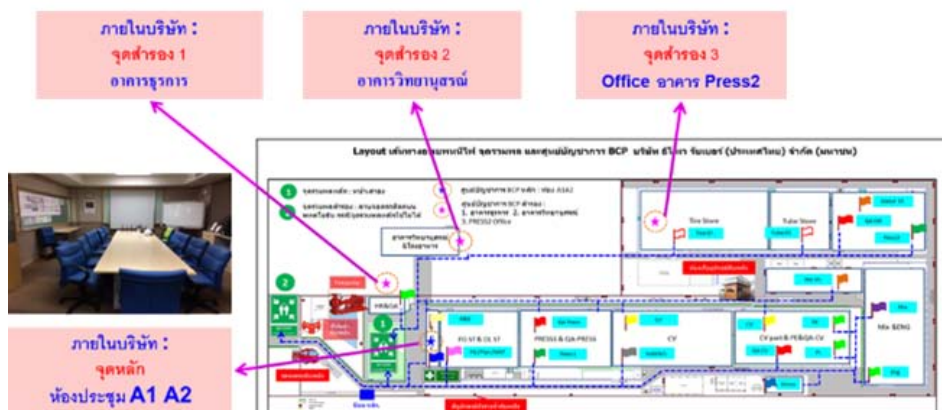
Participation in safety-related activities and assume the role of an Assistant Task Force, with the objective to be a part of promoting safe operations in TOYOTA’s supplier group. Its main responsibilities are to manage, educate, advise monitor, and follow up on changes, with four-member companies, and assess the results under the Zero Accident objectives.



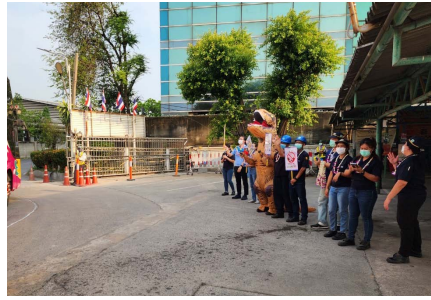
**7. Risk Management Activity** by conducting activities and creating a business continuity plan, as well as planning and reviewing drills on an annual basis, to build confidence among customers with regard to responses in the event of an emergency to prevent disruptions to the business operations. This year’s activities focus on responses to logistic breakdowns.

**BCP Rehearsals and Review of the Annual Plan**

**การจัดตั้งศูนย์ปฏิบัติการฉุกเฉิน (Emergency Operation Center: EOC)**



8. Organizing Activities to Campaign for “Safe Driving” during the Company’s long holidays.



9. Safety and Environment Activity Week: Held to create knowledge, understanding and awareness of safety and the environment, so that employees can implement it correctly. This year, the Company publicized the activity through online communications to all employees.

**Fire Evacuation Drills**



## Organize Training in the Safety Simulation Room

Focusing on activities to promote safety and good hygiene in the workplace, as well as controlling the impact on surrounding communities, such as training in the Safety Simulation Room by simulating the Company's operations which allows the employees to experience real practices together in conjunction with the simulation in order to create awareness of the dangers that may occur, know how to anticipate hazards in advance (KY Ability), and the precautions that are needed when working in such a situation. The training is classified for managers, section heads and supervisors, and employees, and focuses on learning with a student-centered approach.



### Accident Statistic



Wang Noi Factory

602,151 Hours



Rangsit Factory

898,123 Hours



of working hours of employees without any serious injuries as of 30 November 2023

Company	Occupational illness statistics	Non-fatal accident statistics	Fatal accident statistics
Inoue Rubber (Thailand) PCL.	0	0	0
IRC (Asia) Research Limited	0	0	0
Kin No Hoshi Engineering Co., Ltd.	0	0	0

### Target in 2024

For safety management – The Company aims to reduce work-related accidents by setting a goal of no work-related accident that leads to discontinuity in 2023.

### Action Plan for 2024

To achieve the target goal and determine the risk assessment in each activity and define as risk control measurement in each level

## Customer Relationship Management

IRC gives great importance to customer relationship management as part of pushing the Company to operate the business in a sustainable manner. IRC focuses on the importance of its customers, as well as the quality of products and services that are being delivered to customers, which must possess the required standards, with punctuality and customer satisfaction, which are all in accordance with the Company's quality policy.



“ Highest quality delivered on time, resulting in customer satisfaction ”

Reliable quality is one of the strategies that IRC adheres to, to build customer confidence as IRC's business involves mass production and a race against time. As our customers are corporate customers (Business to Business: B2B) who expect confidence in the Company's operational standards and product quality control, IRC therefore places great importance on and supports quality assurance units.

### **The identification of essential issues and concerns**

IRC has done research and prepared to support the manufacture of rubber parts for electric vehicles (EV car) in the future. As well, IRC executes new product innovation development to meet the needs of other booming industrial markets.

The Company has set a zero claim target and operated a follow-up report on claimed products on a monthly basis. Furthermore, the Company is certified by institutions such as ISO 9001:2015, ISO 14001:2015 and ISO/IEC 17025, and these build customers' trust. IRC has formulated the regulations on the restriction of hazardous substances 2: RoHS2 \*, which came into effect in 2019. And the IRC now manages to fulfill the control standards.

### **Giving great importance to the safety and health of customers**

The Company gives great attention to the safety and health of consumers, and therefore, focuses on developing quality products on a continuous basis, from the product design process, procurement of raw materials, transportation, and after-sales services, as it believes that quality products will contribute towards the consumers' well-being.

### **Customer Confidentiality**

The Company is fully aware of the importance of protecting customers' personal information that has been collected, consolidated, used, disclosed, and the transfer of information for use in receiving services and purchasing products. The Company is committed to being responsible and providing full protection of the personal information of all stakeholders, namely shareholders, employees, customers, business partners, by stating the personal information protection policy on the Company's website in order to ensure that the Company operates in accordance with the law for the best interests of its stakeholders.

### **Development of products and services that are considered as safe for the product users' health and safety.**

The Company pays great attention to the health of its customers and consumers, starting from product design, procurement of raw materials, production, and services, in order to deliver quality products that are considered safe for users, as well as products that are environmentally friendly.

### **Customer Satisfaction Survey**

IRC conducts customer satisfaction surveys on an annual basis in the 3 key categories: product quality, logistics and service. The survey can be classified into 5 chief items as shown below:

1. Satisfaction in quality level and product quality development
2. Satisfaction in product
3. Satisfaction in product design and product level as opposed to competitors.
4. Satisfaction in delivering products, punctuality, accurate product's amount and shipping documents, packaging standard and staff coordination
5. Satisfaction in service and communication, completeness and accuracy of product order, coordination and after-sale service

## Customer Satisfaction Development



## Social / Community

IRC has confidence in sustainability of happiness, that comes from sharing and living together within the community by operates business together with develops society. Evidently, IRC does not only develop within the company, but develop outside the company, Society and Community for the balance in growth and sustainability.

In 2023, we operated many projects following the sustainability target, to respond the customer requirements, raise value for shareholders, as well as develop society and community. We consider problem issues of society, expectation/requirement of stakeholders, world changes trend, political situation, and disaster for creating framework as showed by 8 projects:

It is a project that is aimed at developing 15 rubber drying subcontractors and steel component production makers, and in which they can apply knowledge, understanding, and new concepts to improve the efficiency of their work process.

### 2024 Target

Fifteen supply chain companies participate in the Supply Chain Development project, or 100% of the targeted companies.

### 2024 Action Plan

Develop competitive capabilities through the use of basic tools for the operations, assessment, and continuously make improvements based on the PDCA wheel concept.

## HAI ARCHEEP – HAI CHEEVIT Project

From the intention to become a part to create Thai society, HAI ARCHEEP – HAI CHEEVIT then was created with the aim to train the female prisoners for starting the career after being acquitted so that they can earn their living and take care of their families without turning back to illegal activities.

**“ Create good people to society ”**

IRC, led by Mrs. Pimjai Leeissaranukul, the Chairman, organized the training session about the moral, good attitude in living and vocational training as well as provide the facilities for the female prisoner development at the Klong 5 Women’s Correctional Institution, Khlung Luang, Pathum Thani, to be skilled labor under the cooperation of the Department of Corrections for 10 years consecutively.

### 2024 Target

the total number of completed trainees is 6 prison officers.

### 2024 Action Plan

Organize training courses on the “Give Career, Give Life” Project for inmates to learn how to work in practice and work theory on safety, 5S, quality awareness, work instruction, and Kaizen, along with learning moral principle to have sense of right or wrong, sense of shame and shame of sins as the principle to remind their minds, so that they will be released and be a qualified personnel who will not commit offenses any more.

## KLONG PANG MODEL (Klong Pang Cooperative at Trang province)

IRC has developed the ISO 9001 system for the production of ribbed smoked sheets that meet international standard, reduce the variability of the properties of the ribbed smoked sheets, and is traceable according to the ISO 9001 standard. The project began in 2016 and continues to develop operational systems and related standards. In 2020, the company supported the launch of the Sustainable Rubber Plantation under PEFC Standards project in order to promote environmental sustainability and help businesses in the wood and related industries to achieve world-class standards.

For 2022, the co-operative created a plan to achieve the standards and prepared a guide on sustainable forest parks to ensure practical and concrete operations. The cooperative applied for a certification of TIS 14061 sustainable rubber plantation from the Management System Certification Institute (Thailand), the standard for forest management for sustainability in response to the United Nations Framework Convention on Climate Change (UNFCCC) and climate change mitigation measures that can be transferred from sustainable forest plantations to the supply chain of wood products.

In addition, the co-operative has automated its production processes to increase production capacity and improve the quality of the ribbed smoked sheet to meet the quality standards as required by customers and modernized its rubber smoke machine by collaborating with the Rubber Authority of Thailand and Fah Thai Agricultural Processing Industry Company Limited, demonstrating the co-operative’s commitment in raising its operational standard.

### 2024 Target

- 1. The source of latex can be traceable > 90%;
- 2. Number of cooperative members > 270 people (as of 30 September 2022, there are 280 members).

### 2024 Action Plan

- 1. Follow up the ISO 9001 system;
- 2. Enhance the efficiency of latex production;
- 3. Visit the site to keep relationships with members of the Klong Pang Cooperative

### SAFE RIDE (IRC CARE)

SAFE RIDE (IRC CARE) Project enhances the knowledge and understanding in traffic laws and the safe use of motorcycles, as well as preliminary inspection and maintenance of motorcycles for youth in schools in 4 regions across Thailand.

### 2024 Target

Participate in youth educational programs in 4 provinces

### 2024 Action Plan

Impart knowledge surrounding traffic laws, safe motorcycle ride and vehicle checking and basic motorcycle maintenance for teenagers across schools

### Safety Driving Campaign during Long Holiday Project

It is the project to promote safe driving during New Year and Songkran festivals, we established a car rest place for convenience and service to people in collaboration with Ayutthaya Provincial Government, and provided drinking water to drivers who travelled through Wang Noi Highway and supported food and beverage for officers at public service point. In 2023, the Company organized a campaign for safe driving during New Year festival at the city hall of Ayutthaya province, under the cooperation with the Disaster Prevention and Mitigation Center, Ayutthaya Province, and the Highway Police. We also posted signs to promote safe driving, provided drinking water to travelers.

### New Year



### 2024 Target

Participate in Safe Drive in Festival Periods Project twice a year during New Year and Songkran festival

### 2024 Action Plan

Promote safe driving during New Year and Songkran festivals during 7 dangerous days.



## ENVIRONMENT

The ENVIRONMENT project is an environmental management promotion project that is aimed to respond to the Company's vision and mission, with the objective of attaining the Level 5 Green Network rating. This relates to expanding the boundaries of being a green industry from within the organization to the outside throughout the supply chain by encouraging partners and allies in becoming a green industry based on the Ministry of Industry's criteria.



The Company actively engaged in a large-scale cleaning initiative targeting roads and public areas, in collaboration with the affiliated group, with the aim of mitigating PM 2.5 pollution. These efforts aim to support the promotion of health and the management of hygiene, environment, and waste in the community, and the report was submitted to Rangsit municipality.



Project of promotion and creation of resource use in worthwhile manner with highest benefits on the Environmental Safety and Energy Conservation Day



Visiting the nearby village to listen about environmental issues with the community as well as creating collaborate to solve integrated problems

### Targets for 2024

1. Be awarded the 3Rs Awards (from the Department of Industrial Works).
2. Reduce electricity consumption by 3%, when compared to the base year (2019).
3. Receive the Carbon Footprint for Organization (CFO) Certificate.

### Operational Plans for 2024

1. Invest in electricity-saving and greenhouse gas emission, as well as Carbon Footprint reduction projects.
2. Promotion of carbon footprint management to apply for registration with the Thailand Greenhouse Gas Management Organization (TGO).
3. Promotion of green industries to create environmental awareness.
4. Promote the 3Rs and zero waste to landfill principles.
5. Organize environmental-related training courses.

### Activity with Communities

This activity is the charity and merit making on important occasions and religious holidays such as donating money and items to governmental agencies, schools, temples and surrounding communities, including merit making activities.



Supporting gifts of 2023 Children’s Day for communities, and schools.



- Donated scholarships to Wat Khien Khet, Thanyaburi District, Pathum Thani Province
- Contributed to the construction of a toilet for Saeng San Temple, Thanyaburi District, Pathum Thani Province
- Donated necessities to the treasury of Wat Sivaram



Gave motorcycle tires to Thanyaburi and Pratunam Chulalongkorn Provincial Police Station



Gave presents to communities nearby the factories for special occasions



### Targets for 2024

Communities' satisfaction is 90%

### Operational Plans for 2024

Keep in touch with the communities near the factory and the government agencies sustainably

## IRC's 50<sup>th</sup> Anniversary Project

Inoue Rubber (Thailand) PCL. or IRC was established in December 1969 as a collaboration between Leeissaranukul Family, Thai automotive experts and Inoue Rubber Co., Ltd., a Japanese leading motorcycle tires-tubes manufacturer. Both experts have been working together to create world-class products well until completing 50<sup>th</sup> Anniversary, we aim to become a sustainably growing organization realizing the balance of economy, society and environment under the Company's Vision and Mission.

2023 is the fourth year that the company gave a multi-purpose field made from Vi-Pafe rubber flooring products to the public. Vi-Pafe product or multi-purpose rubber flooring product is a Bio-Circular-Green (BCG) product on the innovation list that contains natural rubber latex and recycled rubber from the manufacturing process that has been researched and developed into a value-added quality product that is safe for users. The project has been operating since 2020 and has given 25 fields in total.



Playground of

- Wat Pa Ngiw School, Pathum Thani
- Bansobfa School under Chae Hom Subdistrict Municipality

### Target in 2024

15 public places

### Plan in 2024

Gave the Vi-Pafe rubber to 15 public places

## 4. Management Discussion and Analysis

Overview of the Company and its Subsidiaries Operation for FY2023

(Unit: million Baht)	FY2023	FY2022	Change	%YoY
Total Revenues	5,476.96	5,951.10	-474.14	-7.97%
Cost of Sales and Services	4,926.64	5,442.82	-516.18	-9.48%
Selling and Administration	380.19	385.90	-5.71	-1.48%
EBIT	170.13	122.38	47.75	39.02%
Net Profit	159.77	109.94	49.83	45.32%
Basic Earnings per Share	0.83	0.57	0.26	45.11%

### Performance Report

The global economy is likely to improve after the decline of the inflation rate in many countries due to the direction of energy and commodity prices. However, the global economy is still at risk from the effects of tightening monetary policy from major central banks and a slowdown in world trade, including geopolitical conflicts that are still protracted and still need to be closely watched. Moreover, the volatility of the average exchange rate is high but less than the same period last year. The Thai economy is experiencing a continued recovery in the tourism sector and domestic demand with the support of government policies. For exports, the recovery was slower than expected due to the slow recovery of the Chinese economy and the electronics cycle. These factors have the following impact on the company's and subsidiaries' sales and production costs during the fiscal year 2023 (October 1, 2022 to September 30, 2023);

1. The company's total revenue decreased by 474.14 million Baht or 7.97% from last year.
2. The cost of sales and services increased by 516.18 million Baht or 9.48% from last year, mainly due to the decrease of raw material costs according to demand and supply.
3. Selling and administrative expenses decreased by 5.71 million Baht or 1.48% from last year.

Overall, in FY2023, the Company had net gain around 159.77 million Baht, increased around 49.83 million Baht or 45.32% compared to last year. The Company recorded earning per share at 0.83 Baht.

Moreover, in FY2023, the Company had technology and innovation research and development expenditure following the suggestion, or additional explanation on technology and innovation research and development expenditure around 74.44 million Baht.

### Financial Status

As of September 30, 2023, the company had total assets of 5,032.50 million Baht, decreased by 239.85 million Baht compared to September 30, 2022. The main reason is the decrease of inventory and trade and other receivables.

The total liabilities of the company were 1,103.17 million Baht, decreased by 337.15 million Baht compared to September 30, 2022 mainly due to the decrease of trade and other payables.

In this regard, the Company has shareholders' equity of 3,929.32 million Baht, increased by 97.29 million Baht from unappropriated retained earnings result from dividend payment. This results in the book value per share of the company at 20.44 Baht and the debt to equity ratio (D/E ratio) at 0.28.

### **Cash Flow**

In FY2023, the Company had net cash generated from operating activities around 536.27 million Baht, increased about 195.81 million Baht compared to the same period last year. The net cash used in investing activities was around 231.31 million Baht, decreased about 45.03 million Baht compared to the same period last year, mainly from investment in land, building and equipment. The net cash paid for financing activities around 56.11 million Baht, decreased about 114.06 million Baht compared to the same period last year, mainly from decrease of dividend payment.

As of September 30, 2023, the Company had cash and cash equivalents around 1,146.13 million Baht, increased around 248.86 million Baht compared to September 30, 2022.

### **The Possible Impacts on Financial Position and Performance in the Future**

The overview of Thailand's economic situation from the end of 2023 until the beginning of 2024 is likely to continue to improve with the expansion of domestic consumption, from support factors to spending within the country. In 2024, we need to keep an eye on the uncertainty of government policies and the impact of the El Niño phenomenon. Including the geopolitical situation that may affect the cost of raw materials, even though headline inflation in 2023 has decreased and entered the target.

The world economy, especially the US economy, has continuously expanded, mainly in the service sector. Meanwhile, the Chinese economy is recovering slower than expected due to problems in the real estate sector that continue to depress domestic confidence and demand, along with the export sector that has not clearly recovered, which has affected the export activities of Asian countries. However, it is expected that Asian exports will gradually recover in early 2024 in line with the recovery of world demand for products. Gradually releasing inventory and the recovery of the electronic cycle This will help support the economic expansion of trading partner countries in the future. The global economy is still at risk from the effects of tightening monetary policy from major central banks and global trade, which may slow down more than expected due to Chinese demand and protracted geopolitical conflicts. This will have implications for monetary policy and the global economy going forward.

For the dimension of production cost, there is still concern about the direction of the conflict situation between Ukraine and Russia, which is still protracted. The war between Israel and Hamas and the trade war between China and the United States all have an impact on global raw material costs.

For the year 2024, the expectations of the automotive industry in Thailand and throughout the world will continue to grow for both internal combustion vehicles (ICE) and electric vehicles

(EV), which will be the development period of the land transportation system both domestically and internationally. The company and its subsidiaries have experience and are ready to develop support for all vehicle systems in order to keep up with and adapt to future changes.

Please be informed accordingly and further disseminate to investors.

## 5. General Information and Other Important Information

Company Name	Inoue Rubber (Thailand) Public Company Limited
Abbreviation	IRC
Company Registration Number	0107536001737
Type of Business	Manufacturer of Industrial Elastomer Part and Motorcycle Tires and Tubes
Website	www.ircthailand.com
Site (Head Office)	258 Soi Rangsit - Nakornnayok 49, Prachatipat, Thanyaburi, Pathum Thani 12130
Tel	02-996-0890
Fax	02-996-1439
Registered Capital/ Paid-up Capital	192,207,700 Baht (fully paid-up)
Number of Share	192,207,700 ordinary shares
Par Value	1 Baht
Investor Relations	ir@ircthailand.com (66) 2-996-0890 ext. 243
Company that IRC held more than 10% share	<p><b>1. IRC (Asia) Research Limited</b>            258 Soi. Rangsit – Nakornnayok 49, Prachatipat, Thanyaburi, Pathum Thani 12130</p> <p><b>Tel:</b> (66) 2-996-0890 <b>Fax:</b> (66) 2-996-1439</p> <p>157 Moo 5, Phaholyothin Rd., Lamsai, Wang Noi, Ayutthaya 13170</p> <p><b>Tel:</b> (66) 2-996-1471-3 <b>Fax:</b> (66) 2-996-1574</p> <p><b>Type of Business:</b> Conducts mainly researches and development for the Company’s raw materials and products</p> <p><b>Registered Capital:</b> 30 million Baht, paid-up capital 10.05 million Baht, share portion 99.99%</p>

	<p><b>2. Kin No Hoshi Engineering Co., Ltd.</b> 157 Moo 5, Phaholyothin Rd., Lamsai, Wang Noi, Ayutthaya 13170</p> <p><b>Tel:</b> (66) 35-272-206-7      <b>Fax:</b> (66) 35-214-896</p> <p><b>Type of Business:</b> Manufactures metal molds for motorcycle and automotive elastomer parts. Currently, mainly manufactures various types of mold for the Company</p> <p><b>Registered Capital:</b> 10 million Baht, paid-up capital 10 million Baht, share portion 99.99%</p>
Reference Persons	
Security Registrar	<p><b>Thailand Securities Depository Company Limited</b> 93 Ratchadaphisek Road, Dindaeng, Bangkok, 10400</p> <p><b>Tel:</b> (66) 2-009-9000      <b>Fax:</b> (66) 2-009-9991</p>
Auditor	<p>Ms. Sanicha Akarakittilap Certified Public Accountant (Thailand) 8470</p> <p><b>PricewaterhouseCoopers ABAS Ltd.</b> Bangkok City Tower 15<sup>th</sup> Floor 179/74-80 South Sathorn Road, Bangkok, 10120</p> <p><b>Tel:</b> (66) 2-844-1000      <b>Fax:</b> (66) 2-286-5050</p>

## 5.2 Important Information

- None -

## 5.3 Legal Disputes

There is no legal disputes in the following events were raised by the Company or its subsidiaries, whereas the Company or its subsidiaries are the litigants or disputants and the cases or disputes have not yet been terminated.

- (1) The case which may negatively affect the assets of the Company or its subsidiaries with the amount higher than 5% of shareholders' equity as at 30 September 2022;
- (2) The case which has significant impact on the business operations of the Company and its subsidiaries but the numeral impact is not assessable;
- (3) The case which is not derived from the normal business operations of the Company and its subsidiaries;

In addition, the cases where the directors, executives, or related parties are the litigants of the Company were unavailable.

## 5.4 Secondary Market

- None -

# PART 2

## CORPORATE GOVERNANCE





## 6. Corporate Governance Policy

### 6.1 Overall of Corporate Governance Policy

Inoue Rubber (Thailand) Public Co., Ltd., has established the Corporate Governance Policy (herein called CG Policy) by applying principles and guidelines of the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission (known as CG Code), Thailand, aligning with the Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand (known as CG Principles), also in line with the assessment guideline for the Corporate Governance Report of Thai Listed Companies (known as CGR) of the Thai Institute of Directors (known as IOD). The Board of Directors has reviewed the CG Policy on a yearly basis in order to ensure that the Policy is suitable with current business circumstances. The Company published a manual to facilitate good communication with management and employees and to ensure continuing compliance. The Company monitors compliance of the Code of Conduct through channels for whistleblowing and complaint and reports the result to the Audit Committee on a quarterly basis. In 2023, there was no complaint through whistle blowing channels.

#### 6.1.1 Policies and Practices Relating to Board of Directors

The Company has the Board of Directors and 4 Sub-committees which are Audit Committee, Executive Committee, Risk Management Committee and Corporate Governance and Sustainability Committee to scrutinize and recommend guidelines on corporate governance and on management of the Company. All directors have freedom to express their opinions on the Company's operations to ensure that business is efficiently, accurately and transparently administered by the management.

##### Director Selection and Succession Plan

For the director selection, the Board of Directors defines the qualification of director candidates to harmonize with the Company's strategy in business operation by considering the Board Skill Matrix together with the composition based on the Board diversity, including knowledge, skills, experiences, ages, and genders of directors. Additionally, the Company shall adopt the director pool database prepared by the Thai Institute of Directors Association in the director selection process to ensure that a candidate for a director or an executive is qualified and independent as well as has proper experience before proposing the Board of Directors or shareholders to consider to appoint. Anyhow, the Board of Directors shall consider the appointment of a director in replacement of the resigned director with the remaining term in office. For a new director and/or a director who completes his/her term in office shall be appointed by shareholders

Besides, the Company has the succession plan under the selection and evaluation on skills and qualifications in the Company's key positions to ensure that the Company will have qualified executives to carry on the Company's achievement onwards.

##### Remuneration

The remuneration of the directors in the Board of directors and the sub-committee's is considered and approved by the shareholders meeting annually (excepting for the Executive Committee). The remuneration is considered based on the Company's performance and the director's

responsibility, and compared with the other listed companies in SET that have similar market capitalization as well as other listed companies in the same industry. This shall support the remuneration structure to be appropriate for the perseverance, responsibilities, and experiences of directors that shall lead the Company to be achieve in both short-term and long-term goals. In addition, the remuneration will be disclosed in the Company's annual report.

### **Board and Management Training**

The Company regularly and continuously encourages and supports directors, executives and Company Secretary to get training and enhance knowledge in order to gain more information in performing duty in different courses and seminars such as of Thai Institute of Directors Association, The Stock Exchange of Thailand. Besides, there have the evaluation of directors and sub-committee annually.

### **Investment and Management in Subsidiaries Policy**

The Company has the Investment and Management in Subsidiaries policy that shall invest in the businesses that make benefits and encourage the Company's operation in order to strengthen the stability and performance of the Company. Moreover, in the case that the Company invests in other companies for more than 50% of such company's shareholding, the Board of Directors shall assign the Executive Committee to appoint the representatives who are the Company's directors or executives to be directors or controlling persons of such subsidiaries, to have the transparent and effective governance and internal control system, as well as to disclose significant information accurately and in a timely manner.

## **6.1.2 Policies and Practices Relating to Shareholders**

### **Section 1**



### **Right of Shareholders**

The Company emphasizes the rights of shareholders as the owners of the Company; therefore, this policy was announced to be the practice guideline. All groups of shareholders, either retail investors or institutional investors are encouraged to exercise their fundamental rights, e.g. receipt of adequate and in a timely manner information either via the SET's or the Company's website or other channels, attendance at shareholders' meetings to acknowledge the Company's annual business performance and voting rights at the shareholders' meetings to approve important issues as determined by law such as directors' remuneration e.g. the appointment of the auditor and determination of the auditor's fee, dividend payment or suspension of dividend payment and making enquires or comments on the issues that the Board of Directors presents or requests for approval at the shareholders' meeting, etc.

### **Shareholders' Meetings**

The Company will conduct an annual general meeting of shareholders within 4 months since the last day of the Company's fiscal year. The Company might hold more meetings if it is necessary and appropriate. The Company Secretary performs its duty of policy compliance of which shareholders' meetings are called and conducted as required by law and in

accordance with the guidelines for shareholders' meetings as specified by the SET. The Company's auditor and a legal consultant who act as independent parties are allowed to attend the shareholders' meeting to count and inspect the vote. To encourage the rights of shareholders, the Company opens the channel for qualified shareholders to propose an agenda/agendas, director candidates, and questions in advance for inclusion in the annual general meeting of shareholders during 1-31 October of each year so that the Company shall gathered and proposed to the Board of Directors for consideration through the Company's Website and Email: [ir@irc Thailand.com](mailto:ir@irc Thailand.com).

### **Determining the Date, Time, and Venue, of the Shareholders' Meeting**

The Company's Board of Directors organizes an annual general meeting of shareholders once a year within 4 months counting from the end of the Company's fiscal year. In addition, it may also call for an extraordinary general meeting of shareholders on a case-by-case basis if the Board determines that there is an urgent need to propose a special agenda that may have an effect on the interests of its shareholders. In 2023, the Company organized the Annual General Meeting of Shareholders on January 30, 2023 at 14.00. The meeting was conducted online to facilitate shareholders' attendance to ensure safety amidst the COVID-19 pandemic.

### **Sending Invitation Letters and Shareholders Facilitation**

The Company assigns Thailand Securities Depository Company Limited which acts as a securities registrar to deliver the invitation letter at least 21 days prior to the meeting date, including publish on the Company's website at least 30 days in advance. Therefore, the invitation letter will need to state the place, date, time, and agenda of the meeting with enough supporting information for each agenda to shareholders in order to allow shareholders enough time to study the information. The information includes objectives and reasons for each proposed agenda with comments of the Board of Directors on each agenda. There shall be no hidden agenda or other agendas not stated in the invitation letter to the shareholders' meeting for the consideration and approval of the shareholders, except for urgent matters that are known after the invitation letter is sent. The Company will send an English version of the invitation letter and supporting documents to foreign shareholders. The Company also publishes the invitation letter together with supporting documents on the website prior to the meeting date. The invitation letter shall be announced via a Thai newspaper for 3 consecutive days before the meeting date.

To preserve the rights of shareholders who are inconvenient to attend the meeting in person, the Company sends the proxy form together with the invitation letter and clearly specifies the list of documents and evidences required for the appointment of a proxy. The shareholders can assign representatives or independent directors to attend the meeting and cast the vote on their behalves. The Company will state in the invitation letter the name of at least 1 independent director, whom a shareholder can give proxy to.

In addition, the Company allows shareholders to register 2 hours before the meeting and extends registration time before final agenda consideration. There are the Company's staff to welcome and facilitate shareholders and prepare revenue stamps for those who appoint their proxies.

## **During and After Shareholders' Meeting**

Before open the meeting, the Chairman of the meeting will introduce the Board of Directors, the Company Secretary, the external auditor and the legal consultant who act as the moderator to the meeting. The Company Secretary will inform the meeting about the voting procedures and vote counting in the meeting. After the information has been provided for each agenda, the Chairman of the meeting will give floor to all attendants to express opinions or enquiries relevant to the agenda equally. The enquiries will be answered clearly and precisely and given adequate time for debate. For the agenda on the appointment of directors, the shareholders will vote for each director individually and separately.

The minute of the shareholders' meeting will be completely recorded and can be reviewed by shareholders. The resolutions of the meeting are also to be clearly recorded with details of approved, non-approved, and abstention votes for all agenda items which require a vote, as well as recording opinions, questions and answers to the material questions relating to each agenda item. The Company will summarize the resolutions and disclose on the SET's website within 9.00 a.m. of the following business day. The minutes of the shareholders' meeting will be submitted to the SET within 14 days, as well as published on the Company's website.

## **Section 2**



# **Equitable Treatment of Shareholders**

## **The Use of Inside Information**

The Company realizes the importance of the protection of inside information usage for their own or the other's benefits of directors, executives, and employees. Therefore, the Company has provided the guideline of the use of insider information and monitored feedback regularly which includes in a handbook of business morality and employee's code of conduct. The Board of Directors, executives and employees shall practice rules and regulations of the Office of the Securities and Exchange Commission and principles of good corporate governance. Important issues are summarized as follows:

1. Directors executives and related person as stated in Section 89-1, the Securities and Exchange Act B.E. 2535, must report changes in securities holding of the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the first day that securities holding changes. They must also provide a copy of such report to the Company Secretary in order to gather, submit a summary and propose to the Board of Directors' meeting quarterly.
2. Directors, executives and employees cannot use inside information in securities trading of the Company and cannot disclose inside information to outsiders or people who are not related before thoroughly reveal to the public via the SET. The Company has the prevention of the improper use of inside information policy as follows:

- Periodically Financial Statement Disclosure: Insiders are not permitted to sell / buy / transfer the Company's securities one month before releasing the financial statement and 24 hours after released.
- Confidentiality and impact information concerning securities price such as capital Increasing-decreasing, business merging, joint-investment: Abstain from selling/ buying / transferring the Company's securities during, before, and after the information disclosure to the public at least 24 hours so that shareholders shall have proper time to analyze such disclosed information.

### **Protection of Minor Shareholders' Rights**

The Company will deliver the invitation letter and define agendas of the meeting approved by the Board of Directors in advance. The Company will not include additional agendas of the meeting which are unnecessary, particularly important agendas that the shareholders need time to study information before making a decision. In election of director agenda, shareholders can exercise right to appoint directors individually.

### **Conflict of Interest**

The Board of Directors sets the written policy and guidance of conflict of interest and include in the handbook of business morality and employee's code of conduct. The Company has the policy to follow the guideline of the SET and Securities and Exchange Act for the highest benefit. Employees at all levels have duty to consider and resolve conflict of interest cautiously and follow the principle of honesty, integrity and rationality. Employees are also independent within good morality and disclose complete information for the Company's benefit as a whole mainly.

### **Report on Interests of Directors and Executives**

The Company requires that directors and executives shall report to the Company their own interests or those of their related parties following the criteria, conditions and procedures regulated by the Capital Market Supervisory Board as follows:

- 1) In case the directors and management are appointed to be new directors, submit the report of interest of such director and executive to the Company Secretary within 15 working days from the date of his / her appointment.
- 2) If there is any change in the information in the report of interest related to the management of the Company or subsidiaries of directors and management, the directors and executives shall inform and submit the report on their interest or related party changes to the Company Secretary within 15 working days from the date of the change of information on such interest.
- 3) The Company Secretary must send a copy of the Report of Interests to the Chairman and the Chairman of the Audit Committee within 7 working days from the date of receipt of the report.

### **Meeting attendance of interests' directors**

Directors and executives who are connected persons or having interest in matters to be considered shall not attend the meeting or voting for the consideration of the agenda.

## Section 3



### Role of Stakeholders

The Company is aware of the role of stakeholders and emphasizes the rights of all groups of stakeholders, i.e. shareholders, employees, customers, suppliers and/or creditors, competitors, social/community/environment, and Government sector, by ensuring that they are treated properly, equitably and fairly. The Company believes that the good relationship with all groups of stakeholders is significant for long-term achievement and sustainable growth of the Company's group. Therefore, the Company has set the written policy in the Handbook of Business Conduct and Code of Conduct for Directors and Employees.

In addition, the Company has provided a communication channel for stakeholders and related groups to express opinion and complaint on issues that cause damage to the Company and are related to external environment. The Company will improve, fix and find the solution for the complaint in order to incite stakeholders and all related parties to get along sustainably. The Company's Environment Management System Steering Committee will propose opinions and complaints of stakeholders to the Risk Management Committee's meeting before further proposed the Board of Directors.

### Corporate Social Responsibilities: CSR

The Company defines vision and appoints Corporate Governance and Sustainability Committee to concentrate on being responsible for society which affects development and publicity of quality products, sustainable maintenance of standard system, and continuous and systematic conservation of energy for suitable benefit to society.

### Complaint Report

The Company has provided a special or confidential channel (Whistle Blowing Channel) has been arranged for all groups of stakeholders to send the information or clues about offense, embezzlement, corruptions/fraud, or violation of rights has been informed, as well as a protocol for complainers to choose whether they want or do not want to reveal themselves as stated in the Whistleblowing Policy.

## Section 4



### Disclosure and Transparency

The Management has to report the Board of Directors immediately, if there is doubt or if there is serious corruption/fraud, illegal actions or other unusual practices which may affect the Company's reputation or financial position significantly. The Management also presents significant deficiencies with solutions and problem solving progress to the Board of Directors/ Audit Committee for consideration within proper period.

The Company has duty to fully, sufficiently, reliably and on a timely basis disclose financial and non-financial information to all shareholders and stakeholders to ensure equal treatment as stated in the Market-Sensitive Information Handling and Disclosure Policy.

The Company has the policy to disclose significant both financial and non-financial information to the public, namely financial status and business performance and major shareholders. The Company also reveals information in the annual report such as the number of the Board of Directors' meeting, profiles of the Board of Directors and executives, and the criteria for determining the remuneration of the directors as well as the Company's operation in social and environment together with related activities. Therefore, investors and stakeholders can acknowledge and consider information via the SET's publicity channels and the Company's Website.

Additionally, there are channels for shareholders, institutional investors, retail investors, analysts and related sectors to contact Investor Relations Department as follows: Tel: 02-996-0890, and Email: [ir@ircthailand.com](mailto:ir@ircthailand.com)

## Section 5



### Responsibilities of the Board

The Company has the Board of Directors, Audit Committee, Executive Committee, Corporate Governance and Sustainability Committee, and Risk Management Committee to scrutinize and study guidelines on supervision and management of the Company. All directors have independence to express opinions on the Company's operations to ensure that business is efficiently, accurately and transparently administered by the management.

## 6.2 BUSINESS CONDUCT

The Board of Directors has established a business conduct that focuses on treating the Company's stakeholders in a balanced way which the Company's directors, executives and employees at all levels are required to follow. Its details include:

- 1) Shareholder Responsibility Policy
- 2) Customer Practice and Product Quality Policy
- 3) Suppliers / Creditors Policy
- 4) Employee Policy
- 5) Employee Practice Policy
- 6) Rivals Policy
- 7) Social Responsibility and Environment Policy
- 8) Anti-Corruption Policy
- 9) Market-Sensitive Information Handling and Disclosure Policy
- 10) Investment and Management in Subsidiaries Policy

The Company is determined to operate its business with honesty, integrity, transparency, and corporate governance and to encourage personnel at all levels to have awareness of anti-corruption in all forms. The board of directors has therefore included an anti-corruption and anti-bribery policy in the corporate governance guideline. Additionally, the Company received NACC Integrity Awards from the office of National Anti-Corruption Commission, which shows that the Company adheres to that principle in operating its business and its directors, executives, and employees must comply with the policy.

