



Minutes of the 2014 Annual General Meeting of Shareholders  
Inoue Rubber (Thailand) Public Company Limited  
Hold on Wednesday, January 29, 2014  
At Vitya Memorial Hall 2<sup>nd</sup> Floor  
157 Moo. 5 Phaholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170

The meeting commenced at 14.00 hours

Mrs. Pimjai Leeissaranukul, Chairman, welcomed shareholders on behalf of the Board of Directors and assigned Ms. Jaithip Chusatitsatienchoke, Company Secretary to act as Secretary of the meeting and introduce directors, executive directors and related parties who attended the meeting as follows:

Directors

- |                                       |  |
|---------------------------------------|--|
| 1. Mrs. Pimjai Leeissaranukul         | Chairman   |
| 2. Mr. Kazuo Sato                     | President  |
| 3. Assoc.Prof.Dr. Chesada Loha-unchit | Chairman of Audit Committee / Independent Director   |
| 4. Mr. Vichit Vuthisombut             | Member of the Audit Committee / Independent Director |
| 5. Ms. Chaovana Viwatpanachati        | Member of the Audit Committee / Independent Director |
| 6. Mr. Thanong Leeissaranukul         | Director   |
| 7. Mr. Apichart Leeissaranukul        | Director   |
| 8. Mrs. Porntip Setiwan               | Director   |

Executive Directors

- |                             |                               |
|-----------------------------|-------------------------------|
| 1. Mr. Takenori Nakamoto    | 2. Ms. Witchuda Kupongsak     |
| 3. Mr. Jatupol Lawhachainam | 4. Mr. Suchart Kootiratrakarn |

Related Parties

- |   |   |
|---|---|
| Mrs. Nattaporn Phan-udom and Mr. Sirawat Sangmahachai | External Auditors from PricewaterhouseCoopers ABAS Ltd.   |
| Mrs. Yaowarote Klinboon                               | Legal Consultant from Weerawong, Chinnavat & Peangpanor Ltd., who acted as a meeting observer and an independent mediator in counting votes |
| Ms. Preawphan Songhong                                | Senior Accounting Manager   |
| Ms. Supeeranat Jaruswattanawan                        | Investor Relations Officer who acted as a translator  |





To make the meeting run smoothly, Secretary of the meeting was assigned to summarize a quorum and explain the vote counting procedure on each agenda as follows:

The Secretary of the meeting informed the meeting that there were 80 shareholders and proxy grantors who presented at the meeting, holding altogether 146,146,918 shares, or 73.07% of total shares which were more than one-third of the Company's total issued shares. A quorum therefore constituted in accordance with the Articles of Association of the Company. The Secretary stated the voting procedure as the following:

When the quorum was formed, the Chairman opened the meeting and asked Secretary of the meeting to explain the voting and counting procedures to the meeting.

- Shareholders shall have voting rights equal to the amount of shares held by them. One share shall be equivalent to one vote. Each shareholder may vote for, vote against, or abstain on each agenda by using the ballots received on registration.
- Only votes of against and abstentions were counted. Shareholders who voted against or abstain shall raise their hands, so that the staff could collect the ballots from them. Those votes would be deducted from the total number of votes casted by the shareholders presented at the meeting. The balance would be treated in favor of that agenda.
- In agenda 2, the shareholders were not required to vote as this agenda was for acknowledgement. In agenda 5, the re-election of directors who are retired by rotation, shareholders were required to vote on an individual director. The staff shall collect ballots from those who attended the meeting, including vote for, vote against and abstention. The votes shall be counted individually.
- Before casting a vote on each agenda, those who presented at the meeting were allowed to ask questions related to that agenda regarding appropriateness. Shareholders who wished to ask questions were requested to raise their hands and stated their names and surnames before asked questions or gave opinions.

The Chairman then proposed the meeting to consider the following agendas:

Agenda 1 To adopt the minutes of Annual General Meeting No. 1/2013, held on 29 January 2013

The Chairman proposed the meeting to consider and adopt the minutes of Annual General Meeting No. 1/2013, held on 29 January 2013, which had already been distributed to shareholders together with the notice of this meeting, as well as the minutes had been posted on the Company's website.



As no shareholders raised any objections or asked that the minutes be amended or added, the Chairman then requested the resolution from the meeting.

