

ANNUAL Report 2009



IRC

Inoue Rubber (Thailand) Public Co., Ltd.

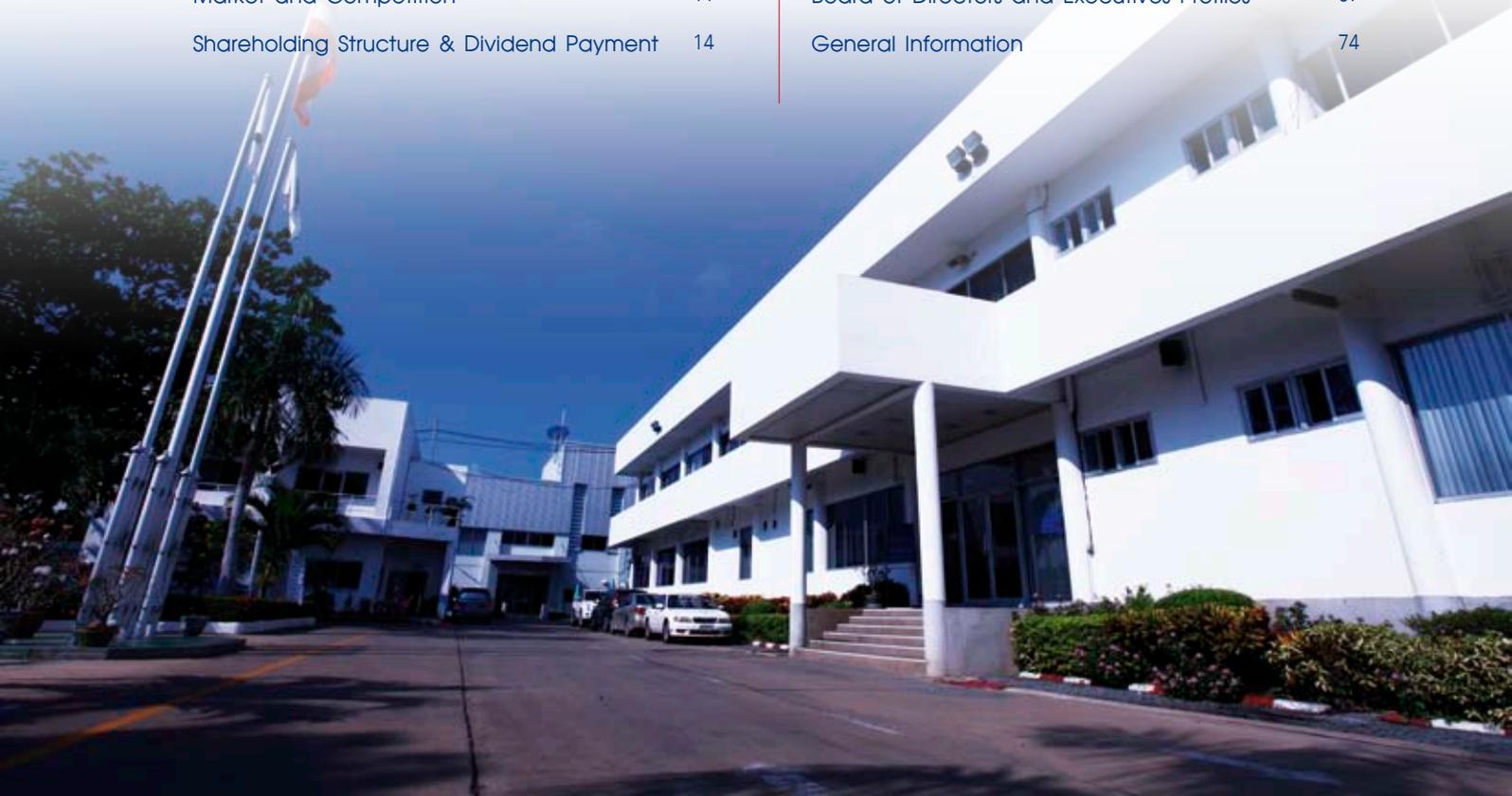
Our Mission

“Be the leading company in development and manufacturing of Elastomer Products and Motorcycle Tires and Tubes Products in ASEAN” on the 7 policies of

- (1) Safety works and environments
- (2) Quality in each product with international quality system
- (3) Best satisfaction to customers in all product dimensions:
 - Price/Cost (P) at the best competitive level
 - Quality (Q) at the best comparative quality rating by customers
 - Delivery (D) at the best comparative delivery rating by customers
 - Service/solutions (S) at the best service to solutions for customers at all time
- (4) Upward management team with full efficiency
- (5) Continuous research & development to be the innovative designer of the products
- (6) Generating strong financial status and attractive return to shareholders
- (7) Participate in community development

Contents

Financial Highlights	1	Management Structure	15
Message from the Board of Directors	2	IRC with Society, Community and Environment	26
Message from the Audit Committee	3	Corporate Governance	28
Nature of Business	4	Connected Transactions	37
Revenue Structure	7	Explanation and Analysis of Operating Results	38
Company Structure	8	Report of Independent Auditor	39
Risk Factors	9	Financial Statements	40
Market and Competition	11	Board of Directors and Executives Profiles	67
Shareholding Structure & Dividend Payment	14	General Information	74



FINANCIAL HIGHLIGHTS

(Unit: Million Baht)

	2009	2008	2007
Financial Status			
Current Assets	1,491.03	1,839.59	1,420.23
Total Assets	2,848.85	3,217.01	2,612.62
Current Liabilities	959.95	1,613.74	1,190.57
Total Liabilities	1,074.95	1,613.74	1,190.57
Total Shareholders' Equity	1,773.90	1,603.27	1,422.04
Company Performance			
Sales and Service Income	4,507.22	5,648.41	4,881.66
Cost of Sales and Service	3,949.29	5,121.40	4,329.91
Total Revenues	4,539.94	5,694.23	4,935.51
Gross Profit	557.93	527.01	551.75
Selling and Administrative Expenses	232.44	234.73	222.71
Income Before Finance Cost and Corporate Income Tax	358.21	338.11	382.88
Corporate Income Tax	85.83	52.18	72.04
Financial Cost	11.74	8.70	18.14
Net Income for the Year	260.63	277.23	292.70
Financial Ratio			
Current Ratio (Time)	1.55	1.14	1.19
Asset Turnover (Time)	1.50	1.95	1.85
Earning Per Share (Baht)	1.30	1.39	1.46
Book Value (Baht)	8.87	8.02	7.11



MESSAGE FROM THE BOARD OF DIRECTORS



In 2009, Thai automobile industry must face the obstacles and risks that arise mostly from the global economic depression and domestic politic conflict. That results in the deceleration of demands in export and domestic market. In the first half of the Year 2009, especially, the global economy was in a severe recession, and the automobile manufacturers have to reduce the productivity in order to release the higher inventory, as well as slow down or suspend an investment. After economics stimulation measures, however, have been applied by many governments of countries, and the overview of economics has gradually rehabilitated in the second half of the Year 2009. Also the consumers tend to be confident to go shopping and the Thai export market of automobile is expected to become better due to the increment of positive factors.

As for us, such economic crisis leads to a challenge and opportunities. The pressure of economic depression has decreased the demand of raw materials. Consequently, the prices of crude oil and natural rubber in the global market have gone down. Therefore the capital risk factor of the Company has been partly abated. Along with the

preparedness of experience, standardized production technology, product research and development with cooperation of automobile manufacturers, financial strength with low debt ratio and all employees' unity in overcoming any obstacles. These are all of the key factors that bring our Company away from such depression. It can be reflected favorably upon the overall operation of the fiscal year during October 1, 2008-September 30, 2009 that the relative net profit has slightly reduced comparing to that of the last year.

Our Company still carries on the activities of Corporate Social Responsibility (CSR) and Good Governance for shareholders, for instance, IRC Ride for Life Project being held all over our country in order to promote the correct and safe bicycle ride among the riders, participating in the Environmental Governance Project and the Total Energy Management (TEM) organized by the Ministry of Industry. As well as the Quality Assessment on the Annual General Shareholder Meeting (AGM) for the Year 2009 organized by the Securities and Exchange Commission (SEC), and the Company has been ranked at "Very Good".

Finally, the Board of Directors would like to thank the shareholders, customers, executives, employees, trade allies, as well as related governmental agencies that always support the business operation of the Company. All of you shall be strongly confident that our Company intends to make the organization firmly, continuingly developed and progressed

A handwritten signature in blue ink, appearing to read 'Soichi Inoue'.