If a whistleblower finds any doubtful act to violate the law, the regulations, business morality, directors and employees' code of conduct of the Company, a whistleblower shall directly report via the following channels;



  
By filing your report  
to the Chairman

-  By post mail to the Chairman  
and/or Company Secretary  
258 Soi Rangsit - Nakornnayok 49, Prachathipat,  
Thunyaburi, Pathum Thani 12130
-  Through Email: [listen@ircthailand.com](mailto:listen@ircthailand.com)
-  Through Website: [www.ircthailand.com/  
en/investor/corporate/whistleblowing](http://www.ircthailand.com/en/investor/corporate/whistleblowing)

The Company will keep the informant's information confidential and will use the information strictly for the Company's management and internal operations. The whistleblower or complainer will receive a response under the whistleblowing procedure and be protected without fear of abuse of command or unfair treatment in response to the action of the whistleblower or complainer.

**Penalty:** Directors, Executives, and Employees, who does not comply with Good Corporate Governance and Code of Conduct for Directors and Employees, they will be penalized in line with the Company's regulation. It also affects the annual performance assessment of directors, executives and employees.






In addition, code of conduct for directors and employees is a fundamental principle for performing the duties of directors and employees. The Company believes that for good business practices and sustainably successful business, all directors and employees must maintain their duties and responsibilities which will lead to self-esteem. The topics stated in the code of conduct for directors and employees include:

- 1) Self-Conduct and Reaction to Colleagues
- 2) Conflict of Interest
- 3) Maintenance and Use of Properties of the Company
- 4) Acceptance or Giveaway of Gift or Entertainment
- 5) Buying/ Selling/ Transferring of Securities of the Company and Insider Information
- 6) Controls and Internal Audit and Financial Reports
- 7) Anti-Corruption Measures

### Personal Data Protection Policy

The Company is aware of the importance of protecting customers' personal data which have been collected, disclosed, and transferred, for use in procuring services and products. The Company manages the use of personal data with the aim of providing products and services to meet the needs and suitability. It also aims to be responsible and protect the personal data of all stakeholders, namely shareholders, employees, customers/partners, and has therefore announced the Company's personal data privacy policy on its website, which covers the following details;

	Personal Data Type	Purpose of collection, use, and disclosure of information	Agencies or individuals in which the Company may disclose information to
	International Data Transfer	Period of personal data retention	Data security
	Cookie Policy	Personal data ownership rights	Service channels for inquiring about personal data rights

## 6.3 Milestone Development on the CG Policy, Guidelines and System during the Year

In 2023, the Company continuously adhered to corporate governance by creating awareness through various channels and documents and by communicating about the corporate governance handbook for employees to move towards in the same direction. Additionally, the Company received good co-operation from directors and employees in reporting conflict of interest annually although there was no reporting on the issue. To implement social distancing and prevent the spread of COVID-19, the Company has provided an online corporate governance guide for all employees to learn about corporate governance and good practices which have received good feedback from directors, executives, and employees. The Company is committed to upholding the ethical value.

The unapplied topics are as follows:

1. The establishment of a Nomination and Remuneration Committee: However, the Board has applied practice guideline of the Nomination and Remuneration Committee recommended by the Stock Exchange of Thailand (SET) as the Company's practices where every director have fully required qualifications and performed the best following the committees' charters. Additionally, the remuneration of the directors was considered using the other companies' in the similar industry and market capitalization remuneration's information.
2. The establishment of Corporate Governance Committee in which the members must come from Board of Directors: Currently, the Company has Corporate Governance and Sustainability Committee in which the Chairman of the Committee is an independent director.
3. The determination of a policy that require the directors and senior executives to inform the Board of Directors concerning the trading of the company's shares at least 1 day in advance before trading: Currently, the Company has policy regarding the use of inside information that the directors, executives and related person as stated in Section 89-1, the Securities and Exchange Act B.E. 2535, must report changes in securities holding of the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the first day that securities holding changes. They must also provide a copy of such report to the Company Secretary in order to gather, submit a summary and propose to the Board of Directors' meeting quarterly.
4. Providing a responsible person or compliance unit: However, the Company has Audit Committee, Corporate Governance and Sustainability Committee, and Risk Management Committee to supervise, monitor and assess the Company's performance in order to conform to the good Corporate Governance policy as well as to comply with the laws and regulation of the Stock Exchange of Thailand and Securities and Exchange Commission.

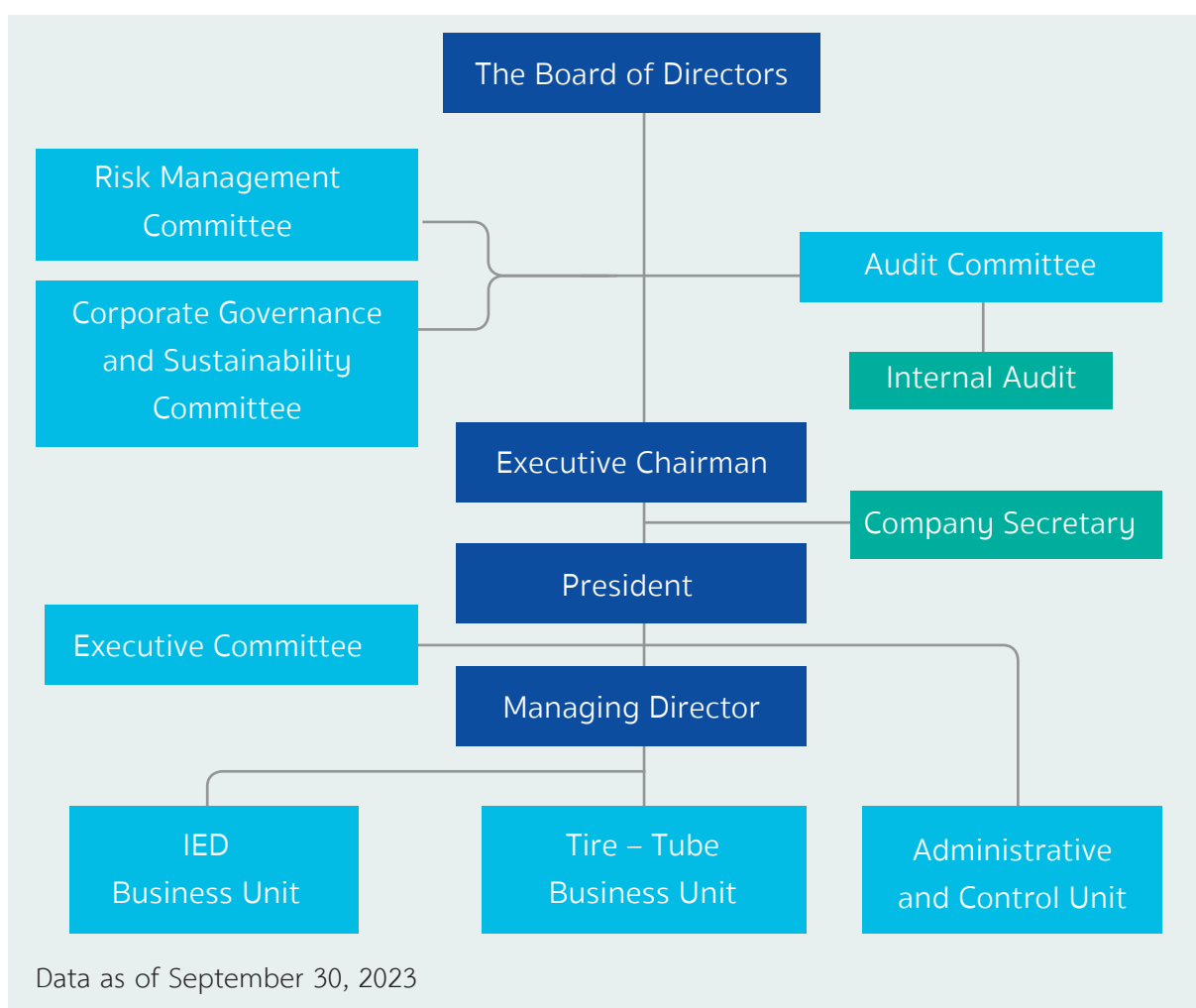
The investors can obtain more details on corporate governance information from its Annual Statement or Form 56-1, or in the Company's Website (<http://www.irthailand.com/th/home>) in the page Investor Relations, which covers information on corporate governance and sustainability.



# 7. Structure of the Board of Directors and the Sub-Committees

## 7.1 Corporate Governance Structure

Organization structure of the Company includes the Board of Directors and 4 Sub-Committees which are Audit Committee, Executive Committee, Risk Management Committee and Corporate Governance and Sustainability Committee. They are to scrutinize and recommend guidelines on corporate governance and on management of the Company. All directors have freedom to express their opinions on the Company's operations to ensure that business is efficiently, accurately and transparently administered by the management. The Company's organization is shown below:



## 7.2 About Director

### Board of Directors

Board of Directors includes at least 5 individual members; at least half of them must reside in Thailand and at least 1/3 and no fewer than three persons must be independent directors. Director nomination applies diversity policy for board structure, for example, skills, experiences, expertise, and in line with the Company's strategy. The nomination process includes information from the Director Pool from IOD as part of consideration.

As of September 30, 2023, the Boards of Directors consisted of 11 members, including 9 non-executive directors, representing more than 4/5 of all members, and 2 executive directors. The Board has 4 independent directors, representing 1/3 of all members.

Name - Surname		Position
1. Mrs. Pimjai	Leeissaranukul	Chairman
2. Mr. Shigeki	Yamada	Director / President / Vice Chairman of Risk Management Committee
3. Mr. Soichi	Inoue	Director
4. Mr. Thanong	Leeissaranukul	Director
5. Mr. Apichart	Leeissaranukul	Director
6. Mrs. Porntip	Sethiwan	Director
7. Mr. Kazuo	Sato	Director
8. Mrs. Anchalee	Chavanich	Independent Director / Chairman of Audit Committee
9. Mr. Surong	Bulakul	Independent Director / Chairman of Risk Management Committee
10. Assoc. Prof. Jaruporn	Viyasant	Independent Director / Chairman of Corporate Governance and Sustainability Committee
11. Mr. Kittichai	Raktakanit	Independent Director

Remarks: Number of times to attend the meeting: shown in Section 8.1.2 Meeting attendance and remuneration of individual committees and the non-executive directors in the third to seventh position who have extensive experience working in the automotive industry and will help formulate strategies, move the company forward, and provide reasonable recommendations on the Company's operations - as shown in Attachment 1: Director's Profile.

In 2023, the Company held one shareholder meeting, 7 board of directors' meetings, 4 Audit Committee meetings, 4 Corporate Governance and Sustainability Committee meetings, 4 Risk Management Committee meetings, and 2 non-executive directors' meetings to discuss various issues on sustainable growth and matters that were of interest. In 2023, the issues discussed included the response towards the Carbon Neutral, innovation development, marketing strategy development, branding, etc. The results of the meeting were reported to the Board of Directors for acknowledgement. (Details of the number of meetings are shown in the table under Section 8.1.2).

### **Authorized Directors**

Authorized Directors are “Mrs. Pimjai Leeissaranukul” or “Mr. Thanong Leeissaranukul” co-signs with “Mr. Shigeki Yamada” together with the Company's seal.

### **Responsibilities of the Chairman of the Board of Directors**

1. The Chairman of the Board acts as the Chairman of the Board of Directors' meeting and the Shareholders' meeting;
2. To have a casting vote in case the Board of Directors' meeting has a tie vote;
3. To be responsible as the Chairman of the Board of Directors to monitor the operations of the President and other sub-committees to make them achieve the objectives pursuant to the specified plan
4. To strengthen good relationships between executive directors and non-executive directors, and between the Board of Directors and the Management

### **Term in Office**

According to the Company's Articles of Association, at every annual general meeting, one-third of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire.

The directors retiring from office in the first and second year after the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held his position for the longest time shall retire.

### **Board Structure**

- 1) The Company forms at least 5 members of the Board of Directors and not less than a half of whom must reside in Thailand;
- 2) Of the total number of Board members, at least one-third and no fewer than three persons must be independent directors;
- 3) The Board of Directors consists of members that have various kinds of skills, experiences and specific capability which benefit to the Company. The Board of Directors also composes of non-executive directors who have great experiences in the Company's business and industry.

### **Board of Directors' Meeting**

The Company will conduct the Board's meeting in order to follow-up the business operation and approve issues related to vision, mission, strategy, risk, plan of action, budget and other matters that affect the Company. The Company will also hold the Board meeting not less than 6 times a year and hold the Non-Executive Directors meeting (NED meeting) at least once a year. The Company

Secretary is assigned to set up the annual meeting plan in advance and propose to the Board of Directors' meeting on November of every year.

As for stipulation of meeting agendas, the Company Secretary is assigned to propose the draft of meeting agendas to Chairman of the Board, President, and representatives of independent directors to consider and make a decision on the agendas proposed in the Board of Directors' meeting. They also have to ensure that important issues are included and give an opportunity to each director to independently present subjects which are beneficial to the Company to be the agendas proposed in the meeting. After the meeting agendas are scrutinized by Chairman of the Board, President and Independent Director representative, the Company Secretary has to deliver the Board of Directors' meeting invitation letter not less than 14 days and supporting documents not less than 7 days before the meeting day.

The Chairman of the Board has to allocate enough time for directors to discuss important issues, encourage directors to use discretion carefully and pay attention to all subjects proposed in the meeting as well as the good corporate governance. The Executive Committee is invited to attend the Board of Directors' meeting in order to provide supporting information for the directors' consideration.

In the Board of Directors' meeting, there shall be at least one half of the total number of directors to effect a quorum. In the case where the Chairman is absent at the meeting or unavailable to act, if there is a Vice Chairman, he/she must act as the Chairman of the Meeting. If there is no Vice Chairman or he/she is unavailable, the Board of Directors at the meeting shall select one of the Directors as the Substitute Chairman the meeting. Anyhow, the definite decisions of a meeting shall be made by majority votes. Each director shall have one vote except that the director who has any interest on the voting issue cannot give his/her vote. If the voting results in equal, the Chairman of the Meeting shall cast his/her vote as a final vote.

### **Roles, Duties and Responsibilities of the Board of Directors**

1. To undertake the duties in accordance with laws, objectives and Articles of Association of the Company, Good Corporate Governance, and resolutions of the Board of Directors' meeting as well as the shareholders' meeting with due care and integrity and to look after the interest of the Company; furthermore, clearly define the scope of duties and responsibilities for the management;
2. To set the goal, strategy, policy and direction of the Company's business operation together with allocate important resources and supervise the management to ensure efficiency, effectiveness and compliance with the prescribed policies and to achieve sustainable value creation by competitiveness and performance, ethical and responsible business, respect rights and responsibilities of shareholders, stakeholders, social and environment;
3. Provide review of strategy, vision and missions, and corporate values (IRC DNA) which consider changing of environment by encouraging innovation and technology usage that suitable with the Business Ecosystem and consider the needs of customers and stakeholders. It also considers the competitiveness of the business on an annual basis;
4. To arrange a reliable accounting system, financial reports and auditing by settle internal control procedures and suitable internal audit system with consistent follow-up;

5. To approve the quarterly financial statement and propose the shareholders' meeting to consider to approve the annual financial statement, as well as to approve the annual investment budget and to monitor the operating results of the Company, including the major progress in various aspects;
6. To provide advices/suggestions and make a decision with due care on the agenda proposed in the Board of Directors' meeting;
7. To appoint/remove the sub-committee on specific matters as deemed suitable;
8. An independent director is able to provide their independent discretion on the issues and to oppose any act of other directors or the management, if there is any conflict significant to the Company and the shareholders;
9. To arrange a good corporate governance, anti-corruption policy, business conduct and code of conduct for directors and employees as a guideline and to annually review these policies;
10. To approve the importance transactions of the Company such as acquisition or disposal of assets, expansion of the investment projects, determination of the authority to be assigned and any action required by laws and to look after the conflict of interest among stakeholders of the Company;
11. To approve and/or consent on the connected transactions between the Company and its subsidiaries in accordance with related notifications, requirements and guidelines of the Stock Exchange of Thailand;
12. To suspend buying / selling / transferring of the Company's securities one month prior to public disclosure of the financial statement and during or before the period that the Company reveals is undertaking the confidential transaction e.g. increasing in capital, merger and acquisition, or negotiation of new significant projects;
13. To report any securities holding by himself/herself and his/her spouses and children in the Board of Directors meeting quarterly and to inform the Company Secretary within 3 business days from the first day that securities holding changes, if there is any buying / selling / transferring of securities of the Company;
14. To report of directors interests annually as well as informed the Company secretary within 15 working days if there are any changes;
15. To do the self-assessment of the Board as a whole and the member as an individual annually;
16. To review the Board of Directors Charter annually to comply with changing conditions and circumstances;
17. To manage and supervise the Company's intellectual property

## 7.3 Sub-Committees

### **Audit Committee**

Audit Committee consists of 3 independent directors which possess qualifications aligned with the Securities and Exchange Commission's definition. The three Audit Committee members have adequate knowledge and experience to perform the duty in verifying the reliability of the financial statements. One member has education background in accounting.

As of 30 September 2023, Audit Committee composed of 3 members, namely;

Name – Surname		Position
1. Mrs. Anchalee	Chavanich	Chairman of Audit Committee / Independent Director
2. *Assoc. Prof. Jaruporn	Viyant	Audit Committee Member / Independent Director
3. Mr. Kittichai	Raktakanit	Audit Committee Member / Independent Director

Notice: \*Audit Committee member who has education background in accounting.

And Ms. Kittunya Naruepracha acts as a Secretary of Audit Committee.

### Roles, Duties and Responsibilities of Audit Committee

1. To verify and assure that the Company's financial report is accurate and sufficiently disclosed;
2. To verify and assure that the Company and its subsidiaries has the internal control system and the internal audit system that is suitable and efficient, incorporate with auditors and internal auditors to consider the independence of the internal audit unit. Throughout giving approval the appointment, transfer and dismissal of the chief of an internal audit unit or any other agency responsible for internal audits. Also approved the annual internal audit plan;
3. To verify and assure that the Company has acted in compliance with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand, and other laws in relation to the Company's business;
4. To consider, select, propose to appoint, and unemployed an independent person(s) to perform the duty as the Company's auditor. To propose remuneration for that person(s) and to participate in a meeting with the auditors without the management involvement at least once a year;
5. To consider connected transactions and any transaction that may have a conflict of interests by referring to the requirements of laws and the Stock Exchange of Thailand, to assure that such transactions are reasonable and resulted in maximum benefits to the Company;
6. To review that the Company has a whistleblowing procedure to report fraud as well as inappropriate financial report or other issues. This is to assure that all the complaints will be investigated independently and will acquire the appropriate monitoring;
7. To prepare a report of the Committee as disclosed in the Company's Annual Report which must be signed by the Chairman of the Audit Committee and must consist of the information as follows (at least):
  - 7.1) An opinion(s) about an accuracy, completion and reliability of the Company's financial report
  - 7.2) An opinion(s) about the adequacy of the Company's internal control systems including the corruption / fraud prevention
  - 7.3) An opinion(s) about an action in compliance with law of Securities and Stock Exchange, provisions of the Stock Exchange of Thailand or any related laws regarding the Company's business
  - 7.4) An opinion(s) about an appropriateness of the auditors
  - 7.5) An opinion(s) about any financial transaction that may have a conflict of interests
  - 7.6) A total number of the Committee's meetings and each member's meeting participation
  - 7.7) An overall opinion(s) or an observation(s) obtained by the Committee from the operation as required in this charter



- 7.8) Other essential information or transactions as deemed to be acknowledged by shareholders and investors under the scope and responsibilities assigned to them by the Board of Directors.
8. Any other operation as assigned by the Board of Directors with an approval by the Committee;
9. The Committee is able to consult with independent consultant(s) as appropriated with the Company budget.
10. To do the self-assessment of the Committee as a whole and the member as an individual annually;
11. Any provision or practice regulation or refrainment of practices that are not mentioned in this charter shall be held in accordance with the Company's memorandum of associations, and other laws, as well as the provisions of the Stock Exchange of Thailand and the Securities and Exchange Commission;
12. To review the Audit Committee Charter annually to comply with changing conditions and circumstances and propose to the Board of Directors for the approval

### **Corporate Governance and Sustainability Committee**

As of 30 September 2023, the Corporate Governance and Sustainability Committee consists of 5 members as follows:

Name – Surname	Position
1. Assoc. Prof. Jaruporn Viyanant	Chairman of the Committee / independent Director
2. Mr. Bunthorn Sriwongchan	Member
3. Mr. Therdsak Emsem	Member
4. Ms. Anchana Thongmon	Member
5. Mr. Amornthep Srivorapipat	Member

### **Roles, Duties and Responsibilities of Corporate Governance and Sustainability Committee**

1. Propose policies and guidelines related to the good corporate governance that govern the company toward sustainable value creation, robust long-term earnings, and ethical business operation while respecting rights and be accountable to shareholders and stakeholders as well as being able to adapt to changing factors to the Board;
2. Consider and review the corporate governance policies and guidelines to keep them comply with the related laws, regulations and other guidelines both nationally and internationally, as well as recommendations from related institutes, e.g. the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET);
3. Review appropriateness and adequacy of the Code of Conduct, as well as support the creation and drive ethical corporate culture while leading by example in corporate governance;
4. Review the Company's performance of corporate governance and sustainability. The Chairman of Corporate Governance and Sustainability Committee, or a person who is assigned by the Chairman shall report the resolutions and performance of the Committee to the Board;
5. Follow and report any issues or possibilities that may affect the Company on the subject of corporate governance and sustainability to the Board;

6. The Chairman of Corporate Governance and Sustainability Committee or a person who is assigned by the Chairman shall review and agree to disclose the annual report of Corporate Governance and Sustainability Committee;
7. The Committee may invite the Company's directors, executives, employees, or third parties to attend the meeting on related issues;
8. Review the charter of the Corporate Governance and Sustainability Committee annually to comply with changing conditions and circumstances and propose to the Board of Directors for the approval;
9. To do the self-assessment of the Committee as a whole and the member as an individual, as well as prepare the performance report to the Board for acknowledgement annually;
10. Propose the Management to appoint a working team to support, monitor and report the performance of the Management that related to the policies and important strategies of the corporate governance and social responsibility as appropriate;
11. The Committee be responsible for any corporate governance and sustainability mission as assigned by the Board.

### **Risk Management Committee**

As of 30 September 2023, the Risk Management Committee consists of 8 members namely;

Name – Surname		Position
1. Mr. Surong	Bulakul	Chairman of the Committee / Independent Director
2. Mr. Shigeki	Yamada	Vice Chairman of the Committee
3. Mr. Suchart	Kootiratrakarn	Member
4. Mr. Narongchai	Rattanaekkwawin	Member
5. Mr. Surachai	Chaichalermpong	Member
6. Mr. Buncha	Yutthaworakool	Member
7. Ms. Praewphan	Songhong	Member
8. Mr. Kanin	Laochinda	Member

### **Roles, Duties and Responsibilities of Risk Management Committee**

1. Propose and scrutinize the Company's risk appetite and risk management policies that are consistent with the Company's mission, strategy, good governance, as well as risk appetite to the Board of Directors for approval; moreover, scrutinize the review of the risk management policies annually to ensure that it conform to and is suitable for the current business circumstances;
2. Oversight, control, and monitor the Company to have risk identification through consideration of internal and external factors that may cause the Company be unable to achieve its objectives, then propose to the Board of Directors to acknowledge;
3. Oversight, control, and monitor the assessment of impact and likelihood of identified risks in order to be prioritized, as well as have appropriate risk response covering all types of risks and provide recommendations for the Company regarding risk prevention and risk reduction to be at the appetite level;

4. Monitor the Subsidiaries to have the risk management that is suitable and efficient;
5. Formulate strategies aligning with the policies, evaluate and monitor the Company's risks to be at the appropriate level for the business operation;
6. Report the Company's significant risks, risk status, risk response procedures, risk management progress, and risk management results to the Board of Directors regularly;
7. Give opinions and recommendations to the Company if it requires external risk management consultant in order to provide independent recommendations regarding the risk management framework, scope, and operation;
8. Communicate to exchange information and coordinate with the Company's internal control unit;
9. Encourage and support the communication about risk and innovation in every aspect to all employees;
10. Report the Committee's progress and performance to the Board of Directors to acknowledge and/or consider on quarterly basis;
11. Review and amend the charter of the Risk Management Committee to keep it conforms to the current circumstances and environment, and propose to the Board of Directors to approve;
12. To do the self-assessment of the Committee as a whole and the member as an individual annually;
13. Consider the appropriated acquirement of suggestion from independent professionals with the Company's financial support;
14. Be responsible for other missions related to risk management assigned by the Board.

**The Company separated the responsibility of the Executive Committee who is the Management, clearly from the Board of Directors as follows:**

### **Executive Committee**

As of 30 September 2023, the Executive Committee consists of 11 members as follows:

Name – Surname		Position
1.	Mr. Shigeki Yamada	Chairman of Executive Committee
2.	Mrs. Pimjai Leeissaranukul	Vice Chairman of Executive Committee
3.	Mr. Takeshi Arakawa	Executive Director
4.	Mr. Akira Tokoro	Executive Director
5.	Ms. Witchuda Kupongsak	Executive Director
6.	Mr. Suchart Kootiratrakarn	Executive Director
7.	Mr. Narongchai Rattanaekkawin	Executive Director
8.	Mr. Kazuaki Yamada	Executive Director
9.	Mr. Hiroyuki Hibi	Executive Director
10.	Ms. Praewphan Songhong	Executive Director
11.	Mr. Tatsuo Kubota	Executive Director

## **Roles, Duties and Responsibilities of Executive Committee**

1. To conduct and/or manage the daily business operation in accordance with laws and standards, including policies, action plan, targets, requirements and regulations of the Company prescribed by the Board of Directors;
2. To strictly, honestly and carefully conduct and manage the operation in accordance with the resolutions of the Board of Directors altogether with the approved budget by consideration on the interest of the Company and the shareholders;
3. To report the operating performance of the Company to the Board of Directors' meeting quarterly and to review the operating results periodically for a quick resolution to achieve the business targets;
4. To assess and screen the major investment projects and the annual budget prior to the submission to Board's consideration;
5. To undertake the work in accordance with the good corporate governance principles prescribed as a guideline by the Board of Directors;
6. To approve that appointment of persons of directors, executives or controlling persons to the subsidiaries, to have transparency and effective good governance and internal control, aligned with the company's benefit and the Investment and Management in Subsidiaries policy;
7. To suspend buying/ selling/ transferring of the Company's securities one month prior to public disclosure of the financial statement and during the period that the Company is undertaking the confidential transaction e.g. increasing in capital, merger and acquisition, or negotiation of new significant projects, etc.;
8. To report any securities holding by himself/ herself and his/ her spouses and children in the Board of Directors meeting quarterly and to inform the Company Secretary within 3 business days from the first day that securities holding changes, if there is any buying/ selling/ transferring of securities of the Company;
9. To prepare a report on the conflict of interest of the management annually;
10. To manage the information system and intellectual property including the Company's important commercial information;
11. To refrain from any reveal of Company's business transaction and/or intellectual property to third party without consent and/or oppose to Code of Conduct for Director and Employee and which affect the Company's business;
12. To review the charter of the Executive Committee annually to comply with changing conditions and circumstances and propose to the Board of Directors for the approval;
13. To do the self-assessment of the Committee as a whole and the member as an individual annually

## 7.4 About the Executives

As of Sep 30, 2023 the Company has the executives following the SEC definition as follows:

Name – Surname		Position
1. Mrs. Pimjai	Leeissaranukul	Executive Chairman
2. Mr. Shigeki	Yamada	President
3. Mr. Takeshi	Arakawa	Managing Director
4. Ms. Witchuda	Kupongsak	Executive Director of Administrative and Control Unit
5. Mr. Akira	Tokoro	Executive Director of Tire & Tube Business Unit
6. Mr. Suchart	Kootiratrakarn	Executive Director of Tire & Tube Business Unit
7. Mr. Narongchai	Rattanaekkwain	Executive Director of IED Business Unit
8. Mr. Tatsuo	Kubota	Executive Director of IED Business Unit
9. Ms. Praewphan	Songhong	Finance Division Manager

### Remuneration for Executives

During the fiscal year 2023, the Company paid remuneration to the executives under definition of the Securities and Exchange Commission for Baht 75.14 million, comprised of salary, bonus, provident fund, social security fund and other welfares.

### Other Remuneration (Ex. ESOP EJIP)

-None-

## 7.5 Employees

As of 30 September 2023, numbers of employees of the Company and its subsidiaries which were classified by business units, are following:



### Business Unit

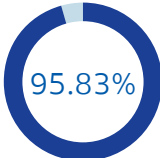
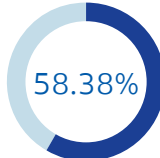
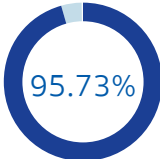
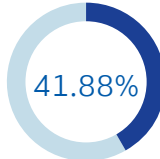
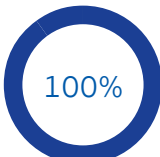
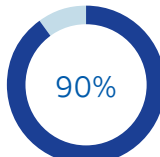


### Number of Employees (Person)

Administrative and Control	115
Motorcycle Tire – Tube	539
Industrial Elastomer Parts	497
IRC (Asia) Research Limited	117
Kin No Hoshi Engineering Co., Ltd.	20
<b>Total</b>	<b>1,288</b>

Remark: During last 3 years, the Company and its subsidiaries do not have labor dispute nor significant change of number of employees.

During the fiscal year 2023, the Company and its subsidiaries paid employees totaling Baht 736.72 million in terms of salary, bonus, provident fund, social security fund and other welfares. The ratio of remuneration for male to female employees, and the proportion of employees participating in the provident fund and savings cooperatives compared to the total number of employees, are as follows:

Company	The ratio of Remuneration for male to female employees	Number and proportion of employees participating in the Provident Fund (Persons, Percentage)	Number and proportion of employees participating in the savings cooperatives for employees (Persons, Percentage)
Inoue Rubber (Thailand) PCL.	1:1.8	1103 Persons  95.83%	672 Persons  58.38%
IRC (Asia) Research Limited	-	112 Persons  95.73%	49 Persons  41.88%
Kin No Hoshi Engineering Co., Ltd.	-	20 Persons  100%	18 Persons  90%

## 7.6 Others

### Company Secretary, CFO, and Accounting Supervisor

The board of directors appointed Ms. Kittunya Naruepracha as Company Secretary on 9 November 2018. Ms. Kittunya Naruepracha graduated in Economics and has been a good Assistant Secretary. She has continuously developed herself as a corporate secretary and attended a course on corporate secretary in 2017. Her responsibilities include advising on and reviewing the preparation of important legal documents of the company and directors as well as keeping those documents in compliance with Section 89/15 – 89/17 of the Securities and Exchange Act. Furthermore, the company has appointed Ms. Praewphan Songhong to be the CFO and Ms. Pim Arunsantiroj to control and supervise the company's accounting according to the accounting standards and related rules.

*Note: The biographies of the Company Secretary and Chief Financial Officer are shown in Attachment 1.*

## Head of Internal Control

The Audit Committee has approved the appointment of Ms. Wannapa Yusabai as the company's Chief Internal Auditor to perform audits and evaluate the organization's operations. The Chief Internal Auditor is independent and reports directly to the Audit Committee. The qualifications of the position are shown in Attachment 3

## Investor Relations

The company has assigned Ms. Kittunya Naruepracha as the contact person for investors and those who have enquiries. Please call: (66) 2 996 0890 ext. 243 or send an email to ir@ircrthailand.com

## Auditor Appointment

The Annual General Meeting of Shareholders is to appoint external auditors and fix audit fees for the Company's and its subsidiaries. The Audit Committee selects and proposes the external auditor together with the audit fee to the Board of Directors before the Board proposes the same to the Annual General Meeting of Shareholders for consideration and approval.

Selection criteria includes the review of auditing firms and external auditors, which are independent with no conflict of interest with the Company, the management, major shareholders or related persons. In addition, the auditing firm shall rotate the external auditor in order to align with the notification of the Capital Market Supervisory Board if the former auditor has reviewed, audited and expressed an opinion on the financial statements of the Company for 7 consecutive years.

## Audit Fee

The Company's and its subsidiaries' financial statements of the fiscal year 2023 were reviewed and expressed an opinion by Ms. Sanicha Akarakittilap, Certified Public Accountant No.8470 of PricewaterhouseCoopers ABAS Limited (PwC). The Company and its subsidiaries paid audit fee for the fiscal year 2023 as follows:

Company	Audit Fee (Baht)
Inoue Rubber (Thailand) Public Company Limited	1,375,580
IRC (Asia) Research Limited	252,840
Kin No Hoshi Engineering Co., Ltd.	252,840
Audit Fee for BOI business (64,800 Baht/business)	-
Out of Pocket Expenses (Transportation expense, Documents expense, etc.)	156,830
Total	2,038,090

# 8. Report of Key Corporate Governance Activities

## 8.1 Performance of the Board of Directors in 2023

### 8.1.1 Nomination, Development and Performance Assessment of the Board

#### Nomination of the director and executive

##### Qualification of Independent Directors

1. Not holding shares exceeding 1% of the total shares with voting rights of the Company, which shall be inclusive of the shares held by those related persons;
2. Not being nor having been a director participating in the management, employee, officer, consultant who receives regular salary, or a controlling person over the Company, except that he/she has no such characteristic for at least two years;
3. Not being a person related by blood or by registration under laws, such as father, mother, spouses, siblings, and child, including spouses of the child, of executives, major shareholders, controlling persons, or persons who will be nominated as executives or controlling persons of the Company or its subsidiary;
4. Not having nor having had any business relationship with the Company, might interface with his/her use of independent discretion, including not being nor having been a major shareholder, or a dependent director, of a person who has a business relationship with the Company, except that he/she has no such characteristics for at least two years;
5. Not being nor having been an auditor of the Company, and not being a major shareholder, a dependent director, and executive, or partner of the auditing firm employing and auditor of the Company, except that he/she has no characteristic for at least two years;
6. Not being nor having been any professional services providers including a legal advisor or a financial advisor, obtaining service fees of more than Baht 2 million per annum from the Company, and not being a significant shareholder, authorized person, or partner of such professional services provider except he/she has no such characteristic for at least two years;
7. Not being a director appointed to represent any director of the Company, a major shareholder, or a shareholder who is a related person of the Company's major shareholders;
8. Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary
9. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the Company's operation
10. The term in office should continue not more than 9 years from the date of being appointed to the position of independent director.

*\*Including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company*



## **Qualifications of the Director**

1. Qualifications mentioned under the notification of the Capital Market Supervisory Board;
2. Have a solid knowledge, expertise and experience considered beneficial to the Company;
3. Be determined and have an ethical mind in running business;
4. Must not be a director or a co-executive of a related company and/or organization, which is the rival business to the company;
5. Take a position of a director in not more than 5 listed companies and not more than 6 affiliated companies of any listed companies

## **Nomination Criteria and Process**

1. Consider the suitability of knowledge, experience, and expertise that is beneficial to companies with experience in the core business or industry of the Company. The Board of Directors has the required composition as a Board Skill Matrix, which makes the nomination process consistent with the Company's business direction;
2. Consider the dedication of the directors. If the former director resigns for another term, it may be considered by the performance during the term in office. It should also consider the number of companies in which each director will be appointed to suit the profile or condition of the company which should not exceed 5 listed companies to ensure that performance is not compromised;
3. Consider the term in office of the independent director. If the former independent director will return for another term, the term in office should continue from the date of being appointed to the position of independent director not more than 9 years.

## **Right of Shareholders to Appoint the Directors**

The Company opened an opportunity for Shareholders to propose director candidate since 1 - 31 October 2023. However, no shareholders proposed any director candidate.

## **The Assessment and Process in the Performance Evaluation of the Boards, Sub-Committees, and CEO**

1. The Board of Directors determines to have evaluating knowledge, skills, and specific experiences of the directors (Board Skill Matrix) which benefit to the Company's business. The Board self-assessment is conducted annually for the Board as a whole and an individual basis, including all sub-committees, in order to be a framework for evaluating performance of the Board of Directors, all sub-committees, and CEO;
2. The Board of Directors, sub-committees and CEO have their agenda to consider the performance assessment form (both as a whole and individually) and self-assessment for the Boards and sub-committees annually. The assessment criteria are based on the regulation of SET. For the Audit Committee, the assessment criteria are based on the regulation of SEC;
3. The Board of Directors, sub-committees, and CEO evaluates their on-the-job performance and when the secretary finished concluding the evaluation report, the Board of Directors, sub-committees, and CEO shall consider, review, and assess the comments in the aspect of the Board of Directors and sub-committees' performance in the past year to improve and enhance their performance efficiency continuously.