**Resolution:**

The meeting unanimously resolved that the minutes of the Annual General Meeting of shareholders No. 1/ 2013, held on 29 January 2013, would be adopted by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	146,146,918	100%
2. Disapproved	-	-
3. Abstained	-	-

**Agenda 2 To acknowledge the Company's performance for the recent year**

The Company's performance for the recent year was reported in the annual report which had already been distributed to shareholders together with the notice of this meeting. The shareholders were not required to vote as this agenda was for acknowledgement. Mr. Kazuo Sato, President was asked to report the summary of the Company's performance for the recent year to the meeting.

President (spoke in English) reported in accordance with the presentation in the form of graph comparison as follows:

From the first graph, Gross Domestic Product of the World fell dramatically during 2008 and 2009 due to the global financial crisis. Thailand and IRCT encountered the said crisis and were able to generate more total revenue since 2010.

Despite the cut in Thailand's GDP from 4.2% to 3.7% and the tottering economic situation of 2013, yet IRCT's total revenue increases by 4% in which contributed by 25.04% increase in sales revenue from Industrial Elastomer Parts.

After a quick fall in auto production rate during the Flood in Thailand, auto production rate jumped up as manufacturers filled up their stocks around the country to response to the demand as well as a big boost in revenue by the government's First-Car buyer scheme that raised market demand. However, the production rate dropped in 2013 due to the termination of First-Car buyer Scheme, high household debts and lower consumers' purchasing power.



The Motorcycle production was quite stable and did not fluctuate much except for the period during flood in 2011 - 2012, Aftermath of Flood, manufacturers fill up their inventory in the beginning of 2012 as well. However, the said economic situation in Thailand pulled down the production in the last quarter 2013.

Japanese Yen depreciated due to Quantitative Easing implementation causing Thai Baht to appreciate against JPY in the beginning last year. The tapering of QE3 caused the capital outflow out of Thailand during the last quarter of 2013, led to the appreciation of USD and JPY.

Crude oil price went up during the beginning of 2012 due to the higher market demand. In 2013, crude oil price trend indicates the declination due to the exacerbated existence of US shale oil and shale gas. The dramatic expansion of shale energy resources also pressurizes the competitiveness of crude oil in long-run. However, a post political unrest in Egypt drove crude oil prices up during period of July 2013.

Weak consumers' demand has resulted in the falling in both synthetic and natural rubber prices. Besides, an increase in natural rubber supply from the expansion of cultivating areas of natural rubber from 17 million rais in 2011 to 18.7 million rais in 2013 from which increases the world supply by approximately 6%, is another factor that pushes natural rubber price down.

The Company's total revenue increased by approximately 4% valued at Baht 6,835 million. The revenue derived from industrial elastomer parts and motorcycle tires and tubes with the revenue of 3,823 million Baht and 2,961 million Baht respectively. The low prices of raw materials also resulted in the lower cost of sales and service compared to that of last year resulting in Company's profit before financial costs and income tax of Baht 502 million Baht or increased by 248.51% and Company's net profit was Baht 409.10 million having an increase of 299%.

Financial index of 2013 included the net profit margin at 5.99%, D/E ratio at 0.62, ROE at 18.49% and Book Value/ share at 11.98 Baht.

The Chairman allowed the meeting to ask a question and shareholders inquired the following:

Mr. Chatchai Khun-ngarm (Shareholder):

Thank you and applaud for the annual report improvement by adding financial ratios of ROE, ROA and DE following my request, which the Company is regarded as a good example or model in low DE Ratio management.

According to the minutes of Annual General Meeting of Shareholders No. 1/2013, the following issues were suggested:

1. At page 5, "The Next Strategy Plan" should be added at the end of the agenda "To acknowledge the Company's performance for the recent year."



2. At page 11, the Company should consider paying dividend sooner after XD
3. At page 12, the Company should pay transportation allowance to shareholders who attend the meeting.

Did the Company consider the mentioned issues?

Chairman:

Thank you for compliment. The next strategy plan was prepared. However, there was the fluctuated condition since October and had tremendous effects which led to the Company adjust the plan mightily. Risk Committee had worked hard. Mr. Takenori Nakamoto, the President of Risk Committee would explain the past risks which caused the Company to review the mentioned plan.

