



Minutes of the 2015 Annual General Meeting of Shareholders  
Inoue Rubber (Thailand) Public Company Limited  
Held on Thursday, January 29, 2015  
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.

Inoue Rubber (Thailand) Public Company Limited had scheduled the record date on December 11, 2014 to determine the entitled shareholders to attend 2015 Annual General Meeting and to receive the dividend, and the shareholder register book closing date on December 12, 2014 to compile the shareholder list pursuant to Section 225 of the Securities and Exchange Act. When the meeting started, there were 78 shareholders of whom, 55 were presented in person and 23 were presented as proxy holders. Shareholders held altogether 148,255,858 shares or 74.13% 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. Registration still processed continuously.

Mrs. Pimjai Leeissaranukul, Chairman of the Board of Directors, presided as the Chairman of the Meeting, opened 2015 Annual General Meeting of Shareholders, thanked to all shareholders who allocated valuable time to attend the meeting and assigned Company Secretary to introduce directors, members of Executive Committee, the auditor, the lawyer and related parties :

**Directors Present**

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

**Executive Committee Present**

- |                 |                |                   |                |
|-----------------|----------------|-------------------|----------------|
| 1. Mr. Takenori | Nakamoto       | 5. Mr. Narongchai | Rattanaekkawin |
| 2. Mr. Jatupol  | Lawhachainam   | 6. Mr. Shigeyuki  | Hosokawa       |
| 3. Ms. Witchuda | Kupongsak      | 7. Mr. Katsunori  | Ito            |
| 4. Mr. Suchart  | Kootiratrakarn | 8. Mr. Toshihiro  | Kuze           |

#### Auditor Present

Mrs. Nattaporn Phan-Udom , Certified Public Accountant No. 3430, Partner of PricewaterhouseCoopers ABAS Ltd. (The Company's auditor for the fiscal year 2014).

Ms. Napanuch Apichatsatien, Certified Public Accountant No. 5266, Partner (pending shareholders' appointment to be the Company's auditor for the fiscal year 2015) and Mr. Adisorn Thaveekittikul, Manager from PricewaterhouseCoopers ABAS Ltd.

#### Legal Consultant to Observe Voting Procedure Present

Ms. Sawita Peetawan from Weerawong, Chinnavat & Peangpanor Limited.

#### Related Parties

Ms. Praewphan Songhong	Senior Accounting Manager
Ms. Tipwadee Sudwayha	Interpreter
Ms. Jaithip Choosatsatienchoke	Company Secretary

To make the meeting process expediently, Chairman asked Company Secretary to inform the meeting procedure.

Company Secretary expressed voting procedure on each agenda as follows:

- The Company implemented barcode system in registration and voting procedure. Each shareholder may vote for, vote against, or abstain on each agenda by using the ballots received on registration, of which voting rights were equal to the amount of shares held by them or by proxy grantors. In case of ballot amendment, shareholders should sign near their revisal, unless the ballot would be voided.
- On each agenda, only votes of against and abstentions were counted. Shareholders who voted against or abstained should raise their hands, so that the officer could collect their ballots. Those votes would be deducted from the total votes casted by the shareholders presented at the meeting. The balance would be treated in favor of that agenda.
- 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.
- 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 officer would collect ballots including voting for, voting against and abstention.

Company Secretary asked Chairman to conduct the meeting.

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

**Agenda 1** To consider and adopt the minutes of Annual General Meeting No. 1/2014, held on January 29, 2014

The Chairman proposed the meeting to consider and adopt the minutes of Annual General Meeting No. 1/2014, held on January 29, 2014, which had been distributed to shareholders together with the invitation to the meeting, and 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 considered and majorly resolved that the minutes of the Annual General Meeting of shareholders No. 1/ 2014, held on January 29, 2014, 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. For	148,253,658	99.99
2. Against	-	-
3. Abstained	2,200	0.001

**Agenda 2** To acknowledge the Company's performance for 2014

The Company's performance was presented in an annual report for the year 2014 of which had been distributed to shareholders together with the invitation to the meeting. Mr. Kazuo Sato, President was asked to summarize the Company's performance for the recent year as follows:

Gross Domestic Product and Business Comparison

According to the graph of which represented the Company's total revenue and Thailand's and World's GDP growth rates, the Company's total revenues decreased aligned with Thailand's GDP growth rate.