**The Self-Assessment of the Board, other Sub Committees, and CEO covered topics as follows:**

**The Board and other Sub-committees**



Board Skill Matrix	Self-Assessment as a Whole	Self-Assessment as an Individual
<ol style="list-style-type: none"> <li>1. Business Management</li> <li>2. Industry</li> <li>3. Profession Knowledge</li> <li>4. International Business</li> <li>5. Strategic Management</li> <li>6. Laws and Regulations</li> <li>7. Accounting</li> <li>8. Finance</li> <li>9. Innovation and Information Technology</li> <li>10. Economy</li> </ol>	<ol style="list-style-type: none"> <li>1. Committee Structure and Qualifications</li> <li>2. Roles, Duties and Responsibilities of the Committee</li> <li>3. The Committee Meeting</li> <li>4. The Committee Duties</li> <li>5. Relations with the Management</li> <li>6. Self-Development of the Directors and the Executive</li> </ol>	<ol style="list-style-type: none"> <li>1. Committee Structure and Qualifications</li> <li>2. The Committee Meeting</li> <li>3. Roles, Duties and Responsibilities of the Committee</li> </ol>

**(CEO)**



## Self-Assessment Results of the Board of Directors, Sub-Committees and CEO

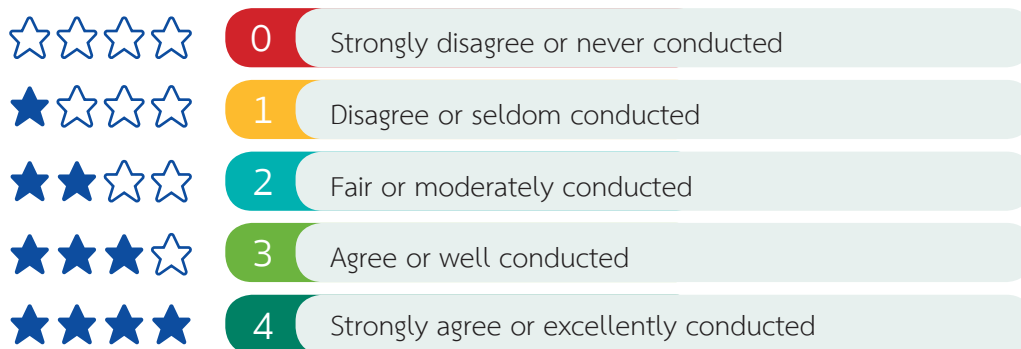
### The Board of Directors and the Sub-Committees' Self-Assessment Results

	Self-Assessment as a Whole	Self-Assessment as an Individual	Board Skill Matrix
1. Board of Directors	3.84 ★ ★ ★ ★	3.85 ★ ★ ★ ★	3.68 ★ ★ ★ ★
2. Executive Committee	3.87 ★ ★ ★ ★	3.84 ★ ★ ★ ★	
3. Audit Committee	3.95 ★ ★ ★ ★	4.00 ★ ★ ★ ★	
4. Risk Management Committee	3.93 ★ ★ ★ ★	3.92 ★ ★ ★ ★	
5. Corporate Governance and Sustainability Committee	3.86 ★ ★ ★ ★	3.79 ★ ★ ★ ★	

### CEO Self-Assessment Results

1. Leadership	4.00	★ ★ ★ ★
2. Strategy Information	4.00	★ ★ ★ ★
3. Strategy Execution	4.00	★ ★ ★ ★
4. Financial Planning / Performance	4.00	★ ★ ★ ★
5. Relationship with the Board of Directors	4.00	★ ★ ★ ★
6. External Relations	4.00	★ ★ ★ ★
7. Human Resources Management / Relations	4.00	★ ★ ★ ★
8. Succession	4.00	★ ★ ★ ★
9. Product / Service Knowledge	4.00	★ ★ ★ ★
10. Personal Qualities	4.00	★ ★ ★ ★

Note: From a total of 4 points, the conditions are as follows:



### Directors and Executives Development

The Company has a policy to promote and support all Directors, Executives and the Company Secretary to train for knowledge development in various fields both in terms of courses and seminar activities; for instance, the Thai Institute of Directors Association.

The Board of Directors has assigned the Company Secretary to coordinate with the Board of Directors and Executives on the information of training courses. The Company Secretary is responsible for delivering new Directors the Public Company Handbook, the Board of Directors Handbook, scope of duties and responsibilities of the Board of Directors, the Company’s Articles of Association, Public Law, Securities and Exchange Act B.E. 2535, Good Corporate Governance Policy, and Code of Conduct.

The new Directors will be introduced to the overview of the Company, operations of the Stock Exchange of Thailand Group, regular strategic plans, laws, regulations, and Code of Conduct related to the Directors. Top-level Management and the Board of Directors’ secretary will present such information prior to the first meeting of the new Directors. The Company also has personnel management and development plans to keep Directors and Employees continuously knowledgeable in their field of work.

Furthermore, there were Directors, Executives and the Company Secretary who received training to perform their duties from relevant agencies in 2023. The details can be summarized as follows:

Name – Surname	Position	Training in 2023
Mrs. Pimjai Leeissaranukul	Chairman	<ul style="list-style-type: none"> <li>Government procurement process (Internal Training) by Ms. Chunhachit Sungmai</li> <li>Labor laws regarding an employment (Internal Training) by Mr. Roongroj Ruenrerngwong</li> </ul>
Mr. Shigeki Yamada	President	<ul style="list-style-type: none"> <li>Work safety officer at management level by Technology Promotion Association (Thailand-Japan)</li> </ul>
Mr. Apichart Leeissaranukul	Director	<ul style="list-style-type: none"> <li>Economic Update for CFO by Thai Listed Companies Association</li> </ul>
Mrs. Anchalee Chavanich	Independent Director / Chairman of Audit Committee	<ul style="list-style-type: none"> <li>Refreshment Training Program (RFP 11/2023) Joint Venture Governance by Thai Institute of Directors Association (IOD)</li> <li>The Board's Role in Mergers and Acquisition (BMA 5/2023) by Thai Institute of Directors Association</li> </ul>
Assoc. Prof. Jaruporn Viyanant	Independent Director / Audit Committee/Chairman of Corporate Governance and Sustainability Committee	<ul style="list-style-type: none"> <li>SET Sustainability Forum by Stock Exchange of Thailand</li> <li>Thai economy and capital market driving policy under the government after the election by Federation of Thai Capital Market Organizations</li> <li>Business sector's perspective on policies driving the country by Board of Trade of Thailand</li> <li>AC Forum 2023: Detection of Accounting Irregularities in Fast Growing Business: The Role of AC by Thai Institute of Directors Association</li> <li>BOT Symposium 2023 by Bank of Thailand</li> <li>Audit Committee Seminar 2023 by EY Company Limited</li> </ul>
Mr. Kittichai Raktakanit	Independent Director / Audit Committee	<ul style="list-style-type: none"> <li>Advanced Audit Committee Program (AACP 49/2023) by Thai Institute of Directors Association</li> </ul>

Name – Surname	Position	Training in 2023
Ms. Witchuda Kupongsak	Executive Director of Administrative and Control Unit	<ul style="list-style-type: none"> <li>VAT by Mr. Saroj. Thongprakum</li> <li>Government procurement process (Internal Training) by Ms. Chunhachit Sungmai</li> <li>Labor laws regarding an employment (Internal Training) by Mr. Roongroj Ruenrerngwong</li> </ul>
Mr. Narongchai Rattanaekkawin	Executive Director of IED Business Unit / Member of Risk Management Committee	<ul style="list-style-type: none"> <li>VAT by Mr. Saroj. Thongprakum</li> <li>Government procurement process (Internal Training) by Ms. Chunhachit Sungmai</li> </ul>
Mr. Tatsuo Kubota	Executive Director of IED Business Unit	<ul style="list-style-type: none"> <li>Work safety officer at management level by Technology Promotion Association (Thailand-Japan)</li> </ul>
Mr. Suchart Kootiratrakarn	Executive Director of Tire & Tube Business Unit / Member of Risk Management Committee	<ul style="list-style-type: none"> <li>VAT by Mr. Saroj. Thongprakum</li> <li>Labor laws regarding an employment (Internal Training) by Mr. Roongroj Ruenrerngwong</li> </ul>
Ms. Praewphan Songhong	CFO / Executive Director / Member of Risk Management Committee / Finance Division Manager	<ul style="list-style-type: none"> <li>TLCA CFO CPD No. 8/2022: “ESG Bonds in Corporate Financing” by Thai Listed Companies Association</li> <li>TLCA CFO CPD No. 5/2023: “RPA (Robotic Process Automation) in finance and Accounting” by Thai Listed Companies Association</li> <li>TLCA CFO CPD No. 6/2023: “What is the Future of the CFO Role?” by Thai Listed Companies Association</li> <li>Financial Fraud by Federation of Accounting Professions</li> <li>ESG Risk Management by Federation of Accounting Professions</li> <li>J-SOX: Internal Control, Principle concept and implementation by Federation of Accounting Professions</li> <li>CFO &amp; Tax Forum: Leading through Change (ESG Risk Management) by EY Company Limited</li> </ul>

Name – Surname	Position	Training in 2023
Ms. Kittunya Naruepracha	Company Secretary / Chief of Investor Relations	<ul style="list-style-type: none"> <li>• TLCA CFO CPD No. 7/2023 “Economic Update for CFO (No.2)” by Thai Listed Companies Association</li> <li>• ESG disclosure guidelines in One Report by Thai Listed Companies Association</li> <li>• The Corporate Responsibility to Respect Human Rights by Thai Listed Companies Association</li> <li>• Preparation of reports on conflicts of interest and policies on the use of inside information by Thai Listed Companies Association</li> <li>• IR Sharing 4/2023 “How to improve your IR strategy from basic to advanced?” by Thai Listed Companies Association</li> <li>• Techniques for organizing committee meetings by Thai Listed Companies Association</li> <li>• IR Sharing 2/2023 “Simplifying the IR Message” by Thai Listed Companies Association</li> </ul>

## 8.1.2 Meeting Attendance and Individual Directors' Remuneration

### Remuneration of Directors and Executives

#### Monetary Remuneration for the Board and Sub-committees

At the AGM 2023, held on 30 January 2023, the shareholders approved director remuneration according to position which consists of yearly retention fee plus meeting allowance at Baht 10,000 / person / meeting and no other kind of remuneration with the following details:

Chairman of Audit Committee	450,000	Baht / person / year
Chairman of Risk Management Committee	200,000	Baht / person / year
Chairman of Corporate Governance and Sustainability Committee	200,000	Baht / person / year
Independent Director	500,000	Baht / person / year
Director	300,000	Baht / person / year

Remark: 1. No remuneration for the executives who are not directors  
2. The Company Directors do not receive remuneration from the Company's subsidiary because he/she is not a director in the subsidiary.

[The Board's Opinion](#) The remunerations of the Company's directors have been thoroughly considered at the Board of Director's meeting, taking into account of the assigned responsibilities of each committee. The remunerations were aligned with the market and the same industry.

The Company adheres to the principle of fair and transparent remuneration, and in doing so, the Company compares its income ranges as well as sizes of other companies at the same level in the industry to maintain the appropriate benefits and motivate qualified Directors to lead and contribute to the Company to their fullest potential.

#### Other kinds of remuneration for Directors

- None -



**Table: Remuneration and Meeting Attendance of Directors and Sub-Committee Members**

Name of Director			Position	Number of Meeting Attendance in FY 2023						Remuneration* (Baht)
				AGM	BOD	AC	EXCOM	CGS	RMC	
1.	Mrs. Pimjai	Leeissaranukul	Chairman	1/1	5/5	-	5/5	-	-	360,000
2.	Mr. Shigeki	Yamada	President / Vice Chairman of RMC	1/1	5/5	-	5/5	-	4/4	400,000
3.	Mrs. Anchalee	Chavanich	Independent Director / Chairman of AC	1/1	7/7	4/4	-	-	-	1,070,000
4.	Mr. Kittichai	Raktakanit	Independent Director / Member of AC	1/1	7/7	4/4	-	-	-	620,000
5.	Assoc. Prof. Jaruporn	Viyant	Independent Director / Chairman of CGS Committee / Member of AC	1/1	7/7	4/4	-	4/4	-	860,000
6.	Mr. Surong	Bulakul	Independent Director/ Chairman of RMC	1/1	7/7	-	-	-	4/4	820,000
7.	Mr. Soichi	Inoue	Director	-	-	-	-	-	-	300,000
8.	Mr. Thanong	Leeissaranukul	Director	1/1	6/7	-	-	-	-	370,000
9.	Mr. Apichart	Leeissaranukul	Director	1/1	7/7	-	-	-	-	380,000
10.	Mrs. Porntip	Sethiwan	Director	1/1	7/7	-	-	-	-	380,000
11.	Mr. Kazuo	Sato	Director	1/1	7/7	-	-	-	-	380,000
Total (Baht)									5,940,000	

Remark: \* Calculate from net payment in FY2023 as a position of Director only

\*\* The BOD meeting consists of 2 non-executive directors' meetings.

### 8.1.3 Governance of Subsidiaries and Associates

(Detail as shown in 6.1.1)

### 8.1.4 Monitoring to ensure compliance with Corporate Governance

#### Policy and Guideline

The Company communicates to all its Directors, Management and Employees including Employees in the Company's group to uphold and follow the Good Corporate Governance Policy. The Company's Good Governance Corporate Policy is reviewed annually which has been set out as an annual course as well as an orientation for new Employees in order to ensure that all Employees and personnel understand the policy.

Percentage of directors, executives and employees that was communicated about good Corporate Governance policy



The Company has followed up with all personnel to act in compliance with the Good Corporate Governance Policy in 4 topics as follows:

#### 1) Prevention of Conflicts of Interest

The Company has written policies and guidelines on the Conflicts of Interest specified in the "Code of Conduct for Directors and Employees". The Company also has a policy to follow the guidelines of the Stock Exchange of Thailand as well as Securities and Exchange Act B.E. 2535 for the best interest of the Company. It is the duty of personnel at all levels to carefully consider and resolve any Conflicts of Interest, uphold the principles of honesty, be reasonable and independent within the framework of a good ethical code, and disclose information in its entirety concerning the importance of the Company's overall benefits. All Employees and Management are required to prepare an annual Conflict of Interest report. In 2023, there were no issues found that could cause any Conflicts of Interest.

#### 2) Exploitation of Inside Information

The Company has established policies and guidelines regarding the use of inside information to prevent the use of insider trading of the Company's securities. All Directors and Management including those involved are permitted to buy / sell / transfer the Company's securities at least 1 month before the disclosure of the financial statements and 24 hours after the financial statements have been disclosed. They need to refrain from buying/selling/transferring the Company's securities when there are cases related to confidential information and information that may affect the price of securities such as capital increase / decrease, mergers and acquisitions, joint ventures, etc., for at least 24 hours. Directors, Management, and

related persons must report the change in securities holding to the Office of the Securities and Exchange Commission within 3 business days from the date of the change in the Company's securities holding as well as submitting a copy to the Company Secretary Unit for gathering, summarizing, and presenting to the Board of Directors' meeting on a quarterly basis.

In 2023, there were no securities trading found during the period the Company ordered every Director and Management to refrain from trading.

### 3) Anti-Corruption

Every Directors, Management and Employees of the Company is prohibited from engaging in any form of corruption, either directly or indirectly (family, friends, and acquaintances) whether for the benefits of the business, exchanges for work or the Company's purchasing orders under one's authority. All kinds of corrupt activities are considered serious offenses with a severe punishment of dismissal without compensation (as specified in the Employee Handbook). The Company has issued measures for Employees in the support and operations departments such as Purchasing Department, Marketing Department, and Human Resources Department to prepare an annual Conflicts of Interest report alongside an annual monitoring and review of anti-corruption measures. In addition, the company has also joined the Thai Private Sector Collective Action Coalition Against Corruption or CAC since 2020 and adheres to the anti-corruption policy as a clear practice in business operations in which all Directors, Management and Employees need to follow.

The Company has disclosed details of policies and actions to prevent any involvement in corruption on the Company's Website (<http://www.ircthailand.com/uploads/Document/CAC.%202019%20TH.pdf>).

In 2023, the Company communicated about anti-corruption policy, Prevention of Conflicts of Interest and Exploitation of Inside Information policy to the directors, executives and employees in order to create awareness, understanding and instill consciousness to refrain from all forms of unethical conduct through the Company's intranet system. 100% of employees study and sign to acknowledge and abide by such policies. In summary, there was no cases of wrongdoing regarding corruption, conflict of interest, and the use of insider information to seek for the Company's benefits found in the past year.

### 4) Whistleblowing

The Company has always placed importance on Good Corporate Governance by conducting business with commitment to acting professionally as well as fairly to all groups of stakeholders. The Company also attaches importance to transparency and accountability. Therefore, the Company has created filing channels to enable all Employees and stakeholders both inside and outside the Company to disclose information of any wrongdoing against the law, company rules and regulations, business ethics, and Code of Conduct for Directors and Employees as well as inaccurate financial reports and the Company's defective internal control systems. A whistleblower should ensure the accuracy of the information disclosed before filing a complaint and should not accuse others without sufficient evidence. Complaints are reported to the Audit Committee quarterly. Additionally, there were no allegations or complaints reported in the fiscal year 2023 from any of the following 4 channels.

- 1) By filing your report to the Chairman
- 2) By post mail to the Chairman and/or Company Secretary  
258 Soi Rangsit - Nakornnayok 49, Prachathipat, Thunyaburi, Pathum Thani 12130
- 3) Through Email: [listen@irc thailand.com](mailto:listen@irc thailand.com)
- 4) Through Website: [www.irc thailand.com/th/investor/corporate/whistleblowing](http://www.irc thailand.com/th/investor/corporate/whistleblowing)

## 8.2 Report of the Audit Committee in 2023

Dear Shareholders,

The Audit Committee consists of three independent directors who are fully qualified with related requirements and possess with experience, knowledge and capability that are beneficial to the Company's business. All directors are the members with adequate expertise and experience in reviewing the credibility of the Company's financial statements.

During the fiscal year 2023, the Audit Committee held 4 meetings with the Company's management, internal auditor and external auditors. The meeting participation of each Audit Committee member is as follows:

Name	Position	No. of participation / No. of the total meeting
1. Mrs. Anchalee Chavanich	Chairman of the Audit Committee	4/4
2. Assoc. Prof. Viyanant Jaruporn	Member of the Audit Committee	4/4
3. Mr. Kittichai Raktakanit	Member of the Audit Committee	4/4

The Audit Committee fully performed its duty according to the roles, duties and responsibilities as stated in the Charter of the Audit Committee, as well as expressed opinions and suggestion independently. The summary of the Audit Committee's performance and opinions in 2023 is as follows:

### Review of Financial Statement

The Audit Committee reviewed the accuracy and reliability of financial statements. The external auditor found no essential issue or drawback in the financial statements. The Committee also invited the external auditor to the meetings to discuss on topics covering the area, process and plan for annual audit, including to review the accuracy and completeness of the changes made to the statements, accounting standards, as well as the adequacy of the disclosure information on efficiency of internal control system that is necessary for the preparation of the financial statements and suitability on the accounting. The Committee held 1 meeting with the Company's external auditors without management participation for an independence of the auditors to report on concerned matters and the obstacle, or irregularity faced in the performance of their duty.

### Assessment and Review of Internal Control System and Internal Audit

The Audit Committee reviewed the reports from the external auditor and internal auditor relating to the Company's internal control system and reviewed the internal control assessment which were

conducted in accordance with the guideline of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Audit Committee also reviewed the internal audit plan and report from the internal auditor to be in accordance with the Company's risk based audit plan.

The Audit Committee gave the useful suggestions in relation to reports from external auditor, internal auditor and internal control system on the assessment of performance, fraud and reliability of the financial report. The Company applied the suggestions of the Audit Committee, external auditor and internal auditor to increase the efficiency of its performance to ensure that the operation process is continuously and efficiency controlled.

### **Review of the Connected Party Transactions**

The Audit Committee reviewed the Company's Connected Party Policy and the connected party transactions or transaction with potential conflicts of interest based on the reasonableness and best interest for the Company, to ensure that they comply with laws and regulations relating to the Securities and Exchange Commission and the Stock Exchange of Thailand, so that the Company's management can manage the transactions with fairness and no undue transfer of benefit, at the same time, comply with the principle approved by the Board of Directors.

### **Reviewed of Whistleblowing Procedure for Fraud Complaint as well as Information on the Inappropriateness of Financial Report**

The Audit Committee quarterly reviewed the whistleblowing report, as well as obtained information on the inappropriateness of financial report or other issues.

In the past fiscal year, the Audit Committee did not receive any report on complaint on fraud or inappropriateness of financial report or other issues.

### **Review of the Compliance with Rules, Regulations and Policies**

The Audit Committee reviewed the Company's compliance with the securities and exchange law and other laws related to the Company's business and found no violation in this area.

In addition, the Committee was quarterly reported on changes in significant regulations and policies related to business of Company, and that the Company is preparing its operations in order to be ready for the continuing changes.

### **Selection of the External Auditor**

The Audit Committee had considered the external auditors' independence and knowledge as well as their understanding of the Company's business, work quality, auditor qualifications, and the audit fee, the Audit Committee proposed PricewaterhouseCoopers ABAS Limited as the Company's and subsidiaries' external auditor for 2023.

The external auditor who places his/her signature on the financial report of the Company is qualified with the above regulations and approved by the Security and Exchange Commission of Thailand. In addition, no external auditor has continuously audited the financial report of the Company for more than 7 consecutive years.

## **Performance Assessment on Group and Individual Basis as well as the Review of Compliance with its Charter**

The Audit Committee reviewed and conducted self-assessment on the entire committee and each individual member based on the guideline of the Audit Committee prepared by the Security and Exchange Commission of Thailand and the Stock Exchange of Thailand, as well as the Charter of the Audit Committee of Company. According to the self-assessment result in 2023, it is found that the performance of the Audit Committee complies with its responsibilities.

The Audit Committee reviewed the roles, duties and responsibilities as stated in the Charter of the Audit Committee annually by comparing with the guideline of the Audit Committee, recommended by the Security and Exchange Commission of Thailand, and proposed to the Board of Directors for approval. The Company had disclosed information related to the change of responsibility of the Audit Committee.

## **Overall Opinion of the Audit Committee**

The Audit Committee is confident that it has discharged its duties according to the Charter of the Audit Committee, as well as provided opinions and suggestions for the best interest of all stakeholders, with good cooperation and support provided by the relevant units and personnel in the Company.

The Committee is confident that financial statements were prepared in accordance with generally accepted accounting principles and are accurate, complete, reliable and in line with accounting standards; connected party transactions are reasonable and for the best interest of the Company; information is disclosed adequately and reliably; internal control is adequate and effective; and good corporate governance and related laws and regulations are fully complied with.



Mrs. Anchalee Chavanich  
Chairman of the Audit Committee

## 8.3 Report of the Sub-Committees in 2023

### Report of the Risk Management Committee in 2023

Dear All Shareholders,

Inoue Rubber (Thailand) Public Company Limited has effectively realized and prioritized risk management across the organization to build the trust with stakeholders. The Company has conducted risk management employing with the changes of economic, industrial and surrounding situations through the supervision of the Company's Risk Management Committee, which consists of 8 knowledgeable luminaries who are skilled in risk management: Mr. Surong Bulakul as a Chairman, Mr. Shigeki Yamada as a Vice Chairman, Mr. Narongchai Ratttanaekkawin, Mr. Suchart Kootiratrakarn, Mr. Bancha Yutthaworakool, Mr. Surachai Chaichaluempong Ms. Praewphan Songhong, and Mr. Kanin Laochinda as a committee member. The Risk Management Committee has been performed duties under the mission and roles as assign by the Board of Directors to become a part of Good Corporate Governance and to stably support the business operation.

In 2023, 4 Risk Management Committee's meeting were held. The significant issues are summarized as follows:

	Name	Position	No. of participation / No. of the total meeting
1.	Mr. Surong Bulakul	Chairman of Risk Management Committee	4/4
2.	Mr. Shigeki Yamada	Vice Chairman of Risk Management Committee	4/4
3.	Mr. Narongchai Ratttanaekkawin	Member of Risk Management Committee	4/4
4.	Mr. Suchart Kootiratrakarn	Member of Risk Management Committee	4/4
5.	Mr. Bancha Yutthaworakool	Member of Risk Management Committee	4/4
6.	Mr. Surachai Chaichaluempong	Member of Risk Management Committee	4/4
7.	Ms. Praewphan Songhong	Member of Risk Management Committee	4/4
8.	Mr. Kanin Laochinda	Member of Risk Management Committee	3/4

1. Scrutinized and review the Company's risk management policy to ensure that it is consistent and appropriate with the current business circumstance
2. Supervise and consider the risk management of the Company, which include the risk identification, analysis and assessment based on both internal and external factors including the risk on "ESG" or Environment, Social and Governance which may affected the Company's achievement, as well as establish the risk management measures and follow up the risk management result in order to manage the risk at the appetite level and to achieve the Company's goals
3. Provide guidance on Company's risk management to the risk management working team for effective operation onwards
4. Review the roles and duties of the Risk Management Committee for systematic and effective risk reporting
5. Review the Risk Management Committee Charter in accordance with the CG Code 2017 and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and related agencies as well as suitable for the current business conditions
6. Promote and support risk and innovation education and activities to whole employees thoroughly
7. Push forward the innovation and provide suggestion toward new technology changes and product development in order to enhance the productivity and respond the need of the market.
8. Promote and push forward market expansion, international market expansion, product innovation development, and process innovation development in order to meet market needs to the fullest extent possible
9. Report the progress and performance of the Risk Committee to the Board of Directors on a quarterly basis in order to acknowledge the risk management and the important opportunity for the organization

Lastly, the Risk Management Committee and the working team have cautiously intentionally, completely and fully performed the duties to ensure all shareholders and stakeholders that the Company has closely supervised and managed each type of risk in order to drive the organization towards goals and objectives sustainably in the long-term under challenging circumstance.



(Mr. Surong Bulakul)

Chairman of Risk Management Committee



## Report of the Corporate Governance and Sustainability Committee in 2023

Dear All Shareholders,

The Board of Directors has appointed the Corporate Governance and Sustainability Committee to be an organization that has competitive advantage with the transparency, morality, and organizational integrity and will not participate in any form of fraud and corruption. Currently, the Corporate Governance and Sustainability Committee by having Assoc. Prof. Jaruporn Viyanant, an independent director, as the Chairman, together with the specialist from various departments, which are Mr. Bunthorn Sriwongchan, Mr. Therdsak Emsem, Ms. Anchana Thongmon and Mr. Amornthep Srivorapipat as the directors, in order to perform duties in corporate governance and social responsibility as assigned by the Board of Directors complying with the Corporate Governance Code for listed companies 2017 by Securities and Exchange Commission Thailand. This paves the way for the sustainability of business operation and confidence of all groups of stakeholders.

During the fiscal year 2023, the Corporate Governance and Sustainability Committee held 4 meetings with the Company's management. The meeting participation of each Corporate Governance and Sustainability Committee member is as follows:

	Name	Position	No. of participation / No. of the total meeting
1.	Assoc. Prof. Viyanant Jaruporn	Chairman of the Corporate Governance and Sustainability Committee	4/4
2.	Mr. Bunthorn Sriwongchan	Member of the Corporate Governance and Sustainability Committee	4/4
3.	Mr. Therdsak Emsem	Member of the Corporate Governance and Sustainability Committee	4/4
4.	Ms. Anchana Thongmon	Member of the Corporate Governance and Sustainability Committee	4/4
5.	Mr. Amornthep Srivorapipat	Member and Secretary of the Corporate Governance and Sustainability Committee	4/4

In 2023, the Committee evaluates the performance. The significant issues are summarized as follow:

## Environment

- The company devote much attention to environmental management by setting environmental policies and guidelines in order to have well recourse management including the waste and pollution that have impact on the quality of life of stakeholders and to comply with the laws and regulations that related to the operations of the company. The company also has an environmental management system according to ISO 14001 standard. In addition, the company has been promoting green culture among the employees to minimize negative impacts on the environment and deliver a better world to future generations.
- Internal activities of “IRC” such as Creating Green Culture Activities inside the Organization, Creating Energy Conservation and Environmental Awareness Activities, as well as other activities that focus on creating consciousness both in innovation and continuous sustainability. Moreover, there are other activities concerning knowledge and competency development, as well as health care, living and safety of the employee.
- The Company aims to reduce carbon dioxide emission, promote use of sustainable clean energy, and reduce energy consumption which are the factors for the Climate Change and the destruction of the earth’s atmosphere. Carbon Footprint for Organization or “CFO” has implemented in order to manage a carbon dioxide reduction systematically. The company had been registered to Thailand Greenhouse Gas Management Organization (Public Organization) in order to has the Carbon Credit with Thailand Voluntary Emission Reduction Program Furthermore, the Company has been certified as Green Industry Level 4: Green Culture, supporting Klong Pang Cooperative in achieving PEFC-certified sustainable rubber plantation, which promotes rubber value-added and to expands market opportunities, as well as advocating for compliance with the United Nations’ 17 Sustainable Development Goals (SDGs).
- The Company had appointed Carbon Management Committee to determine the Company path toward carbon neutrality and sustainability. In addition, the company has set goals and process that will lead to such goals in accordance with the missions of the Thailand net-zero emissions by 2050 as well as to prepare for future changes in regulations and policies, such as carbon taxation, trade barriers related to GHG emissions.

## Social Responsibility

- According to the National Economic and Social Development Plan that promote BCG model, the Company adopts the model by develop the upcycling material to be versatile rubber flooring (Vi-Pafe), then gives to 50 public areas across the country that are in need and deficient. Vi-Pafe is safe and environmental friendly product. Moreover, there are creating shared value projects such as Klongpang Cooperative Model, Hai Archeep – Hai Cheevit Project and the projects to promote road safety for communities such as Safe Ride Campaign: IRC Care and Safe Drive Campaign during Long Holiday.
- Activities with the “Surrounding Communities” which strengthen the Company’s relationship with the nearby communities both in Rangsit and Wang Noi. For example, community relations activities project with the communities surrounding the factory during festivals, etc.

## Good Corporate Governance

- Encouraged the Shareholders to propose agenda, directors' candidates, and questions in advance for the Annual General Meeting for 2023 in the period of October 1-31, 2022, through the Company's Website and the Stock Exchange of Thailand's Website then proposed to the Board of Directors to consider in November 2022's meeting. Thus, no shareholders proposed any agenda.
- Revised the Handbook of Good Corporate Governance altogether with the Charter to comply with the Securities and Exchange Act (No. 6) B.E. 2019, Corporate Governance Code for Listed Company of 2017 (CG Code 2017) of the Securities and Exchange Commission, the Company's practices, and the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (latest version) in order to enhance the regulation and good corporate governance policy of the Company, and to be the guideline for the Directors, Executives and Employees to perform accordingly.
- Prepared the 56-1 One Report Form that improved the disclosure of ESG information such as greenhouse gas emissions and human rights following the guideline of the Securities and Exchange Commission's Committee, and used the Sustainable Development Goals (SDGs) as the compass to drive the operation with the Company's stakeholders to align with the global sustainably development model.
- Anti-Corruption: The Committee took part in driving the Company to be certified as a member of the Thai Private Sector Collective Action Against Corruption or CAC, as well as encouraged the Executives and Employees of all levels to receive training and to comprehend the Anti-Corruption Policy. The Company has put such policy into one of its Annual Training Plan in order to imbue it as the Company's culture, altogether with defined the complaint channel (Whistle Blowing Channel) for the general person to report the whistleblowing of corruption. The Company has continuously received h the "Honorable Mention Award" at the 11<sup>th</sup> NACC. This award is presented by the National Anti-Corruption Commission (NACC).

All of stated activities are disclosed in the 56-1 One Report.

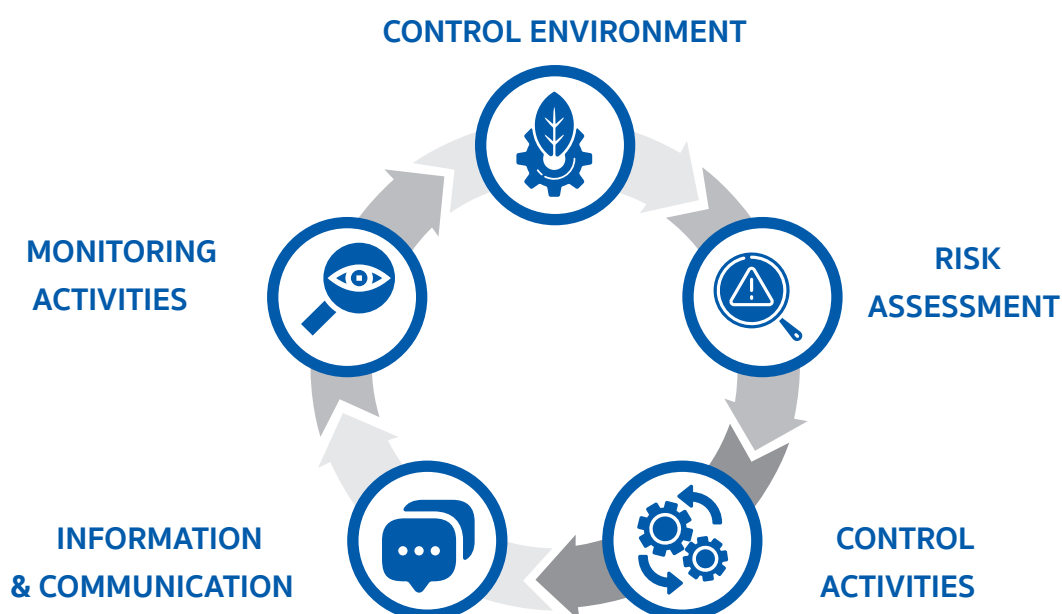


(Assoc. Prof. Jaruporn Viyanant)  
Chairman of Corporate Governance  
and Sustainability Committee

# 9. Internal Control and Connected Transaction

## 9.1 Internal Control

The capability of a good internal control system is very important to ensuring that the Company's operation can prevent and manage risks or reduce the possible losses / damages caused by incidents for both the Company and stakeholders. Therefore, the Company has established the Audit Committee that can effectively and independently review the internal control system to achieve the best efficiency. The Company's internal control system covers 5 main topics to correspond with the Committee of Sponsoring Organization of the Treadway Commission – Enterprise Risk Management (COSO-ERM) with the following details;



### 1) CONTROL ENVIRONMENT

The Board of Directors and the Executive jointly determine the Company's managerial structure, roles, and duties of related persons, as well as the authority of approval in each issue to ensure that the Company has effective and appropriate internal control systems that are aligned with the Company's objectives, goals and strategies, and comply with applicable law standards, under the good corporate governance principle.

The Company had determined the Handbook of Good Corporate Governance, including Directors and employees Code of Conduct, investor relations Code of Conduct, violation and penalties reporting, Complaint and Whistle Blowing Policy in 2005, and it has been developed to align with changing in laws, rules, regulations, circumstances, as well as to ensure that the roles and duties of the Board of Directors and sub-committees in the charter comply with the Corporate Governance code for listed companies 2017 or CG Code 2017, which was implemented by the Securities and Exchange Commission in 2017. The latest revision was done and approved by the Board on May 12, 2023.

In order to inculcate the integrity and Code of Conduct, the Company has provided the internal communication of good corporate governance, business morality, and code of conduct for executives and employees at all levels including training session, orientation to new employees, and presentation to enhance understanding in the canteen. This activity was held to pinpoint all IRCT's employees to pay attention to the integrity towards themselves and public as a whole by together giving their written commitment and stating their words.

For the determination to persuade, develop and preserve talented employees, the Company has a promotion procedure to manage; moreover, for the performance evaluation, the Company considered the evaluation result together with the proportion of salary increase. Additionally, the employee development and training plans have been tailored for employees at all levels, especially the talented groups as a part of the Company's succession plan.

## **2) RISK ASSESSMENT**

In 2023, the Risk Management Committee constructed the risk assessment matrix, which shows impact and likelihood of each kind of risks, and keep monitoring strategic risk, operational risk, financial risk, and compliance risk as the quarterly basis. Moreover, the Committee has communicated to risk owners and line managers to raise risk awareness in the organization.

Moreover, the Committee have proposed risk monitoring in term of Risk Dashboard to create effective and up-to-date risk management among changing circumstances. For all the year 2023, all risk issues were managed in the positive way.

## **3) CONTROL ACTIVITIES**

The Company determined the policies and procedures in written document which cover the business operation appropriately. They encompass the financial transaction, procurement and general administration processes; and specify the approval scopes, authorities and hierarchy clearly in accordance with the Company organization and managerial authority. The approval authority responsibility is isolated from the responsibility in accounting transactions and IT records as well as the responsibility in properties keeping in order to check and balance each other.

Additionally, the Company provided the effective internal control system through policies and work procedures for the imposed policies to be practical and able to manage risks to meet the Company's objective. The control activities are followed by every business unit in the Company.

## **4) INFORMATION & COMMUNICATION**

The Company prepares the operational information which are relevant and qualified selected from both internal and external to support the business operation and internal control to proceed as specified. Furthermore, employees at all levels need to communicate information accurately, appropriately, and sufficiently for the operation.

For the shareholders, Board of Directors, and sub-committees' meetings, the Company provides shareholders, directors, and executives, and all stakeholders to have the correct and sufficient information for decision making within a reasonable, in order to monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The Company also prevented the inappropriate use of corporate assets, information, and

opportunities, including preventing inappropriate transactions with related parties. The Company has consistently undertaken and defined them in the Good Corporate Governance and Business Morality Handbook as well.

In addition, the Company has provided 4 special channels for internal and external persons to report information or complaints related to the corruption directly to the Company via “Whistle-Blowing Channel” which any reporters can choose to make an anonymous report if fear of danger or threat.

## **5) Monitoring Activities**

The Company conducts the internal control follow-up and evaluation to ensure it is carried on completely and appropriately. Following-ups and evaluations are continuously conducted executives at each line to ensure the internal control components still exist and function appropriately and effectively. Moreover, there is monitoring system to manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders, and prevention of the inappropriate use of corporate assets, information, and opportunities, including inappropriate transaction with related parties.

Weekly and monthly executives’ meetings are convened to follow-up targets and oversee the plans action mentioned in the annual budget plan approved by the Board of Directors. Progresses and unexpected changes against plans are reported to the Board of Directors. If the inspection found substantial internal control shortcoming, the Executive Committee shall report to the Board of Directors or Audit Committee or other sub-committees to make an explanation and spontaneous corrective measures.

## **Comments from the related persons of the Company’s Internal Control System**

The management has conducted the internal control assessment form following the Securities and Exchange Commission (SEC)’s guideline, covering 5 topics as mentioned above. The evaluation is reviewed by the Audit Committee and present to the Board of Directors annually.

