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February 12, 2024

Subject: Management Discussion and Analysis for Quarter 1/FY2024

To: Managing Director

The Stock Exchange of Thailand

Inoue Rubber (Thailand) Public Company Limited (the “Company”) would like to clarify its operation results for the Quarter 1/FY2024 (ended December 31, 2023) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q1/FY2024	Q1/FY2023	change	%YoY
<b>Total Revenues</b>	1,143.79	1,474.93	(331.14)	-22.45%
<b>Cost of Sales and Services</b>	996.25	1,361.20	(364.95)	-26.81%
<b>Selling and Administrative Expenses</b>	90.21	96.70	(6.49)	-6.71%
<b>EBIT</b>	57.33	17.03	40.30	236.64%
<b>Net Profit (Loss)</b>	51.71	15.71	36.00	229.15%
<b>Basic Earnings (Loss) per Share (baht)</b>	0.27	0.08	0.19	236.27%

### Performance Report

During the first quarter, the global economy was moving in the direction of a slow recovery. The service sector and manufacturing sector adjusted to be more balanced. In many countries, policy interest rate hikes have stopped as inflation has begun to decline and return to its target range. However, the global economy remains at risk from the effects of strict monetary policy transmission by major central banks, and world trade slowed down more than expected according to Chinese demand and the protraction of geopolitical conflicts. For the Thai economy, expansion slows down according to the slower recovery of the tourism sector from fewer Chinese tourists than expected. The export sector recovered slowly following slowing global demand. As a result, industrial production contracted. Car production in Thailand decreased by 12.27 percent, and motorcycle production in Thailand decreased by 10.8 percent compared to the same period last year. These factors have the following impact on the company's and subsidiaries' sales and production costs during the first quarter of fiscal year 2024 (October 1, 2023, to December 31, 2023):

1. The company's total revenue decreased by 331.14 million baht or 22.45% from the same period last year.
2. The cost of sales and services decreased by 364.95 million baht or 26.81% from the same period last year due to the highly decrease of raw material costs and also the ability to monitor and control production costs.



3. Selling and administrative expenses decreased by 6.49 million baht or 6.71% from the same period last year.

Overall, in Q1/FY2024, the Company had net profit around 51.71 million baht, increased around 36.00 million baht or 229.15% compared to the same period last year. The Company recorded earning per share at 0.27 baht.

### Financial Status

As of December 31, 2023, the company had total assets of 4,975.07 million baht, decreased by 57.43 million baht compared to September 30, 2023, mainly due to the decrease of trade and other receivables.

The total liabilities of the company were 997.51 million baht, decreased by 105.66 million baht compared to September 30, 2023 mainly due to the decrease of trade and other payables.

In this regard, the company has shareholders' equity of 3,977.55 million baht, increased by 48.23 million baht from unappropriated retained earnings. This results in the book value per share of the company at 20.69 baht and the debt to equity ratio (D/E ratio) at 0.25.

### Cash Flow

For the three-month period ended December 31, 2023, the Company had net cash generated from operating activities around 28.32 million baht, increased about 57.28 million baht compared to the same period last year. The net cash used in investing activities was around 46.37 million baht, decreased about 5.57 million baht compared to the same period last year mainly due to the decrease of investment in land, building and equipment.

As of December 31, 2023, the Company had cash and cash equivalents around 1,128.09 million baht, increased around 311.72 million baht compared to December 31, 2022.

Please be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

(Mr. Shigeki Yamada)

Chairman

President