For the fiscal year 2014, the Company's total revenue was 5,497 million Baht, reduced by 19.58% when compared to that of last year due to the expiration of 1<sup>st</sup> Car Policy, the political unrest, the suspension of



Rice Pledging Scheme and coup d'état. Resulted the estimated of 1.5% in Thailand's GDP growth rate, the overall spending in both government and private sectors were merely delay from expectation.

#### Automotive Industries

- According to the graph, automotive production for the fiscal year 2014 was totally 1,935,948 units, decreased by 27.23% from the same period of last year. Domestic production was totally 822,680 units and reduced by 738,540 units or 47.31% in line with economic slowdown. However, export production slightly increased.
- Motorcycle production for the fiscal year 2014 was totally 1,830,152 units of which domestic production and export production decreased by 23.55% and 8.12% respectively, in line with the drop of purchasing power.

Total Revenues by Products: Due to the graph of which showed total revenues by products, IED's domestic and export sales decreased by 25.27% and 15.62% respectively, while tire-tube's domestic and export sales dropped by 19.10% and 2.73% respectively.

Natural Rubber, Synthetic Rubber and Crude Oil Prices: Natural rubber and synthetic rubber were in the same trend due to the global economic uncertainty. Crude oil price moved within narrow range and trended to drop down due to the shrinkage of demand.

Exchange Rate: American economics was relatively positive, while Thai economics stagnated; this resulted to Thai Baht per US Dollar weak. Due to Japan's QE Policy, Yen per Thai Baht depreciated.

#### Financial Ratio

The graph of financial ratio was present in the annual report.

The Chairman opened for questions and shareholders inquired the following:

Mr. Paisan Vuthibunchon – A shareholder attending in person

1. Gross profits of the fiscal year 2014 and 2015 were slightly different. Did the fall on rubber price affect the Company?
2. If the downtrend of Japanese Yen due to QE Policy's implementation continues; how will it affect the Company?
3. How will automotive and motorcycle production expand in 2015? What will be domestic and export production trend?





Mrs. Pimjai Leeissaranukul – Chairman

1. According to the graph of natural and synthetic rubber prices for the fiscal year 2013 – 2014, it was seen that during the fiscal year 2014, the average price of the first two quarters was relatively expensive and dropped by 60 Baht in the last two quarters. During the first two quarters, rubber cost was high. When the fiscal year 2014 ended, the average price reduced by 50-60 Baht/kg. When compared average rubber prices between the fiscal year 2013 and 2014, it decreased by 10-15%. However, the Company's sales dropped by 19.62%. The fall of variable cost was less than the drop of sales and fixed cost slightly dropped. Therefore, the Company sustained its net profit on sales at the same level as last year.
2. The Company's sale mainly relies on US Dollar, while its procurement moderately depends on Japanese Yen.
3. It is estimated that global production will expand slightly at 80 million units which will be positive for automotive and motorcycle industries. Although global production will not grow dramatically, explanation will be shifted from countries to countries: some countries will be able to expand its production, while some countries will decrease its production. Therefore, average global production will be stable.

As for Thailand, the estimation is obscure due to global economics and government's budget approval of which will result in fund circulation and purchasing power stimulation. It was discussed within automotive industries that if government's expenditure will be in line with its plan, the production will expand 3 - 5%. In contrary, if the expenditure will not align with the plan, both automotive and motorcycle production will be at the same level as last year.

Mr. Chatchai Khun-ngarm - A shareholder attending in person

1. Requested the Company as last year to add "the future plan" at the end of Agenda 2: To acknowledge the Company's performance for the recent year.
2. Suggested to move the pick-up point from BTS Chatuchak to Thai Military Bank's opposite side and pick shareholders up along the way.
3. Asked the Company to prepare food or snack for shareholders on provided vans during the journey to shareholders' meeting.
4. Asked the Company to inform about kilometer posts on the map of meeting place.



Mrs. Pimjai Leeissaranukul – Chairman

The Company would take all matters to consider.

Mr. Amorn Kowanichcharoen - A shareholder attending in person

Due to the fall of natural rubber price currently, what did the Company think about its trend in 2015?

Mrs. Pimjai Leeissaranukul – Chairman

According to natural rubber is a commodity product of which relies on political and global economic condition, its trend will be indistinct. In addition, the Company is a key buyer; the increase of natural rubber price will be possibly difficult. The fall of rubber price will affect domestic market and purchasing power as rubber planters are the Company's customers. Therefore, the Company's sales will be impacted by the drop of purchasing power. Furthermore, cost reduction will be in line with selling price. On the marketing side, the Company will educate end users, so that they will be able to acquire products with good quality in reasonable price.

