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11 May 2018

Subject: Notification of a Related-Party Transaction
To: President and Managing Director
The Stock Exchange of Thailand

Please be informed that the Board of Directors' Meeting No. 4/2018 of Inoue Rubber (Thailand) Public Company Limited on May 11, 2018 has passed the resolution to approve an entering into a related-party transaction for providing professional services and other services, in the total value of 9,967,824 baht (0.29% of Net Tangible Asset: NTA) of the Financial Statements as of 31 March 2018 as the following details;

Providing professional services and other services to Inoac Tokai (Thailand) Company Limited

Parties Involved: Service Provider: Inoue Rubber (Thailand) Public Company Limited
Service-Receiver: Inoac Tokai (Thailand) Company Limited

Relate-Party

▪ Both parties have same shareholders as follows:

Relationship:

- Mr. Thanong Leeissaranukul
- Mrs. Pimjai Leeissaranukul
- Mr. Apichart Leeissaranukul
- Mrs. Porntip Sethiwan

▪ Both parties indirectly have same shareholders as follows:

- Inoue Rubber Co., Ltd.
- Sopakanok International Co., Ltd.

Nature of Transactions: Providing professional services and other services in relation to HR system, accounting and finance system, IT system, waste water treatment and cleaning services (fees are varied by actual consumption).

Pricing Criteria: Fee is calculated from cost of system and personnel plus margin, which is similar to other contract parties.

Term: 1 Year (1 Jun 2018 – 31 May 2019)

Total Transaction Value: 9,967,824 Baht

Payment Installment: Monthly

Reason for entering into this transaction: Inoac Tokai (Thailand) Co., Ltd. (“ITTC”) and the Company both use SAP system. Therefore, ITTC requested the Company to provide professional services in relation to HR System, Accounting & Finance System and System. The Company deemed that such service fees have reasonable margin and in the Company’s capability.

In this regard, the Board of Directors, where directors who have interests and/or directors who are connected persons precluded themselves from meeting participation and voting, had consciously considered and has approved the entering into the related-party transaction following the aforesaid reasons, as well as has considered that the transaction is fair, reasonable, and beneficial to the Company. There were no different opinions among the Board of Directors and the Audit Committee.

In addition, since this is a transaction that supports normal business, the Board of Directors therefore delegated the authority to the Management for contact renewal in the future, provided that the Management shall comply with the Related-Party Transaction, which was approved by the Board of Directors. In such case, the Management shall report to the Audit Committee and the Board of Directors on a quarterly basis.

Please be informed in accordingly.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)
Chairman

(Mr. Hiroshi Harada)
President