Mr. Soichi Inoue
Vice-Chairman

MESSAGE FROM THE AUDIT COMMITTEE



The Board of Directors of Inoue Rubber (Thailand) Public Company Limited (as of 24 November 2009) consisted of three audit committees, namely Mr. Kampanart Lohacharoenvanich, Chairman of the Audit Committee, Mr. Vichit Vuthisombut, and Ms. Chaovana Viwatpanachati, members of the Audit Committee. Each member of the Audit Committee is qualified as an independent director under the notification of Securities and Exchange Commission. One member of the Audit Committee, namely Ms. Chaovana Viwatpanachati, has adequate expertise and experience to review creditability of the financial reports.

The Audit Committee performs its duty independently based on the Charter of the Audit Committee. At each meeting, the Audit Committee reports its performance and gives opinion independently to the Board of Directors. In 2009, the Audit Committee meetings were held six meetings in which two meetings external auditor were invited. The results of the Audit Committee's performance can be summarized as follows:

1. The Audit Committee reviewed the quarterly financial statements and the 2009 financial statements before proposing to the Board of Directors to ensure that the financial statements were in accordance with the Generally Accepted Accounting Principles and that information was correct, adequately, and completely disclosed in a reliable manner. In addition, the Audit Committee also expressed its observations and acknowledged solution guidelines for the Company's benefit.

2. The Audit Committee reviewed the Company's internal control to ensure effective and adequate internal control system was in place. The Audit Committee had the meetings with the Company's internal audit section and its management to consider a topic of audit review. In 2009, the Audit Committee assigned the Company's internal audit section to follow-up the audit report on "Inventory Management Process of Product for Replacement Market" and "Fixed Assets Risks Management", which independent internal auditor had ever audited and identified areas for improvement. Based on the follow-up reports, no essential issues or shortcomings were found.

3. The Audit Committee reviewed the Company's compliance according to the Securities and Exchange Acts, the notifications of the Stock Exchange of Thailand, and the relevant laws, and found that they were fully complied.

4. The Audit Committee considered state of independence of external auditor and determined the appropriate compensation and proposed to the Board of Directors to subsequently seek an approval from the Shareholders' Meeting. In 2010, the Audit Committee considered to purpose PricewaterhouseCoopers ABAS Ltd. to be the Company's external auditor.

5. The Audit Committee reviewed the compliance with the good governance practice and monitored compliance to the regulations regarding criteria, procedures and disclosure of connected transactions or transactions with conflict of interest, to be conducted for the best interest of the Company and the shareholders.

In view of the Audit Committee, the preparation and disclosure of the Company's financial information were sufficient and in accordance with the Generally Accepted Accounting Principles. The connected transactions were conducted based on the Arm's Length Principle and were disclosed adequately. Additionally, the Company had a proper internal control and conducted the business in compliance with the relevant laws and regulations.



(Kampanart Lohacharoenvanich)
Chairman of Audit Committee

NATURE OF BUSINESS

Registered and established on December 15, 1969, Inoue Rubber (Thailand) Public Company Limited is the first manufacturer of motorcycle tires and tubes in Thailand. It is a synergy between Thai shareholders of Leeissaranukul family, who has extensive experience in Thai automotive industry, and Inoue Rubber Co., Ltd. (Japan), a Japanese leading manufacturer of motorcycle tires and tubes.

With demand for rubber parts continuing to demonstrate growth, the Company has decided to tap into the upward trend by expanding into new product line, namely industrial elastomer parts, for automobiles, motorcycles, and electric appliances. On December 30, 1993, the Company registered its conversion into a listed company. The Company currently has a fully-paid registered capital of Baht 200 million, and par value at 1 baht per share.

The Company has continued its focus on providing world-class quality products through technology transfer from Inoue Rubber Co., Ltd. (Japan) along with focusing on research and development of manufacturing process. So that today, the Products under "IRC" brand has been recognized and accepted in both good quality and service among customers in Thailand and overseas. By maintaining high quality standards, the Company has achieved many international quality management certifications, including Quality Management System ISO 9001:2000, Quality Management System for Automotive Industry ISO/TS16949:2002, Thai Industrial Standard (Mor.Or.Kor), European Standard (E-Mark), and Environmental Management System ISO14001.

A manufacturing facility is divided into two separate areas depending on a product type. Industrial elastomer parts' production line is located in Amphur Wangnoi, Ayutthaya province while motorcycle tires, motorcycle tubes, and wheel set assembly's production line is located in Amphur Thanyaburi, Pathumthanee province.

PRODUCTS

1. Industrial Elastomer Parts

Industrial Elastomer Parts mainly comprise of rubber parts for automobiles and motorcycles, such as engine mounting, weather strip, door sponge, bumper rubber, rubber gasket, and face comp drive. Besides, the rubber parts used for other industries include hose water inlet, rubber insulator, butyl sheet, and gasket cover. The manufacturing site is located in 157 Moo. 5 Phaholyothin Road, Lamsai, Wangnoi, Ayutthaya province. Leading auto and motorcycle makers, such as Honda, Toyota, Mitsubishi, Isuzu, Nissan, Ford, Suzuki, Yamaha, Kawasaki, are the main customers.





ON ROAD AMERICAN STYLE TIRE



2. Motorcycle Tire

The Company is offering various types of motorcycle tires as to serve different purposes, such as On Road Tire, Off Road Tire, Scooter Tire, and Heavy Tire. Main customers include leading motorcycle makers in domestic, replacement market, and export market. The manufacturing site is located in 258 Rangsit-Nakornnayok 49, Prachatipat, Thanyaburi, Pathumthanee province.

3. Motorcycle Tube

As well as the motorcycle tire, motorcycle tube has been developed a wide variety of characteristics and sizes as to fulfill the customer needs. The manufacturing site is located in 258 Rangsit-Nakornnayok 49, Prachatipat, Thanyaburi, Pathumthanee province. Main customers are leading motorcycle makers in Thailand and overseas.



4. Wheel Set Assembly

The Company started new assembly line of this product in 2003 to increase the value-added service to customers. The Company's tires and tubes will be combined with the motorcycle wheel before delivering to the customers. The manufacturing site is located in 258 Rangsit-Nakornnayok 49, Prachatipat, Thanyaburi, Pathumthanee province. The products are currently sold to Thai Yamaha Motor Co., Ltd. and Thai Suzuki Motor Co., Ltd.





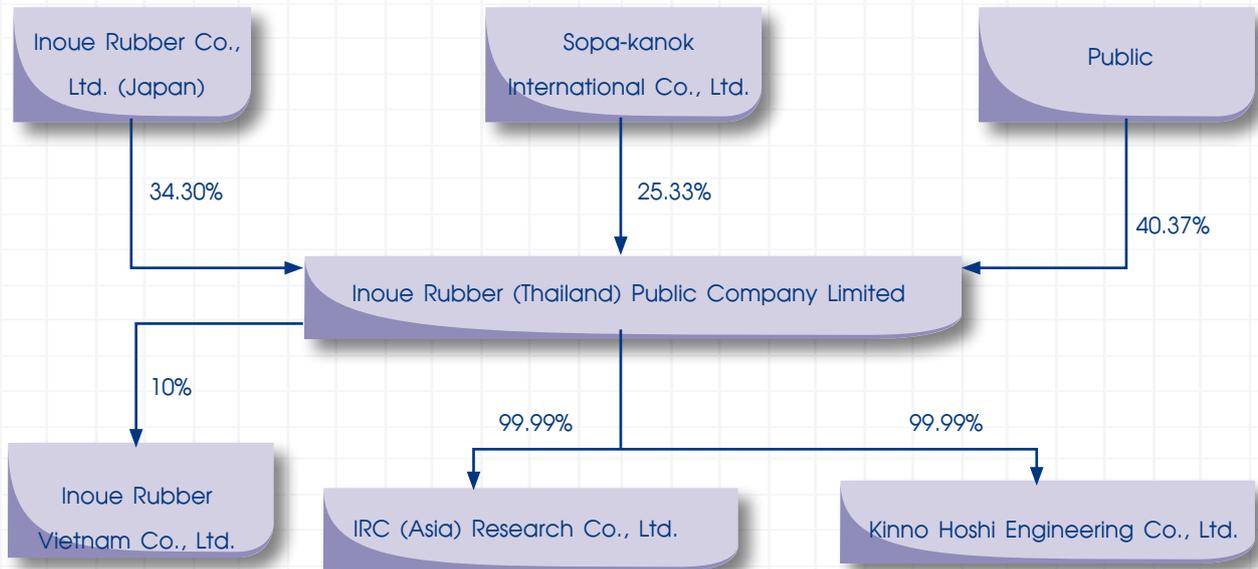
IRC Inoue Rubber (Thailand) Public Company Limited.