Mr. Kazuo Sato – President

In accordance with aforesaid economic and automotive condition, it is expected that car and motorcycle production will be 2 million units and 1.8 million units respectively. Automotive production will be similar to that of last year aligned with government and domestic economics. In addition, export production will rely on Chinese and European economic trends. Even though the mentioned matters will affect business operation, the Company will attempt to generate more income.

Mr. Chatchai Khun-ngarm - A shareholder attending in person

When will Eco-Car Phase 2 actually run? Will the project be able to recover automotive industries?

Mrs. Pimjai Leeissaranukul – Chairman

Eco-Car Phase 2 will be included in the government's policy in stimulating automotive production. However, the most important factor will be the market support. In addition, Investment period will be decided under domestic and foreign economic regimens.

Agenda 3 To approve the verified statement of financial position and statements of comprehensive income for the year ended September 30, 2014

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, 2014 which were



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

The Chairman informed the meeting that though the Company had not yet formed up Nominating Committee, the Board of Directors had considered and screen persons with proper qualifications based on knowledge, ability, experience and good working background. As for the 2015 Annual General Meeting of Shareholders, there were 4 directors who had to retire by rotation, namely:

- |    |              |                |                    |
|----|--------------|----------------|--------------------|
| 1. | Mrs. Pimjai  | Leeissaranukul | Chairman/ Director |
| 2. | Mrs. Porntip | Sethiwan       | Director           |
| 3. | Mr. Soichi   | Inoue          | Director           |
| 4. | Mr. Masayuki | Inoue          | Director           |

The Boards of Directors had considered and been of the opinion that the 4 retired directors were suitably qualified and had performed their duties with honesty and prudence, and regarding benefits to the Company's business operation. The Board of Directors therefore deemed it appropriate to propose the 2015 Annual General Meeting of Shareholders to consider the retired directors.

To comply with Good Corporate Governance Principles, the mentioned directors were invited to leave the meeting room. The Chairman asked Mr. Kazuo Sato, President to conduct the meeting on her behalf.

#### Mr. Kazuo Sato – President (Chairman of the Meeting in Agenda 5.1 -5.4)

The President asked the meeting to consider the re-election of the directors who are retired by rotation individually.

#### Agenda 5.1 To consider the re-election of Mrs. Pimjai Leeissaranukul

The meeting was asked to consider the re-election of Mrs. Pimjai Leeissaranukul.

The president opened for questions.

#### A Minor Shareholder

Requested to collect ballots of Agenda 5.1 – 5.4 at once in order to save time.

#### Mr. Sakkarin Choosaktrakool - A shareholder attending in person

1. The title "Chairman" should not be stated as it is an agenda for a director's election. The Board of Directors also appoints the Chairman, not the shareholders.
2. Disagreed with collecting all the ballots at once. The Company should collect the ballots for an individual director. While the ballots are collected, the next director's election should begin.



Ms. Sawita Peetawan- Legal Consultant

1. The authority to appoint the Chairman belongs to the Board of Directors. Shareholders' votes are more powerful than the Board of Directors' and will enable the Chairman to perform her duty after her re-election immediately. The aforesaid process is also lawful.
2. To comply with Good Corporate Governance, the Company should collect the ballots and announce the resolution individually. After that, the next director's election should begin.

**Resolution:** The meeting considered and majorly approved the re-election of Mrs. Pimjai Leeissaranukul by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. For	148,824,890	99.96
2. Against	-	-
3. Abstained	60,000	0.04

Agenda 5.2 To consider the re-election of Mrs. Porntip Sethiwan

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

**Resolution:** The meeting considered and unanimously approved the re-election of Mrs. Porntip Sethiwan by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. For	148,884,890	100
2. Against	-	-
3. Abstained	-	-

Agenda 5.3 To consider the re-election of Mr. Soichi Inoue

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

**Resolution:** The meeting considered and majorly approved the re-election of Mr. Soichi Inoue by the following votes:





Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. For	148,415,690	99.68
2. Against	469,200	0.32
3. Abstained	-	-

#### Agenda 5.4 To consider the re-election of Mr. Masayuki Inoue

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

**Resolution:** The meeting considered and majorly approved the re-election of Mr. Masayuki Inoue by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. For	148,415,690	99.68
2. Against	469,200	0.32
3. Abstained	-	-

#### Mr. Kazuo Sato – President

When finished voting for this agenda, the President asked the Chairman to continue meeting conductivity.

