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February 13, 2025

Subject: Management Discussion and Analysis for Quarter 1/FY2025

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/FY2025 (ended December 31, 2024) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q1/FY2025	Q1/FY2024	change	%YoY
Total Revenues	1,160.01	1,143.79	16.22	1.42%
Cost of Sales and Services	1,019.53	996.25	23.28	2.34%
Selling and Administrative Expenses	99.35	90.21	9.14	10.13%
EBIT	41.13	57.33	(16.20)	-28.26%
Net Profit	33.17	51.71	(18.54)	-35.85%
Basic Earnings per Share (baht)	0.17	0.27	(0.10)	-36.81%

Performance Report

During the first quarter, the global economy has continued to be driven by the service sector, while the manufacturing sector was still weak due to lower orders. However, the Asia's export industry tends to recover, especially technology products, in line with the global electronics cycle. For the inflation rates, there is a downward trend in many countries, and central banks are likely to slow down the reduction of policy interest rates. The global economy is still highly uncertain due to US economic policies, especially the policy of setting import tariffs and trade retaliation for various countries, as well as geopolitical conflicts, especially in the Middle East, which are expanding, and the intensifying Russia-Ukraine war. For the Thai economy, it has an expansion trend with various expansions in each sector. The tourism and service sectors are improving, but SMEs and some industries are still facing structural problems and more intense competition, especially the automotive sector. In addition, there is uncertainty from the policies of major economies, which will affect Thailand's export and investment trends. For the automobile production in Thailand, it decreased by 25.18 percent, and motorcycle production in Thailand decreased by 6.59 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 2025 (October 1, 2024, to December 31, 2024):

1. The company's total revenue increased by 16.22 million baht or 1.42% from the same period last year.
2. The cost of sales and services increased by 23.28 million baht or 2.34% from the same period last year due to the increase of employee welfare costs.



3. Selling and administrative expenses increased by 9.14 million baht or 10.13% from the same period last year due to the increase of employee welfare costs.

Overall, in Q1/FY2025, the Company had net profit around 33.17 million baht, decreased around 18.54 million baht or 35.85% compared to the same period last year. The Company recorded earning per share at 0.17 baht.

Financial Status

As of December 31, 2024, the company had total assets of 5,241.92 million baht, decreased by 38.18 million baht compared to September 30, 2024, mainly due to the maturity of short-term investments which use for the operation.

The total liabilities of the company were 1,036.77 million baht, decreased by 70.41 million baht compared to September 30, 2024 mainly due to the decrease of trade and other payables.

In this regard, the company has shareholders' equity of 4,205.15 million baht, increased by 32.23 million baht from unappropriated retained earnings. This results in the book value per share of the company at 21.88 baht and the debt to equity ratio (D/E ratio) at 0.25.

Cash Flow

For the three-month period ended December 31, 2024, the Company had net cash used in operating activities around 27.15 million baht, decreased about 55.47 million baht compared to the same period last year. The net cash generated from investing activities was around 165.52 million baht, increased about 211.89 million baht compared to the same period last year mainly due to the maturity of short-term investment.

As of December 31, 2024, the Company had cash and cash equivalents around 825.85 million baht, decreased around 302.24 million baht compared to December 31, 2023.

Please be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

(Mr. Kiyoharu Mizushima)

Chairman

President