REVENUE STRUCTURE

A revenue for the industrial elastomer parts accounted for 42.08% of total sales, 39.17% for the motorcycle tires, 13.19% for the motorcycle tubes, and 5.56% for the wheel set assembly. The proportion between local and export sales accounted for 76.13% and 23.87%, respectively. Details are as follows:

Product	2009		2008		2007	
	MB	%	MB	%	MB	%
Local sales						
1. Industrial Elastomer Parts	1,645.23	36.50	2,482.58	43.95	2,643.97	54.17
2. Motorcycle Tire	1,203.29	26.70	1,211.47	21.45	979.96	20.07
3. Motorcycle Tube	332.15	7.37	322.03	5.70	313.31	6.42
4. Wheel Set Assembly (RIM)	250.84	5.56	321.52	5.69	321.07	6.58
Total Local Sales	3,431.51	76.13	4,337.60	76.79	4,258.31	87.24
Export sales						
1. Industrial Elastomer Parts	251.65	5.58	372.43	6.59	43.40	0.89
2. Motorcycle Tire	561.84	12.47	761.27	13.48	424.31	8.70
3. Motorcycle Tube	262.22	5.82	177.11	3.14	154.86	3.17
4. Wheel Set Assembly (RIM)	-	-	-	-	-	-
Total Export Sales	1,075.71	23.87	1,310.81	23.21	622.57	12.76
Total Sales						
1. Industrial Elastomer Parts	1,896.88	42.08	2,855.01	50.54	2,687.37	55.06
2. Motorcycle Tire	1,765.13	39.17	1,972.73	34.93	1,404.27	28.77
3. Motorcycle Tube	594.37	13.19	499.14	8.84	468.17	9.59
4. Wheel Set Assembly (RIM)	250.84	5.56	321.52	5.69	321.07	6.58
Total Revenue	4,507.22	100.00	5,648.41	100.00	4,880.88	100.00
Increased/(decreased) of revenue	(20.20%)		15.72%		8.21%	

COMPANY STRUCTURE



The Company presently holds a 99.99 percent stake in two subsidiaries, namely IRC (Asia) Research Co., Ltd. and Kinno Hoshi Engineering Co., Ltd., and holds its 10 percent stake in Inoue Rubber Vietnam Co., Ltd. Details are as follows:

1. IRC (Asia) Research Co., Ltd.

The Company is aware of the essence of research and development due to the market has commanded for variety of products whether type, nature, and quality. Therefore, the Company established IRC (Asia) Research Co., Ltd. on July 18, 1995 to provide services on research and development on the Company's products in conjunction with Inoue Rubber Co., Ltd. (Japan) and the customers.

2. Kinno Hoshi Engineering Co., Ltd.

Established on November 9, 2001 to manufacturer metal molds, metal parts for rubber parts of automobiles and motorcycles. It has been granted with investment privileges from the Board of Investment (BOI). The products are manufactured for Inoue Rubber (Thailand) Public Company Limited.

3. Inoue Rubber Vietnam Co., Ltd.

In 1996, the Company invested 1 million US dollar (10 percent) with the Asian Inoue Rubber PTE. Ltd. (Singapore) and Sao Vang Rubber (Vietnam) Co., Ltd. to set up Inoue Rubber Vietnam Co., Ltd. or Cong Ty Tnm Cao Su Inoue Vietnam Co., Ltd. in Vietnam with total registered capital of 10 million US Dollar for manufacturing of tires and tubes (motorcycles, barrows, bicycles, and hand carts) as to serve the expanding market in Vietnam.

RISK FACTORS

1. Business Risks

1.1 Risk of relying on the automotive industry

The Company earns major income from manufacturing and distributing products related to automotive industry. The industry's situation, as a consequence, is one of major factors determining the Company's income direction. If the industry is sluggish, it will definitely adversely affect the Company's income. Since eruption of global financial crisis in 2008, worldwide economy has been sluggish. The Thai economy began to feel the pinch from the untoward global incident during the last quarter in 2008. The situation further aggravated during the first half in 2009. Automotive industry has been one of the most affected industries in the world. The automotive manufacturers have had to reduce production capacity so as to reduce stocks of the products which increased at the time. They also adopted a strategy to slow down investment. Although the automotive industry has been recovering since August 2009, it is gradually gaining grounds. The situation was not favorable to the Company, It resulted in the Company's sales turnover for 2009 accounting year (1st October 2008 — 30th September 2009) decreased Baht 1,141.18 million or declined 20.20% from the year earlier.

During the past year, the Company managed risks by closely monitoring and conducting a study of risk factors thoroughly. It also evaluated and reviewed marketing plan to coincide with the situation as much as possible. The Company also concentrated on manufacturing quality products, cost controlling for its manufacturing procedure, managing financial liquidity, managing stock of the products, and developing personnel, in particular their knowledge and competency through conducting research and development to be prepared for market recovery again etc.

1.2 Risk from market and competition

The market's situation and competition during the past year was quite fierce due to unfavorable global economy. Overall automotive original equipment manufacturing (OEM) market still concentrated on the products' quality, price, products' delivery, research and development which was jointly done with automotive manufacturers, as well as cost control for unnecessary expenses. The Company has been concentrating on all mentioned aspects which have resulted in its being able to maintain existing customer base. For the replacement market (REM), competition concentrated on price strategy, which resulted in price cutting situation and imported cheap spare parts from China. The Company, as a consequence, has been prompted to concentrate on cost management coupled with extending knowledge on products' quality as well as launching sales promotion with its dealers. For export market, it still faced with sluggishness of demand in the world's market as well as appreciated Thai Baht. The Company, as a consequence, concentrated on maintaining its existing customer base in Southeast Asia market which was not severely affected from global economic problem compared with other areas of the world. The Company also exported to new markets which still enjoyed continued economic growth momentum, such as India.

1.3 Risk from fluctuation in rubber price

Global economic slowdown has resulted in declining demand for energy and raw materials in the industrial sector. During the first half in 2009, automotive production capacity of the world's major manufacturers such as the United States and Japan significantly decreased compared with the corresponding period in 2008. It resulted in decreasing demand for rubber, the major raw material to produce tires and automotive spare parts. Market price of rubber, consequently, weakened compared with the year earlier which somewhat eased the Company's risk exposure on cost of raw materials. But the situation during the latter half of 2009 exposed to risk of soaring crude oil and rubber price which began to volatile due to recovery of the world's economy. Demand for crude oil and rubber has been improving. Demand of automotive market in China, in particular, swiftly recovered which was a factor accelerating rubber price to increase. It was coupled with continued raining which resulted in declining quantity of rubber with soaring price. To manage the risk, the Company concentrated on improvement of production procedure so as to increase the production

procedure, the Company concentrated on manufacturing procedure to increase products and usage of raw materials to be the most worthwhile, adjusting buy order to suit the situation, adjusting buying plan to suit the situation and adjusting buy order to suit the situation as well as controlling inventory to suitable level.

2. Financial Risks

2.1 Exchange rate risk

As the Company has imported raw materials and exported part of its merchandises in foreign currencies such as US dollars, Japanese yen, and Euro, the fluctuation in foreign exchange rate may affect costs and incomes of the Company. For the preceding year, the large fluctuation in baht was due to the sub-prime and financial crisis in the US which has spread to other countries around the world, including the continued political conflict in Thailand. The Company has monitored the movement of the currency closely and has covered part of risk through the forward contracts, most of which the contract term is less than one year, while the financial derivatives have been suitably employed as a risk management tool.

3. Credit Risks

The Company is exposed to a credit risk on accounts receivable since the credit policy and method have been clearly formulated and controlled while the repayment ability, liquidity are generally checked to determine the credit line with respect to the repayment ability of each customer before the transaction is approved. The maximum exposure to credit risk is limited to the carrying amounts of Baht 2.67 million of trade account receivables as stated in the balance sheet.