#### Agenda 6 To consider and approve the directors' remuneration for the year 2015

The Chairman proposed the meeting to approve the directors' remuneration for the year 2015 as the same rate as the previous year, within the amount of 3 million Baht. The remuneration for each director included 120,000 Baht for non-executive director, 80,000 Baht for executive director, 300,000 Baht for Chairman of Audit Committee and 220,000 Baht for Audit Committee, and transportation allowance was 7,000 Baht/ meeting for each director attending the meeting.

The Chairman opened for questions.



Mr. Sakkarin Choosaktrakool - A shareholder attending in person

Directors' remuneration was appropriate. However, remuneration for each executive director was too low. In the agenda of re-election of retired directors, some directors hardly attended the meeting, while some directors never presented at the meeting. Please encourage directors to attend the meeting.

Mrs. Pimjai Leeissaranukul – Chairman

The directors were determined to attend the meeting. However, political unrest, coup d'état and unstable condition resulted in meeting absence inevitably.

**Resolution:** The meeting considered and unanimously approved the directors' remuneration for the year 2015 by the following votes;

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. For	148,884,890	100
2. Against	-	-
3. Abstained	-	-

Agenda 7 To consider and to appoint the auditor and fix remuneration for the year 2015

The Chairman informed the meeting that the Company's auditor had been signed the Company's and its subsidiaries' financial statements for five consecutive one-year term. Therefore, it was deemed appropriate to propose the shareholders' meeting to appoint the Company and its subsidiaries' new auditor and fix its remuneration for the year 2015.

The Board of Directors considered the Audit Committee's opinion and deemed that it was proper to propose the shareholders' meeting to appoint:

- |                 |               |                                    |         |
|-----------------|---------------|------------------------------------|---------|
| 1. Ms. Napanuch | Apichatsatien | Certified Public Accountant Number | 5266 or |
| 2. Mr. Chanchai | Chaiprasit    | Certified Public Accountant Number | 3760 or |
| 3. Mr. Paiboon  | Tunkoon       | Certified Public Accountant Number | 4298    |

from PriceWaterhouseCooper ABAS Limited to audit and/or to express an opinion on the Company's and its subsidiaries' financial statements for the fiscal year 2015.





It was also deemed it appropriate to propose the shareholders to approve the annual and quarterly audit fee at 1.65 million Baht or increase of 1.50% and the audit fee for investment promotion certification at 64,800 Baht/ Certificate, same as last year.

The Chairman opened for questions.

**Resolution:** The meeting considered and unanimously approved the appointment of the Company and its subsidiaries' auditor and its remuneration for the year 2015 as proposed by the following votes;

Vote	Number of Votes (1 vote = 1 share)	% of the number of the total votes attending the meeting
1. For	148,884,890	100
2. Against	-	-
3. Abstained	-	-

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

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

**Mr. Surakit Chamamahattana – Shareholder's Right Protection Volunteer, Thai Investors Association**

Recently, Thai society is explicitly aware of anti-corruption. Thai Institute of Directors Association (IOD) conducts "Private Sector Collective Action Coalition against Corruption" for Thai Capital Market. Would the Company like to partake in the project?

**Mrs. Pimjai Leeissaranukul – Chairman**

Everyone should participate in exterminate corruption. The Company places emphasis on the aforesaid matter and includes it in Code of Conduct for Directors, Executives and Employees.

**Mr. Paisan Vuthibunchon – A shareholder attending in person**

What were the plan and progression on IED's research and development for dissimilar markets, electronic business and agricultural industry?



Mr. Takenori Nakamoto – President of Risk Management Committee

Due to automotive industrial slowdown, the Company had looked to possibilities on non-automotive markets such as infrastructure group, air conditioner group and innovative group and conducted further plan.

Mr. Paisan Vuthibunchon – A shareholder attending in person

1. What were motorcycle tire-tube's and IED's market shares or what were they ranked?
2. Did China's investment on processed rubber impact automotive tire-tube or rubber part industries?  
Was China regarded as a direct competitor?

Mrs. Pimjai Leeissaranukul – Chairman

1. The Company's motorcycle tire-tube and IED were ranked in the top 5 of market shares.
2. China's investment goods were not considered as direct competitors due to its quality and brands.

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

The meeting closed at 15.35 hours

Sign 

(Mrs.Pimjai Leeissranukul)

Chairman