Furthermore, the external auditors found no significant issues on internal control or the ability to protect the Company’s property and its subsidiaries from illegally or without authorization used by the executives or the employees. Besides, they agreed that the financial reporting is accurate and reliable in accordance with generally accepted accounting standards and financial reporting standards.

## 9.2 Connected Transactions

During fiscal year 2023, the Company and its subsidiaries entered into connected transactions with businesses and parties with potential conflict of interest. Most of the mentioned transactions were related to sales and purchases of business supporting, short-term property rent, services rendered/received and long-term machinery lease. The terms and basis of such transactions were negotiated between the parties in the ordinary course of business and according to normal trade conditions. The external auditor presented connected transactions in the Note No. 29 of financial statements.

### **Necessity and Appropriateness of Transactions**

Most of connected transactions were entered into between the Company and the related parties involving the Company's business operations. Such transactions give more flexibility of routine operations of the Company, which will lead to sustainable development. Consideration of such transactions is based upon the long-term interest of the Company's and all shareholders, without misappropriation of benefit from a publicly held company to the related people.

### **Measures and Procedures for Connected Transaction Approval (Connected Transactions Policy)**

In order to ensure that the connected transactions or transactions with potential conflict of interest are transparent and based on stakeholders' benefits, the Company had clearly stated the procedures for connected transaction approval in the delegation of authority table. Such delegation of authority is aligned with regulations of the Security and Exchange Commission.

In addition, in 2023 the Board of Directors reviewed the Connected Transactions Policy (or called Related Party Transaction Policy) and principles for general trading conditions, which are under the decision authority of the management, if the criterion meet the principle approved by the Board of Directors. The Policy are to create clear framework for personnel involved, setting prices and conditions that are reasonable and within arm's length or market price, and based upon the Company's interest as if the Company enters into a transaction with outsider, which considered as an act of transparency and complied with concerned law and regulation.

The connected transactions of fiscal year 2023 as shown in the table next page have already presented to the Audit Committee for review and to the Board of Director for acknowledgement.

### **Potential Connected Transactions in the Future**

The potential connected transactions in the future will be done for normal business operations of the Company and its subsidiaries. The Company will enter into each transaction transparently and will comply with related regulations earnestly.

Connected transaction of the Company with related parties for the fiscal year 2021-2023 as of September 30 are as follows:

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
<b>1. Thai Inoac Component Co., Ltd. (TIC)</b>  Have indirect shareholders namely; Sopa-Kanok International Co., Ltd. and directors in common	Assembly expenses	11.53	16.89	19.18	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Assembly expense is determined under the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Rental incomes	1.33	1.33	1.33	<b>Short-term property rental (contract Period 1 year)</b> <ul style="list-style-type: none"> <li>Rental rate is in the same range of market price from 2 independent appraisers' estimation.</li> <li>The transaction value is under the approval authority of the Management according to the relevant regulations.</li> </ul>
	Service and utility incomes	0.12	0.06	0.06	<b>Transactions relating to services</b> <ul style="list-style-type: none"> <li>Price is compared with the external payment collection which is the terms of general trading condition.</li> <li>The transaction is reasonable and truly aims for the highest benefit of the Company. The value of the transaction is under the approval authority of the Management according to the relevant regulations.</li> </ul>
	Finish goods expenses	0.02	0.01	0.00	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Purchase price is comparable to the same practice as other third parties, which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>



Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
<p>2. <b>Thai Stanley Electric PCL. (STANLEY)</b></p> <p>Have major shareholders namely; Leeissaranukul Group and directors in common</p>	Incomes from sales of finish goods	6.97	7.75	4.84	<p><b>Normal business transaction</b></p> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<p>3. <b>Sirivit-Stanley Co., Ltd.</b></p> <p>Have major shareholders namely; Sopa-Kanok International Co., Ltd. and directors in common</p>	Incomes from Sales of finish goods	3.71	2.72	2.87	<p><b>Normal business transaction</b></p> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<p>4. <b>Inoue Rubber (Japan) Co., Ltd. (IRCJ)</b></p> <p>IRCJ is the major shareholder of IRC and has directors in common</p>	Technical assistance fee expenses	11.41	12.9	10.55	<p><b>Supporting normal business transaction</b></p> <ul style="list-style-type: none"> <li>Price is charged on cost basis, calculated from number of working hours or day spent and other expenses. The remuneration and conditions of the transaction are comparable to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
	Incomes from sales of finish goods	124.77	127.17	91.80	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Finish goods expenses	4.46	7	4.62	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Purchase price is comparable to the same practice as other third parties, which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>5. Inoac Corporation Co., Ltd.</b>  Have a major shareholder namely; Inoue Rubber (Japan) Co. Ltd., and directors in common	Technical assistance fee expenses	19.05	20.72	20.68	<b>Supporting normal business transaction</b> <ul style="list-style-type: none"> <li>Price is charged on cost basis, calculated from number of working hours or day spent and other expenses. The remuneration and conditions of the transaction are comparable to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>6. Inoue Rubber (Vietnam) Co., Ltd. (IRV)</b>  IRC holds 8% of total shares and has major shareholder namely; IRCJ, and directors in common	Incomes from Sales of finish goods	4.5	0.28	0.65	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
7. Inoac Thailand Co., Ltd. (ITH)	Professional service fee expenses	37.29	35.89	40.55	<p><b>Supporting normal business transaction (1 year contract)</b></p> <ul style="list-style-type: none"> <li>ITH provides the professional service fee in marketing and product quality control. The remuneration rule was set in accordance with the IRCT's group, which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
Have indirect shareholder namely; Inoue Rubber (Japan) Co. Ltd., in common					
	Incomes from sales of finish goods	0.81	0.00	0.00	<p><b>Normal business transaction</b></p> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
8. Inoac Vietnam Co., Ltd. (IVC)	Incomes from sales of finish goods	11.05	11.36	11.40	<p><b>Normal business transaction</b></p> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
Have indirect shareholder namely; Inoue Rubber (Japan) Co. Ltd., in common					

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
<p><b>9. The Sittipol 1919 Co., Ltd. (STP)</b></p> <p>Have major shareholder namely; Sopa-Kanok International Co., Ltd. and directors in common</p>	Incomes from sales of finish goods	595.92	679.86	647.49	<p><b>Normal business transaction</b></p> <ul style="list-style-type: none"> <li>STP was appointed as the only distributor in domestic sales of motorcycle tires and tubes in Thailand.</li> <li>The prices are determined by the market price or cost-plus margin determination by product type which is the same practice as the price charge to other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Marketing promotion expenses	8.59	6.1	7.34	<p><b>Supporting Normal business transaction</b></p> <ul style="list-style-type: none"> <li>This aims to support and promote the selling activities of STP which is the only distributor in domestic sales of motorcycle tires and tubes in Thailand. The rate fee is in the price range of general entrepreneur process with general people which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<p><b>10. Smart Sport Promotion Co., Ltd.</b></p> <p>Have indirect shareholder namely; Sopa-Kanok International Co., Ltd. and directors in common</p>	Marketing promotion expenses	0.11	0.26	0.25	<p><b>Supporting Normal business transaction</b></p> <ul style="list-style-type: none"> <li>The rate fee is in the price range of general entrepreneur process with general people which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
<b>11. TotalEnergies Marketing (Thailand) Co., Ltd. (TOTAL)</b>  Have major shareholder namely; Sopa-Kanok International Co., Ltd. and directors in common	Material and spare part expenses	2.64	3.7	1.46	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>12. Pacific Industries (Thailand) Co., Ltd. (PACIFIC)</b>  Have a major shareholder– Sopa-Kanok International Co., Ltd. –and directors in common	Incomes from sales of finish goods	0.02	0.00	0.00	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Raw material expenses	73.44	71.65	65.26	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>13. Wangchula Co., Ltd. (Wang Chula)</b>  Have a major shareholder– Sopa-Kanok International Co., Ltd. – in common	Work in process incomes	132.88	159.31	110.03	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction/ Transaction Consideration
		FY2021	FY2022	FY2023	
	Incomes from sales of finish goods	0.05	0.26	0.25	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Purchase of goods expenses	208.95	231.44	179.43	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>14. INOAC INTERNATIONAL CO.,LTD. (IIC)</b>  Have major shareholder - IRCJ –and directors in common	Incomes from sales of finish goods	178.64	172.46	207.05	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Purchase of material expenses	198.56	215.06	166.16	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Purchase of equipment expenses	1.96	0.48	1.45	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction/ Transaction Consideration
		FY2021	FY2022	FY2023	
<b>15. Techno Foam Co., Ltd.</b>  Have indirect shareholder- IRCJ -in common	Incomes from sales of finish goods	0.14	0.1	0.16	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>16. Inoac Automotive (Thailand) Co., Ltd.</b>  Have indirect shareholder- IRCJ -in common	Incomes from sales of finish goods	6.13	5.9	5.45	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Purchase of raw material expenses	2.71	2.94	2.17	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>17. BIMC CO., LTD.</b>  Have indirect shareholder- IRCJ -in common	Income from sales of finish goods	141.59	162.9	127.39	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
18. Inoac Tokai (Thailand) Co., Ltd. (ITTC)  Have indirect shareholders– Sopa-Kanok International Co., Ltd. and IRCJ –in common	Purchase of finish goods expenses	419.84	372.94	266.91	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Work in process incomes	739.18	799.28	701.81	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Services and professional service incomes	14.65	15.84	16.09	<b>Supporting Normal business transaction (1 year contract)</b> <ul style="list-style-type: none"> <li>IRC provides professional services and other services in relation to personnel system and labor relation consultancy, accounting and finance system, consultancy of computer system, water and cleaning services (fees are varied by actual consumption). Fees are calculated from cost of system and personnel plus margin, which is similar to other contract parties.</li> <li>The Board of Directors (exclude directors who have interest); by concurrence of the Audit Committee; approved the transaction as it is fair, reasonable and aims for the highest benefit of the Company.</li> </ul>



Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
	Utility expenses	0.37	0.4	0.36	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> </ul>
	Purchase of equipment expenses	0.04	0.03	0.02	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>19. INOAC HONG KONG LTD.</b>  Have major shareholder- IRCJ – and directors in common	Purchase of metal mold expenses	0.00	1.27	1.41	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>20. ASIAN INOUE RUBBER PTE LTD.</b>  Have major shareholder- IRCJ – and directors in common	Incomes from sales of finish goods	443.42	464.82	497.01	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
	Purchase of finish goods expenses	0.89	26.86	60.85	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
	Marketing promotion expenses	0.16	0.08	0.38	<b>Supporting Normal business transaction</b> <ul style="list-style-type: none"> <li>The rate fee is in the price range of general entrepreneur process with general people which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>21. Asian Stanley International Co., Ltd.</b>  Have major shareholder– Leeissaranukul group- and directors in common	Incomes from sales of finish goods	0.01	0.00	0.00	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>22. Bangkok Foam Co.,Ltd.</b>  Have major shareholder– IRCJ – and directors in common	Incomes from sales of finish goods	0.01	0.00	0.00	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>23. Wangchula Hi-Tech Co., Ltd.</b>  Have major shareholder– Leeissaranukul group- and directors in common	Utility expenses	0.01	0.04	0.03	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Price is compared with the external payment collection. This adopts the same practice as other third parties, which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

Connected Parties / Type of Relationship	Transactions Details	Amount (Mill. Baht)			Type of Connected Transaction / Transaction Consideration
		FY2021	FY2022	FY2023	
	Rental expenses	0.36	1.04	1.04	<b>Short-term property rental (contract Period 1 year)</b> <ul style="list-style-type: none"> <li>Rental rate is in the same range of market price from 2 independent appraisers' estimation.</li> <li>The transaction value is under the approval authority of the Management according to the relevant regulations.</li> </ul>
	Service expenses	0.17	0.48	0.45	<b>Transactions relating to services</b> <ul style="list-style-type: none"> <li>Price is compared with the external payment collection which is the terms of general trading condition. The transaction is reasonable and truly aims for the highest benefit of the Company. The value of the transaction is under the approval authority of the Management according to the relevant regulations.</li> </ul>
<b>24. PT IRC GAJAH TUNGGAL MANUFACTURING INDONESIA LTD.</b>  Have major shareholder- IRCJ – and directors in common	Incomes from Sales of finish goods	0.06	0.01	0.00	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>Selling price is determined under the market price or cost-plus margin following the product type, which is the same practice as the price charge to other third parties which is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>
<b>25. Daido Sittipol Co., Ltd.</b>  Have indirect shareholder- Sopa-Kanok International Co., Ltd.- and directors in common	Purchase of equipment expenses	-	0.05	0.00	<b>Normal business transaction</b> <ul style="list-style-type: none"> <li>This adopts the same practice as other third parties. This is the terms of general trading condition.</li> <li>Management has the authority to proceed under the principles which were approved by the Board of Directors.</li> </ul>

# Part 3

## Financial Statements

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

30 SEPTEMBER 2023



# Independent Auditor's Report

To the shareholders and the Board of Directors of Inoue Rubber (Thailand) Public Company Limited

## My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Inoue Rubber (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 30 September 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 30 September 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

## Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

## Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### Allowance for slow-moving inventories

Refer to Note 4.5 (accounting policies) and Note 12 (inventories), allowance is made for slow-moving inventories.

As at 30 September 2023, the gross amounts of inventories in the consolidated and separate statements of financial position were Baht 646.57 million and Baht 643.36 million, respectively. The allowance for slow-moving inventories was equally Baht 4.87 million.

The valuation of inventories was an area of focus because inventories were significant to total assets and the allowance for slow-moving inventories was subject to management's judgement and experience and market situation.

The Group recorded allowance for slow-moving inventories, where necessary. The assessment for the allowance for slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowance was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected slow-moving inventories.

I performed the following procedures:

- Updated my understanding of the Group's assumptions used to develop the allowances for slow-moving inventories and determined that the accounting policies were consistent with prior years.
- Assessed the reasonableness of management's assumptions used in developing the allowances for slow-moving inventories by considering historical data and experience including key inventory ratios. I also challenged management's assumption of specific periods as to whether they were appropriately used in determining the valuation of inventories.
- Tested the reliability of the inventory aging report that was used by the management to assess the valuation of the allowance by tracing the last movement date of the inventory aging report to the supporting documents in order to confirm that inventories were assigned to the correct aging category by the system.
- Tested the mathematical accuracy of the allowance of the slow-moving inventories derived from management's assumptions. No material variances arose from performing this work.

Using the above procedures, I determined that management's assumption was properly applied. In addition, the estimation of the allowance for slow-moving inventories were applied appropriately.

Key audit matter	How my audit addressed the key audit matter
<p data-bbox="236 232 734 349"><b>Measurement of investment in equity instrument at fair value through other comprehensive income</b></p> <p data-bbox="236 371 772 618">Refer to Note 4.6 (accounting policies), Note 6 (fair value) and Note 11 (financial assets and financial liabilities), the Group has chosen to measure the investment in non-listed equity instrument at fair value through other comprehensive income.</p> <p data-bbox="236 645 772 896">As at 30 September 2023, the fair value of investment in equity instrument measured at fair value through other comprehensive income in the consolidated and separate statements of financial position was equally Baht 82.74 million.</p> <p data-bbox="236 922 772 1299">Measurement of the investment in equity instrument at fair value through other comprehensive income was an area of focus because the equity investment was a significant part of total assets. Also, management’s judgement was used to determine the valuation technique and the assumptions were based on unobservable inputs.</p> <p data-bbox="236 1326 772 1962">The Group applied discounted cash flows from dividends technique to determine fair value of equity instruments, which classified as financial assets measured at fair value through other comprehensive income. Significant unobservable inputs are risk-adjusted discount rate, estimated based on public companies’ weighted average cost of capital, which in the Group’s opinion, they are in comparable financial position with the contractual counterparty, and future revenue growth rate, which were based on management’s judgement and experience, historical data, current condition and forecasts.</p>	<p data-bbox="785 371 1270 403">I performed the following procedures:</p> <ul data-bbox="785 416 1436 1379" style="list-style-type: none"> <li data-bbox="785 416 1436 618">• Updated my understanding of the Group’s valuation technique and assumptions used to measure the investment in non-listed equity instrument measured at fair value through other comprehensive income.</li> <li data-bbox="785 631 1436 878">• Assessed the appropriateness of management’s valuation technique and the reasonableness of assumptions used in determining the fair value by considering historical data or observable external data of companies in the same industry of the contractual counterparty.</li> <li data-bbox="785 891 1436 1137">• Engaged an internal valuation expert to evaluate the appropriateness of the risk-adjusted discount rate by comparing to public companies’ weighted average cost of capital that are in the same industry. They were determined to be within an acceptable range.</li> <li data-bbox="785 1151 1436 1379">• Tested the mathematical accuracy of the measurement of the investment in equity instrument at fair value through other comprehensive income derived from management’s assumptions. No material variances arose from performing this work.</li> </ul> <p data-bbox="785 1415 1436 1617">Using the above procedures, I determined that management’s valuation technique to measure the investment in equity instrument at fair value through other comprehensive income and their key assumptions were acceptable.</p>

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Sanicha Akarakittilap

Certified Public Accountant (Thailand) No. 8470

Bangkok

24 November 2023

# Inoue Rubber (Thailand) Public Company Limited

## Statements of Financial Position

As at 30 September 2023



	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	1,146,134,080	897,272,315	1,088,056,575	845,988,391
Trade and other receivables, net	10	863,282,570	1,047,492,515	867,447,163	1,050,879,164
Derivative assets		436,548	1,126,838	436,548	1,126,838
Financial assets measured at fair value through other comprehensive income					
- debt instruments	11.2	566,156,155	443,800,549	566,156,155	443,800,549
Inventories, net	12	641,704,924	838,256,598	638,493,896	835,618,756
Other current assets		5,230,743	6,677,297	4,560,501	6,003,386
<b>Total current assets</b>		<b>3,222,945,020</b>	<b>3,234,626,112</b>	<b>3,165,150,838</b>	<b>3,183,417,084</b>
<b>Non-current assets</b>					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	11.2	25,480,149	141,803,878	25,480,149	141,803,878
Investments in subsidiaries	13	-	-	20,049,230	20,049,230
Financial assets measured at fair value through other comprehensive income					
- equity instruments	11.2	82,741,175	93,301,607	82,741,175	93,301,607
Investment properties, net	14	9,020,821	9,020,821	9,618,166	9,646,688
Property, plant and equipment, net	15	1,523,028,675	1,634,418,720	1,476,912,212	1,580,398,411
Right-of-use assets, net	16	584,278	764,094	584,278	764,094
Computer software, net	17	39,598,350	49,086,661	33,589,178	42,593,032
Deferred tax assets	18	59,531,691	51,977,137	55,155,838	47,851,116
Other non-current assets		69,567,670	57,351,219	69,507,670	57,291,219
<b>Total non-current assets</b>		<b>1,809,552,809</b>	<b>2,037,724,137</b>	<b>1,773,637,896</b>	<b>1,993,699,275</b>
<b>Total assets</b>		<b>5,032,497,829</b>	<b>5,272,350,249</b>	<b>4,938,788,734</b>	<b>5,177,116,359</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
**Statements of Financial Position (Cont'd)**

As at 30 September 2023



	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	19	795,434,393	1,147,028,534	797,758,142	1,147,131,350
Derivative liabilities		2,019,377	2,607,020	2,019,377	2,607,020
Income tax payable		5,986,880	1,923,993	3,624,280	670,736
Current portion of lease liabilities	28	216,614	216,614	216,614	216,614
Other current liabilities		702,131	1,444,317	-	-
<b>Total current liabilities</b>		<b>804,359,395</b>	<b>1,153,220,478</b>	<b>803,618,413</b>	<b>1,150,625,720</b>
<b>Non-current liabilities</b>					
Lease liabilities	28	396,384	577,268	396,384	577,268
Deferred tax liabilities	18	314,746	702,625	-	-
Employee benefit obligations	20	297,147,446	285,819,444	269,436,778	259,683,793
Other non-current liabilities		956,222	-	956,222	-
<b>Total non-current liabilities</b>		<b>298,814,798</b>	<b>287,099,337</b>	<b>270,789,384</b>	<b>260,261,061</b>
<b>Total liabilities</b>		<b>1,103,174,193</b>	<b>1,440,319,815</b>	<b>1,074,407,797</b>	<b>1,410,886,781</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
**Statements of Financial Position (Cont'd)**

As at 30 September 2023



	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	21				
Authorised share capital					
Ordinary shares, 197,207,700 shares at par value of Baht 1 each (2022 : 200,000,000 ordinary shares paid-up of Baht 1 each)		192,207,700	200,000,000	192,207,700	200,000,000
Issued and fully paid-up share capital					
Ordinary shares, 197,207,700 shares paid-up of Baht 1 each (2022 : 200,000,000 ordinary shares paid-up of Baht 1 each)		192,207,700	200,000,000	192,207,700	200,000,000
Share premium	21	298,000,000	298,000,000	298,000,000	298,000,000
Retained earnings					
Appropriated - legal reserve	22	20,000,000	20,000,000	20,000,000	20,000,000
Appropriated - treasury shares reserve		-	114,011,638	-	114,011,638
Unappropriated		3,379,001,766	3,267,375,729	3,312,797,257	3,200,313,221
<u>Less</u> Treasury shares	23	-	(114,011,638)	-	(114,011,638)
Other components of equity		40,109,736	46,650,113	41,375,980	47,916,357
<b>Equity attributable to:</b>					
Owners of the parent		3,929,319,202	3,832,025,842	3,864,380,937	3,766,229,578
Non-controlling interests		4,434	4,592	-	-
<b>Total equity</b>		<b>3,929,323,636</b>	<b>3,832,030,434</b>	<b>3,864,380,937</b>	<b>3,766,229,578</b>
<b>Total liabilities and equity</b>		<b>5,032,497,829</b>	<b>5,272,350,249</b>	<b>4,938,788,734</b>	<b>5,177,116,359</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

# Inoue Rubber (Thailand) Public Company Limited

## Statements of Comprehensive Income

For the year ended 30 September 2023



	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Revenues</b>					
Revenue from sales and services	30	5,417,205,832	5,883,167,771	5,415,368,723	5,881,620,196
Dividend income	24	-	13,175,780	23,999,741	32,175,533
Other income		59,752,790	54,754,220	62,693,892	55,744,527
<b>Total revenues</b>		<b>5,476,958,622</b>	<b>5,951,097,771</b>	<b>5,502,062,356</b>	<b>5,969,540,256</b>
<b>Expenses</b>					
Cost of sales and services		4,926,639,027	5,442,819,540	4,961,223,542	5,468,836,414
Selling expenses		100,051,940	97,771,056	100,051,940	97,771,056
Administrative expenses		258,259,827	267,585,032	252,873,969	262,387,427
Other expenses		21,873,446	20,545,740	21,860,980	20,537,011
<b>Total expenses</b>		<b>5,306,824,240</b>	<b>5,828,721,368</b>	<b>5,336,010,431</b>	<b>5,849,531,908</b>
<b>Profit before finance costs and income tax</b>					
		170,134,382	122,376,403	166,051,925	120,008,348
Finance costs	28	(39,116)	(49,709)	(39,116)	(49,709)
<b>Profit before income tax</b>		<b>170,095,266</b>	<b>122,326,694</b>	<b>166,012,809</b>	<b>119,958,639</b>
Income tax expense	26	(10,328,987)	(12,386,617)	(5,388,632)	(8,098,370)
<b>Net profit for the year</b>		<b>159,766,279</b>	<b>109,940,077</b>	<b>160,624,177</b>	<b>111,860,269</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
**Statements of Comprehensive Income (Cont'd)**

For the year ended 30 September 2023



	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Other comprehensive income:</b>					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of employee benefit obligations	20	-	80,457,002	-	70,154,658
Changes in fair value of equity instruments measured at fair value through other comprehensive income	11.2 b)	(10,560,432)	(81,296,610)	(10,560,432)	(81,296,610)
Income tax on items that will not be reclassified subsequently to profit or loss	26	2,112,086	167,922	2,112,086	2,228,392
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(8,448,346)</b>	<b>(671,686)</b>	<b>(8,448,346)</b>	<b>(8,913,560)</b>
Items that will be reclassified subsequently to profit or loss:					
Changes in fair value of debt instruments measured at fair value through other comprehensive income	11.2 b)	2,384,961	(2,123,754)	2,384,961	(2,123,754)
Income tax on items that will be reclassified subsequently to profit or loss	26	(476,992)	424,751	(476,992)	424,751
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>1,907,969</b>	<b>(1,699,003)</b>	<b>1,907,969</b>	<b>(1,699,003)</b>
<b>Other comprehensive expense for the year, net of tax</b>		<b>(6,540,377)</b>	<b>(2,370,689)</b>	<b>(6,540,377)</b>	<b>(10,612,563)</b>
<b>Total comprehensive income for the year</b>		<b>153,225,902</b>	<b>107,569,388</b>	<b>154,083,800</b>	<b>101,247,706</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
**Statements of Comprehensive Income (Cont'd)**

For the year ended 30 September 2023



	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Profit attributable to:</b>				
Owners of the parent	159,766,178	109,940,057	160,624,177	111,860,269
Non-controlling interests	101	20	-	-
	<u>159,766,279</u>	<u>109,940,077</u>	<u>160,624,177</u>	<u>111,860,269</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	153,225,801	107,569,190	154,083,800	101,247,706
Non-controlling interests	101	198	-	-
	<u>153,225,902</u>	<u>107,569,388</u>	<u>154,083,800</u>	<u>101,247,706</u>
<b>Earnings per share</b>				
Basic earnings per share	27 0.83	0.57	0.84	0.58

The accompanying notes are an integral part of these consolidated and separate financial statements.



Inoue Rubber (Thailand) Public Company Limited  
**Statements of Changes in Equity**  
For the year ended 30 September 2023



Consolidated financial statements																			
Attributable to owners of the parent																			
	Capital contributed				Retained earnings				Other components of equity										
	Share premium		Treasury shares		Appropriated - legal reserve		Appropriated - treasury shares reserve		Unappropriated retained earnings		Measurement of debt instruments at fair value through other comprehensive income		Measurement of equity instrument at fair value through other comprehensive income		Other comprehensive income				
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
<b>Opening balance as at 1 October 2021</b>	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,327,443,382	(1,410,093)	115,053,135	(64,822,082)	49,020,980	3,894,464,382	4,641	3,894,469,003						
<b>Changes in equity for 2022</b>																			
Total comprehensive income (expense) for the year	-	-	-	-	-	109,940,057	(1,699,003)	(85,037,287)	64,365,423	(2,370,867)	107,569,190	198	107,569,388						
Dividends paid	-	-	-	-	-	(170,007,710)	-	-	-	-	(170,007,710)	(247)	(170,007,957)						
<b>Closing balance as at 30 September 2022</b>	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,267,375,729	(3,109,096)	50,015,848	(256,639)	46,650,113	3,832,025,842	4,592	3,832,030,434						
<b>Opening balance as at 1 October 2023</b>	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,267,375,729	(3,109,096)	50,015,848	(256,639)	46,650,113	3,832,025,842	4,592	3,832,030,434						
<b>Changes in equity for 2023</b>																			
Total comprehensive income (expense) for the year	-	-	-	-	-	159,766,178	1,907,969	(8,448,346)	-	(6,540,377)	153,225,801	101	153,225,902						
Reduction of ordinary shares from treasury shares	(7,792,300)	-	114,011,638	-	(114,011,638)	7,792,300	-	-	-	-	-	-	-						
Dividends paid	-	-	-	-	-	(55,932,441)	-	-	-	-	(55,932,441)	(259)	(55,932,700)						
<b>Closing balance as at 30 September 2023</b>	192,207,700	298,000,000	-	20,000,000	-	3,379,001,766	(1,201,127)	41,567,502	(256,639)	40,109,736	3,929,319,202	4,434	3,929,323,636						

The accompanying notes are an integral part of these consolidated and separate financial statements.

# Inoue Rubber (Thailand) Public Company Limited

## Statements of Changes in Equity (Cont'd)

For the year ended 30 September 2023



		Separate financial statements									
		Capital contributed		Retained earnings		Measurement of debt instruments at fair value through other comprehensive income		Measurement of equity instrument at fair value through other comprehensive income		Other components of equity	
Notes	Baht	Share premium	Treasury shares	Appropriated - legal reserve	Appropriated - treasury shares reserve	Unappropriated retained earnings	Measurement of debt instruments at fair value through other comprehensive income	Measurement of equity instrument at fair value through other comprehensive income	Revaluations of employee benefit obligations	Total other components of equity	Baht
	200,000,000	298,000,000	(14,011,638)	20,000,000	114,011,638	3,258,460,662	(1,410,093)	115,053,135	(55,114,122)	58,528,920	3,834,989,582
<b>Opening balance as at 1 October 2022</b>											
<b>Changes in equity for 2022</b>											
Total comprehensive income (expense) for the year	-	-	-	-	-	11,860,269	(1,699,003)	(65,037,287)	56,123,727	(10,612,563)	101,247,706
Dividends paid	-	-	-	-	-	(170,007,710)	-	-	-	-	(170,007,710)
	200,000,000	298,000,000	(14,011,638)	20,000,000	114,011,638	3,200,313,221	(3,109,096)	50,015,848	1,009,605	47,916,357	3,766,229,578
<b>Closing balance as at 30 September 2022</b>											
	200,000,000	298,000,000	(14,011,638)	20,000,000	114,011,638	3,200,313,221	(3,109,096)	50,015,848	1,009,605	47,916,357	3,766,229,578
<b>Opening balance as at 1 October 2023</b>											
<b>Changes in equity for 2023</b>											
Total comprehensive income (expense) for the year	-	-	-	-	-	160,824,177	1,907,969	(8,448,346)	-	(6,540,377)	154,083,800
Reduction of ordinary shares from treasury shares	(7,792,300)	-	114,011,638	-	(14,011,638)	7,792,300	-	-	-	-	-
Dividends paid	-	-	-	-	-	(55,932,441)	-	-	-	-	(55,932,441)
	192,207,700	298,000,000	-	20,000,000	-	3,312,797,257	(1,201,127)	41,567,502	1,009,605	41,375,980	3,864,380,937
<b>Closing balance as at 30 September 2023</b>											

The accompanying notes are an integral part of these consolidated and separate financial statements.

# Inoue Rubber (Thailand) Public Company Limited

## Statements of Cash Flows

For the year ended 30 September 2023



	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		170,095,266	122,326,694	166,012,809	119,958,639
Adjustments for:					
Depreciation of investment properties and plant and equipment	14, 15	334,550,331	352,463,476	322,104,622	339,172,026
Amortisation of computer software	17	8,123,757	8,244,560	6,933,010	7,220,923
Amortisation of right-of-use assets	16	179,816	179,816	179,816	179,816
Loss on disposals of investments in debt instruments	11.2 a)	56,561	1,613,948	56,561	1,613,948
Loss on diminution in value of inventories	12	3,834,264	2,253,319	3,834,264	2,253,319
(Gain) loss on write-offs and disposals of property, plant and equipment		(413,013)	1,657,714	(374,389)	1,880,176
Fair value loss on derivatives		102,648	1,725,049	102,648	1,725,049
Unrealised (gain) loss on exchange rate		970,863	(2,400,362)	970,863	(2,400,362)
Dividend income	24	-	(13,175,780)	(23,999,741)	(32,175,533)
Interest income		(16,521,286)	(9,983,130)	(16,203,967)	(9,895,001)
Finance costs		39,116	49,709	39,116	49,709
Employee benefits	20	26,569,216	30,201,885	24,444,547	27,217,825
Changes in working capital					
Trade and other receivables		182,722,415	(161,988,734)	181,928,293	(162,563,896)
Inventories		192,717,410	(50,690,842)	193,290,596	(50,976,059)
Other current assets		1,465,340	(102,271)	1,442,885	(78,432)
Other non-current assets		(21,704,151)	(9,930,622)	(21,704,151)	(9,930,622)
Trade and other payables		(333,015,175)	106,230,680	(327,534,120)	106,595,856
Other current liabilities		(742,186)	230,082	-	-
Other non-current liabilities		956,222	-	956,222	-
Employee benefits paid	20	(15,241,214)	(13,643,331)	(14,691,562)	(13,643,331)
<b>Cash generated from operations</b>		534,746,200	365,261,860	497,788,322	326,204,050
Interest received		14,166,225	10,145,153	13,865,083	10,064,469
Interest paid		(47,179)	(57,299)	(47,179)	(57,299)
Income tax paid		(12,611,239)	(37,849,588)	(8,104,716)	(32,693,640)
Income tax refund received		19,013	2,962,030	-	-
<b>Net cash generated from operating activities</b>		536,273,020	340,462,156	503,501,510	303,517,580

The accompanying notes are an integral part of these consolidated and separate financial statements.

# Inoue Rubber (Thailand) Public Company Limited

## Statements of Cash Flows (Cont'd)

For the year ended 30 September 2023



	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Purchases of investments in debt instruments	11.2 a)	(1,018,193,130)	(376,790,155)	(1,018,193,130)	(376,790,155)
Proceeds from disposals of investments in debt instruments		1,016,509,168	379,199,019	1,016,509,168	379,199,019
Purchases of property, plant and equipment		(232,185,805)	(283,326,504)	(230,804,940)	(286,439,606)
Purchases of computer software	17	(2,240,191)	(12,457,721)	(1,533,901)	(10,342,121)
Proceeds from disposals of property, plant and equipment		4,804,224	3,859,672	4,694,998	3,627,575
Dividends received	24	-	13,175,780	23,999,741	32,175,533
<b>Net cash used in investing activities</b>		<b>(231,305,734)</b>	<b>(276,339,909)</b>	<b>(205,328,064)</b>	<b>(258,569,755)</b>
<b>Cash flows from financing activities</b>					
Payments for principal elements of lease payments		(172,821)	(162,701)	(172,821)	(162,701)
Dividends paid	31	(55,932,700)	(170,007,957)	(55,932,441)	(170,007,710)
<b>Net cash used in financing activities</b>		<b>(56,105,521)</b>	<b>(170,170,658)</b>	<b>(56,105,262)</b>	<b>(170,170,411)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>248,861,765</b>	<b>(106,048,411)</b>	<b>242,068,184</b>	<b>(125,222,586)</b>
Cash and cash equivalents at the beginning of the year		897,272,315	1,003,320,726	845,988,391	971,210,977
<b>Cash and cash equivalents at the end of the year</b>		<b>1,146,134,080</b>	<b>897,272,315</b>	<b>1,088,056,575</b>	<b>845,988,391</b>
<b>Non-cash transactions</b>					
Other payables from purchases of machine and equipment		23,465,769	41,192,522	32,953,222	53,940,097
Reclassification from other non-current assets to property, plant and equipment	15	9,487,700	-	9,487,700	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### 1 General information

Inoue Rubber (Thailand) Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The addresses of the Company’s registered offices are as follows:

Head office: No. 258, Soi Rangsit-Nakornnayok 49, Prachathipat sub-district, Thanyaburi district, Pathumthani.

Branch office: No. 157, Moo 5, Phaholyothin Road, Lamsai sub-district, Wangnoi district, Pranakorn Sri Ayutthaya.

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”. The details of the Company’s subsidiaries are disclosed in Note 13.

The principal business operations of the Group are summarised below:

The Company is principally engaged in the manufacture and distribution of motorcycle tires, tubes, and industrial elastomer rubber parts.

Kin No Hoshi Engineering Company Limited, a subsidiary, is principally engaged in the manufacture, repair and modification of metal molds and equipment for production of motorcycle tires, tubes, and automotive rubber parts.

IRC (Asia) Research Limited, a subsidiary, is principally engaged in the research and development of motorcycle tires, tubes, and automotive rubber parts.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 November 2023.

### 2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRSs”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed otherwise in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### 3 New and amended financial reporting standards

#### 3.1 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and have significant impacts to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group.

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.



## 4 Accounting policies

### 4.1 Principles of consolidation

#### a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Historical cost also includes direct attributable costs of investment.

A list of the Company's subsidiaries is set out in Note 13.

#### b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

#### c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

### 4.2 Foreign currency translation

#### a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

#### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

### 4.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### 4.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 - 120 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 4.6 f).



#### 4.5 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

#### 4.6 Financial assets

##### a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

##### b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

##### d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises,



e) **Equity instruments**

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

f) **Impairment**

The Group has 3 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Investments in debt instruments measured at fair value through other comprehensive income (FVOCI)

**Cash and cash equivalents**

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the Group's management considered that the identified impairment loss on cash and cash equivalent was immaterial.

**Trade receivables**

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 1 October 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information, considering the most relevant factors.

Impairment losses (and reversal of impairment) on trade receivables are recognised in profit or loss included in administrative expenses.

**Other financial assets carried at amortised cost and FVOCI**

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing expected risk of default as at the reporting date and estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following factors:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as at the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item included in administrative expenses.





#### 4.7 Investment properties

Investment properties, principally land and office buildings, are held for long-term rental yields and are not occupied by the Group.

Investment properties are measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years

#### 4.8 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years
Machinery	2 - 20 years
Tools and factory equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 4.9 Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives of 3 - 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

#### 4.10 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.



#### 4.11 Leases

##### Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

##### Leases - where the Group is the lessor

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

#### 4.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

##### Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



#### Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4.13 Employee benefits

##### a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

##### b) Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

##### c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

##### d) Termination benefits

The Group recognises termination benefits at the earlier of 1) when the Group can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### 4.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 4.15 Share capital

Ordinary are classified as equity.

#### Treasury share

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

### 4.16 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

#### Sale of goods

The Group manufactures and sells motorcycle tires, tubes, and industrial elastomer rubber parts. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with retrospective volume discounts based on aggregate sales over a specified period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 - 120 days, which is consistent with market practice.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.



#### Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

#### Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### 4.17 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors' meeting, and when the annual dividends are approved by the shareholders' meeting.