MARKET AND COMPETITION

1. Industrial Elastomer Parts

■ Automotive Group

The US financial crisis has sent shockwave to Europe and other countries worldwide. Impact from the US financial crisis, the automotive industry in Thailand has been severely affected from this untoward incident. Based on marketing structure of the sector in 2008, the Thai automotive industry's ratio of export accounted for a record 55% from a total 1.4 million units of automobile assembled locally. However, the crisis sent negative shockwave in late 2008 against export and local markets. The situation was quite severe during the first quarter in 2009. Automotive manufacturers had to reduce production capacity. However, in May 2009, global demand of the products picked up. Export orders began to move forward positively due to stimulus packages implemented by governments in several countries to stimulate their respective economies. Local purchasing power also gradually gained grounds. Delayed cars' delivery began to emerge due to declining inventory of the products during early in 2009. Automotive manufacturers began to increase production capacity. Total cars' assembling in 2009 is expected to be around 0.97-1 million units, around 30% decrease from previous year. But it is better than earlier anticipation early in 2009.

For 2010, overall sales turnover of assembling automobiles is expected to be better than in 2009. Global alternative energy sources are also expected to be more evident in terms of energy saving as well as campaign of global warming and pollution. It has been evident as automotive companies began to explain details of raw materials for their production, such as International Material Data System (IMDS) which can identify parts which can be recycled. Laws relating to exports of cars and spare parts, as, to developed countries and other nations, as a consequence, began to be implemented to stipulate dangerous substances and ratio of the products of exported automobiles which can be recycled during production procedure. Local automotive institution and the Thai Government have attempted to push Thailand to be centre to automobile assembling and export, including pickup trucks and sedans, to Asia. ECO Car project, as a result, was implemented. The car's concept is a small sedan with fuel saving, no exceeding 1400 CC cylinder. Com. Fuel economy is about 20 Km. per litre of fuel. The project is expected to be launched in early 2010. Nissan and Renault will be the first two brands to launch the economy car. Honda also plans to assemble the car in late 2010. Toyota also has planned to assemble the car in 2012. Other cars' brands are expected to follow suit. The Thai automotive latest policy is expected to help expanding local automotive industry by the next couple of years

■ Motorcycle Group

The motorcycles' market in 2009 was adversely affected by sluggish economy and declining prices of agricultural products. Demand shrank, although not much compared with that of automotive market. Local motorcycles' market continuously paid attention to Scooter model, which aimed to attract young people. Every brand has concentrated on launching Scooter motorcycle, such as Scoopy I (Honda), Jelato (Suzuki), and Fino (Yamaha), existing market dominant of the model. Yamaha still installed carburetor in the model, while the remaining brands in the local market installed fuel injection system in the model. The market of the mode was quite unique. Each brand would create its own community for the end users through establishing customers' service relationship (CSR) and fan club to enhance brand's awareness among the customers. The overall market situation of motorcycles improved this year from last year, although competition in the local market was quite fierce. Export of the products to ASEAN market declined, however, as both Indonesia and Vietnam, two member nations, could produce more spare parts by themselves.

■ Sub Auto & Sub Motorcycle

Trend of opportunity of automotive and spare parts in the future is expected to be favorable. But the parts' manufacturers have to adjust themselves to increase their competitiveness as completion is on the uptrend. They should also concentrate on export markets as Thailand has been cooperating with various international

organizations and groups, including ASEAN Industrial Cooperation (AICO), ASEAN Free Trade Area (AFTA) and Japan-Thailand Economic Partnership Agreement (JTEPA). In addition, the Thai Government is prepared to support local automotive and spare parts industry to enhance their competitiveness. Export opportunity of the products to ASEAN and other countries is lucrative.

However, local producers of automotive spare parts are exposed to possibility of being downgraded to the second or third tiers, from the first to second tiers as Thai owned business of the industry is less in designing capability than their foreign competitors. As a result, they should attempt to participate in designing program with automotive manufacturers to maintain their business opportunity. The most important aspect is that they should keep on upgrading knowledge and competency of their personnel, from operators to engineers, to have skills to resolve problems in the business to improve their quality. The spare parts' manufacturers, as a consequence, should accelerate developing their potential to be more than or equal to their foreign competitors.

■ Non Automotive

For non-automotive group during the past year, they were kept eyes on by various other companies due to highly volatile of the group following economic downturn. This prompted spare parts' manufacturers to pay more attention to this customer group, such as those in agribusiness, machinery for agriculture, air-conditioned industry, water valve production industry, furniture industry. As demand of spare parts from these groups, both local and foreign people, still continuously exist. In addition, Thailand relies mainly on agriculture. This prompted several companies to concentrate on their research and development of their products to better serve their customers. Production of electrical home appliance sector in the local market decreased in 2009 by about 20-25% from 2008. However, outlook of the sector in 2010 is bright. For agriculture and agriculture machines, such as Kubota, was outstanding in 2009 as production of the year increased by about 15% from 2008. In 2010, it is expected to continue on the uptrend as there are such projects as production of rice reaper, paddy transplanter, to replace imported products from Japan. Based on this fact, fierce competition of the sector is expected. This prompted spare parts' manufacturers to face with increased competition in the market. Main strategy of the sector is to maintain quality of the products and to reduce costs to be as low as possible to enhance competitiveness.

2. Motorcycle Tires and Tubes

■ Motorcycle assembling plants (OEM)

Growth of new motorcycles' market decreased in 2009 compared with previous year due to sluggish economy globally. However, the impact was less than earlier expected as entrepreneurs in affected countries have utmost attempted to stimulate their respective markets. They launched various sales promotion and new products, to increasingly response to consumers' demand. It has resulted in better-than-expected sales of new motorcycles. For sales of tubes and tires, they were regarded as satisfactory during the past year as the Company was significantly trusted by its customer groups due to the Company's strength of its products which could continuously maintain their quality with availability of varieties of products. In addition, the Company has research and development unit through IRC (Asia) Research Co. to concentrate on research and development of the products by itself. The company's parent firm from Japan is its advisor which continuously offers advisory service to customers. It has resulted in cooperation on products' development. Major customers are large investment companies from Japan, such as Honda, Yamaha, Suzuki, Kawasaki, which resulted in the Company's being able to maintain its market share on the products. Regarding overall Company's market share, the Company still retain majority of market share at about 60% of the whole market. The increased market share resulted in sales turnover of its customers during the past year being higher than previous year.

For overall competition situation of OEM market, it is competition both in terms of quality and prices simultaneously. Products' delivery must also meet customers' demand. The Company has concentrated on all these aspects, particularly in terms of quality and service. The Company has continuously improved its management to maximize every customer's satisfaction. It has also attempted to maintain prices to least affect customers to maintain existing customer base as well as increase competitiveness.

■ Replacement Market

Expansion of replacement market this year was less than previous year due to several adverse impacts, such as higher unemployment situation, declining export orders due to the US financial crisis, problem of uncertain local political situation and epidemic 2009 flu pandemic which directly affected local tourism, as well as natural disaster which caused floods in some are of the country. These negative impacts directly affected local consumption and declining sales of products in replacement market being less than earlier expected. Although the situation during the middle to late of the year was improving due to the Government's economic stimulus packages as well as sales campaigns launched by private sector, which could somewhat help improve local economy although not so significant.

However, during the past year, the Company's sales turnover was satisfactory compared with overall economic situation of the country. This was particular the case for motorcycle tubes, which must be manufactured under the Thai Industrial Standard (Mor.Or.Kor.) which local customers were confident. It resulted in continuously higher production and sales turnover. Whereas the Company has attempted to implement various measures of sales promotion which have received excellent cooperation from the Company's local dealers. The Company has also continuously launched new products with concentration on higher performance products with more variety and more modern of customer market groups, such as the launch of 14-inch sidewall tire which can be used with all models of automatic transmissions gear shift motorcycles. Such big Scooter tires were also launched for use with automatic transmission gear shift motorcycles with confidence. In addition, the Company also concentrated on other services, such as in time products' delivery so as to maintain customers' satisfaction and market share as much as possible.