Mr. Takenori Nakamoto, the President of Risk Committee:

Current Thailand domestic economic condition is not in following wind. Therefore, our marketing point of view already changed to export and non-automotive business. The investment is also for the same purposes to be used. Fortunately, our current equipment and technique can be used to those purposes. We have to consider it carefully. But we think we will win global competitive market. For this purpose, we might need to invest in manpower saving equipment and development method.

Mr. Chatchai Khun-ngarm (shareholder):

This year, it is accepted that the Company's performance is good while the dividend increases more. However, the graph of NR and SR Price Movement in the report of the Company's performance indicates that the rubber price is down. How does the lower price of rubber affect the cost of raw material?

Chairman:

Regarding the Company's performance reported by the President, it was found that the lower cost of raw material which results to the increasing of net profit for the year to 5.99, causes by total costs which partly derive from natural rubber, synthetic rubber and the lower price of oil.

This year, Mr. Takenori Nakamoto (the President of Risk Committee) explained that there are negative factors on all sides. The decreasing sales forecasts of some companies which sell products of living requisites are also negative signals. The Company does not know exactly if the mentioned factors may result to sale price reduction or not. Therefore, to be able to complete with the market, the decreasing cost of sales to sales volume proportion of rubber may be variable. The Company has to explain negatively first. Last year, the Company tried its best and intended to benefit to shareholders.

Mr. Paisan Vuthibunchon (shareholder):

Due to global economic forecast which seems bad and automotive demand of global market, I would like to know the opinion and policy in the next 1 – 2 years.

Chairman:

If American economics is in line to the expectation, the automotive industry will possibly be good. The interesting point is the electric vehicles which may influent in changing the product concepts. As the Company is a manufacturer of elastomer parts, it has the potential to the aforesaid. In the next 3 years, the Company anticipates that the automotive sector will be positive and the motorcycle sector will be moderate.

As no shareholders put forward any more question, the Chairman then proceed to the net agenda.

**Agenda 3** To approve the verified statement of financial position and statements of comprehensive income for the year ended September 30, 2013

The Chairman proposed the meeting to consider and approve the verified statements of financial position and statements of comprehensive income for the year ended September 30, 2013 which were illustrated in an annual report, distributing to shareholders in the form of CD Rom and disclosing on the company's website.

The Chairman allowed the meeting to ask a question. As no one put forward any more question, the Chairman then inquired the meeting for the resolution.

Resolution:

The meeting unanimously approved the verified statements of financial position and statements of comprehensive income for the year ended September 30, 2013, by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	146,148,918	100%
2. Disapproved	-	-
3. Abstained	-	-

Remarks: There were additional registrations from 2 shareholders which resulted to the total number of shares at 146,148,918.

**Agenda 4 To consider and approve the appropriation of profit and dividend payment**

The Chairman asked the Secretary of the meeting to explain the Company's dividend payment policy.

The Secretary of the meeting informed that the company has the dividend payment policy to pay out dividend not more than 65 percent of net profit of consolidated financial statements after deducting corporate income tax and legal reserve by considering the fiscal year's performance.

The Chairman proposed the meeting to consider and approve the dividend payment to the shareholders for the accounting period of 1 October 2012 – 30 September 2013 at 0.8182 Baht per share. The dividend will be paid from the net profit derived from BOI business at 0.6254 Baht per share and Non-BOI business at 0.1928 Baht per share, totaling 163,640,000.00 Baht (one hundred sixty-three million and six hundred forty thousand Baht) or 40 % of net profit of the consolidated financial statements. The dividend was scheduled to be paid to the shareholders on 24 February 2014.

The Chairman opened for questions. As no one put forward any more question, the Chairman then inquired the meeting for the resolution.