#### 4.18 Derivatives and hedging activities

The Group is a counterparty in derivatives which are financial instruments, i.e. forward exchange contracts. Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains or losses.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

#### 4.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Executive Director.

Segment information is presented by business segment of the Group's operations in Note 8.

## 5 Financial risk management

### 5.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

#### 5.1.1 Market risk

##### a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risks, primarily the US dollar and Japanese Yen from trading transactions, and purchase of raw materials and machineries that are denominated in foreign currencies. The risk is managed by entering into forward exchange contracts as appropriate. The Group entered into forward exchange contracts with financial institutions of approximately 69.00% of foreign currency transactions to manage the foreign exchange risk.

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### Exposure

The Group's exposures to foreign currency risk as at 30 September 2023 and 2022, expressed in Baht are as follows:

	Consolidated financial statements					
	30 September 2023			30 September 2022		
	US Dollar Baht	Japanese Yen Baht	Others Baht	US Dollar Baht	Japanese Yen Baht	Others Baht
Trade and other receivables	78,515,336	28,410,708	1,570,172	105,642,945	31,733,412	1,202,759
Trade and other payables	52,634,580	30,254,495	-	79,870,857	77,967,108	-

	Separate financial statements					
	30 September 2023			30 September 2022		
	US Dollar Baht	Japanese Yen Baht	Others Baht	US Dollar Baht	Japanese Yen Baht	Others Baht
Trade and other receivables	78,515,336	28,410,708	1,570,172	105,642,945	31,733,412	1,202,759
Trade and other payables	52,634,580	30,254,495	-	79,870,857	77,967,108	-

### Sensitivity

As shown in the table above, the Group is primarily exposed to changes in Baht to US Dollar and Baht to Japanese Yen exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar and Japanese Yen were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Baht	Baht	Baht	Baht
Baht to US Dollar exchange rate				
- Increase 10%*	2,588,076	2,577,209	2,588,076	2,577,209
- Decrease 10%*	(2,588,076)	(2,577,209)	(2,588,076)	(2,577,209)
Baht to Japanese Yen exchange rate				
- Increase 10%*	(184,379)	(4,623,370)	(184,379)	(4,623,370)
- Decrease 10%*	184,379	4,623,370	184,379	4,623,370

\* Holding all other variables constant

### b) Cash flow and interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions and investments in debt instruments. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. However, the Group will use interest rate swap to management the risk when necessary.

## Inoue Rubber (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



	Consolidated financial statements								Interest rate (% p.a.)	
	Fixed interest rates				Floating interest rates					
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Non-interest bearing Baht	Total Baht		
<b>As at 30 September 2023</b>										
<b>Financial assets</b>										
Cash and cash equivalents	588,130,037	-	-	547,783,517	-	-	-	10,220,526	1,146,134,080	0.18 - 2.04
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	566,156,155	25,480,149	-	-	-	-	-	-	591,636,304	1.37 - 5.35
	1,154,286,192	25,480,149	-	547,783,517	-	-	-	10,220,526	1,737,770,384	
<b>Financial liabilities</b>										
Lease liabilities	216,614	396,384	-	-	-	-	-	-	612,998	6.22
	216,614	396,384	-	-	-	-	-	-	612,998	
<b>As at 30 September 2022</b>										
<b>Financial assets</b>										
Cash and cash equivalents	820,483,503	-	-	67,438,156	-	-	-	9,350,656	897,272,315	0.05 - 0.73
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	443,800,549	141,803,878	-	-	-	-	-	-	585,604,427	0.45 - 6.58
	1,264,284,052	141,803,878	-	67,438,156	-	-	-	9,350,656	1,482,876,742	
<b>Financial liabilities</b>										
Lease liabilities	216,614	577,268	-	-	-	-	-	-	793,882	6.22
	216,614	577,268	-	-	-	-	-	-	793,882	

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



	Separate financial statements										Interest rate (% p.a.)
	Fixed interest rates					Floating interest rates					
	Maturity date		Over 5 years		Within 1 year	1 - 5 years		Over 5 years		Non-interest bearing	
	Within 1 year	Over 5 years	Over 5 years	Within 1 year	1 - 5 years	1 - 5 years	Over 5 years	Over 5 years	Non-interest bearing	Total	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>As at 30 September 2023</b>											
<b>Financial assets</b>											
Cash and cash equivalents	561,100,000	-	-	523,961,143	-	-	-	-	2,995,432	1,088,056,575	0.18 - 2.04
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	566,156,155	25,480,149	-	-	-	-	-	-	-	591,636,304	1.37 - 5.35
	1,127,256,155	25,480,149	-	523,961,143	-	-	-	-	2,995,432	1,679,692,879	
<b>Financial liabilities</b>											
Lease liabilities	216,614	396,384	-	-	-	-	-	-	-	612,998	6.22
	216,614	396,384	-	-	-	-	-	-	-	612,998	
<b>As at 30 September 2022</b>											
<b>Financial assets</b>											
Cash and cash equivalents	786,444,000	-	-	59,439,758	-	-	-	-	104,633	845,988,391	0.05 - 0.60
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	443,800,549	141,803,878	-	-	-	-	-	-	-	585,604,427	0.45 - 6.58
	1,230,244,549	141,803,878	-	59,439,758	-	-	-	-	104,633	1,431,592,818	
<b>Financial liabilities</b>											
Lease liabilities	216,614	577,268	-	-	-	-	-	-	-	793,882	6.22
	216,614	577,268	-	-	-	-	-	-	-	793,882	





**c) Price risk**

The Group is exposed to market risks as an investor in financial instruments and risks from the financial position of the issuer of the investment instrument. However, the Group has diversified its investments to manage such risks. This is in accordance with the investment policy according to the resolution of the Board of Directors.

The Group's investments in financial instruments are investment units through a private fund managed by an asset management company, focusing on investment in domestic debt securities, both public and private. This entails of investing in government bonds and debentures and incorporating mutual fund investment units domestic debt. The ideal investment period is 2 - 3 years.

Investment policies and frameworks regarding types and proportions of investments through private funds are as follows:

Type of investment	Proportions
Debentures	A maximum of 70 percent of the fund's net asset value
Collective Investment Scheme (CIS)	Money Market Fund

**5.1.2 Credit risk**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at fair value through other comprehensive income (FVOCI) and derivative assets as well as credit exposures to customers, including outstanding receivables.

**a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A-' are accepted.

The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set based on the assessment in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

**b) Impairment of financial assets**

Details of the impairment assessment of financial assets are disclosed in Note 4.6 f).

**5.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due. As at 30 September 2023, the Group and the Company had cash and deposits at call with banks of Baht 1,146.13 million and Baht 1,088.06 million, respectively (2022: Baht 897.27 million and Baht 845.98 million) that are expected to generate cash inflows in a short period of time.

Management monitors the Group's cash flows projections by considering cash and cash equivalent. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against regulatory requirements.

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Consolidated financial statements					Book value Baht
	Current due Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
<b>As at 30 September 2023</b>						
Trade and other payables	13,276,864	780,260,764	-	-	793,537,628	793,537,628
Lease liabilities	-	220,000	440,000	-	660,000	612,998
<b>Total non-derivatives</b>	<b>13,276,864</b>	<b>780,480,764</b>	<b>440,000</b>	<b>-</b>	<b>794,197,628</b>	<b>794,150,626</b>
Derivative liabilities	-	2,019,377	-	-	2,019,377	2,019,377
<b>Total derivatives</b>	<b>-</b>	<b>2,019,377</b>	<b>-</b>	<b>-</b>	<b>2,019,377</b>	<b>2,019,377</b>
<b>Total</b>	<b>13,276,864</b>	<b>782,500,141</b>	<b>440,000</b>	<b>-</b>	<b>796,217,005</b>	<b>796,170,003</b>
<b>As at 30 September 2022</b>						
Trade and other payables	8,755,884	1,135,288,864	-	-	1,144,044,748	1,144,044,748
Lease liabilities	-	220,000	660,000	-	880,000	793,882
<b>Total non-derivatives</b>	<b>8,755,884</b>	<b>1,135,508,864</b>	<b>660,000</b>	<b>-</b>	<b>1,144,924,748</b>	<b>1,144,838,630</b>
Derivative liabilities	-	2,607,020	-	-	2,607,020	2,607,020
<b>Total derivatives</b>	<b>-</b>	<b>2,607,020</b>	<b>-</b>	<b>-</b>	<b>2,607,020</b>	<b>2,607,020</b>
<b>Total</b>	<b>8,755,884</b>	<b>1,138,115,884</b>	<b>660,000</b>	<b>-</b>	<b>1,147,531,768</b>	<b>1,147,445,650</b>
Contractual maturities of financial liabilities	Separate financial statements					Book value Baht
	Current due Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
<b>As at 30 September 2023</b>						
Trade and other payables	13,268,300	782,593,077	-	-	795,861,377	795,861,377
Lease liabilities	-	220,000	440,000	-	660,000	612,998
<b>Total non-derivatives</b>	<b>13,268,300</b>	<b>782,813,077</b>	<b>440,000</b>	<b>-</b>	<b>796,521,377</b>	<b>796,474,375</b>
Derivative liabilities	-	2,019,377	-	-	2,019,377	2,019,377
<b>Total derivatives</b>	<b>-</b>	<b>2,019,377</b>	<b>-</b>	<b>-</b>	<b>2,019,377</b>	<b>2,019,377</b>
<b>Total</b>	<b>13,268,300</b>	<b>784,832,454</b>	<b>440,000</b>	<b>-</b>	<b>798,540,754</b>	<b>798,493,752</b>
<b>As at 30 September 2022</b>						
Trade and other payables	8,737,706	1,135,409,858	-	-	1,144,147,564	1,144,147,564
Lease liabilities	-	220,000	660,000	-	880,000	793,882
<b>Total non-derivatives</b>	<b>8,737,706</b>	<b>1,135,629,858</b>	<b>660,000</b>	<b>-</b>	<b>1,145,027,564</b>	<b>1,144,941,446</b>
Derivative liabilities	-	2,607,020	-	-	2,607,020	2,607,020
<b>Total derivatives</b>	<b>-</b>	<b>2,607,020</b>	<b>-</b>	<b>-</b>	<b>2,607,020</b>	<b>2,607,020</b>
<b>Total</b>	<b>8,737,706</b>	<b>1,138,236,878</b>	<b>660,000</b>	<b>-</b>	<b>1,147,634,584</b>	<b>1,147,548,466</b>

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**

For the year ended 30 September 2023



## 5.2 Capital management

### 5.2.1 Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on the debt to equity ratio, which calculated by dividing net debt by equity. The Group's strategy was to maintain an appropriate level of debt to equity. As at 30 September 2023 and 2022, the Group's debt to equity ratios were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Net debt	1,103,174,193	1,440,319,815	1,074,407,797	1,410,886,781
Total equity	3,929,323,636	3,832,030,434	3,864,380,937	3,766,229,578
<b>Debt to equity ratio</b>	<b>0.28</b>	<b>0.38</b>	<b>0.28</b>	<b>0.37</b>

## 6 Fair value

The fair value of financial assets and financial liabilities measured at amortised cost approximates the carrying amount as follows:

Consolidated financial statements	Separate financial statements
<b>Financial assets</b> <ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Trade and other receivables, net</li> </ul>	<b>Financial assets</b> <ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Trade and other receivables, net</li> </ul>
<b>Financial liabilities</b> <ul style="list-style-type: none"> <li>Trade and other payables</li> <li>Lease liabilities</li> </ul>	<b>Financial liabilities</b> <ul style="list-style-type: none"> <li>Trade and other payables</li> <li>Lease liabilities</li> </ul>

Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



The following table shows fair values of financial assets and liabilities:

Consolidated and Separate financial statements					
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Carrying amount Baht	Fair value Baht
<b>As at 30 September 2023</b>					
<b>Financial assets measured at fair value</b>					
Derivative assets	436,548	-	-	436,548	436,548
Financial assets measured at fair value through other comprehensive income (FVOCI)					
- Debt instruments	-	591,636,304	-	591,636,304	591,636,304
- Equity instruments	-	82,741,175	-	82,741,175	82,741,175
	436,548	674,377,479	-	674,814,027	674,814,027
<b>Financial liabilities at fair value</b>					
Derivative liabilities	2,019,377	-	-	2,019,377	2,019,377
	2,019,377	-	-	2,019,377	2,019,377
<b>Financial assets not measured at fair value</b>					
Lease liabilities					
	-	-	612,998	612,998	612,998
	-	-	612,998	612,998	612,998
<b>Consolidated and Separate financial statements</b>					
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Carrying amount Baht	Fair value Baht
<b>As at 30 September 2022</b>					
<b>Financial assets measured at fair value</b>					
Derivative assets	1,126,838	-	-	1,126,838	1,126,838
Financial assets measured at fair value through other comprehensive income (FVOCI)					
- Debt instruments	-	585,604,427	-	585,604,427	585,604,427
- Equity instruments	-	93,301,607	-	93,301,607	93,301,607
	1,126,838	678,906,034	-	680,032,872	680,032,872
<b>Financial liabilities at fair value</b>					
Derivative liabilities	2,607,020	-	-	2,607,020	2,607,020
	2,607,020	-	-	2,607,020	2,607,020
<b>Financial assets not measured at fair value</b>					
Lease liabilities					
	-	-	793,882	793,882	793,882
	-	-	793,882	793,882	793,882

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
For the year ended 30 September 2023



The following table presents fair value of financial assets and liabilities recognised by their fair value hierarchy.

As at 30 September	Consolidated and Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht
<b>Assets</b>								
Derivative assets	-	-	0.44	1.13	-	-	0.44	1.13
Financial assets measured at fair value through other comprehensive income (FVOCI)								
- Debt instruments	-	-	591.64	585.60	-	-	591.64	585.60
- Equity instruments	-	-	-	-	82.74	93.30	82.74	93.30
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>592.08</b>	<b>586.73</b>	<b>82.74</b>	<b>93.30</b>	<b>674.82</b>	<b>680.03</b>
<b>Liabilities</b>								
Derivative liabilities	-	-	2.02	2.61	-	-	2.02	2.61
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>2.02</b>	<b>2.61</b>	<b>-</b>	<b>-</b>	<b>2.02</b>	<b>2.61</b>

The following tables present fair value of non-financial assets recognised or disclosed by their fair value hierarchy.

As at 30 September	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht
<b>Assets</b>								
Investment properties (Note 14)	-	-	-	-	33.97	33.97	33.97	33.97
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.97</b>	<b>33.97</b>	<b>33.97</b>	<b>33.97</b>

As at 30 September	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht	2023 Million Baht	2022 Million Baht
<b>Assets</b>								
Investment properties (Note 14)	-	-	-	-	43.52	43.84	43.52	43.84
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.52</b>	<b>43.84</b>	<b>43.52</b>	<b>43.84</b>

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The fair value measurement of financial assets and financial liabilities is in accordance with the accounting policies disclosed in Note 4.6.

#### Valuation techniques used to measure fair value level 2

Fair value of foreign currency forward is determined using spot exchange rate reference by commercial banks.

The fair value in level 2 of investments in debt instruments, which are classified as financial assets measured at fair value through other comprehensive income (FVOCI) is based on the current bid price / closing price by reference to the Thai Bond Dealing Centre / the asset management company.

Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### Valuation techniques used to measure fair value level 3

Changes in fair value in level 3 of unlisted equity instruments which is financial assets measured at fair value through other comprehensive income (FVOCI) for the years ended 30 September 2023 and 2022 were as follows:

	<b>Consolidated and Separate financial statements Baht</b>
Opening balance as at 1 October 2022	93,301,607
Change in fair value	(10,560,432)
Closing balance as at 30 September 2023	82,741,175

The following table summarises the quantitative information about the significant unobservable inputs used in fair value measurements of the investment in equity instruments measured at fair value through other comprehensive income (FVOCI).

As at 30 September	Fair value		Unobservable inputs	Range of inputs	
	Consolidated and Separate financial statements			Consolidated and Separate financial statements	
	2023	2022		2023	2022
	Million Baht	Million Baht		%	%
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	82.74	93.30	Future revenue growth rate	1.0	1.0
			Risk-adjusted discount rate	15.7	17.5

As at 30 September 2023, relationships of unobservable inputs to fair values are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Consolidated and Separate financial statements	
			Increase in assumptions	Decrease in assumptions
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	Future revenue growth rate	1.0%	Increase by 2.07%	Decrease 1.81%
	Risk-adjusted discount rate	1.0%	Decrease by 2.54%	Increase by 2.80%

### Valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and valuation teams discuss valuation processes and results at least every quarter.

The Group applies net cash inflow from dividend as valuation technique to determine fair value of unlisted equity instruments. Significant unobservable input of fair value hierarchy level 3 are risk adjusted discount rate, which is estimated based on public companies' weighted average cost of capital that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract and future revenue growth rate, which is estimated based on historical data or observable external data of companies in the same industry.



## 7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

### a) Fair value of certain financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 6.

### b) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 20.

### c) Determination of lease terms

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Extension options on billboard space leases have not been included in the lease liability, because the Group considers 1) the underlying asset condition and/or 2) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

### d) Determination of discount rate applied to lease liabilities

The Group determines the lessee's incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

### e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Details of the impairment assessment of financial assets are disclosed in Note 4.6 f).

### f) Inventories

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable costs of completion and variable selling expenses.

### g) Investment properties, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's investment properties, plant and equipment and intangible assets. Management will revise the depreciation and amortisation charges where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### 8 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Director.

The Group's operations principally involve the manufacture and distribution of motorcycle tires and tubes and elastomer products mainly for automobile industry with manufacturing facilities in Thailand and operations in both domestic and overseas markets.

The factor used to identify the Group's reportable segments includes geographical areas. There are two reportable segments i.e. (1) Local and (2) Export.

Financial information of the Group for the years ended 30 September 2023 and 2022 classified by market were presented as follows:

	Consolidated financial statements					
	Local		Export		Total	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Revenue from sales and services	4,359,101,404	4,791,882,796	1,058,104,428	1,091,284,975	5,417,205,832	5,883,167,771
Cost of sales and services	(4,016,125,621)	(4,512,110,025)	(910,513,406)	(930,709,515)	(4,926,639,027)	(5,442,819,540)
Gross profit	342,975,783	279,772,771	147,591,022	160,575,460	490,566,805	440,348,231
Other income					59,752,790	54,754,220
Dividend income					-	13,175,780
Selling expenses					(100,051,940)	(97,771,056)
Administrative expenses					(258,259,827)	(267,585,032)
Other expenses					(21,873,446)	(20,545,740)
Finance cost					(39,116)	(49,709)
<b>Profit before income tax</b>					170,095,266	122,326,694
Income tax expense					(10,328,987)	(12,386,617)
<b>Net profit for the year</b>					<b>159,766,279</b>	<b>109,940,077</b>
<b>Timing of revenue recognition</b>						
At a point in time	4,331,097,340	4,791,074,796	1,057,915,008	1,091,159,341	5,389,012,348	5,882,234,137
Overtime	28,004,064	808,000	189,420	125,634	28,193,484	933,634
<b>Total revenues</b>	<b>4,359,101,404</b>	<b>4,791,882,796</b>	<b>1,058,104,428</b>	<b>1,091,284,975</b>	<b>5,417,205,832</b>	<b>5,883,167,771</b>





**9 Cash and cash equivalents**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Cash on hand	91,458	106,319	62,030	71,388
Deposits with banks				
- Saving deposits	547,783,517	67,438,156	523,961,143	59,439,758
- Current deposits	10,129,068	9,244,337	2,933,402	33,245
- Fixed deposits	588,130,037	820,483,503	561,100,000	786,444,000
Cash and cash equivalents	1,146,134,080	897,272,315	1,088,056,575	845,988,391

The interest rates (% p.a.) on bank deposits are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 % p.a.	2022 % p.a.	2023 % per p.a.	2022 % per p.a.
Saving deposits	0.18 - 0.60	0.05 - 0.30	0.18 - 0.60	0.05 - 0.30
Fixed deposits	0.70 - 2.04	0.10 - 0.85	0.80 - 2.04	0.13 - 0.85

Fixed deposits comprise 3-months fixed deposits with banks (2022: 7-day and 3-month fixed deposits).

**10 Trade and other receivables, net**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Trade receivables - related companies (Note 29)	394,832,941	509,613,182	400,210,981	513,659,828
Trade receivables - other companies	453,651,476	520,539,774	451,472,715	518,801,678
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Trade receivables, net	848,484,417	1,030,152,956	851,683,696	1,032,461,506
Prepayments	11,009,758	15,295,565	10,260,139	14,484,249
Accrued income	794,470	437,708	737,678	418,308
Advanced payments	10,000	20,000	-	-
Amounts due from related parties (Note 29)	2,920,792	1,529,673	4,702,517	3,458,488
Other receivables	63,133	56,613	63,133	56,613
Trade and other receivables, net	863,282,570	1,047,492,515	867,447,163	1,050,879,164

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
For the year ended 30 September 2023



Outstanding trade receivables as at 30 September 2023 and 2022 can be analysed by aging as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Related companies</b>				
Current	394,822,415	509,580,601	400,200,455	513,627,247
Overdue up to 3 months	6,755	32,581	6,755	32,581
Overdue 3 - 6 months	3,771	-	3,771	-
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	<b>394,832,941</b>	<b>509,613,182</b>	<b>400,210,981</b>	<b>513,659,828</b>
<b>Other companies</b>				
Current	451,459,139	515,899,759	449,280,378	514,309,248
Overdue up to 3 months	2,192,337	4,487,633	2,192,337	4,340,048
Overdue 3 - 6 months	-	152,382	-	152,382
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	<b>453,651,476</b>	<b>520,539,774</b>	<b>451,472,715</b>	<b>518,801,678</b>
<u>Less</u> Allowance for expected credit loss		-		-
	<b>453,651,476</b>	<b>520,539,774</b>	<b>451,472,715</b>	<b>518,801,678</b>
Total trade receivables, net	<b>848,484,417</b>	<b>1,030,152,956</b>	<b>851,683,696</b>	<b>1,032,461,506</b>

During 2023 and 2022, no receivables were written-off as uncollectible.

## 11 Financial assets and financial liabilities

The classification of the Group's financial assets and financial liabilities as at 30 September 2023 is as follows:

	Consolidated financial statements			
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total Baht
<b>Financial assets</b>				
Cash and cash equivalents	-	-	1,146,134,080	1,146,134,080
Trade and other receivables, net*	-	-	852,262,812	852,262,812
Derivative assets	436,548	-	-	436,548
Financial assets measured at fair value through other comprehensive income (FVOCI)				
- Debt instruments	-	591,636,304	-	591,636,304
- Equity instruments	-	82,741,175	-	82,741,175
	<b>436,548</b>	<b>674,377,479</b>	<b>1,998,396,892</b>	<b>2,673,210,919</b>

\* Exclude non-financial assets

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**

For the year ended 30 September 2023



	Consolidated financial statements		
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total Baht
<b>Financial liabilities</b>			
Trade and other payables*	-	793,537,628	793,537,628
Derivative liabilities	2,019,377	-	2,019,377
Lease liabilities	-	612,998	612,998
	2,019,377	794,150,626	796,170,003

\* Exclude non-financial liabilities

	Separate financial statements			
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total Baht
<b>Financial assets</b>				
Cash and cash equivalents	-	-	1,088,056,575	1,088,056,575
Trade and other receivables, net*	-	-	857,187,024	857,187,024
Derivative assets	436,548	-	-	436,548
Financial assets measured at fair value through other comprehensive income (FVOCI)				
- Debt instruments	-	591,636,304	-	591,636,304
- Equity instruments	-	82,741,175	-	82,741,175
	436,548	674,377,479	1,945,243,599	2,620,057,626

\* Exclude non-financial assets

	Separate financial statements		
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total Baht
<b>Financial liabilities</b>			
Trade and other payables*	-	795,861,377	795,861,377
Derivative liabilities	2,019,377	-	2,019,377
Lease liabilities	-	612,998	612,998
	2,019,377	796,474,375	798,493,752

\* Exclude non-financial liabilities

### 11.1 Financial assets at amortised cost

#### a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
 For the year ended 30 September 2023



Financial assets at amortised cost include cash and cash equivalents and trade and other receivables. As at 30 September 2023 and 2022, the Group's financial assets at amortised cost were presented in current and non-current as follows:

	Consolidated financial statements					
	30 September 2023			30 September 2022		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	1,146,134,080	-	1,146,134,080	897,272,315	-	897,272,315
Trade and other receivables, net	852,262,812	-	852,262,812	1,032,176,950	-	1,032,176,950
<b>Total</b>	<b>1,998,396,892</b>	<b>-</b>	<b>1,998,396,892</b>	<b>1,929,449,265</b>	<b>-</b>	<b>1,929,449,265</b>
	Separate financial statements					
	30 September 2023			30 September 2022		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	1,088,056,575	-	1,088,056,575	845,988,391	-	845,988,391
Trade and other receivables, net	857,187,024	-	857,187,024	1,036,394,915	-	1,036,394,915
<b>Total</b>	<b>1,945,243,599</b>	<b>-</b>	<b>1,945,243,599</b>	<b>1,882,383,306</b>	<b>-</b>	<b>1,882,383,306</b>

b) **Fair value of financial assets at amortised cost**

Due to the nature of cash and cash equivalents and trade and other receivables is current assets, their carrying amount is considered to be the same as their fair value.

c) **Allowance for expected losses**

Details of the impairment assessment of financial assets are disclosed in Note 4.6 f).

**11.2 Financial assets measured at fair value to other comprehensive income (FVOCI)**

a) **Classification of financial assets measured at fair value to other comprehensive income (FVOCI)**

Financial assets measured at fair value through other comprehensive income (FVOCI) comprise:

- Investments in debt instruments with contractual cash flows that qualify for principal and interest. and has a business model for the purpose of holding such investments in order to receive contractual cash flows and to sell.
- Investment in equity instruments, which are not held for trading and the Group has irrevocably elected at initial recognition to recognise and the Group measure at fair value through other comprehensive income at the date of initial recognition.

As at 30 September 2023 and 2022, the Group has financial assets measured at fair value through other comprehensive income (FVOCI) as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Current assets</b>				
Investments in debt instruments (Government bond and debentures)	566,156,155	443,800,549	566,156,155	443,800,549
	566,156,155	443,800,549	566,156,155	443,800,549
<b>Non-current</b>				
Investments in debt instruments (Government bond and debentures)	25,480,149	141,803,878	25,480,149	141,803,878
Investment in unlisted equity instruments	82,741,175	93,301,607	82,741,175	93,301,607
	108,221,324	235,105,485	108,221,324	235,105,485
<b>Total</b>	<b>674,377,479</b>	<b>678,906,034</b>	<b>674,377,479</b>	<b>678,906,034</b>

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**

For the year ended 30 September 2023



**Investments in debt instruments**

The Group's investments in debt instruments are investment units through a private fund managed by an asset management company, focusing on investment in domestic debt securities, both public and private. This entails of investing in government bonds and debentures and incorporating mutual fund investment units domestic debt. The ideal investment period is 2 - 3 years. Details of the investment policies and frameworks and the Group's price risk management are disclosed in 5.1.1 c).

The movements of investments in debt instruments for the years ended 30 September 2023 and 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Opening balance	585,604,427	592,047,897	585,604,427	592,047,897
Additions	1,018,193,130	376,790,155	1,018,193,130	376,790,155
Disposals	(1,022,104,772)	(388,491,571)	(1,022,104,772)	(388,491,571)
Interest income	7,558,557	7,381,700	7,558,557	7,381,700
Change in fair value	2,384,962	(2,123,754)	2,384,962	(2,123,754)
Closing balance as at 30 September 2023	591,636,304	585,604,427	591,636,304	585,604,427

The Group reclassifies any related balance within the fair value through other comprehensive income (FVOCI) reserve to profit or loss when disposing these debt investments.

During the period, the group disposed the partial debt investments and realised a loss on disposal (transferred FVOCI reserve to other expenses of Baht 56,561).

The fair value of debt instruments is based on close market price published by the Thai Bond Market Association as at period-end. The fair value is within level 2 of the fair value hierarchy (Note 6).

**Investment in equity instruments**

As at 30 September 2023 and 2022, the Group had an investment in unlisted equity instruments as follows:

Company	Nature of business	Country of incorporation	Registered capital	Ownership interest	Consolidated and Separated financial statements	
					2023 Fair value Baht	2023 At cost Baht
Inoue Rubber Vietnam Company Limited	Manufacture of tires and tubes of motorcycles and industrial elastomer rubber parts	Vietnam	US Dollars 12.5 million	8.0	82,741,175	30,781,799

Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



b) Amounts recognised in profit or loss and other comprehensive income

The following gain/(loss) related to financial assets measured at fair value through other comprehensive income (FVOCI) were recognised in profit or loss and other comprehensive income during the year as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Recognised in profit or loss</b>				
Loss on disposals of debt instruments	(56,561)	(1,613,948)	(56,561)	(1,613,948)
Dividends received from equity investment (Note 24)	-	13,175,780	-	13,175,780
	(56,561)	11,561,832	(56,561)	11,561,832
<b>Recognised in other comprehensive income</b>				
Fair value gain/(loss) on debt instruments measured at FVOCI	2,384,961	(2,123,754)	2,384,961	(2,123,754)
Fair value loss on equity instruments measured at FVOCI	(10,560,432)	(81,296,610)	(10,560,432)	(81,296,610)
	(8,175,471)	(83,420,364)	(8,175,471)	(83,420,364)

11.3 Offsetting financial assets and liabilities

The following table presents the recognised financial assets that are offset and presented at net amount in the statement of financial position:

	Consolidated and Separate financial statements		
	Effects of offsetting in the financial position		
	Gross amount	Gross amount	Net amount
	offset in the	offset in the	presented in
	financial	financial	the financial
	position	position	position
	Baht	Baht	Baht
As at 30 September 2023			
Trade and other receivables	498,719,985	(40,615,521)	458,104,464
Total	498,719,985	(40,615,521)	458,104,464

Offsetting arrangements - Trade receivables and payables

The Group gives volume-based rebates to selected customers. Under the terms of the supply agreements, the amounts payable by the Group are offset against receivables from the customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the statement of financial position.

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**

For the year ended 30 September 2023



**12 Inventories, net**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Raw materials	285,880,678	429,917,120	285,567,820	429,579,770
Work in process	140,113,214	145,768,698	138,428,974	144,793,181
Finished goods	138,878,744	153,753,453	138,878,744	153,753,453
Supplies and spare parts	42,603,557	46,404,611	41,389,627	45,079,636
Inventories in transit	39,094,255	67,112,796	39,094,255	67,112,796
	646,570,448	842,956,678	643,359,420	840,318,836
<u>Less</u> Allowance for slow-moving inventories				
- raw materials	(1,367,357)	(2,099,451)	(1,367,357)	(2,099,451)
Allowance for slow-moving inventories				
- finished goods	(3,498,167)	(2,600,629)	(3,498,167)	(2,600,629)
Inventories, net	641,704,924	838,256,598	638,493,896	835,618,756

As at 30 September 2023, inventories with a value of Baht 11,363,887 (2022: Baht 7,701,875) were carried at net realisable value, this being lower than cost.

During 2023, the Group reversed a previously recognised allowance for inventories obsolescence of Baht 3,668,820. The Group has destroyed and written-down those inventories.

The Group recognised loss on allowance for diminution in value of inventories and obsolete inventories of Baht 3,834,264 (2022: Baht 2,253,319) to the consolidated and separate statements of comprehensive income, equally.

**13 Investments in subsidiaries**

As at 30 September 2023 and 2022, the Company had investments in subsidiaries as follows:

Company	Nature of business	Country of incorporation	Separate financial statements		
			Registered capital Baht	% Ownership interest	Investments at cost Baht
IRC (Asia) Research Limited	Research and development of products	Thailand	10,050,000	99.99	10,049,930
Kin No Hoshi Engineering Company Limited	Manufacture, repair, and modification of metal molds	Thailand	10,000,000	99.99	9,999,300
Investments in subsidiaries					20,049,230



14 Investment properties, net

	Consolidated financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
<b>As at 1 October 2021</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821
<b>For the year ended 30 September 2022</b>			
Opening net book amount	9,020,819	2	9,020,821
Depreciation charges	-	-	-
Closing net book amount	9,020,819	2	9,020,821
<b>As at 30 September 2022</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821
<b>For the year ended 30 September 2023</b>			
Opening net book amount	9,020,819	2	9,020,821
Depreciation charges	-	-	-
Closing net book amount	9,020,819	2	9,020,821
<b>As at 30 September 2023</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821



Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



	Separate financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
<b>As at 1 October 2021</b>			
Cost	9,564,949	15,931,220	25,496,169
<u>Less</u> Accumulated depreciation	-	(15,820,332)	(15,820,332)
Net book amount	9,564,949	110,888	9,675,837
<b>For the year ended 30 September 2022</b>			
Opening net book amount	9,564,949	110,888	9,675,837
Depreciation charges	-	(29,149)	(29,149)
Closing net book amount	9,564,949	81,739	9,646,688
<b>As at 30 September 2022</b>			
Cost	9,564,949	15,931,220	25,496,169
<u>Less</u> Accumulated depreciation	-	(15,849,481)	(15,849,481)
Net book amount	9,564,949	81,739	9,646,688
<b>For the year ended 30 September 2023</b>			
Opening net book amount	9,564,949	81,739	9,646,688
Depreciation charges	-	(28,522)	(28,522)
Closing net book amount	9,564,949	53,217	9,618,166
<b>As at 30 September 2023</b>			
Cost	9,564,949	15,931,220	25,496,169
<u>Less</u> Accumulated depreciation	-	(15,878,003)	(15,878,003)
Net book amount	9,564,949	53,217	9,618,166

As at 30 September 2023 and 2022, the fair values of investment properties were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Land	13,875,000	13,875,000	17,830,500	17,830,500
Building and building improvements	20,095,000	20,095,000	25,694,261	26,013,761
	33,970,000	33,970,000	43,524,761	43,844,261

The fair values of investment properties are within level 3 of the fair value hierarchy which used significant unobservable inputs in the valuation technique (Note 6). The fair values of investment properties were appraised by professional independent valuers, who qualified as expert and hold a recognised relevant professional qualification and have recent experience in the locations and categories of such investment properties.

Amounts relating to investment properties recognised in profit or loss were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Rental income				
- Subsidiaries (Note 29)	-	-	3,302,460	3,266,700
- Related parties (Note 29)	1,332,000	1,332,000	1,332,000	1,332,000
- Other party	450,500	392,500	450,500	392,500
Direct operating expense arising from investment property that generated rental income for the year	-	-	28,522	29,149

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### 15 Property, plant and equipment, net

		Consolidated financial statements							
		Land and land improvements	Building and building improvements	Machinery	Tools and factory equipment	Furniture, fixtures, and office equipment	Motor vehicles	Asset under construction and installation	Total
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>As at 1 October 2021</b>									
Cost		213,836,899	989,713,950	3,164,061,625	2,036,586,217	156,896,733	62,022,832	84,235,899	6,707,354,155
Less Accumulated depreciation		(75,311,967)	(757,258,906)	(2,173,400,215)	(1,823,410,135)	(135,828,764)	(49,267,787)	-	(5,014,477,774)
Net book amount		138,524,932	232,455,044	990,661,410	213,176,082	21,067,969	12,755,045	84,235,899	1,692,876,381
<b>For the year ended 30 September 2022</b>									
Opening net book amount		138,524,932	232,455,044	990,661,410	213,176,082	21,067,969	12,755,045	84,235,899	1,692,876,381
Additions		852,878	11,195,403	24,681,128	56,065,727	5,897,483	4,675,648	196,154,934	299,523,201
Disposals, net		-	(531)	(4,417,521)	(513,834)	(11,599)	(74,284)	-	(5,017,769)
Write-offs, net		-	(35,703)	(217,043)	(242,891)	(3,980)	-	-	(499,617)
Transfers in (out)		-	6,940,626	149,187,231	33,699,627	15,000	10,000	(189,852,484)	-
Depreciation charges		(7,115,297)	(42,286,933)	(196,856,871)	(88,674,014)	(12,081,904)	(5,448,457)	-	(352,463,476)
Closing net book amount		132,262,513	208,267,906	963,038,334	213,510,697	14,882,969	11,917,952	90,538,349	1,634,418,720
<b>As at 30 September 2022</b>									
Cost		214,689,777	1,006,292,588	3,280,567,691	2,113,947,060	160,799,227	61,657,145	90,538,349	6,928,491,837
Less Accumulated depreciation		(82,427,264)	(798,024,682)	(2,317,529,357)	(1,900,436,363)	(145,916,258)	(49,739,193)	-	(5,294,073,117)
Net book amount		132,262,513	208,267,906	963,038,334	213,510,697	14,882,969	11,917,952	90,538,349	1,634,418,720

## Inoue Rubber (Thailand) Public Company Limited Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



	Consolidated financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
<b>For the year ended 30 September 2023</b>								
Opening net book amount	132,262,513	208,267,906	963,038,334	213,510,697	14,882,969	11,917,952	90,538,349	1,634,418,720
Additions	457,060	7,972,944	20,878,969	37,991,638	6,662,336	1,760,826	138,735,279	214,459,052
Reclassification from computer software	-	-	-	(3,838,255)	7,443,000	-	-	3,604,745
Reclassification from other non-current assets	-	-	-	9,487,700	-	-	-	9,487,700
Disposals, net	(10,332)	(42,824)	(1,874,042)	(1,950,090)	(23,636)	(2)	-	(3,900,926)
Write-offs, net	-	(206)	(155,300)	(305,659)	(2,115)	(5)	(27,000)	(490,285)
Transfers in (out)	178,650	15,829,700	50,066,032	21,201,554	787,519	-	(88,063,455)	-
Depreciation charges	(4,798,517)	(37,578,503)	(186,414,110)	(90,218,987)	(10,462,229)	(5,077,985)	-	(334,550,331)
Closing net book amount	128,089,374	194,449,017	845,539,883	185,878,598	19,287,844	8,600,786	141,183,173	1,523,028,675
<b>As at 30 September 2023</b>								
Cost	215,293,377	1,028,460,411	3,317,964,749	2,145,770,234	169,254,458	63,013,869	141,183,173	7,080,940,271
Less Accumulated depreciation	(87,204,003)	(834,011,394)	(2,472,424,866)	(1,959,891,636)	(149,966,614)	(54,413,083)	-	(5,557,911,596)
Net book amount	128,089,374	194,449,017	845,539,883	185,878,598	19,287,844	8,600,786	141,183,173	1,523,028,675

Depreciation charges of Baht 312,524,721 (2022: Baht 335,319,764) were included in the costs of sales and services, Baht 22,025,610 (2022: Baht 17,143,712) in administrative expenses in the consolidated statements of comprehensive income.