For sales promotion in local market, the Company has done so throughout the year as usual, such as safety driving campaign. It also was co-sponsor for IRC DID RIDE FOR LIFE motorcycle racing covering 10 fields throughout Thailand, participated in seminar for craft men using motorcycles' spare parts jointly with local dealers and related government agencies throughout all regions in the country. In addition, the Company also jointly and continuously hosted sales promotion with motorcycle manufacturers, such as Honda, Suzuki and Kawasaki. On safety driving and motorcycles' racing in fields which directly access to consumers

■ Export Market

Regarding competition in the global market, the Company is still determined to manufacture products to response to demand of customer groups who prefer quality and high performance products, on time products' delivery service, as well as continued development of new products to response to the world's market demand which has been swiftly changing. In 2009, the US financial crisis has adversely and directly affected the Company's export markets, especially the US, Japan, European Union and Australia. The Company's sales turnover in these countries decreased significantly from previous year. However, the Company has changed distribution plan via concentration on products with international quality and launching promotion campaigns in various countries so as to maintain existing customer base and increase sales turnover, especially Southeast Asia which was not significantly affected from the crisis compared with other areas of the world. The Company also could export products to new markets, especially opening new trading partners with countries with continued high economic growth, such as India. The Company expects that it can further expand these markets in the future.

SHAREHOLDING STRUCTURE & DIVIDEND PAYMENT

Major Shareholders of Inoue Rubber (Thailand) Public Company Limited
as of December 14, 2009 (Last registration closing date)

Shareholders	Number of Shares	%
1. Inoue Rubber Company Limited (Japan)	68,600,000	34.300
2. Sopa-kanok International Co., Ltd.	50,666,000	25.333
3. Mrs. Porndee Leeissaranukul	6,500,000	3.250
4. CITIGROUP GLOBAL MARKETS LIMITED-CUSTOMER SAFEKEEP ACCOUNT	6,235,000	3.118
5. Mrs. Powpirach Hemvachiravarakorn	5,400,000	2.700
6. Mrs. Pimjai Laochinda	4,324,775	2.162
7. Mr. Niti Osathanugrah	3,840,500	1.920
8. Dr. Pongsak Thamtataree	3,600,000	1.800
9. Ms. Vanida Khomthongsatit	3,318,800	1.659
10. Mrs. Pornpip Sethiwan	3,258,175	1.629
11. Mr. Apichart Leeissaranukul	3,219,000	1.609
12. Mr. Thanong Leeissaranukul	3,217,100	1.608
13. Mr. Viriya Trangadisaikul	3,134,000	1.567
14. Mrs. Salaya Jaruchinda	2,800,000	1.400
15. Mrs. Waranee Seriwattana	2,268,400	1.134
16. Mrs. Junjira Sennin	2,000,000	1.000

Dividend Payout

The Company has the dividend policy to pay dividend not more than 65 percent of net profit of the consolidated financial statements after deducting corporate income tax and legal reserve. The dividend will be considered based on the Company's annual operating results. The subsidiaries will pay the dividend to the Company according to their performances.

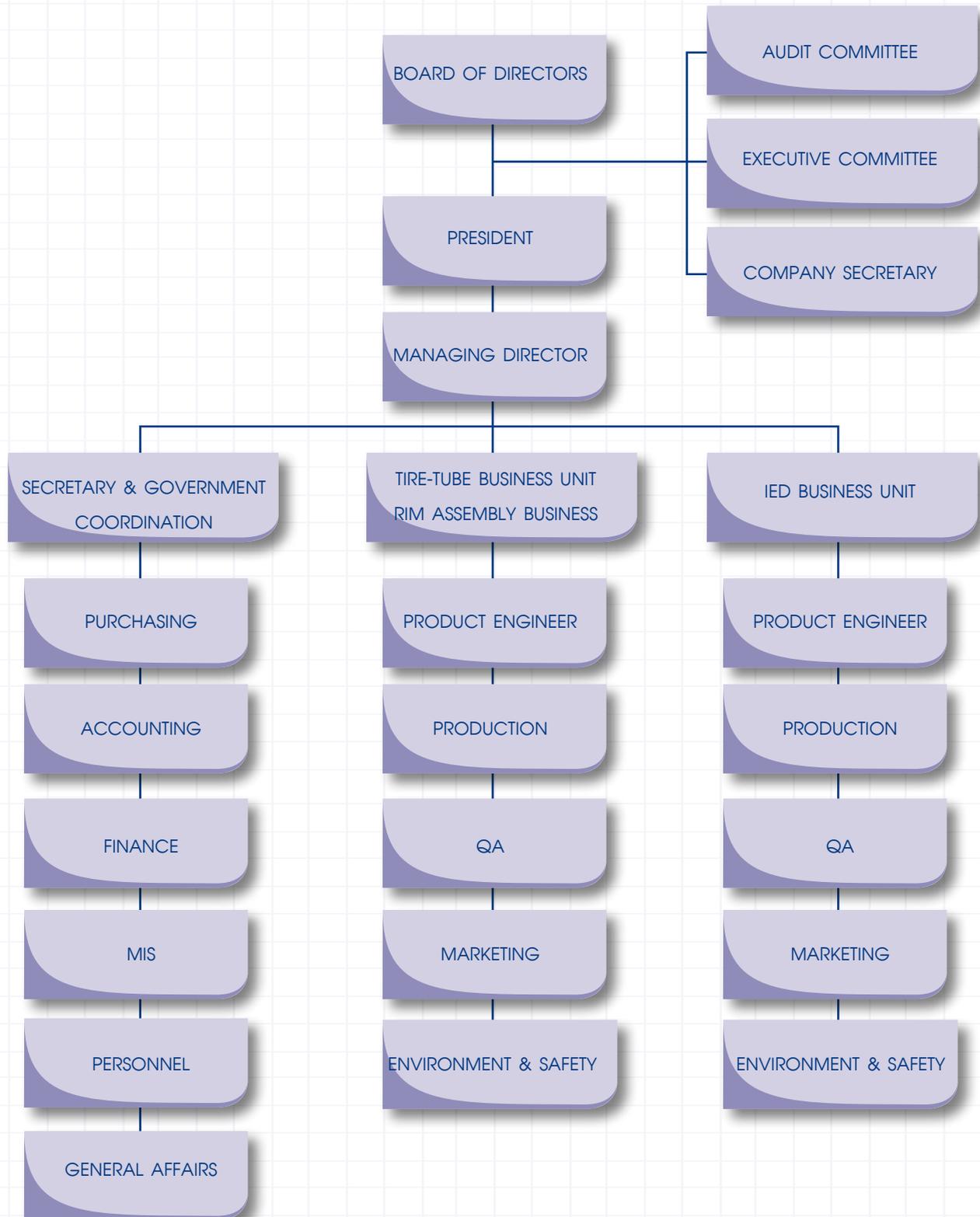
Dividend Payout Record

	2007	2008
Dividend (Baht/Share)	0.48	0.45

* Propose to the shareholders for approving the dividend payment for the year 2009 at 0.42 Baht/share.

MANAGEMENT STRUCTURE

Management Structure of Inoue Rubber (Thailand) Public Company Limited



The Company's management structure consists of Board of Directors, Audit Committee, and Executive Committee. The Company had a President as the top executive who executes his/her authority through Managing Director and Executive Director. Below are details of the management structure.

Board of Directors

The Company's Board of Directors as of 25 November 2009 consisted of eleven members (from sixteen members in the past), nine of whom were non-executive directors (three independent directors and two audit committees) and two of whom were executive directors (details of each director shown in a Board of Directors and Executive Management Profiles Section).

	Name	Non-ED	ED	ID	AC	Position
1.	Mr. Soichi Inoue	/				Vice-Chairman
2.	Mrs. Pimjai Laochinda		/			Director and President
3.	Mr. Takeshi Arakawa		/			Director and Managing Director
4.	Mr. Masayuki Inoue	/				Director
5.	Mr. Thanong Leeissaranukul	/				Director
6.	Mr. Apichart Leeissaranukul	/				Director
7.	Mrs. Porntip Sethiwan	/				Director
8.	Mr. Shigeru Uno	/				Director
9.	Mr. Kiyoshi Nomura	/		/		Independent Director
10.	Mr. Vichit Vuthisombut	/		/	/	Independent Director/Audit Committee
11.	Ms. Chaovana Viwatpanachati	/		/	/	Independent Director/Audit Committee

Remark * The Company has not yet appointed a Chairman since Mr. Vitya Leeissaranukul, former Chairman, passed away on 31 January 2006.

* On 24 November 2009, five directors; namely, Mr. Kampanart Lohacharoenvanich, Mr. Kazuhisa Usami, Mr. Hiroyuki Hibi, Mr. Chayud Lee-issaranukul, and Mr. Nareothai Boothong resigned from the Board of Directors.