**Resolution:**

The meeting unanimously approved the appropriation of profit and dividend payment by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	146,148,918	100%
2. Disapproved	-	-
3. Abstained	-	-

**Agenda 5 To consider the re-election of the directors who are retired by rotation**

The Chairman informed the meeting that this year, there were 4 directors who had to retire by rotation, namely:

- |                                       |  |
|---------------------------------------|--|
| 1. Assoc.Prof.Dr. Chesada Loha-unchit | Chairman of Audit Committee / Independent Director |
| 2. Mr. Thanong Leeissaranukul         | Director   |
| 3. Mr. Kiyoharu Mizushima             | Director   |
| 4. Mr. Makoto Hashimoto               | Independent Director                               |



To be in accordance with Good Corporate Governance, the mentioned directors were invited to leave the meeting room. The Boards of Directors had considered and been of the opinion that the 4 retired directors were suitably qualified, knowledgeable and capable. According to the past accomplishments, the directors had performed their duties with honesty and prudence, and regarding benefits to the Company's business operation. The meeting was asked to consider retired directors individually as follows:

**Agenda 5.1 To consider the re-election of Assoc.Prof.Dr. Chesada Loha-unchit**

As no one raised a question, the Chairman then requested the resolution from the meeting.

**Resolution:**

The meeting considered and unanimously approved the re-election of Assoc.Prof.Dr. Chesada Loha-unchit by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	146,148,918	100%
2. Disapproved	-	-
3. Abstained	-	-

**Agenda 5.2 To consider the re-election of Mr. Thanong Leeissaranukul**

As no one raised a question, the Chairman then requested the resolution from the meeting.

**Resolution:**

The meeting considered and unanimously approved the re-election of Mr. Thanong Leeissaranukul by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	146,148,918	100%
2. Disapproved	-	-
3. Abstained	-	-

**Agenda 5.3 To consider the re-election of Mr. Kiyoharu Mizushima**

As no one raised a question, the Chairman then requested the resolution from the meeting.



**Resolution:**

The meeting considered and approved the re-election of Mr. Kiyoharu Mizushima by majority of the total number of votes as follows:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	145,713,718	99.70%
2. Disapproved	435,200	0.30%
3. Abstained	-	-

**Agenda 5.4 To consider the re-election of Mr. Makoto Hashimoto**

As no one raised a question, the Chairman then requested the resolution from the meeting.

**Resolution:**

The meeting considered and approved the re-election of Mr. Makoto Hashimoto by majority of the total number of votes as follows:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	145,713,718	99.70%
2. Disapproved	435,200	0.30%
3. Abstained	-	-

When finished voting for this agenda, the Chairman invited the directors who left the meeting room to come back to the meeting and then proceeded to the next agenda.

**Agenda 6 To consider and approve the remuneration of the Board of Directors for the year 2014**

The Chairman proposed the meeting to approve the remuneration of the Board of Directors for the year 2014 with the same rate as the previous year as follows:

Non-Executive Director	120,000	Baht/ person/ year
Executive Director	80,000	Baht/ person/ year
Chairman of Audit Committee	300,000	Baht/ person/ year
Audit Committee	220,000	Baht/ person/ year

The transportation allowance is proposed to increase from 2,000 Baht/ Meeting to 7,000 Baht/ Meeting (only those attend the meeting will be entitled to this allowance.

As no one raised a question, the Chairman then requested the resolution from the meeting.

**Resolution:**

The meeting considered and unanimously approved the remuneration of the Board of Directors for the year 2014 by the following votes;

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	146,148,918	100%
2. Disapproved	-	-
3. Abstained	-	-

**Agenda 7 To consider and to appoint the auditors and fix remuneration for the year 2014**

The Chairman proposed the meeting to consider and appoint Mrs. Nattaporn Phan-Udom, Certified Public Accountant No.3430, or Mrs. Unakorn Phruithuthada, Certified Public Accountant No.3257, or Mrs. Anothai Leekitwattana, Certified Public Accountant No.3442 from PriceWaterhouseCoopers ABAS Ltd. (PwC) to be an auditor of the Company and its subsidiary for the year 2014, and fix the remuneration at 1,950,000 Baht (3.81% increase) as the following details:

Annual Financial Audit Fee	455,460	Baht
3 Quarterly Financial Audit Fees	727,080	Baht (242,360 Baht per quarter)
Subsidiary Audit Fee	443,460	Baht (221,730 Baht per company)
Audit Fee with One Investment	324,000	Baht ( 64,800 Baht per certificate)
Promotion Certification		

As no one raised a question, the Chairman then requested the resolution from the meeting

**Resolution:**

The meeting considered and unanimously approved the auditor's appointment and remuneration by the following votes;