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



	Separate financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
<b>As at 1 October 2021</b>								
Cost	213,292,768	966,155,910	2,949,143,630	1,995,353,835	133,225,729	58,516,799	83,947,679	6,399,636,350
Less Accumulated depreciation	(75,311,966)	(734,788,782)	(2,010,118,898)	(1,787,026,576)	(113,701,612)	(46,508,984)	-	(4,767,456,818)
Net book amount	137,980,802	231,367,128	939,024,732	208,327,259	19,524,117	12,007,815	83,947,679	1,632,179,532
<b>For the year ended 30 September 2022</b>								
Opening net book amount	137,980,802	231,367,128	939,024,732	208,327,259	19,524,117	12,007,815	83,947,679	1,632,179,532
Additions	852,878	11,195,402	22,559,004	53,129,866	4,691,223	4,286,200	196,154,934	292,869,507
Disposals, net	-	(531)	(4,413,025)	(513,351)	(11,599)	(69,630)	-	(5,008,136)
Writes-off, net	-	(35,703)	(217,043)	(242,891)	(3,978)	-	-	(499,615)
Transfers in (out)	-	6,940,626	149,089,731	33,656,907	15,000	10,000	(189,712,264)	-
Depreciation charges	(7,115,297)	(41,798,089)	(187,364,363)	(86,673,056)	(11,174,900)	(5,017,172)	-	(339,142,877)
Closing net book amount	131,718,383	207,668,833	918,679,036	207,684,734	13,039,863	11,217,213	90,390,349	1,580,398,411
<b>As at 30 September 2022</b>								
Cost	214,145,647	982,734,548	3,064,406,739	2,069,903,051	135,947,112	58,275,149	90,390,349	6,615,802,595
Less Accumulated depreciation	(82,427,264)	(775,065,715)	(2,145,727,703)	(1,862,218,317)	(122,907,249)	(47,057,936)	-	(5,035,404,184)
Net book amount	131,718,383	207,668,833	918,679,036	207,684,734	13,039,863	11,217,213	90,390,349	1,580,398,411

Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



	Separate financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
<b>For the year ended 30 September 2023</b>								
Opening net book amount	131,718,383	207,668,833	918,679,036	207,684,734	13,039,863	11,217,213	90,390,349	1,580,398,411
Additions	457,060	7,972,944	18,512,731	36,780,915	5,794,936	1,591,200	138,708,279	209,818,065
Reclassification from computer software	-	-	-	(3,838,255)	7,443,000	-	-	3,604,745
Reclassification from other non-current assets	-	-	-	9,487,700	-	-	-	9,487,700
Disposals, net	(10,332)	(42,824)	(1,874,042)	(1,950,088)	(14,127)	(2)	-	(3,891,415)
Writes-off, net	-	(206)	(155,292)	(271,601)	(2,092)	(3)	-	(429,194)
Transfers in (out)	178,650	15,829,700	49,918,032	21,201,554	787,519	-	(87,915,455)	-
Depreciation charges	(4,798,517)	(37,218,355)	(177,740,554)	(88,195,984)	(9,405,935)	(4,716,755)	-	(322,076,100)
Closing net book amount	127,545,244	194,210,092	807,339,911	180,898,975	17,643,164	8,091,653	141,183,173	1,476,912,212
<b>As at 30 September 2023</b>								
Cost	214,749,247	1,004,902,371	3,103,766,485	2,101,094,084	144,389,592	59,472,467	141,183,173	6,769,557,419
Less: Accumulated depreciation	(87,204,003)	(810,692,279)	(2,296,426,574)	(1,920,195,109)	(126,746,428)	(51,380,814)	-	(5,292,645,207)
Net book amount	127,545,244	194,210,092	807,339,911	180,898,975	17,643,164	8,091,653	141,183,173	1,476,912,212

Depreciation charges of Baht 307,773,594 (2022: Baht 322,770,988) were included in the costs of sales and services. Baht 14,302,506 (2022: Baht 16,371,889) in administrative expenses in the separate statements of comprehensive income.



**16 Right-of-use assets, net**

As at 30 September 2023 and 2022, right-of-use assets balances were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Billboard space	584,278	764,094	584,278	764,094
<b>Total</b>	<b>584,278</b>	<b>764,094</b>	<b>584,278</b>	<b>764,094</b>

For the years ended 30 September 2023 and 2022, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Amortisation of right-of-use assets	179,816	179,816	179,816	179,816
Cash paid for lease payments	220,000	220,000	220,000	220,000
Expenses related to leases that not included in the measurement of lease liabilities and right-of-use assets:				
- Expense relating to short-term leases	1,846,297	1,753,100	1,846,297	1,753,100
- Expense relating to leases of low-value assets	1,052,317	1,196,152	1,052,317	1,196,152
Total cash outflow for leases	<b>2,898,614</b>	<b>2,949,252</b>	<b>2,898,614</b>	<b>2,949,252</b>



**17 Computer software, net**

	<b>Consolidated financial statements Baht</b>	<b>Separate financial statements Baht</b>
<b>As at 1 October 2021</b>		
Cost	121,207,218	88,098,597
<u>Less</u> Accumulated amortisation	<u>(76,333,718)</u>	<u>(48,626,763)</u>
Net book amount	<u>44,873,500</u>	<u>39,471,834</u>
<b>For the year ended 30 September 2022</b>		
Opening net book amount	44,873,500	39,471,834
Additions	12,457,721	10,342,121
Amortisation charges	<u>(8,244,560)</u>	<u>(7,220,923)</u>
Closing net book amount	<u>49,086,661</u>	<u>42,593,032</u>
<b>As at 30 September 2022</b>		
Cost	133,664,939	98,440,718
<u>Less</u> Accumulated amortisation	<u>(84,578,278)</u>	<u>(55,847,686)</u>
Net book amount	<u>49,086,661</u>	<u>42,593,032</u>
<b>For the year ended 30 September 2023</b>		
Opening net book amount	49,086,661	42,593,032
Additions	2,240,191	1,533,901
Reclassification to property, plant and equipment	(3,604,745)	(3,604,745)
Amortisation charges	<u>(8,123,757)</u>	<u>(6,933,010)</u>
Closing net book amount	<u>39,598,350</u>	<u>33,589,178</u>
<b>As at 30 September 2023</b>		
Cost	132,300,385	96,369,874
<u>Less</u> Accumulated amortisation	<u>(92,702,035)</u>	<u>(62,780,696)</u>
Net book amount	<u>39,598,350</u>	<u>33,589,178</u>

Amortisation charges of Baht 981,062 (2022: Baht 808,089) were included in the costs of sales and services and Baht 7,142,695 (2022: Baht 7,436,471) in administrative expenses in the consolidated statement of comprehensive income.

Amortisation charges of Baht 6,933,010 (2022: Baht 7,220,923) were included in the administrative expenses in the separate statement of comprehensive income.

Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



18 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities was as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>The Company and subsidiary with net deferred tax asset position</b>				
Deferred tax assets	62,255,784	59,065,939	57,877,792	54,914,597
Deferred tax liabilities	(2,724,093)	(7,088,802)	(2,721,954)	(7,063,481)
<b>Deferred income taxes, net (assets)</b>	<b>59,531,691</b>	<b>51,977,137</b>	<b>55,155,838</b>	<b>47,851,116</b>
<b>Subsidiary with net deferred tax liability position</b>				
Deferred tax assets	1,164,142	1,075,788	-	-
Deferred tax liabilities	(1,478,888)	(1,778,413)	-	-
<b>Deferred income taxes, net (liabilities)</b>	<b>(314,746)</b>	<b>(702,625)</b>	<b>-</b>	<b>-</b>

Deferred tax assets and liabilities in the statements of financial position are presented at net position of deferred tax assets or liabilities incurred by each entity of the Group. Deferred tax assets and liabilities are offset where the income taxes relate to the same tax authority, being the Revenue Department.

The movements of deferred income taxes during the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Net deferred taxes (assets):</b>				
Opening balance	51,977,137	44,246,603	47,851,116	39,166,203
Recognised to profit or loss	5,919,460	6,550,445	5,669,628	6,031,770
Recognised to other comprehensive income	1,635,094	1,180,089	1,635,094	2,653,143
Closing balance	59,531,691	51,977,137	55,155,838	47,851,116
<b>Net deferred taxes (liabilities)</b>				
Opening balance	(702,625)	(279,789)	-	-
Recognised to profit or loss	387,879	164,580	-	-
Recognised to other comprehensive income	-	(587,416)	-	-
Closing balance	(314,746)	(702,625)	-	-



Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



The deferred taxation relates to the temporary differences between the book values and the tax bases of significant assets and liabilities of the Group, which were summarised below:

	Consolidated financial statements			
	As at 1 October 2022 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2023 Baht
<b>Deferred tax assets</b>				
Derivative liabilities	521,404	(117,529)	-	403,875
Lease liabilities	158,777	(36,177)	-	122,600
Provisions and accruals	59,839,732	3,257,883	-	63,097,615
	60,519,913	3,104,177	-	63,624,090
<b>Deferred tax liabilities</b>				
Derivative assets	(225,368)	138,058	-	(87,310)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	777,273	-	(476,992)	300,281
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(12,503,961)	-	2,112,086	(10,391,875)
Right-of-use assets	(152,819)	35,964	-	(116,855)
Plant and equipment	2,859,474	3,029,140	-	5,888,614
	(9,245,401)	3,203,162	1,635,094	(4,407,145)
<b>Deferred income tax, net</b>	51,274,512	6,307,339	1,635,094	59,216,945
	Consolidated financial statements			
	As at 1 October 2021 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2022 Baht
<b>Deferred income tax assets</b>				
Derivative liabilities	562,088	(40,684)	-	521,404
Lease liabilities	192,835	(34,058)	-	158,777
Provisions and accruals	72,585,800	3,345,332	(16,091,400)	59,839,732
	73,340,723	3,270,590	(16,091,400)	60,519,913
<b>Deferred income tax liabilities</b>				
Derivative assets	(611,061)	385,693	-	(225,368)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	352,522	-	424,751	777,273
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(28,763,283)	-	16,259,322	(12,503,961)
Right-of-use assets	(188,787)	35,968	-	(152,819)
Plant and equipment	(163,300)	3,022,774	-	2,859,474
	(29,373,909)	3,444,435	16,684,073	(9,245,401)
<b>Deferred income tax, net</b>	43,966,814	6,715,025	592,673	51,274,512

Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



	Separate financial statements			
	As at 1 October 2022 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2023 Baht
<b>Deferred tax assets</b>				
Derivative liabilities	521,404	(117,529)	-	403,875
Lease liabilities	158,777	(36,177)	-	122,600
Provisions and accruals	54,612,603	2,942,879	-	57,555,482
	55,292,784	2,789,173	-	58,081,957
<b>Deferred tax liabilities</b>				
Derivative assets	(225,368)	138,058	-	(87,310)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	777,273	-	(476,992)	300,281
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(12,503,961)	-	2,112,086	(10,391,875)
Right-of-use assets	(152,819)	35,964	-	(116,855)
Plant and equipment	4,663,207	2,706,433	-	7,369,640
	(7,441,668)	2,880,455	1,635,094	(2,926,119)
<b>Deferred income tax, net</b>	47,851,116	5,669,628	1,635,094	55,155,838
	Separate financial statements			
	As at 1 October 2021 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2022 Baht
<b>Deferred income tax assets</b>				
Derivative liabilities	562,088	(40,684)	-	521,404
Lease liabilities	192,835	(34,058)	-	158,777
Provisions and accruals	65,895,014	2,748,519	(14,030,930)	54,612,603
	66,649,937	2,673,777	(14,030,930)	55,292,784
<b>Deferred income tax liabilities</b>				
Derivative assets	(611,061)	385,693	-	(225,368)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	352,522	-	424,751	777,273
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(28,763,283)	-	16,259,322	(12,503,961)
Right-of-use assets	(188,787)	35,968	-	(152,819)
Plant and equipment	1,726,875	2,936,332	-	4,663,207
	(27,483,734)	3,357,993	16,684,073	(7,441,668)
<b>Deferred income tax, net</b>	39,166,203	6,031,770	2,653,143	47,851,116

Inoue Rubber (Thailand) Public Company Limited  
Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



As at 30 September 2023, the Group only recognised those deferred tax assets that in the management's judgement were likely to be realised, due to the historical operating profits generated by the operations of the entities within the Group. This is disclosed in the note regarding the gross deferred and income taxes to enable users of the financial statements to understand the nature of the movements in this balance.

As at 30 September 2023, the Group has no tax loss carried forward.

Under the Thai Revenue Code, all entities are taxed as separate entities with no relief available for the Group.

## 19 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Trade payables - related companies (Note 29)	140,351,445	271,628,810	140,351,445	271,628,810
Trade payables - other companies	498,772,718	635,452,589	495,306,037	630,076,088
Amounts due to related parties (Note 29)	81,127	76,315	21,344,303	26,433,864
Accrued expenses	101,058,520	163,774,032	86,905,819	145,364,863
Down payments received from customers	1,896,765	2,983,786	1,896,765	2,983,786
Other payables	53,273,818	73,113,002	51,953,773	70,643,939
<b>Trade and other payables</b>	<b>795,434,393</b>	<b>1,147,028,534</b>	<b>797,758,142</b>	<b>1,147,131,350</b>

Outstanding accrued expenses as at 30 September 2023 and 2022 were detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Accrued bonuses	59,455,406	126,517,893	53,669,461	113,626,895
Accrued employee income taxes	4,345,746	10,615,839	4,145,026	10,146,698
Accrued employee welfare	8,606,986	9,401,655	7,874,430	8,573,048
Other accruals	28,650,382	17,238,645	21,216,902	13,018,222
<b>Total accrued expenses</b>	<b>101,058,520</b>	<b>163,774,032</b>	<b>86,905,819</b>	<b>145,364,863</b>

## 20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
The statement of financial position:				
Retirement benefits	297,147,446	285,819,444	269,436,778	259,683,793
<b>Total</b>	<b>297,147,446</b>	<b>285,819,444</b>	<b>269,436,778</b>	<b>259,683,793</b>

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salaries in the final years leading up to retirement.

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
For the year ended 30 September 2023



The movements in the obligations over the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Opening balance	285,819,444	349,717,892	259,683,793	316,263,957
Current service cost	18,932,014	24,222,417	17,176,653	21,766,395
Interest cost	7,637,202	5,979,468	6,919,596	5,405,452
Remeasurements on employee benefit obligations:				
- Gain on change in financial assumptions	-	(86,710,472)	-	(76,035,810)
- Experience loss	-	6,253,470	-	5,881,152
	312,388,660	299,462,775	283,780,042	273,281,146
<u>Add</u> Additional provisions from transfer of employees	-	-	348,298	45,978
<u>Less</u> Benefits paid during the year	(15,241,214)	(13,643,331)	(14,691,562)	(13,643,331)
At 30 September	297,147,446	285,819,444	269,436,778	259,683,793

The Group accounts for these liabilities on an estimated basis using the following principal actuarial assumptions:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.75%	2.75%	2.75%	2.75%
Future salary increase rates	4.50%	4.50%	4.50%	4.50%
Other fixed allowance rate	3.50%	3.50%	3.50%	3.50%
1 Baht Gold price	Baht 30,000	Baht 30,000	Baht 30,000	Baht 30,000
Gold Inflation rate	3.00%	3.00%	3.00%	3.00%
Retirement age	58 years old	58 years old	58 years old	58 years old

The sensitivity analysis for each significant assumption disclosed in 2023 was as follows:

	Consolidated financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decrease by 4.94%	Decreased by Baht 15,033,357
	Decreased by 0.5%	Increase by 5.34%	Increased by Baht 16,254,300
Future salary increase rate	Increased by 1%	Increase by 9.65%	Increased by Baht 29,350,974
	Decreased by 1%	Decrease by 8.37%	Decreased by Baht 25,461,154
1 Baht Gold price	Increased by Baht 1,000	Increase by 0.36%	Increased by Baht 1,092,275
	Decreased by Baht 1,000	Decrease by 0.36%	Decreased by Baht 1,092,274
	Separate financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decrease by 4.79%	Decreased by Baht 13,217,979
	Decreased by 0.5%	Increase by 5.18%	Increased by Baht 14,277,275
Future salary increase rate	Increased by 1%	Increase by 9.32%	Increased by Baht 25,689,764
	Decreased by 1%	Decrease by 8.10%	Decreased by Baht 22,326,890
1 Baht Gold Price	Increased by Baht 1,000	Increase by 0.37%	Increased by Baht 1,007,959
	Decreased by Baht 1,000	Decrease by 0.37%	Decreased by Baht 1,007,959

The above sensitivity analysis were based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method of calculating the retirement benefit obligation recognised within the statements of financial position at the end of the reporting period (present value of the defined benefit obligation calculated with the projected unit credit method).

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
 For the year ended 30 September 2023



The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the retirement benefit obligation was 11.01 years.

Expected maturity analysis of undiscounted retirement benefits as follows

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Less than a year	19,838,930	8,103,016	19,779,861	8,062,111
Between 1 - 5 years	63,187,394	60,239,961	60,341,790	57,973,965
Over 5 years	296,218,460	319,004,823	260,782,754	282,930,440
	<b>379,244,784</b>	<b>387,347,800</b>	<b>340,904,405</b>	<b>348,966,516</b>

## 21 Share capital and premium on share capital

	Consolidated and Separate financial statements			
	Number of shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 October 2021	192,207,700	85,988,362	298,000,000	383,988,362
Issue of shares	-	-	-	-
As at 30 September 2022	192,207,700	85,988,362	298,000,000	383,988,362
Issue of shares	-	-	-	-
As at 30 September 2023	192,207,700	85,988,362	298,000,000	383,988,362

As at 30 September 2023, the total number of registered ordinary shares was 192.21 million shares (2022: 200.00 million shares) with a par value of Baht 1 per share (2022: Baht 1 per share). All issued shares are fully paid.

The details of the reduction of ordinary shares from treasury shares are disclosed in Note 23.

## 22 Legal reserve

Under the Public Companies Act, the Company is required to set aside as a legal reserve at least 5% of profit derived from the business of the Company after accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. This reserve is non-distributable.

In consolidated financial statements, legal reserve of subsidiaries included in unappropriated retained earnings.

## 23 Treasury shares

On 5 June 2020, the Company repurchased 7,792,300 shares for total treasury shares of Baht 114.01 million, represents 3.9% of the Company's total issued shares. Treasury share has to be resold after 6 months but no later than 3 years from 5 June 2020 (the completion date of share repurchases). The payment for treasury shares presented as reduction in equity in the statement of financial position.

### Share capital reduction and treasury shares cancellation

On 12 May 2023, the Board of Directors held a meeting (No.3/2023) where a resolution was passed to reduce the registered capital of the Company amounted to Baht 7.79 million from Baht 200 million (200,000,000 ordinary shares with a par value of Baht 1 each) to Baht 192.21 million (192,207,700 ordinary shares with a par value of Baht 1 each) by cancelling the 7,792,300 treasury shares under the share repurchase program for financial management purpose due to expiration of the resale period. The Company reduced registered, and issued and paid-up share capital with the Department of Business Development, Ministry of Commerce on 30 May 2023. In addition, the Company reversed the reserve for treasury shares to unappropriated retained earnings amounting to Baht 106.22 million.

# Inoue Rubber (Thailand) Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



### 24 Dividend income

#### Dividend income from subsidiaries

At the Annual General Meeting of shareholders for 2022 of Kin No Hoshi Engineering Company Limited held on 28 January 2022, the shareholders passed a resolution approving dividend payment from its operating results for 2021 at Baht 30 per share from non-BOI promoted operations, amounting to a total dividend of Baht 3 million. The Company received dividend on 28 February 2022.

At the Annual General Meeting of shareholders for 2023 of Kin No Hoshi Engineering Company Limited held on 30 January 2023, the shareholders passed a resolution approving dividend payment from its operating results for 2022 at Baht 30 per share from non-BOI promoted operations, amounting to a total dividend of Baht 3 million. The Company received dividend on 28 February 2023.

At the Annual General Meeting of shareholders for 2022 of IRC (Asia) Research Limited held on 28 January 2022, the shareholders passed a resolution approving dividend payment from its operating results for 2021 at Baht 5.53 per share from non-BOI promoted operations, amounting to a total dividend of Baht 16 million. The Company received the dividend on 28 February 2022.

At the Annual General Meeting of shareholders for 2023 of IRC (Asia) Research Limited held on 30 January 2023, the shareholders passed a resolution approving dividend payment from its operating results for 2022 at Baht 7 per share from non-BOI promoted operations, amounting to a total dividend of Baht 21 million. The Company received the dividend on 28 February 2023.

### 25 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Raw materials and consumables used	2,545,275,008	2,958,362,592	2,534,064,473	2,937,304,457
Changes in finished goods and work in progress	(20,530,193)	16,178,454	(21,238,916)	16,341,406
Depreciation of investment properties and plant and equipment (Notes 14 and 15)	334,550,331	352,463,476	322,104,622	339,172,026
Amortisation of right-of-use assets (Note 16)	179,816	179,816	179,816	179,816
Amotisation of computer software (Note 17)	8,123,757	8,244,560	6,933,010	7,220,923
Staff costs	736,717,446	814,290,991	665,958,692	735,099,744
Advertising and promotion expenses	21,007,065	15,540,774	21,007,065	15,540,774
Rental expenses	2,898,614	2,949,252	2,898,614	2,949,252
Purchases of finished goods	880,762,437	960,568,188	880,762,437	960,568,188
Utility expenses	180,099,834	158,222,673	171,803,499	150,103,498
Transportation expenses	68,242,843	75,418,686	67,967,247	75,320,627
Repair and maintenance expenses	112,226,773	117,631,364	109,722,175	113,490,555
Professional fees	46,415,107	47,262,156	44,605,107	46,933,942
Insurance premiums	16,622,633	17,428,580	16,175,066	17,209,963



## 26 Income tax expenses

Income tax expenses for the years ended 30 September 2023 and 2022 were summarised below:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Current tax:				
Current tax on profits for the year	17,014,353	19,335,050	11,028,262	14,392,744
Adjustments in respect of prior year	(378,027)	(233,408)	29,998	(262,604)
<b>Total current tax</b>	<b>16,636,326</b>	<b>19,101,642</b>	<b>11,058,260</b>	<b>14,130,140</b>
Deferred income tax (Note 18):				
Decrease in deferred tax assets	(3,104,177)	(3,270,590)	(2,789,173)	(2,673,777)
Decrease in deferred tax liabilities	(3,203,162)	(3,444,435)	(2,880,455)	(3,357,993)
<b>Total deferred income tax</b>	<b>(6,307,339)</b>	<b>(6,715,025)</b>	<b>(5,669,628)</b>	<b>(6,031,770)</b>
<b>Income tax expense</b>	<b>10,328,987</b>	<b>12,386,617</b>	<b>5,388,632</b>	<b>8,098,370</b>

Reconciliation of income tax expenses and the results of accounting profit using the basic tax rate of the year was presented as below:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Profit before income tax expenses	170,095,266	122,326,694	166,012,809	119,958,639
Tax calculated at statutory tax rates of 20%	34,019,053	24,465,339	33,202,562	23,991,728
Impact:				
Income not subjected to tax and expenses that are deductible at a greater amount	(6,665,312)	(5,262,287)	(11,102,029)	(8,955,124)
Expenses not deductible for tax purpose	4,043,558	4,250,297	3,800,782	4,157,694
Profit from promoted activities which exempt from payment of corporate income tax	(20,690,285)	(10,833,324)	(20,542,681)	(10,833,324)
Adjustment in respect of prior year	(378,027)	(233,408)	29,998	(262,604)
<b>Income tax expenses</b>	<b>10,328,987</b>	<b>12,386,617</b>	<b>5,388,632</b>	<b>8,098,370</b>

The average income tax rate was 6.07% (2022: 10.13%) for the consolidated financial statements and 3.25% (2022: 6.75%) for the separate financial statements. The increase in the average income tax rate is due to a decrease in the profit from promoted activities with tax-exempt for the current year.

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
 For the year ended 30 September 2023



The tax relating to component of other comprehensive income was as follows:

	Consolidated financial statements					
	2023			2022		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Measurement of debt instruments at fair value through other comprehensive income	2,384,961	(476,992)	1,907,969	(2,123,754)	424,751	(1,699,003)
Measurement of equity instruments at fair value through other comprehensive income	(10,560,432)	2,112,086	(8,448,346)	(81,296,610)	16,259,322	(65,037,288)
Remeasurements of employee benefit obligations	-	-	-	80,457,002	(16,091,400)	64,365,602
	(8,175,471)	1,635,094	(6,540,377)	(2,963,362)	592,673	(2,370,689)
	Separate financial statements					
	2023			2022		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Measurement of debt instruments at fair value through other comprehensive income	2,384,961	(476,992)	1,907,969	(2,123,754)	424,751	(1,699,003)
Measurement of equity instruments at fair value through other comprehensive income	(10,560,432)	2,112,086	(8,448,346)	(81,296,610)	16,259,322	(65,037,288)
Remeasurements of employee benefit obligations	-	-	-	70,154,658	(14,030,930)	56,123,728
	(8,175,471)	1,635,094	(6,540,377)	(13,265,706)	2,653,143	(10,612,563)

## 27 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the owner of the parent company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Net profit attributable to the owners of the parent company (Baht)	159,766,178	109,940,057	160,624,177	111,860,269
Weighted average number of ordinary shares outstanding (shares)	192,207,700	192,207,700	192,207,700	192,207,700
Basic earnings per share (Baht per share)	0.83	0.57	0.84	0.58

There were no dilutive potential ordinary shares in issue during the years presented.





## 28 Changes in liabilities arising from financing activities

	<b>Consolidated and separate financial statements</b>
	<b>Lease liabilities Baht</b>
Balance as at 1 October 2022	793,882
Finance cost	39,116
Cash paid for lease payments	(220,000)
Balance as at 30 September 2023	612,998
Lease liabilities - current portion	216,614
Lease liabilities - non-current portion	396,384

## 29 Related party transactions

Individuals and entities that directly, or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

The Company's major shareholders are the Leeissaranukuls group in proportion of 39.51% and Inoue Rubber Company Limited, which is incorporated and domiciled in Japan, in proportion of 35.69%. The remaining 24.80% of the shares are widely held.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

During the year, the Group and the Company entered into several transactions with its subsidiaries and related parties. The terms and basis of such transactions were negotiated between the parties in the ordinary course of business and according to normal trade conditions.

	<b>Terms and basis</b>
Sales of goods	Market price or cost plus margin according to type of products
Service income	Cost plus margin
Rental income	Contract price which is in line with market
Purchases of raw materials, machinery and metal molds	Prices which approximate to the price charged to a third party
Research and development expenses	Prices as agreed in the contract which is near to the market price
Technical assistance fees	Prices as agreed in the contract based on percentage of sales
Advertising expenses	Prices which approximate to the price charged nearly to the market price
Utility expenses	Price as agreed to the price charged by a third party
Employee service sharing expenses	Prices which approximate to the price charged to a third party

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
For the year ended 30 September 2023



The significant related party transactions for the years ended 30 September 2023 and 2022 were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Sales of goods</b>				
Subsidiaries	-	-	17,034,644	14,057,304
Related parties	2,408,389,498	2,594,188,187	2,408,200,078	2,594,062,552
	<u>2,408,389,498</u>	<u>2,594,188,187</u>	<u>2,425,234,722</u>	<u>2,608,119,856</u>
<b>Services income</b>				
Related parties	16,147,823	15,894,970	16,147,823	15,894,970
<b>Rental income</b> (Note 14)				
Subsidiaries	-	-	3,302,460	3,266,700
Related parties	1,332,000	1,332,000	1,332,000	1,332,000
	<u>1,332,000</u>	<u>1,332,000</u>	<u>4,634,460</u>	<u>4,598,700</u>
<b>Dividend income</b> (Note 24)				
Subsidiaries	-	-	23,999,741	18,999,753
Related party	-	13,175,780	-	13,175,780
	<u>-</u>	<u>13,175,780</u>	<u>23,999,741</u>	<u>32,175,533</u>
<b>Purchases of raw materials</b>				
Related parties	746,863,231	931,611,821	746,863,231	931,611,821
<b>Purchases of machinery and metal molds and repair costs</b>				
Subsidiary	-	-	33,476,205	44,525,875
Related parties	2,886,780	1,830,016	2,886,780	1,830,016
	<u>2,886,780</u>	<u>1,830,016</u>	<u>36,362,985</u>	<u>46,355,891</u>
<b>Research and development expenses</b>				
Subsidiary	-	-	112,672,763	112,887,126
Related party	3,230,979	3,181,447	-	-
	<u>3,230,979</u>	<u>3,181,447</u>	<u>112,672,763</u>	<u>112,887,126</u>
<b>Technical assistance fees</b>				
Related parties	90,953,898	86,397,658	90,953,898	86,397,658
<b>Rental and service fees</b>				
Related parties	1,495,416	1,512,696	1,495,416	1,512,696
<b>Advertising expenses</b>				
Related parties	7,966,680	6,425,485	7,966,680	6,425,485
<b>Utility expenses</b>				
Related parties	385,468	430,505	385,468	430,505

The Company entered into rental agreements of land, building, and machinery and equipment with two subsidiaries and related company with total annual rental income of approximately Baht 4.63 million. The lease terms are 1 year.

The Company charged certain utility expenses to certain related companies at which approximate to the price charged to a third party.

The Company entered into marketing and sales cooperation and product quality assurance and quality control service agreements with a local related company. Under these agreements the Company has obliged to pay service fees to such company at the rate as stipulated in the agreements. The agreements have been in effect since May 2009 until cancelled by either party.

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
For the year ended 30 September 2023



The Company entered into research and development services agreement with a subsidiary. Under this agreement, the Company has obliged to pay service fee to the subsidiary at the rate stipulated in the agreement. The agreement is effective for a period of 1 year which commenced from May 2023.

The Company entered into professional service agreements with a local related company to provide the professional services at total annual services income of approximately Baht 13.54 million. The service fees will be reviewed mutually by both parties in June of a year. The agreement is effective for a period of 1 year which commenced from June 2023.

The Company entered into a space rental and security service agreement with a local related company. Under this agreement, the Company has obliged to pay rental and service fee to the related party approximately Baht 1.52 million. The term of the agreement are 1 year which commenced from February 2023.

The outstanding balances as at 30 September 2023 and 2022 between the Company and those related companies were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Trade receivables</b>				
Subsidiaries		-	5,378,040	4,046,646
Related companies	394,832,941	509,613,182	394,832,941	509,613,182
<b>Total trade receivables</b>	394,832,941	509,613,182	400,210,981	513,659,828
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	1,781,724	1,928,815
Related companies	2,920,792	1,529,673	2,920,793	1,529,673
<b>Total amounts due from related parties</b>	2,920,792	1,529,673	4,702,517	3,458,488
<b>Trade payables</b>				
Subsidiaries	-	-	-	-
Related companies	140,351,445	271,628,810	140,351,445	271,628,810
<b>Total trade payables</b>	140,351,445	271,628,810	140,351,445	271,628,810
<b>Amounts due to related parties</b>				
Subsidiaries	-	-	21,263,176	26,357,550
Related companies	81,127	76,315	81,127	76,314
<b>Total amounts due to related parties</b>	81,127	76,315	21,344,303	26,433,864

#### Directors' and key management's remunerations

The Company and its subsidiaries had the compensation paid or payable to their key directors and management for the years ended 30 September 2023 and 2022 as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Salaries and short-term employee benefits	71,394,128	68,323,785	71,394,128	68,323,785
Post-employee benefits	2,537,545	1,596,821	2,537,545	1,596,821
Other long-term employee benefits	1,212,488	1,316,516	1,212,488	1,316,516
	75,143,855	71,237,122	75,143,855	71,237,122

## Inoue Rubber (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 30 September 2023



#### 30 Promotional privileges

The Company and its subsidiary have been granted promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Under certain significant conditions, significant privileges are as follows:

Details	Inoue Rubber (Thailand) Public Company Limited		Kin No Hoshi Engineering Company Limited
	64-0737-1-07-1-0 17 March 2021	64-0736-1-07-1-0 17 March 2021	63-0570-1-00-1-0 15 April 2020
1. Certificate No. Dated	Manufacturing of motorcycle tires and tubes	Manufacturing of rubber parts for vehicles and compound rubber	Manufacturing of molds and repairing of its own manufactured molds
2. Promotional privileges for	3 years	3 years	5 years
3. The significant privileges are	Granted	Granted	Granted
3.1 Exemption of corporate income tax for net income from promotional operations and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	Granted	Granted	Granted
3.2 Allowance for carry-forward of annual loss from operations incurred during the exemption of corporate income tax on net income to offset with net income for a period of 5 years, after exemption period in 3.1.	None	None	None
3.3 Exemption/Reduction of import duty on machinery as approved by the Board.	Granted	Granted	Granted
3.4 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.	None	None	None
3.5 50% reduction of corporate income tax rate for net income from promotional operations for a period of 5 years, after exemption period in 3.1.	None	None	None
4. Date of first earning operating income	24 July 2021	24 July 2021	3 May 2021

Inoue Rubber (Thailand) Public Company Limited  
**Notes to the Consolidated and Separate Financial Statements**  
 For the year ended 30 September 2023



Sales of the Group are both export and local sales which could be separated between promoted and non-promoted operations as follows:

	Consolidated financial statements					
	BOI		non-BOI		Total	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Sales:						
Export	975,776,971	985,164,997	82,327,457	106,119,978	1,058,104,428	1,091,284,975
Local	3,120,618,592	3,465,351,016	1,238,482,812	1,326,531,780	4,359,101,404	4,791,882,796
	4,096,395,563	4,450,516,013	1,320,810,269	1,432,651,758	5,417,205,832	5,883,167,771
	Separate financial statements					
	BOI		non - BOI		Total	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Sales:						
Export	975,776,971	985,164,997	82,138,037	105,994,343	1,057,915,008	1,091,159,340
Local	3,137,653,236	3,465,351,016	1,219,800,479	1,325,109,840	4,357,453,715	4,790,460,856
	4,113,430,207	4,450,516,013	1,301,938,516	1,431,104,183	5,415,368,723	5,881,620,196

### 31 Dividends paid

At the Annual General Meeting of shareholders for 2023 of the Company held on 30 January 2023, the shareholders passed a resolution approving dividend payment from its operating results for 2022 at Baht 0.2910 per share (Baht 0.2496 per share from BOI-promoted operations and Baht 0.0414 per share from non-BOI promoted operations), amounting to a total dividend of Baht 55.93 million. The dividends were distributed on 28 February 2023.

At the Annual General Meeting of shareholders for 2022 of the Company held on 28 January 2022, the shareholders passed a resolution approving dividend payment from its operating results for 2021 at Baht 0.8845 per share from non-BOI promoted operations, amounting to a total dividend of Baht 170.01 million. The dividends were distributed to shareholders on 28 February 2022.

### 32 Commitments

#### 32.1 Lease commitments

The Group has entered into several lease agreements with low-value assets, lease term of 12 months or less in respect of building area, accommodation for employees, motor vehicles and office equipment.

As at 30 September 2023 and 2022, the Group had future minimum lease payments required under these non-cancellable low-value assets and lease term of 12 months or less leases as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Within 1 year	1,068,272	647,022	1,068,272	647,022
Later than 1 year but not later than 3 years	311,770	377,190	311,770	377,190
<b>Total</b>	<b>1,380,042</b>	<b>1,024,212</b>	<b>1,380,042</b>	<b>1,024,212</b>



### 32.2 Letters of guarantee

As at 30 September 2023, the Company had outstanding letters of guarantee issued by financial institutions of approximately Baht 20.62 million (2022: Baht 20.62 million) to the Provincial Electricity Authority for electricity consumption on behalf of the Company and Baht 0.37 million (2022: Baht 0.38 million) for the due fulfillment by the Company of the terms and conditions in respect of grant of Certification Mark License by the licensor and Baht 8.26 million (2022: Baht 5.42 million) for the contractual performance.

The guarantees are issued in the ordinary course of business. No liabilities are expected to arise from the above guarantees.

### 32.3 Operating commitments

The Company entered into agreements for technical assistance in production with foreign related companies. Under the agreements, the Company has obliged to pay technical assistance fees at the rates as stipulated in the agreements, which are percentage of sales.

## 33 Events occurring after the statement of financial position date

On 24 November 2023, the Company's Board of Directors' Meeting No.6/2023 passed a resolution to propose the dividend payment from its operating results for 2023 at Baht 0.4178 per share, amounting to Baht 80.30 million from BOI operations to shareholders who are on the register as at 28 February 2024. The dividends are expected to be paid on 28 February 2024. The dividend has not been recognised as a liability in the financial statements. The Company will propose approving the dividend payment at its Annual General Shareholders' meeting.



