



-Translation-

August 11, 2021

Subject: Management Discussion and Analysis for Quarter 3/FY2021

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 3/FY2021 (ended June 30, 2021) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q3/FY2021	Q3/FY2020	change	%YoY
Total Revenues	1,311.54	739.20	572.34	77.43%
Cost of Sales and Services	1,146.76	679.59	467.17	68.74%
Selling and Administrative Expenses	94.22	87.34	6.88	7.88%
EBIT	70.56	-27.73	98.29	354.49%
Net Profit	57.70	-21.72	79.42	365.62%
Basic Earnings per Share (baht)	0.30	-0.11	0.41	372.73%

Performance Report

From the same period last year, the global economy is continuously recovered from the progress of COVID-19 vaccine injection and the ease of COVID-19 situation in many countries together with the recovery of Thai economy from the government's stimulus measures. These positively affect the supply and demand of both domestic and foreign and lead to the recovery of Thai automotive industry and cause the automotive infrastructures increase their production, which leads to the increase in the production of automobiles 148.45% and motorcycles 158.18%. This affects the sales and production costs of the Company and subsidiaries during the 3rd quarter of the fiscal year 2021 (April 1, 2021 to June 30, 2021) as follows;

1. The company's total revenue increased by 572.34 million baht or 77.43% from the same period last year.
2. The cost of sales and services increased by 467.17 million baht or 68.74% from the same period last year, mainly from 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. However, the company's labor costs decreased due to closely costs monitoring.
3. Selling and administrative expenses increased by 6.88 million baht or 7.88% from the same period last year following the increasing sales.



Overall, in Q3/FY2021, the Company had net profit around 57.70 million baht, increased around 79.42 million baht or 365.62% comparing to the same period last year, mainly from the increase of sales and the effectiveness of closely expense monitoring. The Company's earnings per share is 0.30 baht.

Financial Position

As of June 30, 2021, the company had total assets of 5,233.82 million baht, increased by 645.25 million baht compared to September 30, 2020. The main reasons are first; the increase of value of equity instrument resulted from the change of valuation method due to the adoption of the financial reporting standards related to financial instruments (TFRS 9) and second; the increase of trade and other receivables and inventories following the increasing sales.

The total liabilities of the company were 1,377.24 million baht, increased by 337.67 million baht compared to September 30, 2020 mainly due to the increase of trade and other payables.

In this regard, the Company has shareholders' equity of 3,856.58 million baht, increased by 307.58 million baht from unappropriated retained earnings and change in other components of equity due to the adoption of the financial reporting standards relate to financial instruments (TFRS 9). This results in the book value per share of the company at 20.06 and the debt to equity ratio (D/E ratio) at 0.36.

Cash Flow

For the nine-month period ended June 30, 2021, the Company had net cash generated from operating activities around 472.72 million baht, increased about 22.95 million baht. The net cash used in investing activities was around 279.34 million baht, increased about 161.62 million baht, mainly from investment in debt instruments. There was net cash paid for financing activities around 109.76 million baht, mainly from dividend payment.

As of June 30, 2021, the Company had cash and cash equivalents of 988.72 million baht, increased around 254.67 million baht compared to June 30, 2020.

Pleased be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

Executive Chairman

(Mr. Katsunori Ito)

President