* One of the resigning directors; namely, Mr. Kampanart Lohacharoenvanich, resigned from his positions as Independent Director and Chairman of Audit Committee to pursue a new position of commission member of the Capital Market Supervisory Board. This resignation caused the Company to fail to comply with the requirements regarding independent director composition and audit committee composition of SEC and SET. The Company has been looking for a new independent director and audit committee.

* Mrs. Avika Powintara, a Chief of Finance, Investor Relations Section, is the Company Secretary to the Board of Directors.

Directors with Authority to Sign on Behalf of the Company

The directors who have been authorized to sign on behalf of the Company are Mr. Thanong Leeissaranukul or Mrs. Pimjai Laochinda joint signature with Mr. Masayuki Inoue or Mr. Takeshi Arakawa with the Company sealed affixed.

Scope of duties of the Board of Directors

1. To undertake the duties in accordance with laws, objectives and requirements of the company and resolutions of the shareholders with due care and integrity and to look after the interest of the company.
2. To set the business policies and direct the operations of the company and supervise the management to ensure efficiency, effectiveness and compliance with the prescribed policies and to maximize the economic value of the business and to provide maximum business stability to shareholders.
3. arrange a reliable accounting system, financial reports and auditing and to set up internal control procedures and suitable internal audit system with consistent follow-up.
4. To approve the quarterly and annually financial reports and the annual investment budget and to monitor the operating results of the company, including the major progress in various aspects.
5. To provide advice/suggestions and make a decision with due care on the agenda proposed in the meeting of the board of directors.
6. To appoint/remove the subcommittee on specific matters as deemed suitable.
7. An independent director is ready to provide his independent judgment on the issues and to oppose any act of other directors or the management if there is any conflict significant to the company and the shareholders.
8. To arrange a policy on business supervision, business ethics and employee ethics as a guideline on business conducts and to arrange and supervise the administrative work in accordance with the good governance principles consistently.
9. To approve the key transactions of the company such as acquisition or disposal of assets, expansion of the investment projects, determination of the authority to be assigned and any action required by laws and to look after the conflict of interest among stakeholders of the company.
10. To approve and/or grant consent on the inter-company transactions between the company and its subsidiaries in accordance with related notifications, requirements and guidelines of the Stock Exchange of Thailand.
11. To suspend sale or purchase of shares of the company one month before public disclosure of the financial reports.
12. To report any shareholding by himself/herself and his/her spouse and children in the meeting of the board of directors every quarter and to immediately inform the company if there is any purchase or sale of shares (securities) of the company.
13. To arrange a self assessment of the director annually.

Nomination of the Board

Although the Company does not yet have the Nomination Committee, a director nominee shall meet qualifications according to selection criteria and qualification outlined in its Articles of Association. Each director shall not be a person who commits any offence against rules and regulations of the Stock Exchange of Thailand. His/her knowledge, ability, skill, experience, honesty, good working record shall also take into consideration. A majority of the Company's directors has more than twenty years of experience in the automotive industry which is beneficial to the Company as a whole.

Audit Committee

On 24 November 2009, Mr. Kampanart Lohacharoenvanich, the Chairman of Audit Committee resigned his positions as the independent director and audit committee to pursue the new position as commission member of the Capital Market Supervisory Board. Due to his resignation, the Audit Committee therefore consisted of two members. One of them has adequate expertise and experience to review creditability of the financial reports as stated below:

- | | |
|--------------------------------|--|
| 1. Mr. Vichit Vuthisombut | Independent Director/Audit Committee |
| 2. Ms. Chaovana Viwatpanachati | Independent Director/Audit Committee (who posses the direct knowledge and experience in accounting, as shown in the Directors' Profiles) |

Remark: The Company has been looking for a new director to replace Mr. Kampanart Lohacharoenvanich in order to fulfill the requirement of SET.

Mrs. Avika Powintara, a Chief of Finance, Investor Relations Section, is the Secretary to the Audit Committee.

Scope of duties of the Audit Committee

The scope of duties of the Audit Committee has been made in accordance with the notifications issued by the Stock Exchange of Thailand:

1. To verify in assuring that the Company's financial report is correct and accurate and sufficiently disclosed.
2. To verify in assuring that the Company shall have the appropriated effective internal control and internal audit systems on cooperation with the internal auditor and internal controller and to consider the independence of the internal audit agency as well as to provide the approval for the appointment, transfer, termination of the chief of the internal audit agency or any other agencies responsible for the internal audit.
3. To verify in assuring that the Company has acted in compliance with the law on Securities and Exchange, requirements of the Stock Exchange and the laws relating to the Company's business.
4. To consider, select, propose to appoint the independent person or persons to perform the duty as the Company's auditor and to propose the remuneration for such person/persons, considering the reliability, resources adequacy, workloads and personnel's experiences as well as participating in the meeting with the auditor without the involvement of the Management for at least once a year.
5. To consider the related items or the items that would have the conflict of interest to meet the requirement of law or the provision of the Stock exchange to assure that such items are reasonable and resulted in the maximum benefit to the Company.
6. To prepare the report of the Audit Committee's activities, consisting of the opinions about the preparation process and the disclosure of the Company's accurate, complete and reliable financial report, including the opinions relating to the adequacy of the Company's internal control system by disclosing it in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and must consist of at least the following information:
 - 6.1 The opinions about the accuracy, completion and reliability of the Company's financial report.
 - 6.2 The opinions about the adequacy of the Company's internal control system.

- 6.3 The opinions about the act in compliance with law on Securities and Stock Exchange, provisions of Stock Exchange or the laws relating to the Company's business.
- 6.4 The opinions about the appropriateness of the auditor.
- 6.5 The opinions about the items that may post the conflict of interest.
- 6.6 The number of the meeting of the Audit Committee and each member's meeting participation.
- 6.7 The overall opinions or the observations obtained by the Audit Committee from the operation as required in the charter.
- 6.8 Other items as deemed to be known by shareholders and general investors under the scope and responsibility assigned to them by the Company's Board of Directors.
7. Any other operations as assigned by the Company's Board of Directors with the approval of the Audit Committee who directly responsible for the Company's Board of Directors who shall remain to be responsible for the Company's operation against the third party.
8. To verify and amend the Audit Committee charter to be up to date and to suit with the Company's environmental conditions and circumstances.

Independent Director

The Company's independent director as of 25 November 2009 consisted of three independent directors who met the qualification of independent director under the Notification of the Capital Market Supervisory Board No. TorChor. 4/2552 dated 20 February 2009. However, the composition of independent directors is still less than one-third of the board size, and is on the process of proceeding.

	Name	Position	Remark
1.	Mr. Kampanart Lohacharoenvanich	Independent Director/ Chairman of Audit Committee	Resigned on 24 November 2009
2.	Mr. Vichit Vuthisombut	Independent Director/ Audit Committee	
3.	Ms. Chaovana Viwatpanachati	Independent Director/ Audit Committee	
4.	Mr. Kiyoshi Nomura	Independent Director	On 24 November 2009, the Company's Board of Directors considered the qualification under the Notification TorChor. 4/2552 and appointed as a new independent director.

Qualification of Independent Directors

1. Holding shares not exceeding one percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, major shareholder or a controlling person of the Company, including the shares held by related persons of the independent director;
2. Neither being nor having been an executive director, employee, staff, advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has

ended not less than two years prior to the date of application filing with the Office. Such disqualifications shall not apply to the case that an independent director used to be government officer or advisor of government office who is a major shareholder or controlling person of the Company;

3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
4. Not having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder, or controlling person, in the manner which may interfere with his independent judgment, and neither being nor having been a principle shareholder, or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office.

The term 'business transaction' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterpart being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company, and not being a principle shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office;
6. Not being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company, and not being a principle shareholder, controlling person, and partner of such professional advisor unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office;
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder, or shareholders who are related to the Company's major shareholder;

8. Not operate any business which has the same nature as and is in principle competition with the business of the Company or subsidiary, or not being a principle partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary, or holding shares not exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or subsidiary;
9. Not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under the above (1) to (9), the independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company on the condition that such decision must be a collective one.

The provision under subparagraph (2), (4), (5), and (6) regarding the qualification of independent director of the Company during two years prior to the date of application filing with the Office, shall apply to applications filed with the Office as from 1 July 2010 onwards;

In case a person whom the Company appointed to be independent director is an individual who has or used to have business relationship or professional service exceeding the cost provided in clause 1 (4) or (6) herein, a respite should be given to the Company on prohibition of such cost-exceeding business relationship or professional service aforementioned. Until the Company has revealed the viewpoints of the company's board of directors showing the matter has already been considered according to the principle in Article 89/7 that the appointment of such individual has no impact to duty performing and free speech, and also arranged a disclosure of following information in a notification of the shareholders' meeting on an agenda of independent committee appointment.