# Attachment

- |              |   |
|--------------|---|
| Attachment 1 | Information of the Board of Directors, Executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company Secretary |
| Attachment 2 | Details of Directors in Subsidiaries  |
| Attachment 3 | Detail of Internal Auditor  |
| Attachment 4 | The assets used in the Company's business operations and the details of the asset valuation   |
| Attachment 5 | Handbook of Good Corporate Governance   |

## Attachment 1

Information of the Board of Directors, Executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company Secretary

### Board of Directors



Mrs. Pimjai  
Leeissaranukul



Mr. Shigeki  
Yamada



Mr. Soichi  
Inoue



Mr. Thanong  
Leeissaranukul



Mr. Apichart  
Leeissaranukul



Mrs. Porntip  
Sethiwan



Mrs. Anchalee  
Chavanich



Assoc. Prof.  
Jaruporn  
Vivanant



Mr. Kittichai  
Raktakanit



Mr. Surong  
Bulakul



Mr. Kazuo  
Sato



## Executive Committee



Mr. Shigeki  
Yamada



Mrs. Pimjai  
Leeissaranukul



Mr. Takeshi  
Arakawa



Ms. Witchuda  
Kupongsak



Mr. Akira  
Tokoro



Mr. Suchart  
Kootiratrakarn



Mr. Tatsuo  
Kubota



Mr. Narongchai  
Rattanaekkawin



Ms. Praewphan  
Songhong



Mr. Hiroyuki  
Hibi



Mr. Kazuaki  
Yamada

## 1. Information of Directors

 <b>Mrs. Pimjai Leeissaranukul</b>	<b>Age:</b> 62 years	<b>Date of Appointment</b> December 30, 1993
	<b>Position:</b> Chairman / Executive Chairman / Vice Chairman of the Executive Committee / Authorized Signatory Director	<b>Shareholding Proportion (As at September 30, 2023)</b> 2.90%

### Relation with directors and executives

Siblings: Mr. Thanong Leeissaranukul, Mr. Apichart Leeissaranukul, and Mrs. Porntip Sethiwan

### Education

- Master's Degree in Business Administration, Drexel University, Philadelphia, U.S.A.
- Bachelor's Degree in Industrial Engineering, Faculty of Engineering, Chulalongkorn University

### Training Courses in 2023

- Government procurement process (Internal Training) by Ms. Chunchachit Sungmai
- Labor laws regarding an employment (Internal Training) by Mr. Roongroj Ruenrerngong

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 37/2003
- Role of the Chairman Program (RCP) Class 31/2013
- Risk Management Committee Program (RMP) Class 1/2013

#### Other Training

- Board Essential Program (BEP) Class 1 from Institute of Research and Development for Public Enterprise (IRDP)
- Thailand Energy Academy for Executives Class 11 (TEA 11)
- Joint Stage Private Sector Regular Course Class 26/2013 from National Defense College (NDC)
- Capital Market Academy Leadership Program Class 10 (CMA 10)
- Business Revolution and Innovation Network Class 1 (BRAIN 1) from The Federation of Thai Industries

## Work Experiences in the past 5 years

2013 – Present	<ul style="list-style-type: none"> <li>Chairman, Executive Chairman and Vice Chairman of the Executive Committee of Inoue Rubber (Thailand) PCL.</li> </ul>
2023 – Present	<ul style="list-style-type: none"> <li>Vice Chairman of National Defense College (NDC) Class 26 Committee</li> </ul>
2020 – Present	<ul style="list-style-type: none"> <li>Member of the Board of Regional Center for Manufacturing System Engineering (RCMSE), Faculty of Engineering, Chulalongkorn University</li> <li>Member of the Board of government procurement and supplies management sector, the Comptroller General's Department</li> </ul>
2018 – Present	<ul style="list-style-type: none"> <li>Vice Chairman of the Federation of Thai Industries</li> </ul>
2017 – Present	<ul style="list-style-type: none"> <li>Member of the Board of ASEAN Woman Entrepreneur Network (AWEN)</li> </ul>
2016 – Present	<ul style="list-style-type: none"> <li>Director of Supornavit Co., Ltd.</li> <li>Member of the Board of Association of Capital Market Academy (ACMA)</li> </ul>
2014 – Present	<ul style="list-style-type: none"> <li>Consultant of the Board of Thai Women Engineers, The Engineering Institute of Thailand</li> </ul>
2013 – Present	<ul style="list-style-type: none"> <li>Honorary Chairman of Inoac Tokai (Thailand) Company Ltd.</li> </ul>
2010 – Present	<ul style="list-style-type: none"> <li>Global Advisory Board member of Babson College, MA, U.S.A.</li> </ul>
2008 – Present	<ul style="list-style-type: none"> <li>Member of the Young Thai Entrepreneurs Association (YTEA)</li> </ul>
2006 – Present	<ul style="list-style-type: none"> <li>Director of Daido Sittipol Co., Ltd.</li> </ul>
2001 – Present	<ul style="list-style-type: none"> <li>Director of Kin No Hoshi Engineering Co., Ltd.</li> </ul>
1995 – Present	<ul style="list-style-type: none"> <li>Director of Sungold Holding Co., Ltd.</li> <li>Director of IRC (Asia) Research Limited</li> <li>Chairman of Thai Inoac Components Co., Ltd.</li> </ul>
1993 – Present	<ul style="list-style-type: none"> <li>Director of Sopa-Kanok International Co., Ltd</li> </ul>
1983 – Present	<ul style="list-style-type: none"> <li>Director of Thai Stanley Electric PCL.</li> </ul>
2020 – 2022	<ul style="list-style-type: none"> <li>Chairman of Industrial Standard Committee (ISC) of the Federation of Thai Industries</li> </ul>
2019 – 2022	<ul style="list-style-type: none"> <li>Independent director of Mass Rapid Transit Authority of Thailand (MRTA)</li> </ul>
2003 – 2022	<ul style="list-style-type: none"> <li>Director of Wangchula Co., Ltd</li> </ul>
2018 – 2020	<ul style="list-style-type: none"> <li>Chairman of Industrial Excellence Center (IEC) of the Federation of Thai Industries</li> <li>Director of Thailand National Defense College (NDC) 2013 – Fund raising, Joint Stage Private Sector Regular Course 26</li> </ul>
2016 – 2018	<ul style="list-style-type: none"> <li>Vice Chairman of Thailand Forest Certification Council (TFCC), the Federation of Thai Industries</li> <li>Director and Deputy Secretary General of the Federation of Thai Industries</li> </ul>
2015 – 2018	<ul style="list-style-type: none"> <li>Director and Deputy Secretary General of Public Relations, the Federation of Thai Industries</li> </ul>
2013 – 2018	<ul style="list-style-type: none"> <li>Director of Student Council, Thailand National Defense College (NDC) – The Joint Stage Private Sector Regular Course 26</li> </ul>

## Director / Management Position in other business

### Listed companies: 1

1. Director of Thai Stanley Electric PCL.

### Non-listed companies: 8

1. Director of Supornavit Co., Ltd.
2. Honorary Chairman of Inoac Tokai (Thailand) Company Ltd.
3. Director of Daido Sittipol Co., Ltd.
4. Director of Kin No Hoshi Engineering Co., Ltd.
5. Chairman of Thai Inoac Components Co., Ltd.
6. Director of Sungold Holding Co., Ltd.
7. Director of IRC (Asia) Research Limited
8. Director of Sopa-Kanok Internatioal Co., Ltd.

### Other business: 9

1. Vice Chairman of National Defense College (NDC) Class 26 Committee
2. Vice Chairman of the Federation of Thai Industries
3. Member of the Board of ASEAN Woman Entrepreneur Network (AWEN)
4. Member of the Board of Association of Capital Market Academy (ACMA)
5. Consultant of the Board of Thai Women Engineers, The Engineering Institute of Thailand
6. Global Advisory Board member of Babson College, MA, U.S.A.
7. Member of the Young Thai Entrepreneurs Association (YTEA)
8. Member of the Board of Regional Center for Manufacturing System Engineering (RCMSE), Faculty of Engineering, Chulalongkorn University
9. Member of the Board of government procurement and supplies management sector, the Comptroller General's Department

## Meeting Attendance in 2023

The Annual General Meeting of Shareholders	1/1 time
The Board of Director's Meeting	5/5 times
The Executive Committee's Meeting	5/5 times

## Illegal record in the past 10 years

-None-



Mr. Shigeki  
Yamada

Age: 61 years

**Position:**

President / Chairman of  
the Executive Committee /  
Vice Chairman of the Risk  
Management Committee /  
Authorized Signatory Director

**Date of Appointment**

October 23, 2021

**Shareholding Proportion**

(As at September 30, 2023)

-None-

**Relation with directors and executives**

-None-

**Education**

- Bachelor of Law, Major of Law, Meijo University, Japan

**Training Courses in 2023**

- Work safety officer at management level by Technology Promotion Association (Thailand - Japan)

**Training Record**

-None-

**Work Experiences in the past 5 years**

2021 - Present	<ul style="list-style-type: none"> <li>• President, Chairman of the Executive Committee and Vice Chairman of the Risk Management Committee of Inoue Rubber (Thailand) PCL.</li> <li>• Director of Sungold Holding Co., Ltd.</li> <li>• Director of Thai Inoac Components Co., Ltd.</li> <li>• Director and Executive Director of Kin No Hoshi Engineering Co., Ltd.</li> </ul>
March 2021 – October 2021	<ul style="list-style-type: none"> <li>• General Manager of Overseas Business Division, Inoac Corporation Co., Ltd., Japan</li> </ul>
2019 – 2021	<ul style="list-style-type: none"> <li>• Managing Director of Inoac Vietnam Co., Ltd.</li> </ul>
2018 – 2019	<ul style="list-style-type: none"> <li>• Deputy General Manager in Sales Section of Automotive Division of Inoac Corporation Co., Ltd.</li> </ul>
2016 – 2018	<ul style="list-style-type: none"> <li>• Managing Director of Automotive department for Inoac group company in North America of Inoac Corporation Co., Ltd.</li> </ul>

**Director / Management Position in other business**

**Listed companies**

-None-

**Non-listed companies: 3**

1. Director of Sungold Holding Co., Ltd.
2. Director of Thai Inoac Components Co., Ltd.
3. Director of Kin No Hoshi Engineering Co., Ltd.

**Other business**

-None-

**Meeting Attendance in 2023**

Annual General Meeting of Shareholders	1/1 time
The Board of Director's Meeting	5/5 times
The Executive Committee's Meeting	5/5 times
The Risk Management Committee's Meeting	4/4 times

**Illegal record in the past 10 years**

-None-



Mr. Soichi Inoue

Age: 94 years

Position:  
Director

Date of Appointment:  
December 30, 1993

Shareholding Proportion  
(As at September 30, 2023)  
-None-

### Relation with directors and executives

-None-

### Education

- Bachelor's degree in Economics, Kobe University, Japan

### Training Courses in 2023

-None-

### Training Record

-None-

### Work Experiences in the past 5 years

1993 - Present	• Director of Inoue Rubber (Thailand) PCL.
2000 - Present	• Chairman & CEO of Inoac Corporation Co., Ltd.
1986 - Present	• President of Inoac Technical Center Co., Ltd.
1975 - Present	• President of Inoac International Co., Ltd.
1973 - Present	• President of Inoue Rubber Co., Ltd., Japan

### Director / Management Position in other business

#### Listed companies

-None-

#### Non-listed companies: 4

1. Chairman & CEO of Inoac Corporation Co., Ltd.
2. President of Inoac Technical Center Co., Ltd.
3. President of Inoac International Co., Ltd.
4. President of Inoue Rubber Co., Ltd., Japan

#### Other business

-None-

### Meeting Attendance in 2023

Annual General Meeting of Shareholders	- time
The Board of Director's Meeting	- time

### Illegal record in the past 10 years

-None-



Mr. Thanong  
Leeissaranukul

**Age:** 63 years  
**Position:**  
Director / Authorized  
Signatory Director

**Date of Appointment:**  
December 30, 1993  
**Shareholding Proportion**  
(As at September 30, 2023)  
2.27%

### Relation with directors and executives

Sibling of Mrs. Pimjai Leeissaranukul, Mr. Apichart Leeissaranukul, and Mrs. Porntip Sethiwan

### Education

- Bachelor's degree in Business Administration – Trading, Major of Industrial Marketing, Nanzan University, Japan

### Training courses in 2023

- None -

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 136/2017

### Work Experiences in the past 5 years

1993 – Present	• Director of Inoue Rubber PCL.
2020 – Present	• Director of Pacific Industries (Thailand) Co., Ltd.
2017 – Present	• Chairman of M Vision PCL.
2015 – Present	• Director of Sonic Design (Thailand) Co., Ltd. • Member of Sub-Committee of Public Relations, Organ Donation Center, Thai Red Cross Society
2007 – Present	• Chairman of Kanok-Sopa Foundation
2006 – Present	• Director of Budsayapan Co., Ltd.
2001 – Present	• Executive Chairman of Smart Sport Promotion Co., Ltd.
1998 – Present	• Director of The Studio Production Co., Ltd.
1996 – Present	• President of Bike Clinic Co., Ltd. • Vice Chairman of Daido Sittipol Co., Ltd. • Managing Director of Seng Guan Hong Co., Ltd.
1995 – Present	• Executive Director of Total Energies Marketing (Thailand) Co., Ltd. • Director of Thai Inoac Components Co., Ltd. • Director of Sungold Holding Co., Ltd. • Director of IRC (Asia) Research Limited

1993 – Present	• Director of Sopa-Kanok International Co., Ltd.
1986 – Present	• Managing Director of The Sittipol 1919 Co., Ltd.
1983 – Present	• Director of Thai Stanley Electric PCL.
2003 – 2022	• Director of Wangchula Co., Ltd.
2014 – 2020	• Director of Pacific Auto Parts Co., Ltd.

## Director / Management Position in other business

### Listed companies: 2

1. Chairman, M Vision PCL.
2. Director, Thai Stanley Electric PCL.

### Non-listed companies: 14

1. Director, Sonic Design (Thailand) Co., Ltd.
2. Director, Pacific Industries (Thailand) Co., Ltd.
3. Director, Budsayapan Co., Ltd.
4. Executive Chairman, Smart Sport Promotion Co., Ltd.
5. Director, The Studio Production Co., Ltd.
6. Chairman, Bike Clinic Co., Ltd.
7. Vice Chairman, Daido Sittipol Co., Ltd.
8. Managing Director, Seng Guan Hong Co., Ltd.
9. Executive Director, Total Energies Marketing (Thailand) Co., Ltd.
10. Director, Thai Inoac Components Co., Ltd.
11. Director, Sungold Holding Co., Ltd.
12. Director, IRC (Asia) Research Limited
13. Director, Sopa - Kanok International Co., Ltd.
14. Managing Director, The Sittipol 1919 Co., Ltd.

### Other business: 2

1. Member of Sub-Committee of Public Relations, Organ Donation Center, Thai Red Cross Society
2. Chairman of Kanok-Sopa Foundation

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director's Meeting	4/5 times
Board of Director's Meeting (Non-Executive Directors)	2/2 times

## Illegal record in the past 10 years

-None-





Mr. Apichart  
Leeissaranukul

Age: 60 years

Position:  
Director

Date of Appointment

December 30, 1993

Shareholding Proportion

(As at September 30, 2023)

2.44%

### Relation with directors and executives

Sibling of Mrs. Pimjai Leeissaranukul, Mr. Thanong Leeissaranukul, and Mrs. Porntip Sethiwan

### Education

- Honorary Doctor of Engineering in Industrial Engineering, Rajamangala University of Technology Thanyaburi
- Master's Degree in Business Administration, Oklahoma City University, U.S.A.
- Bachelor's Degree in Business Administration, University of the Thai Chamber of Commerce

### Training Courses in 2023

- Economic Update for CFO by Thai Listed Companies Association

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 8/2011

#### Other Training

- Industrial Business Development and Investment Program for Top Executives Class 1, Institute of Business and Industrial Development (IBID) Ministry of Industry
- Enhancing the financial report quality of listed companies by Thai Listed Companies Association

### Work Experiences in the past 5 years

1993 – Present	• Director of Inoue Rubber (Thailand) PCL.
2021 – Present	• Advisor of Investor Club Association • Director of Mitsubishi Motors Cooperation Council (Thailand) • Director of LEO Global Logistics PCL.
2020 – Present	• Advisor of Thailand-Japan Association
2019 – Present	• Advisor of Toyota Co-operation Club
2018 – Present	• Director of THAI ASEAN-JAPAN Business Meeting (AJBM)
2013 – Present	• Chairman of Thai Stanley Electric PCL.
2006 – Present	• Director of Total Oil (Thailand) Co., Ltd. • Director of PT. Indonesia Stanley Electric
2000 – Present	• Director of Vietnam Stanley Electric Co., Ltd.

1999 – Present	• Chairman of Lao Stanley Co., Ltd.
1997 – Present	• Director of Sirivit - Stanley Co., Ltd. • Director of Daido Sittipol Co., Ltd.
1996 – Present	• Vice Executive Chairman of Asian Stanley International Co., Ltd.
1995 – Present	• Director of Sungold Holding Co., Ltd.
1993 – Present	• Director of Pacific Industry (Thailand) Co., Ltd. • Vice Chairman of Thai Stanley Foundation
1992 – Present	• Director of Sopa-Kanok International Co., Ltd.
2003 – 2022	• Director of Wang Chula Co., Ltd.
2016 – 2021	• Independent Director / Member of the Nomination and Remuneration Committee of LEO Global Logistics PCL.
2004 – 2019	• Director of Investor Club Association

### Director / Management Position in other business

#### Listed companies: 2

1. Chairman of Thai Stanley Electric PCL.
2. Director of LEO Global Logistics PCL.

#### Non-listed companies: 10

1. Director of Total Oil (Thailand) Co., Ltd.
2. Director of PT. Indonesia Stanley Electric
3. Director of Vietnam Stanley Electric Co., Ltd.
4. Chairman of Lao Stanley Co., Ltd.
5. Director of Sirivit - Stanley Co., Ltd.
6. Director of Daido Sittipol Co., Ltd.
7. Vice Executive Chairman of Asian Stanley International Co., Ltd.
8. Director of Sungold Holding Co., Ltd.
9. Director of Pacific Industry (Thailand) Co., Ltd.
10. Director of Sopa-Kanok International Co., Ltd.

#### Other business: 6

1. Advisor of Thailand-Japan Association
2. Director of Investor Club Association
3. Vice Chairman of Thai Stanley Foundation
4. Advisor of Toyota Co-operation Club
5. Director of Mitsubishi Motors Cooperation Council (Thailand)
6. Director of THAI ASEAN-JAPAN Business Meeting (AJBM)

### Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director's Meeting	5/5 times
Board of Director's Meeting (Non-Executive Directors)	2/2 times

### Illegal record in the past 10 years

-None-



Mrs. Porntip  
Sethiwan

Age: 56 years

Position:  
Director

Date of Appointment:  
December 30, 1993  
Shareholding Proportion  
(As at September 30, 2023)  
2.54%

### Relation with directors and executives

Siblings: Mrs. Pimjai Leeissaranukul, Mr. Thanong Leeissaranukul, and Mr. Apichart Leeissaranukul

### Education

- Bachelor’s degree in Business Administration, Chulalongkorn University

### Training Courses in 2023

- None -

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 5/2003
- Role of the Compensation Committee (RCC) Class 17/2013

### Work Experiences in the past 5 years

1993 – Present	• Director of Inoue Rubber (Thailand) PCL.
2006 – Present	• Director of IRC (Asia) Research Limited
1996 – Present	• Vice Chairman of Bike Clinic Co., Ltd. • Director of Daido Sittipol Co., Ltd.
1993 – Present	• Director of Sopa-Kanok International Co., Ltd.
1990 – Present	• Executive Director of the Sittipol 1919 Co., Ltd. • Managing Director of Pacific Industry (Thailand)
1986 – Present	• Director of Seng Guan Hong Co., Ltd.
1980 – Present	• Director of Thai Stanley Electric PCL.
2003 – 2022	• Director of Wangchula Co., Ltd.
2014 – 2020	• Managing Director of Pacific Auto Parts (Thailand) Co., Ltd.

## Director / Management Position in other business

### Listed companies: 1

1. Director of Thai Stanley Electric PCL.

### Non-listed companies: 7

1. Director of IRC (Asia) Research Limited
2. Vice-Chairman of Bike Clinic Co., Ltd.
3. Director of Daido Sittipol Co., Ltd.
4. Director of Sopa-Kanok International Co., Ltd.
5. Executive Director of the Sittipol 1919 Co., Ltd.
6. Managing Director of Pacific Industry (Thailand) Co., Ltd.
7. Director of Seng Guan Hong Co., Ltd.

### Other business

-None-

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director's Meeting	5/5 times
Board of Director's Meeting (Non-Executive Directors)	2/2 times

## Illegal record in the past 10 years

-None-



Mrs. Anchalee  
Chavanich

**Age:** 73 years  
**Position:**  
Independent Director /  
Chairman of the Audit  
Committee

**Date of Appointment:**  
February 14, 2018  
**Shareholding Proportion**  
**(As at September 30, 2023)**  
-None-

#### Relation with directors and executives

-None-

#### Education

- Master's Degree in Engineering Management, University of Missouri-Rolla, U.S.A.
- Bachelor's Degree in Industrial Engineering, Chulalongkorn University

#### Training Courses in 2023

- Refreshment Training Program (RFP 11/2023) Joint Venture Governance by Thai Institute of Directors Association (IOD)
- The Board's Role in Mergers and Acquisition (BMA 5/2023) by Thai Institute of Directors Association

#### Training Record

##### Thai Institute of Directors Association (IOD)

- Subsidiary Governance Program (SGP 2/2022)
- Refreshment Training Program 3/2021: Lessons Learnt from Financial Cases: How Board should
- Refreshment Training Program 2/2021: Leading Your Business through Uncertainties
- Risk Management Program for Corporate Leaders Program 24/2021
- Ethical Leadership Program 23/2021
- Role of the Chairman Program 13/2006
- Finance for Non-Finance Directors 10/2004
- Directors Certification Program 45/2004
- Audit Committee Program 1/2004

##### Other Training

- The Constitutional Court of the Kingdom of Thailand: Rule of Law for Democracy Class 2/2014
- Thailand Energy Academy Class 3/2014
- National Defence College: Advanced Security Management Program Class 3/2012
- College of Administrative: Advanced Administrative Justice Executive Class 4/2012

- Capital Market Academy: Executive Leadership Program 7/2008
- King Prajadhipok’s Institute: Politics and Democratic Governance System Course for Executive Management Class 6/2002
- National Defence College: The Joint State – Private Sector Course Class 11/1998

### Work Experiences in the past 5 years

2018 – Present	• Independent Director / Chairman of the Audit Committee of Inoue Rubber (Thailand) PCL.
2022 – Present	• Director (Non-Executive Director) of WHA Industrial Development PCL.
2020 – Present	• Independent Director/ Chairman of the Audit Committee/ Director of Governance and Sustainability Development Committee of WHA Corporation PCL.
2018 – Present	• Independent Director / Chairman of the Audit and Governance Committee of B. Grimm Power PCL.
2011 – Present	• President of Thai Industrial Estate and Strategic Partner Association
2000 – Present	• Chairman of Coral & Coastal Conservation Foundation
2022 – 2023	• Chairman of the working group of studying guidelines and systems for managing water resources in the main water pipelines in the Eastern Economic Corridor (EEC) of Office of The National Water Resources
2020 – 2023	• Vice Chairman of the Engineering Institute of Thailand
2017 – 2023	• Honorary Advisor of Eastern Economic Corridor (EEC)
2019 – 2022	• Advisor of Energy Committee of the House of Parliament
2018 – 2022	• Honorary Member of the Dhurakij Pundit University Council
2020 - 2021	• Director of Water Management in Eastern Economic Corridor (EEC) Sub - Committee
2017 – 2020	• Director of WHA Industrial Development PCL.

### Director / Management Position in other business

#### Listed companies: 2

1. Independent Director/ Chairman of the Audit Committee of WHA Corporation PCL.
2. Independent Director/ Chairman of the Audit Committee of B. Grimm Power PCL.

#### Non-listed companies: 1

1. Director (Non-Executive Director) of WHA Industrial Development PCL.

#### Other business: 2

1. President of Thai Industrial Estate and Strategic Partner Association
2. Chairman of Coral & Coastal Conservation Foundation

### Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director’s Meeting	5/5 times
Board of Director’s Meeting (Non-Executive Directors)	2/2 times
Audit Committee’s Meeting	4/4 times

### Illegal record in the past 10 years

-None-



Assoc. Prof.  
Jaruporn Viyanant

Age: 79 years

**Position:**

Independent Director /  
Member of Audit Committee /  
Chairman of Corporate  
Governance and Sustainability  
Committee

**Date of Appointment:**

May 13, 2015

**Shareholding Proportion**

(As at September 30, 2023)

-None-

### Relation with directors and executives

-None-

### Education

- Master's Degree in Financial Economics (M.A), Middle Tennessee State University, U.S.A.
- Bachelor's Degree in Accountancy, Thammasat University
- Honorary Higher Diploma of King Prajadhipok's Institute
- Senior Executive Certificate of Association of Capital Market Academy (ACM10)
- Certificate in Financial Management from University of Bath, UK

### Training Courses in 2023

- SET Sustainability Forum by Stock Exchange of Thailand
- Thai economy and capital market driving policy under the government after the election by Federation of Thai Capital Market Organizations
- Business sector's perspective on policies driving the country by Board of Trade of Thailand
- AC Forum 2023: Detection of Accounting Irregularities in Fast Growing Business: The Role of AC by Thai Institute of Directors Association
- BOT Symposium 2023 by Bank of Thailand
- Audit Committee Seminar 2023 by EY Company Limited

### Training Record

#### Thai Institute of Directors Association (IOD)

- Subsidiary Governance Program (1/2022)
- Corporate Governance Report of Thai Listed Company: CGR 2023
- Transform Technology
- Leadership Shape Future
- Audit Committee and Auditor as Key Mechanisms for Improving Financial Report Quality

- National Director Conference 2021 – Leadership Behind Closed Door
- Boards That Make a Difference (BMD 6/2018)
- Director Certificate Program (DCP126)
- Director Certificate Program Update (DCPU 1)
- Audit Committee Program (ACP)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the Internal Audit Function (MIA)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Monitoring the Quality of Financial Reporting (MFR)
- Role of the Compensation Committee (RCC)
- Improving the Quality of Financial Reporting (QFR)
- Advanced Audit Committee Program (AACP)
- Anti-Corruption Executive Program (ACEP)

### Other Training

-None-

### Work Experiences in the past 5 years

2015 – Present	• Independent Director / Member of Audit Committee / Chairman of Corporate Governance and Sustainability Committee of Inoue Rubber (Thailand) PCL.
2020 – Present	• Director of Foundation for Thammasat Chalermprakeit Hospital
2017 – Present	• Independent Director / Chairman of the Audit Committee of BBGI PCL.
2014 – Present	• Independent Director / Audit Committee/ Nomination and Remuneration Committee of Ocean Life Insurance PCL.
2012 – Present	• Independent Director / Chairman of Audit Committee / Chairman of Corporate Governance Committee / Member of Nomination and Remuneration Committee of VGI PCL.
2008 – Present	• Expert of Academic of Finance, Faculty of Commerce and Accountancy, Thammasat University
2014 – 2020	• Sub-Committee of Monitoring and Evaluation, Office of The National Broadcasting and Telecommunications Commission
2012 – 2019	• Member of Audit Committee of Digital Government Development Agency
2018 – 2018	• Audit and Corporate Governance Sub-Committee, Thailand Arbitration Centre, Ministry of Justice



## Director / Management Position in other business

### Listed companies: 2

1. Independent Director / Chairman of Audit Committee / Chairman of Corporate Governance Committee / Member of Nomination and Remuneration Committee of VGI PCL.
2. Independent Director / Chairman of the Audit Committee of BBGI PCL.

### Non-listed companies: 1

1. Independent Director / Audit Committee / Nomination and Remuneration Committee of Ocean Life Insurance PCL.

### Other businesses: 2

1. Expert of Academic of Finance, Faculty of Commerce and Accountancy, Thammasat University
2. Director of Foundation for Thammasat University Hospital

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director's Meeting	5/5 times
Board of Director's Meeting (Non-Executive Directors)	2/2 times
Audit Committee's Meeting	4/4 times
Corporate Governance and Sustainability Committee's Meeting	4/4 times

## Illegal record in the past 10 years

-None-



Mr. Kittichai  
Raktakanit

Age: 63 years

Position:

Independent Director /  
Member of Audit  
Committee

Date of Appointment:  
January 31, 2017

Shareholding Proportion  
(As at September 30, 2023)  
-None-

### Relation with directors and executives

-None-

### Education

- Bachelor’s Degree in Business Administration, Indiana State University, U.S.A.

### Training Courses in 2023

- Advanced Audit Committee Program (AAP 49/2023) by Thai Institute of Directors Association

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Certification Program Class 27/2003
- Audit Committee Program Class 7/2005

#### Other training

- National Defence College: The Joint State – Private Sector Course Class 26/2013

### Work Experiences in the past 5 years

2017 – Present	<ul style="list-style-type: none"> <li>• Independent Director / Member of Audit Committee of Inoue Rubber (Thailand) PCL.</li> <li>• Director of Loxley Property Development Co.,Ltd.</li> </ul>
2019 – Present	<ul style="list-style-type: none"> <li>• Independent Director / Audit and Risk Management Committee member/ Nominating and Compensation Committee member / Corporate Governance Committee member of XSpring Capital PCL.</li> </ul>
2016 – Present	<ul style="list-style-type: none"> <li>• Chairman of Loxley System Integrator Co.,Ltd.</li> <li>• Director of Loxley Evolution Technology Co.,Ltd.</li> </ul>
2015 – Present	<ul style="list-style-type: none"> <li>• Independent Director / Chairman of Corporate Governance Committee / Member of Audit Committee / Member of Nomination and Compensation Committee/ Member of Risk Management Committee of Sansiri PCL.</li> </ul>
2011 – Present	<ul style="list-style-type: none"> <li>• Executive Chairman and Managing Director of L-Elevator and Engineering Co., Ltd.</li> </ul>
2000 – Present	<ul style="list-style-type: none"> <li>• Director of Filatax Planner Co., Ltd.</li> </ul>
2010 – 2020	<ul style="list-style-type: none"> <li>• Vice Executive Chairman of Loxley PCL.</li> </ul>
1997 – 2020	<ul style="list-style-type: none"> <li>• Director of Thai Filatax PCL.</li> </ul>

## Director / Management Position in other business

### Listed companies: 2

1. Independent Director / Audit and Risk Management Committee member / Nominating and Compensation Committee member/ Corporate Governance Committee member of XSpring Capital PCL.
2. Independent Director / Chairman of Corporate Governance Committee/ Member of Audit Committee / Member of Nomination and Compensation Committee / Member of Risk Management Committee of Sansiri PCL.

### Non-listed companies: 5

1. Director, Loxley Property Development Co., Ltd.
2. Chairman, Loxley System Integrator Co., Ltd.
3. Director, Loxley Evolution Technology Co., Ltd.
4. Chair of Executive Board, L-Elevator and Engineering Co., Ltd.
5. Director of Filatax Planner Co., Ltd.

### Other business

-None-

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director's Meeting	5/5 times
Board of Director's Meeting (Non-Executive Directors)	2/2 times
Audit Committee's Meeting	4/4 times

### Illegal record in the past 10 years

-None-



Mr. Surong  
Bulakul

Age: 68 years

Position:

Independent Director /  
Chairman of Risk  
Management Committee

Date of appointment:

November 25, 2015

Shareholding Proportion  
(As at September 30, 2023)

-None-

### Relation with directors and executives

-None-

### Education

- Master of Engineering in Operations Research, Cornell University, New York, U.S.A.
- Master of Business Administration, Cornell University, New York, U.S.A.
- Bachelor of Science in Industrial Engineering and Operations Research, Syracuse University, New York, U.S.A.

### Training Courses in 2023

-None-

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Certificate Program (DCP121/2009)

#### Other training

- Leadership Program Class 10 from Capital Market Academy
- The Joint State – Private Sector Course Class 4919 from National Defence College
- Program for Management Development, Harvard University, Boston, U.S.A.
- Democratic Politics and Governance for High-Level Administrators Program, King Prajadhipok's Institute Thailand, Class 8
- The Program for Senior Executives on Criminal Justice Administration, National Justice Academy, Thailand, Class 15
- Thai Intelligent Investors Program, Thai Investors Academy, Class 1
- Executive Program, Thailand Energy Academy, Class 2
- Leadership Development Program (LDP 2) by Capital Market Academy
- Certificate Course in Good Governance for Medical Executives, King Prajadhipok's Institute and the Medical Council of Thailand, Class 8

## Work Experiences in the past 5 years

2015 – Present	<ul style="list-style-type: none"> <li>Independent Director / Chairman of Risk Management Committee of Inoue Rubber (Thailand) PCL.</li> </ul>
2021 – Present	<ul style="list-style-type: none"> <li>Board of Commissioner of PT Chandra Asri Petrochemical Tbk, Indonesia</li> <li>Independent Director / Member of Audit Committee of Tong Hua Holding PCL.</li> </ul>
2018 – Present	<ul style="list-style-type: none"> <li>Chairman of Audit Committee / Director of Thailand Institute of Justice (Public Organization)</li> <li>Independent Director of National ITMX Co., Ltd.</li> </ul>
2017 – Present	<ul style="list-style-type: none"> <li>Advisor of Thai Listed Companies Association, Stock Exchange of Thailand (SET)</li> <li>Advisor of Federation of Thai Capital Market Organizations (FETCO)</li> </ul>
2016 – Present	<ul style="list-style-type: none"> <li>Director of Bangkok Industrial Gas Co., Ltd.</li> </ul>
2015 – Present	<ul style="list-style-type: none"> <li>Vice Chairman of the Thai Chamber of Commerce</li> </ul>
2020 – 2021	<ul style="list-style-type: none"> <li>Chairman of the Audit Committee / Risk Management Committee, Independent Director / Chairman of Nomination and Remuneration Committee of Wind Energy Holding Co., Ltd.</li> </ul>
2018 – 2020	<ul style="list-style-type: none"> <li>Chairman of Expressway Authority of Thailand</li> <li>Director of Provincial Electricity Authority</li> <li>Director of Tiger Energy Trading Pte. Ltd. (Singapore)</li> </ul>
2017 – 2019	<ul style="list-style-type: none"> <li>Advisor of The Office of the Securities and Exchange Commission (SEC)</li> </ul>
2014 – 2019	<ul style="list-style-type: none"> <li>Chairman of Sakari Resources Ltd. (Singapore)</li> <li>Director of 24M Technologies, Inc. (U.S.A.)</li> </ul>
2013 – 2019	<ul style="list-style-type: none"> <li>Chairman of Global Power Synergy PCL.</li> </ul>

### Director / Management Position in other business

#### Listed companies: 1

1. Independent Director / Audit Committee member of Tong Hua Holding PCL.

#### Non-listed companies: 2

1. Independent Director of National ITMX Co., Ltd.
2. Director of Bangkok Industrial Gas Co., Ltd.

#### Other businesses: 5

1. Chairman of Audit Committee / Director of Thailand Institute of Justice
2. Advisor of Thai Listed Companies Association, Stock Exchange of Thailand (SET)
3. Advisor of Federation of Thai Capital Market Organizations (FETCO)
4. Vice Chairman of the Thai Chamber of Commerce
5. Board of Commissioner of PT Chandra Asri Petrochemical Tbk, Indonesia

### Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director's Meeting	5/5 times
Board of Director's Meeting (Non-Executive Directors)	2/2 times
Risk Management Committee	4/4 times

### Illegal record in the past 10 years

-None-



Mr. Kazuo Sato

Age: 65 years

Position:  
Director

Date of Appointment:  
August 9, 2013

Shareholding Proportion  
(As at September 30, 2023)  
- None -

### Relation with directors and executives

- None -

### Education

- Bachelor's Degree in Polymer Engineering, Nagoya Institute of Technology, Japan

### Work Experiences in the past 5 years

2013 – Present	• Director of Inoue Rubber (Thailand) PCL.
2023 – Present	• Advisor of Inoue Rubber Co., Ltd (Japan)
2016 – 2023	• Director of Inoue Rubber Co., Ltd (Japan)
2013 – 2016	• President of Inoue Rubber (Thailand) PCL.
2007 – 2013	• General Director of Inoue Rubber Co., Ltd. (Vietnam)

### Director / Management Position in other business

#### Listed companies

-None-

#### Non-listed companies: 1

- Advisor of Inoue Rubber Co., Ltd. (Japan)

#### Other business

-None-

### Training Courses in 2023

- None -

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 108/2014


### Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Board of Director's Meeting	5/5 times
Board of Director's Meeting (Non-Executive Directors)	2/2 times

### Illegal record in the past 10 years

-None-

## 2. Information of Executive Directors

 Mr. Takeshi Arakawa	Age: 64 years	Date of Appointment: August 20, 2018
	Position: Managing Director	Shareholding Proportion (As at September 30, 2023) -None-

### Relation with directors and executives

-None-

### Training Courses in 2023

-None-

### Education

- Bachelor's Degree in Mechanical Engineering, Nihon University, Japan

### Training Record

#### Thai Institute of Directors Association (IOD)

- Director Accreditation Program 65/2007

### Work Experiences in the past 5 years

2018 – Present	<ul style="list-style-type: none"><li>• Managing Director of Inoue Rubber (Thailand) PCL.</li><li>• Director and Executive Director of IRC (Asia) Research Limited</li></ul>
2012 – 2018	<ul style="list-style-type: none"><li>• Director of BIMC Co., Ltd.</li></ul>

### Director / Management Position in other business

#### Listed companies

-None-

#### Non-listed companies: 1

1. Director and Executive Director of IRC (Asia) Research Limited

#### Other business

-None-

### Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee's Meeting	5/5 times

### Illegal record in the past 10 years

-None-



Ms. Witchuda  
Kupongsak

Age: 59 years

Position:

Executive Director of  
Administrative and  
Control Unit

Date of Appointment:

January 29, 2013

Shareholding Proportion

(As at September 30, 2023)

-None-

### Relation with directors and executives

-None-

### Education

- Master's Degree in Business Administration, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

### Training Courses in 2023

- VAT by Mr. Saroj. Thongprakum
- Government procurement process (Internal Training) by Ms. Chunchachit Sungmai
- Labor laws regarding an employment (Internal Training) by Mr. Roongroj Ruenrerngong

### Training Record

#### Thai Institute of Directors Association (IOD):

- Director Accreditation Program Class 117/2015
- Ethical Leadership Program Class 2/2015
- Successful Formulation & Execution of Strategy Class 28/2013
- Strategic Financial Leadership Program
- Anti-Corruption Program

#### Other Training:

- Babson Entrepreneurial Leadership Program from Babson College



## Work Experiences in the past 5 years

2015 – Present	• Executive Director of Administrative & Control Unit of Inoue Rubber (Thailand) PCL.
2022 – Present	• Director of Ruammitr Holding Co., Ltd.
2016 – Present	• Director of Thai Inoac Component Co., Ltd.
2001 – Present	• Director of Kin No Hoshi Engineering Co., Ltd.
1998 – Present	• Director of Inoue Rubber Vietnam Co., Ltd.

