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August 9, 2022

Subject: Management Discussion and Analysis for Quarter 3/FY2022

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 Quarter3/FY2022 (ended June 30, 2022) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q3/FY2022	Q3/FY2021	change	%YoY
Total Revenues	1,397.58	1,311.54	86.03	6.56%
Cost of Sales and Services	1,316.13	1,146.76	169.37	14.77%
Selling and Administrative Expenses	94.17	94.22	(0.06)	-0.06%
EBIT	(12.72)	70.56	(83.28)	-118.03%
Net Profit (Loss)	(13.40)	57.70	(71.10)	-123.23%
Basic Earnings (Losses) per Share (baht)	(0.07)	0.30	(0.37)	-123.33%

Performance Report

The global and Thai economies are continuing to grow from the release of the COVID-19 epidemic situation with the relaxation measures of international travel. However, parts and semiconductor shortages are continuing to prolong. In addition, the increase in the prices of commodities is affected by the war between Russia and Ukraine, especially the price of oil and energy, which has risen rapidly. Meanwhile, the US Federal Reserve has a policy of raising interest rates to reduce inflation that remains high, which has resulted in the US dollar strengthening against various currencies. These factors mentioned above have the following impact on sales and production costs of the Company and subsidiaries during the 3rd quarter of the fiscal year 2022 (April 1, 2022 to June 30, 2022) as follows;

1. The company's total revenue increased by 86.03 million baht or 6.56% from the same period last year.
2. The cost of sales and services increased by 169.37 million baht or 14.77% from the same period last year, mainly due to the increase of raw material costs according to demand and supply together with the increase of oil price and the increase of freight expenses due to the container shortage.
3. Selling and administrative expenses decreased by 0.06 million baht or 0.06% from the same period last year.

Overall, in Q3/FY2022, the Company had net loss around -13.40 million baht, decreased around 71.10 million baht or 123.33% compared to the same period last year, mainly from the higher raw material prices. The Company recorded earning per share at -0.07 baht.



Financial Status

As of June 30, 2022, the company had total assets of 5,208.69 million baht, decreased by 86.68 million baht compared to September 30, 2021. The main reason is the decrease of value of equity instrument which is resulted from the review of cash flow projection in relation to dividend income. The Company has delayed receiving cash inflow from dividends during the period that the investee builds a new manufacturing plant.

The total liabilities of the company were 1,501.04 million baht, increased by 100.14 million baht compared to September 30, 2021 mainly due to the decrease of trade and other payables.

In this regard, the Company has shareholders' equity of 3,707.65 million baht, decreased by 186.82 million baht from unappropriated retained earnings result from dividend payment and also from other components of equity related to measurement of equity instruments which decreases from the review of cash flow projection in relation to dividend income and the Company has delayed receiving cash inflow from dividends during the period that the investee builds a new manufacturing plants. This results in the book value per share of the company at 19.29 baht and the debt to equity ratio (D/E ratio) at 0.40.

Cash Flow

For the nine-month period ended June 30, 2022, the Company had net cash generated from operating activities around 204.53 million baht, decreased about 268.17 million baht compared to the same period last year. The net cash used in investing activities was around 207.51 million baht, decreased about 71.83 million baht compared to the same period last year, mainly from investment in debt instruments. The net cash paid for financing activities around 170.17 million baht, increased about 60.43 million baht compared to the same period last year, mainly from dividend payment.

As of June 30, 2022, the Company had cash and cash equivalents around 830.17 million baht, decreased around 158.55 million baht compared to June 30, 2021.

Please be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

(Mr. Shigeki Yamada)

Chairman

President