- (a) Characteristic of business relationship or professional service which makes such individual disqualified.
- (b) Reasons or necessity on insisting such individual to be an independent director.
- (c) Opinion of the Company's committee on appointing such individual to be independent director

For the benefit according to clause 1 (5) and (6), the word "partner" means an individual assigned from the audit office or a professional provider to be the authorized person whose signature shall be in an audit report or professional service report (as the case may vary) in the name of such juristic person.

Executive Committee

Executive Committee was appointed by the Board of Directors on 24 November 2009. The executive committee consists of the following seven members:

	Name	Position
1.	Mrs. Pimjai Laochinda	Member of Executive Committee
2.	Mr. Takeshi Arakawa	Member of Executive Committee
3.	Mr. Koji Yamauchi	Member of Executive Committee
4.	Mr. Hiroyuki Hibi	Member of Executive Committee
5.	Mr. Kazuhisa Usami	Member of Executive Committee
6.	Mr. Chayud Lee-isananukul	Member of Executive Committee
7.	Mr. Nareothai Boothong	Member of Executive Committee

Remark: Mr. Hiroyuki Hibi, Mr. Kazuhisa Usami, and Mr. Chayud Lee-isananukul are not a manager or a person in the first four executives levels; therefore, they have not to disclose reports as specified in Section 59.

Scope of duties of the Executive Committee

1. To perform its duties in accordance with policy, action plan, target, requirement, or regulation of the Company prescribed by the Board of Directors.
2. To meet with the Board of Directors every quarter for reviewing the operating results.
3. To perform its duties in accordance with the good governance principles prescribed as a guideline by the Board of Directors.
4. To suspend sale or purchase of shares of the Company one month before public disclosure of the financial reports.
5. To report the annual conflict of interest to the Company.
6. To occasionally take other actions as assigned by the Board.

The First Four Executives

An executive under the definition prescribed by the Capital Market Supervisory Board means a manager or a person in the first four executives after a chief executive or in similar positions (after the President who is regarded as the highest position of the executive), accounting or finance department managers or above. As of 25 November 2009, the first four executives consisted of the following six members (details shown in the Board of Directors and Executive Management Profiles Section).

	Name	Position in the Company
1.	Mrs. Pimjai Laochinda	President
2.	Mr. Takeshi Arakawa	Managing Director
3.	Mr. Koji Yamauchi	Executive Director
4.	Mr. Nareothai Boothong	Executive Director
5.	Mr. Suriyan Chaiprome	Senior Deputy Executive Director
6.	Mrs. Sopa Lumlerdvoravith	Accounting Manager

Criminal Record

All directors and executives have no criminal history record for the past year.

Remuneration for the Board of Directors and Executives

The remuneration of the Board of Directors is based on an annual basis, which non-executive director shall receive Baht 120,000 per year, executive director shall receive Baht 80,000 per year, chairman of audit committee shall receive Baht 300,000 per year, and audit committee shall receive Baht 220,000 per year.

In accordance with the resolution of the shareholder meeting 2009 dated 29 January 2009, the meeting approved the remuneration of Baht 2,100,000 to the Board of Directors. Total remuneration of the Board of Directors for the year 2009 (1 October 2008-30 September 2009) was Baht 2,098,874.

Total remuneration of the executives for the year 2009 (1 October 2008-30 September 2009) was Baht 11.65 million, which was paid in the form of salaries and bonuses.

Name	Position	Remuneration (Baht)	Remark
1. Mr. Soichi Inoue	Vice-Chairman	120,000	
2. Mrs. Pimjai Laochinda	Director/President	80,000	
3. Mr. Takeshi Arakawa	Director/Managing Director	80,000	Replaced Mr. Hiroshi Ito as Managing Director on 25 Feb 2009
4. Mr. Hiroshi Ito	Director/Managing Director	32,308	Resigned on 25 Feb 2009
5. Mr. Masayuki Inoue	Director	120,000	
6. Mr. Thanong Leeissaranukul	Director	120,000	
7. Mr. Apichart Leeissaranukul	Director	120,000	
8. Mrs. Pornpip Sethiwan	Director	120,000	
9. Mr. Shigeru Uho	Director	71,209	Replaced Mr. Hiroshi Ito as the Company's Director on 25 Feb 2009
10. Mr. Nobuaki Suzuki	Director	43,516	Resigned on 10 Feb 2009
11. Mr. Koji Ito	Director	95,082	Resigned on 17 Jul 2009
12. Mr. Masaaki Tsuya	Independent Director	30,330	Resigned on 1 Jan 2009
13. Mr. Kazuhisa Usami	Director	76,154	Replaced Mr. Nobuaki Suzuki as the Company's Director Resigned on 24 Nov 2009
14. Mr. Hiroyuki Hibi	Director	9,836	Replaced Mr. Koji Ito as the Company's Director Resigned on 24 Nov 2009
15. Mr. Chayud Lee-issaranukul	Director	80,000	Resigned on 24 Nov 2009
16. Mr. Nareethai Boonthong	Director	80,000	Resigned on 24 Nov 2009
17. Mr. Kiyoshi Nomura	Independent Director	80,439	Appointed as the Company's new Director on 29 Jan 2009
18. Mr. Kampanart Lohacharoenvanich	Independent Director/Chairman of AC	300,000	Resigned on 24 Nov 2009
19. Mr. Vichit Vuthisombut	Independent Director/AC	220,000	
20. Ms. Chaovana Viwatpanachati	Independent Director/AC	220,000	
Total remuneration during 1 Oct 2008 - 30 Sep 2009		2,098,874	
Total remuneration approved by the shareholder meeting		2,100,000	

Number of Employees

As of 30 September 2009, the Company had 1,381 employees as the following details:

Total employees	1,381	persons
- Male	827	persons
- Female	548	persons
- Expatriates (Japanese)	6	persons
Total remuneration	373.52	Million Baht
Salary, OT, Bonus, Etc.	366.61	Million Baht
Provident Fund	6.91	Million Baht

Significant Change in Number of Employee or Labor Controversy in the Past 3 years

- None -

Remuneration for Employee

The remuneration for the employees has been paid in form of salary, bonus, provident fund, welfares, such as medical treatment, grants for marriage, grants for Buddhist ordination, etc. The Company, the subsidiary companies, and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiary companies, and its employees contributed to the fund monthly at the rate of 3-6 percent of basic salary. The fund, which is managed by Bualuang Securities Public Company Limited will be paid to employees upon termination in accordance with the fund rules. During the year 2009, the Company contributed Baht 7.6 million to the fund.

Employee Development Policy

The Company always supports and develops knowledge and capability of employees in many areas. This is to enhance effective work and create readiness for improvement among each department and to drive the employees to perform their roles toward the Company's goals. Details are shown in the Corporate Governance Section.

Inside Information Control

Details are mentioned in the Corporate Governance Section in a subject of "Equitable Treatment of Shareholders".

IRC WITH SOCIETY, COMMUNITY AND ENVIRONMENT

Inoue Rubber (Thailand) Public Company Limited gives importance to activities in terms of responsibility to society, community and environment alongside with business operation so long as we are concerned as can be seen it has determined that this is one of obligatory activities of the Company. In 2009, there was a support of activities useful to society, community and environment as found important as per the following summary:

For Society and Community



- IRC Safety Ride for Life 2009 Project is a short training course in regard to safe motorcycle riding for those motorcyclists in general which is arranged in all regions in Thailand to promote enhancement of their knowledge about traffic rules, what should be done on road including knowledge about rubber tires of motorcycles more and more. This is to prevent accident, loss of life and property.



- Collaborated in contribution of fund for construction of a common medical treatment building, Chalerm Prakiat, and medical equipment and tools to Chulalongkorn Hospital. The proceeds go through Pathumthanee Provincial Governor in the amount of 100,000 baht.

- Participated in supporting educational activities. This has been proceeding consecutively by contributing educational fund and conferred learning and teaching equipment to the youth who lacked money for education.

For Environment



- Conferment of hygienic gels and commodities to the Rangsit Babies' House, Pathumthanee Province.