## Director / Management Position in other business

### Listed companies

-None-

### Non-listed companies: 4

1. Director of Thai Inoac Component Co., Ltd.
2. Director of Kin No Hoshi Engineering Co., Ltd.
3. Director of Inoue Rubber Vietnam Co., Ltd.
4. Director of Ruammitr Holding Co., Ltd.

### Other business

-None-

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee's Meeting	5/5 times

## Illegal record in the past 10 years

-None-



Mr. Akira Tokoro

Age: 58 years

Position:

Executive Director of Tire and Tube Business Unit

Date of Appointment:

May 13, 2022

Shareholding Proportion (As at September 30, 2023)

-None-

### Relation with directors and executives

-None-

### Training Courses in 2023

-None-

### Education

- Bachelor's Degree in Transport Machine Engineering, Nagoya Institute of Technology, Japan

### Training Record

-None-

### Work Experiences in the past 5 years

2022 – Present	• Executive Director of Tire and Tube Business Unit of Inoue Rubber (Thailand) PCL.
2016 – 2022	• Global Tech & QA Department Manager of Inoue Rubber Co., Ltd.

### Director / Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

-None-

#### Other businesses

-None-

### Meeting attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee's Meeting	5/5 times

### Illegal record in the past 10 years

-None-



Mr. Suchart  
Kootiratrakarn

Age: 54 years

Position:

Executive Director of  
Tire & Tube Business  
Unit / Member of Risk  
Management Committee

Date of Appointment:  
August 9, 2013

Shareholding Proportion  
(As at September 30, 2023)  
0.0005%

### Relation with directors and executives

-None-

### Education

- Master of Business Economics, National Institute of Development Administration (NIDA)
- Bachelor of Science, Faculty of Science and Technology (Rubber Technology), Prince of Songkla University

### Training Courses in 2023

- VAT by Mr. Saroj. Thongprakum
- Labor laws regarding an employment (Internal Training) by Mr. Roongroj Ruenrerngwong

### Training Record

#### Thai Institute of Directors Association (IOD):

- How to Develop a Risk Management Plan Class 8/2015
- Financial Statements for Directors Class 18/2012
- Risk Management Committee Program Class 5/2014
- Director Accreditation Program Class 159/2019

#### Other Training:

- CEDI – Babson Entrepreneurial Leadership Program Babson College

## Work Experiences in the past 5 years

2023 – Present	<ul style="list-style-type: none"> <li>Executive Director of Tire &amp; Tube Business Unit of Inoue Rubber (Thailand) PCL.</li> <li>Executive Director of IRC (Asia) Research Limited</li> </ul>
2015 – Present	<ul style="list-style-type: none"> <li>Member of Risk Management Committee of Inoue Rubber (Thailand) PCL.</li> </ul>
2015 – 2023	<ul style="list-style-type: none"> <li>Deputy Executive Director of Tire &amp; Tube Business Unit of Inoue Rubber (Thailand) PCL.</li> <li>Deputy Executive Director of IRC (Asia) Research Limited</li> </ul>

## Director / Management Position in other business

### Listed companies

-None-

### Non-listed companies: 1

- Executive Director of IRC (Asia) Research Limited

### Other business

-None-

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee's Meeting	5/5 times
Risk Management Committee's Meeting	4/4 times

## Illegal record in the past 10 years

-None-



Mr. Tatsuo  
Kubota

Age: 59 years  
Position:  
Executive Director  
of IED Business Unit

Date of Appointment:  
November 25, 2022  
Shareholding Proportion  
(As at September 30, 2023)  
-None-

#### Relation with directors and executives

-None-

#### Education

- Bachelor Degree in Engineering, Meijo University, Japan

#### Training courses in 2023

- Safety Officer for Executive Level Operation by Technology Promotion Association (Thailand - Japan)

#### Training Record

-None-

#### Work Experiences in the past 5 years

2022 – Present	• Executive Director of IED Business Unit of Inoue Rubber (Thailand) PCL.
2022 – Present	• Executive Director of IRC (Asia) Research Limited
2020 – 2022	• Manager of Elastomer Engineering Division of Inoac Corporation Co., Ltd.
2016 – 2020	• Manager of Automotive Design and Engineering Division of Inoac Corporation Co., Ltd.

#### Director / Management Position in other business

##### Listed companies

-None-

##### Non-listed companies

1. Executive Director of IRC (Asia) Research Limited

##### Other business

-None-

#### Meeting attendance for 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee's Meeting	5/5 times

#### Illegal record in the past 10 years

-None-



Mr. Narongchai  
Rattanaekkawin

Age: 53 years

**Position:**

Executive Director of IED  
Business Unit / Member  
of Risk Management  
Committee

**Date of Appointment:**

November 24, 2014

**Shareholding Proportion**

(As at September 30, 2023)

0.005%

### Relation with directors and executives

-None-

### Education

- Master of Science in Computer and Engineering Management (MS-CEM), Assumption University
- Bachelor of Science, Faculty of Science and Technology (Rubber Technology), Prince of Songkla University

### Training Courses in 2023

- VAT by Mr. Saroj. Thongprakum
- Government procurement process (Internal Training) by Ms. Chunchait Sungmai

### Training Record

#### Thai Institute of Directors Association (IOD):

- Successful Formulation & Execution of Strategy Class 28/2016
- How to Develop a Risk Management Plan Class 8/2015
- Risk Management Committee Program Class 5/2014
- Financial Statements for Directors Class 18/2012
- Director Accreditation Program Class 159/2019

#### Other Training:

- Thai Railway Engineer Program, National Science and Technology Development Agency
- ISO 9001:2000 Internal Auditing, Robere & Associates
- ISO/TS 16949:2002 Internal Auditing, Robere & Associates
- ISO 14001 Internal Auditing, Robere & Associates
- CEDI – Babson Entrepreneurial Leadership Program from Babson College

## Work Experiences in the past 5 years

2023 – Present	<ul style="list-style-type: none"><li>Executive Director of IED Business Unit of Inoue Rubber (Thailand) PCL.</li><li>Executive Director of R&amp;D Division of IRC (Asia) Research Limited</li></ul>
2016 – Present	<ul style="list-style-type: none"><li>Director of Kin No Hoshi Engineering Co., Ltd.</li></ul>
2015 – Present	<ul style="list-style-type: none"><li>Member of Risk Management Committee of Inoue Rubber (Thailand) PCL.</li></ul>
2013 – Present	<ul style="list-style-type: none"><li>Director of IRC (Asia) Research Limited</li></ul>
2015 – 2023	<ul style="list-style-type: none"><li>Deputy Executive Director of IED Business Unit of Inoue Rubber (Thailand) PCL.</li><li>Deputy Executive Director of R&amp;D Division of IRC (Asia) Research Limited</li></ul>

## Director / Management Position in other business

### Listed companies

-None-

### Non-listed companies: 2

1. Director of Kin no Hoshi Engineering Co., Ltd.
2. Director and Executive Director of IRC (Asia) Research Limited

### Other businesses

-None-

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee's Meeting	5/5 times
Risk Management Committee's Meeting	4/4 times

## Illegal record in the past 10 years

-None-



Mr. Hiroyuki  
Hibi

Age: 60 years  
Position:  
Executive Director

Date of Appointment:  
February 12, 2016  
Shareholding Proportion  
(As at September 30, 2023)  
-None-

#### Relation with directors and executives

-None-

#### Education

- Bachelor’s Degree in Economics,  
Ritsumeikan University

#### Training Courses in 2023

-None-

#### Training Record

-None-

#### Work Experiences in the past 5 years

2016 – Present	<ul style="list-style-type: none"> <li>• Executive Director of Inoue Rubber (Thailand) Public Co., Ltd.</li> <li>• Director of Kin no Hoshi Engineering Co., Ltd.</li> </ul>
2021 – Present	<ul style="list-style-type: none"> <li>• Commissioner of PT. Inoac Polytechno Indonesia</li> </ul>
2015 – Present	<ul style="list-style-type: none"> <li>• Director of Inoac Tokai Thailand Co.,Ltd.</li> </ul>
2018 – 2021	<ul style="list-style-type: none"> <li>• Corporate Officer of Rubber and Elastomer Division of Inoac Co., Ltd.</li> </ul>

#### Director / Management Position in other business

##### Listed companies

-None-

##### Non-listed companies: 3

1. Commissioner of PT. Inoac Polytechno Indonesia
2. Director of Kin no Hoshi Engineering Co., Ltd.
3. Director of Inoac Tokai Thailand Co., Ltd.

##### Other business

-None-

#### Meeting attendance for 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee’s Meeting	2/5 times

#### Illegal record in the past 10 years

-None-





Mr. Kazuaki  
Yamada

Age: 57 years  
Position:  
Executive Director

Date of Appointment:  
August 15, 2019  
Shareholding Proportion  
(As at September 30, 2023)  
-None-

#### Relation with directors and executives

-None-

#### Training Courses in 2023

-None-

#### Education

- Bachelor's Degree in Accounting, Shiga University, Japan

#### Training Record

-None-

#### Work Experiences in the past 5 years

2019 – Present	• Executive Director of Inoue Rubber (Thailand) Co., Ltd.
2021 – Present	• Accounting Manager of Inoac Housing & Construction Material Co., Ltd.
2015 – Present	• Advisor of Inoac (Thailand) Co., Ltd.

#### Director / Management Position in other business

##### Listed companies

-None-

##### Non-listed companies

1. Accounting Manager of Inoac Housing & Construction Material Co., Ltd.
2. Advisor of Inoac (Thailand) Co., Ltd.

##### Other business

-None-

#### Meeting attendance for 2023

Annual General Meeting of Shareholders	0/1 time
Executive Committee's Meeting	2/5 times

#### Illegal record in the past 10 years

-None-



Ms. Praewphan  
Songhong

Age: 53 years

**Position:**

Chief Financial Officer /  
Executive Director / Member of  
Risk Management Committee /  
Manager of Finance Division

**Date of Appointment:**

May 11, 2021

**Shareholding Proportion**

(As at September 30, 2023)

-None-

### Relation with directors and executives

-None-

### Education

- Master of Business Administration, Major of Finance, Eastern Asia University
- Bachelor of Business Administration, Major of Accounting, Rajamangala University of Technology Suvarnabhumi, Wasukri Campus

### Training Courses in 2023

- TLCA CFO CPD No. 8/2022: “ESG Bonds in Corporate Financing” by Thai Listed Companies Association
- TLCA CFO CPD No. 5/2023: “RPA (Robotic Process Automation) in finance and Accounting” by Thai Listed Companies Association
- TLCA CFO CPD No. 6/2023: “What is the Future of the CFO Role?” by Thai Listed Companies Association
- Financial Fraud by Federation of Accounting Professions
- ESG Risk Management by Federation of Accounting Professions
- J-SOX: Internal Control, Principle Concept and Implementation by Federation of Accounting Professions
- CFO & Tax Forum: Leading through Change (ESG Risk Management) by EY Company Limited

## Training Record

### Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 195/2022
- Financial Statements for Directors (FSD)

### The Federation of Accounting Professions

- Digital Transformation for Accountant Class 1/2022 Forensic Accounting

### Other Training

- Carbon Tax by Fiscal Policy Research Institute Foundation – TFRS 9 and Accounting relief measures from covid 19 by NYC MANAGEMENT Co., Ltd.
- TFRS 9 and Related Financial Reporting Standards for Non-Financial Institutions by NYC MANAGEMENT Co., Ltd.
- Transfer Pricing between the related companies by NYC MANAGEMENT Co., Ltd.
- Strategic CFO in Capital Markets by SET

## Work Experiences in the past 5 years

2021 – Present	• Executive director of Inoue Rubber (Thailand) PCL.
2020 – Present	• Manager of Accounting Division of Inoue Rubber (Thailand) PCL.
2017 – Present	• Member of Risk Management Committee of Inoue Rubber (Thailand) PCL.
2016 – Present	• Chief Financial Officer of Inoue Rubber (Thailand) PCL.
2017 – 2020	• Manager of Accounting and Finance Division of Inoue Rubber (Thailand) PCL.
2008 – 2017	• Senior Manager of Accounting Department of Inoue Rubber (Thailand) PCL.

## Director / Management Position in other business

### Listed companies

-None-

### Non-listed companies

-None-

### Other businesses

-None-

## Meeting Attendance in 2023

Annual General Meeting of Shareholders	1/1 time
Executive Committee's Meeting	5/5 times
Risk Management Committee's Meeting	4/4 times

## Illegal record in the past 10 years

-None-

### 3. Information of the person assigned to take direct responsibility for accounting supervision

Ms. Pim Aroonsuntiroj

Age: 30 years

Position: Manager of Finance Division

Date of appointment: 1 October 2019

Shareholding Proportion(As at 30 September 2023): -None-

#### Relation with directors and executives

-None-

#### Education

- Bachelor of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University

#### Training Courses in 2023

- Transfer Pricing Tax Certificate Course Class 1 by Fiscal Policy Research Institute
- TLCA CFO CPD No. 8/2022: “ESG Bonds in Corporate Financing” by Thai Listed Companies Association
- ESG Risk Management Course: Practical Challenges by Federation of Accounting Professions

#### Training Record

##### Thai Listed Companies Association

- TLCA CFO CPD No. 7/2022: “Introduction to Sustainable Finance” by Thai Listed Companies Association
- TLCA CFO CPD No. 6/2022: “Role of CFO towards Sustainability of organization” by Thai Listed Companies Association
- TLCA CFO CPD No. 3/2022: “PDPA for Accounting and Finance” by Thai Listed Companies Association

##### Federation of Accounting Professions

- RPA Accountant Robot
- Digital Transformation for Accountants
- From TAS18 to TFRS15 (Bridge Over Troubled Water)
- Create an understanding of the principles of drafting the new financial reporting standard TFRS16

### Other Training

- Summary main point of TFRS for PAEs and important changes in 2021 by The Stock Exchange of Thailand
- Guidelines for preparing Financial Report of Company affected from COVID-19 by The Stock Exchange of Thailand
- “Financial Management Strategy to recover organization and growth in New Normal life” by The Stock Exchange of Thailand
- How new TFRS effect to Financial Report (Analysis aspect) by NYC Management Co., Ltd.
- TFRS 9 Accounting for Financial Instruments for Non-financial Institution by NYC Management Co., Ltd.

### Work Experiences in the past 5 years

2023 – Present	• Manager of Finance Division of Inoue Rubber (Thailand) PCL.
2018 – 2023	• Chief of Accounting Analysis & Forecasting, Finance Division of Inoue Rubber (Thailand) PCL.

### Illegal record in the past 10 years

-None-

## 4. Information of the Company Secretary

Ms. Kittunya Naruepracha

Age: 31 years

Position: Company Secretary / Chief Investor Relations

Date of Appointment: 9 November 2018

Shareholding Proportion (As at 30 September 2023): -None-

### Relation with directors and executives

-None-

### Education

- Master's Degree of Financial Economics, University of Exeter, UK
- Bachelor's Degree of Economics (International Course), Chulalongkorn University

### Training Courses in 2023

- TLCA CFO CPD No. 7/2023 "Economic Update for CFO (No.2)" by Thai Listed Companies Association
- ESG disclosure guidelines in One Report by Thai Listed Companies Association
- The Corporate Responsibility to Respect Human Rights by Thai Listed Companies Association
- Preparation of reports on conflicts of interest and policies on the use of inside information by Thai Listed Companies Association
- IR Sharing 4/2023 "How to Improve Your IR strategy from Basic to Advanced?" by Thai Listed Companies Association
- Techniques for organizing committee meetings by Thai Listed Companies Association
- IR Sharing 2/2023 "Simplifying the IR Message" by Thai Listed Companies Association

### Training Record

#### Thai Institute of Directors Association (IOD)

- Certificate in Investor Relations 2017
- Fundamentals for Corporate Secretaries
- Anti-Corruption: The Practical Guide (ACPG 45/2018)

#### Thai Listed Companies Association

- Directors Nomination and Appointment
- Techniques for preparing minutes of meetings
- Preparing for PDPA Enforcement for Company Secretary
- Putting Circular Economy Principles into Practice

### Other Training

- Principle of Good Corporate Governance of listed company in 2017
- Assist your BOD in leading through disruptions with CG perspective: CG Code Workshop from Deloitte

### Work Experiences in the past 5 years

2018 – Present	• Company Secretary Inoue Rubber (Thailand) PCL.
2017 – Present	• Chief Investor Relations Inoue Rubber (Thailand) PCL.
2017 – 2018	• Secretary of Good Corporate Governance and Social Responsibility Committee Inoue Rubber (Thailand) PCL. • Secretary of Risk Management Committee Inoue Rubber (Thailand) PCL.
2016 – 2017	• Assistant Chief Investor Relations Inoue Rubber (Thailand) PCL.

### Illegal record in the past 10 years

-None-

Director		Subsidiaries		Related Companies
		IAR	KIN	IRV
Mrs. Pimjai	Leeissaranukul	/, //, X	/, //, X	-
Mr. Shigeki	Yamada	-	/, //, X	-
Mr. Thanong	Leeissaranukul	/	-	-
Mrs. Porntip	Sethiwan	/	-	-
Mr. Takeshi	Arakawa	/, //, X	-	-
Ms. Witchuda	Kupongsak	-	/	/
Mr. Narongchai	Rattanaekkawin	/, //	/	-
Mr. Suchart	Kootiratrakarn	//	-	-
Mr. Hiroyuki	Hibi	-	/	-

Data as at September 30, 2023

### Symbols indicate positions

/	Director	IAR	IRC (ASIA) RESEARCH LIMITED
//	Executive Director	KIN	KIN NO HOSHI ENGINEERING COMPANY LIMITED
X	Authorized Signatory Director	IRV	INOUE RUBBER VIETNAM COMPANY LIMITED



Ms. Wannapa Yoosabai

Age: 31 Years

Position: Chief of Internal Audit Department

### Educational qualification

Bachelor of Accountancy, Faculty of Accountancy, Rangsit University

### Training Record

#### Political Science Association of Kasetsart University

- How to do the internal control assessment from Political Science Association of Kasetsart University
- PDPA for internal audit from Political Science Association of Kasetsart University

#### Federation of Accounting Professions under the Royal Patronage of His Majesty the King

- Senior management accountant (TCMA) from Federation of Accounting Professions

#### The Revenue Department

- Transfer pricing from The Revenue Department

### Work Experiences in past 5 years:

2021 – August 2023	Chief of Internal Audit Department	Inoue Rubber (Thailand) PCL.
2019 – 2021	Senior Internal Auditor	Grant Thornton Thailand Co., Ltd.
2015 – 2019	Auditor	S P Audit Co., Ltd.

### Director / Management Position in Listed companies

-None-

### Director / Management Position in Non-listed companies / Other businesses

-None-

### Shareholding Proportion (As at September 30, 2023):

-None-

### Relation with Directors and executives:

-None-

The details of important assets used in the Company's business operations and subsidiaries as of September 30, 2023 are as follows:

### 1. Primary Fixed Assets and Intangible Assets

Types of Assets	Types of Asset Ownership	Book Value (million Baht)	Obligation
<b>Lands</b>			
Thanyaburi District, Pathum Thani Province Area: 34 rai, 1 ngan, 69 square wa	Sole Ownership	21.52	No Obligation
Wang Noi District, Ayutthaya Province Area: 52 rai, 1.5 square wa	Sole Ownership	115.59	No Obligation
<b>Office Buildings and Factories</b>			
Thanyaburi District, Pathum Thani Province	Sole Ownership	98.05	No Obligation
Wang Noi District, Ayutthaya Province	Sole Ownership	96.21	No Obligation
<b>Machinery and Equipment</b>	Sole Ownership	988.24	No Obligation
<b>Other Equipment</b>	Sole Ownership	17.64	No Obligation
<b>Investment Property</b>	Sole Ownership	9.62	No Obligation
<b>Vehicles</b>	Sole Ownership	8.09	No Obligation
<b>Computer Programs</b>	Sole Ownership	33.59	No Obligation
<b>Projects Under Construction</b>	Sole Ownership	141.18	No Obligation

### 2. Intangible Assets

Inoue Rubber (Thailand) Public Co., Ltd. and the subsidiaries have trademarks and patents of their products as follows:

Types of Products	Protection Period
<b>Trademarks</b>	
๓39895	10 Years
๓39894	10 Years
๓65995	10 Years
๓63317	10 Years
๓50143	10 Years
๓94164	10 Years

Types of Products	Protection Period
ก234953	10 Years
ก311326	10 Years
ก333569	10 Years
171121782	10 Years
211122851	10 Years
191115220	10 Years
ข5933	10 Years
<b>Patents</b>	
61462	10 Years
18568	10 Years
18843	10 Years
19430	10 Years
88170	10 Years
89079	10 Years

### Investment in Subsidiaries and Associates Policy

The Company has the Investment and Management in Subsidiaries policy that shall invest in the businesses that make benefits and encourage the Company's operation in order to strengthen the stability and performance of the Company. Moreover, in the case that the Company invests in other companies for more than 50% of such company's shareholding, the Board of Directors shall assign the Executive Committee to appoint the representatives who are the Company's directors or executives to be directors or controlling persons of such subsidiaries, to have the transparent and effective governance and internal control system, as well as to disclose significant information accurately and in a timely manner.

### Information Disclosure on the Asset Valuation

The Company has been revalued its assets during the accounting period as of September 30, 2023 by Future Appraisal Co., Ltd. and Agency for Real Estate Affairs Co., Ltd. The aforementioned companies are independent appraisers with both qualifications and experience in the locations and types of investment property being valued (The details are in Note 14 of the financial statements).

## Attachment 5 Handbook of Good Corporate Governance



Please scan QR Code to see the Good Corporate Governance Policy (2023 Version) or on the Company's Website: <http://www.ircthailand.com/en/investor/corporate/charters>

# GRI

performance





## Economic Performance

GRI	Topics	Unit	2021	2022	2023
Disclosure 201-1	<b>Revenue</b>				
	Sales and services	Million THB	5,297.38	5,883.16	5,417.21
	Total Revenue	Million THB	5,371.10	5,951.09	5,476.96
	Net profit	Million THB	340.03	109.94	159.77
	EBIT	Million THB	421.06	483.26	512.99
	<b>Expenditure for income contribution to stakeholders</b>				
	COGs	Million THB	4,577.50	5,442.81	4,926.64
	Employee benefit obligations	Million THB	349.72	285.81	297.15
	Corporate Income Tax / Tax payment to government and local authorities	Million THB	80.97	12.38	10.33
	Community Investment / Community and Social Development	Million THB	1.74	1.53	1.6
	Dividend payment to shareholders (waiting for 2022 AGM approval)	Million THB	170.01	55.93	80.30
Dividend payment to shareholders	Baht/share	0.88	0.29	0.42	
Disclosure 204-1	<b>Supply chain management</b>				
	Local purchases of goods and services	Million THB	4,644.47	3,118.86	2,644.01
	Percentage of local purchases of goods and service	Percentage	86.29	79.70	81.75
Disclosure 205-2	<b>Anti-corruption</b>				
	Percentage of employees that acknowledge anti-corruption policies	Percentage	100	100	100
	Confirmed incidents of corruption and action taken	Case	0	0	0

## Social Performance

GRI	Topics	Unit	2021	2022	2023
Disclosure 102-8	1. Employment				
	*The Company has an exclusive employment policy. There are no temporary, part-time, or self-employment and no seasonal difference in manpower				
Disclosure 401-1	Employee	Persons	1,343	1,319	1,288
	<b>By Gender:</b>				
	Male	Persons	847	755	827
	Female	Persons	496	564	461
	<b>By Level:</b>				
	<b>Worker/ Skilled Worker</b>				
	Male	Persons	492	390	455
	Female	Persons	349	412	313
	Total	Persons	841	802	768
	<b>Staff Level</b>				
	Male	Persons	11	12	11
	Female	Persons	20	23	23
	Total	Persons	31	35	34
	<b>Foreman Level</b>				
	Male	Persons	160	172	172
	Female	Persons	22	18	21
	Total	Persons	182	190	193
	<b>Chief Level</b>				
	Male	Persons	141	133	138
	Female	Persons	91	97	89
Total	Persons	232	230	227	
<b>Specialist Level</b>					
Male	Persons	6	8	6	
Female	Persons	1	1	1	
Total	Persons	7	9	7	

GRI	Topics	Unit	2021	2022	2023
	<b>Manager Level</b>				
	Male	Persons	28	31	35
	Female	Persons	10	10	11
	Total	Persons	38	41	46
	<b>Division Manager Level</b>				
	Male	Persons	7	7	8
	Female	Persons	1	1	1
	Total	Persons	8	8	9
	<b>Top Management Level</b>				
	Male	Persons	2	2	2
	Female	Persons	2	2	2
	Total	Persons	4	4	4
	<b>By Age:</b>				
	Less than 30	Persons	202	188	180
	Between 30-50	Persons	977	970	908
	More than 50	Persons	164	161	200
	<b>By Generation:</b>				
	Baby Boomer age 55-73 years	Persons	46	49	37
	GEN X age 40-54 years	Persons	614	647	637
	GEN Y age 22-39 years	Persons	683	622	580
	GEN Z age less than 22 years	Persons	0	1	34
	<b>By Area:</b>				
	Rangsit site	Persons	706	691	658
	Wang Noi site	Persons	637	628	630
	<b>By Business Unit:</b>				
	Admin & Control	Persons	116	127	115
	Motorcycle Tire & Tube	Persons	588	563	539
	IED	Persons	498	491	497
	IRC (Asia) Research Limited	Persons	120	117	117
	Kin no Hoshi Engineering Co., Ltd.	Persons	21	21	20



GRI	Topics	Unit	2021	2022	2023
Disclosure 102-8	Total Employees Turnover	Persons	67	105	161
	<b>By Gender:</b>				
Disclosure 401-1	Male	Persons	42	65	111
	Female	Persons	25	40	50
	<b>By Age:</b>				
	Less than 30 years	Persons	34	58	81
	Between 30-50 years	Persons	25	28	58
	More than 50 years	Persons	8	19	22
	<b>By Area:</b>				
	Rangsit site	Persons	27	54	73
	Wang Noi site	Persons	40	51	88
	Total New Employees	Persons	38	80	101
	<b>By Gender:</b>				
Male	Persons	23	50	76	
Female	Persons	15	30	25	
<b>By Age:</b>					
Less than 30 years	Persons	36	75	89	
Between 30-50 years	Persons	2	5	12	
More than 50 years	Persons	0	0	0	
<b>By Area:</b>					
Rangsit site	Persons	21	45	41	
Wang Noi site	Persons	17	35	60	
Disclosure 401-3	<b>Parental Leave</b>				
	Parental Leave	Persons	7	8	12
	Employees back to work after parental leave	Persons	6	8	12

GRI	Topics	Unit	2021	2022	2023
<b>Disclosure</b>	<b>2. Employee Development</b>				
<b>401-1</b>	Total training hours	Hour	30,770	34,923	38,905
	Average training hours	Hour/ employee	38	36	30
	<b>By Gender:</b>				
	Male	Hours/ Person/ Year	43.17	37.59	47.30
	Female	Hours/ Person/ Year	45.23	36.00	42.19
	<b>By Level:</b>				
	Worker/ Skilled Worker	Hours/ Person/ Year	37.89	40.47	38
	Staff level	Hours/ Person/ Year	37.54	26.05	35.00
	Foreman level	Hours/ Person/ Year	44.43	38.18	43.00
	Chief level	Hours/ Person/ Year	32.29	40.26	47.00
	Manager up level	Hours/ Person/ Year	31.68	25.94	25.39
	Reskill-Upskill Program	Program	22	18	21
	<b>Disclosure</b>	<b>3. Labour and Human Rights</b>			
<b>412-2</b>	Total hours of employee training to human right policies or procedures concerning aspects of human rights	Percentage	100	100.00	100.00
	Labour and Human Right Complaint	Case	0	0	0
<b>Disclosure</b>	<b>4. Occupational Health and Safety</b>				
<b>403-1</b>	<b>Percentage of total workforce represented in formal joint management</b>				
	Worker health & safety members	Percentage	100	100	100

GRI	Topics	Unit	2021	2022	2023
	<b>Injuries, Illness, Fatalities, and Safety in Production Processes</b>				
	<b>Total Work Hour</b>				
	Employees	Hours	3,847,281	3,748,258	2,832,736
	Worker controlled by IRC	Hours	586,425	569,532	547,271
	<b>Total Recordable Injuries Case (TRIC)</b>				
	Employees	Persons	14	7	10
	Worker controlled by IRC	Persons	3	2	2
	<b>Lost Time Accident (LWC)</b>				
	Employees	Case	3	1	2
	Worker controlled by IRC	Case	0	0	1
	<b>Fatalities</b>				
	Employees	Case	0	0	0
	Worker controlled by IRC	Case	0	0	0
	<b>Lost Time Injury Frequency Rate (LTIFR)</b>				
	Employees	Person / Million man-hr	1.76	0.48	1.45
	Worker controlled by IRC	Person / Million man-hr	0	0	0
	<b>Lost Time Injury Frequency Rate (TRIR)</b>				
	Employees	Person / Million man-hr	7.85	3.98	5.35
	Worker controlled by IRC	Person / Million man-hr	5.12	3.51	0.17
	<b>Injury Frequency Rate (IFR)</b>				
	Employees	Person / Million man-hr	1.76	0.48	1.70
	Worker controlled by IRC	Person / Million man-hr	0	0	0

GRI	Topics	Unit	2021	2022	2023
	<b>Occupational Disease Rate (ODR)</b>				
	Employees	Persons	0	0	0
	Worker controlled by IRC	Persons	0	0	0
	<b>Lost Day Rate</b>				
	Employees	Percentage	0.48	42.53	1.62
	Accidents in the production process	Case	17	9	12
	* Injuries are excluded first aid in the injury rate (IR) and lost day count begins the scheduled work day after the accident				
	<b>Safety Day Activity</b>				
	Target	Percent of total employees	30%	30%	90%
	Operational Result	Percentage	40%	50%	92%
	<b>Safety Simulation Room Training</b>				
	Operational Result	Percent of total employees	100.00%	100.00%	100.00%
	Operational Result	Percentage	98.69%	98.40%	100.00%
	<b>Fire Evacuation Drill</b>				
	Target	Times/year	1	1	2
	Operational Result	Times/year	1	1	2
<b>Disclosure 102-43</b>	<b>5. Customer Responsibility</b>				
	<b>Customer Satisfaction Survey</b>				
	Tire-Tube Business Unit	Percentage	94.9	94.84	94.94
	IED Business Unit	Percentage	88.86	91.00	93.50
<b>Disclosure 416-2</b>	No. of incidents of non-compliance with regulations and voluntary codes concerning customers' safety	Case	0	0	0
<b>Disclosure 417-2</b>	No. of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	Case	0	0	0

GRI	Topics	Unit	2021	2022	2023
<b>Disclosure 417-3</b>	No. of incidents of non-compliance with regulations and voluntary codes concerning marketing communication	Case	0	0	0
<b>Disclosure 418-1</b>	No. of incidents of substantiated compliances regarding breaches of customer privacy	Case	0	0	0
<b>Disclosure 414-1</b>	<b>6. Supplier Social Assessment</b>				
	New suppliers screened by Human Rights criteria	Percentage	100	100	100
	New suppliers screened by Labour Practice criteria	Percentage	100	100	100
	New suppliers screened by negative impacts on society criteria	Percentage	100	100	100
<b>Disclosure 414-2</b>	Number of suppliers subjected to Human Rights	Case	0	0	0
	Number of suppliers subjected to Labour Practice	Case	0	0	0
	Number of suppliers subjected to negative impacts on society	Case	0	0	0
<b>Disclosure 419-1</b>	<b>7. Socioeconomic Compliance</b>				
	Number of fines for non-compliance with laws and regulations	Case	0	0	0
	Amount of fines for non-compliance with laws and regulations	Baht	0	0	0

## Environmental Performance

GRI	Topics	Unit	2021	2022	2023
Disclosure 302-3	<b>Total Energy Consumption within the Organization</b>	GJ	308,597	321,371	286,512
	<b>Non-Renewable Energy Consumption</b>				
	<b>Energy:</b>				
	Natural Gas (LPG)	GJ	2,217	14,569	2,435
	Bunker oil/ Fuel oil	GJ	159,492	159,701	151,085
	<b>Electricity and Steam:</b>				
	Electricity	GJ	144,002	145,980	132,015
	Steam	GJ	0	0	-
	<b>Other:</b>				
	<b>Renewable Energy</b>				
	Solar	GJ	7,569	7,884	8,344
	Biomass and Biogas	GJ	-	-	-
Energy Intensity	GJ/production tons	17.44	17.51	17.71	
Disclosure 302-4	<b>Reduction of energy consumption</b>				
	Electricity	GJ	226	1,629	7,547
	Steam	GJ	226	0	-
	Bunker oil/ Fuel oil	GJ	0	0	-
Disclosure 305-1	<b>Greenhouse gas (GHG) emissions</b>				
	Direct GHG emissions from production processes (SCOPE 1)	tCO <sub>2</sub> e	13,186	14,069	12,797
Disclosure 305-2	Indirect GHG emissions from power and biogas purchased (SCOPE 2)	tCO <sub>2</sub> e	21,091	21,666	18,362
Disclosure 305-4	<b>GHGs Emission Intensity</b>				
	Rangsit	tCO <sub>2</sub> e/production tons	1.37	1.40	1.39
	Wang Noi	tCO <sub>2</sub> e/production tons	0.56	0.55	0.47

GRI	Topics	Unit	2021	2022	2023
Disclosure 305-7	<b>Air Emissions</b>				
	CO2	Tons	NONE	NONE	NONE
	CO2 Intensity	Tons / Production tons	NONE	NONE	NONE
	SOx	ppm			
	Total Suspended Particulate Matter: TSP	Tons	NONE	NONE	NONE
	TSP Intensity	Tons / Production tons	NONE	NONE	NONE
Disclosure 303-1	<b>Water</b>				
	Total water used	m <sup>3</sup>	176,309	173,745	168,516
	Water supply used	m <sup>3</sup>	95,554	103,695	109,419
	Ground water used	m <sup>3</sup>	80,755	70,050	59,097
	Water used from other sources	m <sup>3</sup>	0	0	0
	Water Intensity	m <sup>3</sup> / production tons	9.87	9.39	10.00
Disclosure 303-3	Reused and Recycled water	m <sup>3</sup>	NONE	14,164	24,191
	Percentage of water recycled and reused to total water withdrawal	Percentage	NONE	15	28
Disclosure 306-1	<b>Effluent</b>				
	Biochemical Oxygen Demand: BOD	mg/l	10.92	4.13	3.05
	Chemical Oxygen Demand:COD	mg/l	63.42	31.00	32.00
	Oil and Grease	mg/l	4.00	3.15	3.00
	Total Dissolved Solid: TDS	mg/l	547.42	405.50	398.00

GRI	Topics	Unit	2021	2022	2023
Disclosure 306-2	<b>Waste Disposal</b>				
	Total waste	Tons	2,147	3,401	1,175
	<b>Hazardous Waste</b>				
	Hazardous waste that cannot be sold	Tons	586.24	563.95	182
	Hazardous waste that can be sold	Tons	64.18	67.15	4
	Hazardous waste that can be sold	Baht	303,957	323,700	43,540
	<b>Non-Hazardous Waste</b>				
Recycling of non-hazardous waste	Tons	1,496	2,777	989	
Disclosure 306-2	Return from selling	Baht	5,094,978	878,301	6,242,838
Disclosure 306-3	<b>Oil and Chemical Spills</b>				
	Number of significant oil and chemical spills (more than 100 Barrels each)	Case	0	0	0
Disclosure 308-1	<b>Supply Chain Management</b>				
	New suppliers / key suppliers were self-assessed on SCOC criteria	Percentage	100	100	100
Disclosure 307-1	<b>Environmental Compliance</b>				
	Number of significant fines associates with environmental law violation	Case	0	0	0
	Monetary value of significant fines associated with environmental law violation	Baht	0	0	0
Disclosure 308-1	New suppliers were self-assessed on SCOC criteria	Percentage	100	100	100
Disclosure 308-2	New suppliers found environmental issues	Case	0	0	0







**DRIVE The Creative Innovation**

Inoue Rubber (Thailand) Public Company Limited

258 Soi Rangsit - Nakornnayok 49, Prachathipat,  
Thunyaburi, Pathum Thani 1213

Tel: 02-996-0890 Email: [info@ircthailand.com](mailto:info@ircthailand.com)

[www.ircthailand.com](http://www.ircthailand.com)