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. Approved	146,148,918	100%
2. Disapproved	-	-
3. Abstained	-	-

**Agenda 8 Other topics (if any)**

As no any other issue proposed, the Chairman then allowed shareholders to ask the following questions:

Mr. Wutthichai Peerapattanaphum (shareholder):

1. According to page 27, (the first paragraph) of the annual report, which stated "It was profoundly recognized as a success that the company could innovate and research to the extent that satisfied the customers. The product will be implemented on Isuzu's new engine next year," what is that product and how much is the estimated value?
2. At page 27 of the annual report (the second paragraph), please clarify "the Company was able to gain its ground in the new competitive market of industrial elastomer parts in which the Company previously could not compete in. Today, the Company is capable of competing in both existing and new customer bases."
3. How much does the Company allocate the investment budget and which parts the Company will invest on for the year 2014?
4. What are positive factors that the Company perceives in the year 2014?

Chairman

1. The existing Hose Air Intakes used in Isuzu truck are made of plastic, however, IRCT- R&D has developed the same function product made of elastomer and proposed to the customer. Isuzu accepted to use our proposed part with superior in quality from September 2014 onwards. The sales amount of this part is unknown due to the volatile situation.
2. The Company has good research and development, and technology base, and Japanese executives give support in term of connection. Besides the automotive industry, the market is expanded to the other industries such as agricultural machinery industry, and electrical and electronic industry which innovations can be presented to those markets.



3. Regarding the explanation by the President of Risk Committee, this year, there are high risks according to the effects of the past 3 – 4 months, market situation has been unstable and purchasing power is low. The overseas markets are high in competition also. Therefore, the Company is reviewing all issues, even re-considered the approved investment budget.

4. The most important resource to complete in both Global and AEC is the Human Resource. This situation is very positive on HR-development. In the meantime, the development of machineries and the automation system to off-set the high-labor cost will be on plan in order to increase the long-time efficiency per head. In addition, the export market is positive as the depreciation of Thai Baht.

Mr. Decha Soontrarachun (shareholder):

What is the Company's short-term plan in dealing with negative factors during this period?

Chairman

According to information of last year, it was found that effected variables included various factors. However, the Company will try to manage margin and net profit margin to meet the target. Regarding sales decreased state, the Company will manage the fixed cost and the variable cost to maintain the margin. The short-term plan is to control the operation cost to the utmost whereas the marketing will actively fulfil the market.

Mr. Thara Cholpranee (shareholder):

According to the comparison number of revenue structure (page 28 of annual report), the main income derives from industrial elastomer parts at 2,245 million Baht in 2011 and 2,508 million Baht in 2012 and increases to 3,160 million Baht in 2013. However, the export market has not changed much. It was found that tire-tube products gradually decrease from 2,502 million Baht in 2011 to 2,124 million Baht in 2013. The jump in sales revenue of industrial elastomer parts is caused by the First Car policy, what will the management plan to do when the campaign is over? Was the production capacity of last year to the utmost? What is its percentage to total production capacity? How much does it decrease this year?

Chairman

The automotive master plan is 2.5 million units in 2014. In 2013, the number was beyond the plan which was caused by stimulating the market with the First Car Policy since 2011. Simultaneously, automotive manufacturers and Supply Chain have accelerated the investment on production capacity in line with the master plan of 2014 by investing earlier and reinforcing with overtime working to be able to support the demand of the market at that time.



Thailand automotive industry has two major products in the global market. Pickup truck is regarded as the number one. Thailand tries to make the Eco car to be the number two. If Thai Baht depreciates and the marketing of automotive manufacturers is as expected, the tendency will be positive. Simultaneously, elastomer parts' revenue derives from both automotive and motorcycle industry, it is thus expected that the motorcycle market would be invariable. However, it is expected that domestic automotive market will be slow down in 2014, when compared to the last year that there was rapidly expanding of the First Car Policy. In the meantime, the Company will control the cost, expand the market as much as we can and maintain the same fundamental. The current usage proportion of production capacity is approximately 80%. It is about 90% compared to the last year.

As no any other issue proposed, the Chairman thanked all the shareholders for their attendance and declared the meeting adjourned.

The meeting closed at 15.20 hours

Sign  .....  
(Mrs.Pimjai Leeissranukul)  
Chairman of the meeting

