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November 26, 2024

Subject: Management Discussion and Analysis for 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 FY2024 of the Company and its subsidiaries, as follows:

(Unit: million Baht)	FY2024	FY2023	Change	%YoY
Total Revenues	4,795.50	5,476.96	-681.46	-12.44%
Cost of Sales and Services	4,030.81	4,926.64	-895.83	-18.18%
Selling and Administration	402.34	380.19	22.15	5.83%
EBIT	362.35	170.13	192.22	112.98%
Net Profit	311.50	159.77	151.73	94.97%
Basic Earnings per Share	1.62	0.83	0.79	95.18%

### Performance Report

The global economy has expanded mainly from the service sector, while the manufacturing sector has expanded in emerging markets, especially in Asia, as reflected by the recovery of exports from technology products. Meanwhile, the major economies are still slowing growth due to the risk from geopolitical issues, such as the potential escalation of trade retaliation measures between the United States and China, and the widening conflict in the Middle East. The Thai economy continues to expand steadily from private consumption and the tourism sector with the tourism demand and government support measures. The export sector is recovering mainly from the economies of trading partners and the expansion of global demand for electronics products. However, some product groups are still pressured by cyclical and structural factors, especially the automotive category, which is a result of declining purchasing power from the slow economic recovery and high household debt, as well as stricter caution in lending to hire purchases by financial institutions. For the automobile production in Thailand, it has decreased by 16.88 percent, and motorcycle production in Thailand is decreasing by 11.94 percent compared to the previous year. These factors have the following impact on the company's and subsidiaries' sales and production costs during the fiscal year 2024 (October 1, 2023, to September 30, 2024);

1. The company's total revenue decreased by 681.46 million baht or 12.44% from last year.
2. The cost of sales and services decreased by 895.83 million baht or 18.18% from last year, mainly due to the decrease of raw material costs and ability to manage and control production costs.



3. Selling and administrative expenses increased by 22.15 million baht or 5.83% from last year, mainly from advertising and promotion expenses.

4. The company received dividend from related company 145.78 million baht.

Overall, in FY2024, the Company had net gain around 311.50 million baht, increased around 151.73 million baht or 94.97% compared to last year. The Company recorded earning per share at 1.62 baht.

Moreover, in FY2024, 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 78.43 million baht.

### Financial Status

As of September 30, 2024, the company had total assets of 5,280.10 million baht, increased by 247.60 million baht compared to September 30, 2023, mainly due to the increase of cash from operation which be invested in short term investment.

The total liabilities of the company were 1,107.18 million baht, increased by 4.01 million baht compared to September 30, 2023.

In this regard, the Company has shareholders' equity of 4,172.92 million baht, increased by 243.60 million baht from unappropriated retained earnings result from dividend payment. This results in the book value per share of the company at 21.71 baht and the debt-to-equity ratio (D/E ratio) at 0.27.

### Cash Flow

In FY2024, the Company had net cash generated from operating activities around 554.32 million baht, increased about 18.05 million baht compared to the same period last year. The net cash used in investing activities was around 932.48 million baht, increased about 701.17 million baht compared to the same period last year, mainly from short-term investment. The net cash paid for financing activities around 80.49 million baht, increased about 24.38 million baht compared to the same period last year, mainly from the increase of dividend payment.

As of September 30, 2024, the Company had cash and cash equivalents around 687.48 million baht, decreased around 458.65 million baht compared to September 30, 2023.

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

The overall economic situation of Thailand in the end of 2024 to the beginning of 2025 tends to recover continuously with the main driving factor from the tourism and service sectors which are supported by government measures that affect the expansion of domestic consumption sector, manufacturing and export sectors that gradually recover in line with world trade, especially electronic products. As for the inflation rate, it has slowed down and is approaching the target, which is begin a cycle of reducing the policy interest rate because domestic demand has clearly shown signs of slowing down after a long period of financial tightening.



The global economy, especially the US economy, is expected to slow down towards the end of 2024, leading to concerns about a recession in the US economy, as well as the US presidential election results that will affect the direction of global trade. Meanwhile, the Chinese economy is still recovering slowly due to problems in the real estate sector that continue to pressure confidence and domestic demand, even though the Chinese government has issued monetary policies to support the economy. For the inflation rates, have begun to decline in many countries, causing to enter a cycle of interest rate cuts, However, if geopolitical problems persist, global inflation may increase and pressure the global economy to slow down. As for global trade, despite the improving trend, risks from higher shipping rates and trade barriers must still be monitored, which will have implications for global monetary and economic policies 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 automotive industry in 2025, is expected to recover both internal combustion engine (ICE) and electric vehicle (EV) vehicles from the support of demand in business activities and investment, including sales promotion strategies and the development of internal combustion engine vehicle models to compete with electric vehicles, as electric vehicles tend to gain popularity continuously due to government support policies and increased environmental awareness. The Company and its subsidiaries are ready in terms of research and development, have experience and readiness in developing support for all vehicle systems in order to be timely and respond to future changes.

Please be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

Chairman

(Mr. Shigeki Yamada)

President