After the Company received Energy Awards from Ministry of Energy in 2005 and International Standard Organization for Environment Management (ISO14001) in 2007, in 2009 the Company was still further with the project in regard to Maintenance and Preservation of Environment found important as follows:

- Environment Maintenance Project

The Company has been conducting management of wastes and various pollution in compliance with environmental law so far and always realized community surroundings conditions. It established working staff in regard to safety, biohygiene and environment to administer wastes and various pollution not to cause an impact on communities, customers, employees and environment, such as bringing in treated water for tree watering in place of the use of water supply, installation of air treatment system called Wet Scrubber before emission out of factory, sorting out rubbish for sale as Recycle Rubbish, improvement of water cooling system drained out as wastes to enable it to be brought back for use in production process again.

- Reduction of Electrical Power Consumption Project

In production process, there is a Hot Air Over Conveyor available to heat work pieces to stabilize their shapes or well done to become products and an inspection was made and found that temperature emitted was 58 °C, so insulation of 1' thick was made additionally in all four sides of the Oven; this brought the temperature down for 10°C remaining 48°C. Therefore, it could reduce power consumption down to 81,219 kWh/year or could reduce emission of carbon dioxide to 44.43 tons of Co2/year.

On part of engineering works functioning air compressor supply to production process, previously a total of eight air compressors was used, divided into two sets and work load of air compressors is at 60%. After installation of Bypass Valves to enable the connection of two sets together, so it could reduce work of the air compressors for two of them resulting in efficiency of work of the air compressors to increase to 80% and save the cost, enabling reduction of the use of electrical power up to 532,800 kWh/year or could reduce emission of carbon dioxide down to 287 tons of Co2/year.

- Reduction of Heavy Oil Use Project

In production process, boilers are used for making steam to heat work pieces by means of piping process at boiler bodies may cause malfunction or decrease of efficiency when the system has been used for a certain period of time. The Company, therefore, has inspection and improvement measures at all times by changing boiler insulation resulting in reducing temperature loss from 59°C to remain only 48°C. This could reduce quantity of heavy oil use down for 3,375 liters/year and improvement of insulation of steam pipes resulted in reduction of lost temperature down from 87°C to remain only 39°C. This could reduce quantity of heavy oil use down for 16,200 liters/year. Total of both measures it could reduce quantity of heavy oil use



down for 19,575 liters/year or could reduce emission of carbon dioxide down for 58.72 tons of Co2/year.

- Environmental Governance Project

It is deemed a project well cooperated by surrounding communities by means of giving chances for villagers to participate in suggesting various problems by sending out the Company's representatives to question them about understanding, satisfaction of community towards the impact on environment or problems received from the Company by arrangement of exhibition on environment to promote and enhance knowledge to villagers in the vicinity. Subsequently, furthers it by opening factory to let villagers' representatives and public agencies to visit factory to study about advantage of environmental management system of the Company. In this connection, integral opinions have been collected so as to control, prevent environmental problems causing an impact in wide angle.

CORPORATE GOVERNANCE

The Company has undertaken its work under the supervision of the Board of Directors with integrity and responsibility toward shareholders and all stakeholders. The corporate governance policy is made in writing to inform the management and all employees of business and employee ethical manual. The Company has continued to make several improvements to achieve the corporate governance practice aligned with the good governance policy of the Company. As a result, the Company was assessed CG scoring in a "good" level, totaling score of 79, by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, and the Securities Exchange Commission in 2008.

Throughout 2009, the Company duly complied with the Principles of Good Corporate Governance for Listed Companies 2006 in these following principles:

1. Rights of Shareholders

The Company stresses the importance of the right of shareholder by complying with the rules prescribed by law. In 2009, the Company held the Annual General Meeting on January 29, 2009 with the respectful of the ownership of the shareholders. Besides, the Company promoted the exercises of rights by shareholders and provided conveniences to shareholders in exercising their rights on various matters which they should be given, as follows:

- 1.1 The Company proposed important meeting agendas to shareholders for consideration on the approval including the appointment of a Director and the Director's remuneration, appointment of an auditor and auditing fee, and the allocation of annual dividend, etc. In each agenda, the facts, reasons and opinions of the Board of Directors to support their decisions on voting in various agendas were shown and no additional agenda without prior notifications were transacted in the past shareholder meetings.
- 1.2 The Company assigned the Thailand Securities Depository Co., Ltd., its securities registration, to forward the invitation letters to shareholders 14 days prior to the meeting date including the disseminations of the invitations on the Company's website prior to the meetings. In the case where a shareholder was unable to attend the meeting, such shareholder could assign another person as a proxy to participate in the meeting on his/her behalf which, in this connection, the Company prepared to make available the Meeting Proxy Letters to go with the shareholders meeting invitation letters and disseminated such on the Company's website, as well.
- 1.3 Prior to the meeting, the Chairman of the meeting announced in the meeting accounting for the number of shareholders and the proxies and the number of shares of the meeting attendees and informed the shareholders on the uncomplicated method of voting and vote counts as well as allocating times for the shareholders to have chances to express their views and question the meeting on related matters.
- 1.4 The Company prepared the shareholders minutes of meeting recording the important points questioned and answered in the minutes in order to enable the shareholders not attending the meeting to know of such including the meeting resolutions which were clearly recorded in the Minutes of Meeting by recording the number of votes received in each agenda clearly reflecting the number of votes either acceptable or unacceptable or abstention and disseminated such on

the Company's website.

During the previous shareholders meeting, the Company was assessed in a better level and ranked as good level, totaling score of 86.50 for the Shareholders Meeting Assessment 2009 by the Securities and Exchange Commission jointly with Thai Institute of Directors and Listed Company Association.

2. Equal Treatment of Shareholders

The Company has carried out business operations in a way to maintain the rights and benefits of all groups of shareholders on equity basis by giving the rights to shareholders in voting in the form of one share for one vote in the past shareholders meeting, forwarding meeting invitation letters together with data to support meeting agendas to the shareholders prior to the meeting as well as notifying the shareholders of such meeting on the website both in Thai and English and in each agenda, providing opinions of the Board of Directors to support their decisions on voting in various matters and not adding additional agenda without prior notifications to shareholders, and calling for the shareholders meeting on daily newspaper for a consecutive period of not less than 3 days at least 3 days prior to the meeting. In the case where a shareholder was unable to attend the meeting, the Company gave a chance to such shareholder to assign another person as his/her proxy to participate in the meeting on his/her behalf which, in this connection, the Company had forwarded Proxy Letters both Form A and Form B where the shareholders should be able to decide their directions in voting.

The Company has the policy in writing, to prevent the use of internal data, which has been stipulated in the Employee's Code of Conduct that "the executives and employees in the same unit who are informed and learned about the internal information are prohibited from buying and selling the Company's securities during 1 month prior to the disclosure of financial statements to the public." Throughout the past year, there was none of the case of violation, against nor incompliance with such requirement. In the case where the buying or sales of securities before or after such prohibited period, the Company informed the Directors and Executives to report the changes in the holding of securities to the Securities and Exchange Commission and Stock Exchange of Thailand as stipulated under Section 59 of the Securities and Exchange and Stock Exchange Act, B. E. 2535, and that the matter of securities holding by the Directors is every time inserted in the agenda of the Company Board of Directors Meeting.

The Board of Directors has required all executives and employees in a department, which might have conflict of interest, such as Purchasing Department, Marketing Department, and Personal Department, to make an annual conflict of interest report to their supervisors and forward the reports to the Investor Relations Section for collection since 2007. In this 2009, the Board of Directors also approved the Form of Conflict of Interest and required all directors and executives to file with the Company a report on their interest within 30 September of every year. The Company Secretary shall submit a copy of report on interest to the Vice-Chairman (the Company has not yet appointed a Chairman since Mr. Vitya Leeissaranukul, former Chairman, passed away on 31 January 2006) and the Chairman of Audit Committee within seven business days from the date on which the Company had received such report.

3. Roles of Stakeholders

The Company has carried out its business operations by holding fast to its responsibilities to all parties concerned for mutual and sustainable benefits. The Company has stipulated a policy in writing in treating each group of interested persons including informing the executives and employees to perceive the Company Business Morality where the Company, in the past operations, had taken into account the rights of all concerned parties of interested persons as follows:

Shareholders

As the Company is the representative of shareholders, it aims to maximize the shareholders' satisfaction by placing emphasis on long-term sustainable and favorable profit growth. The sufficient information has been disclosed in compliance with the regulations of the SEC and SET. In addition, the Company is respectful of the right of ownership of the shareholders as mentioned in sections of "Rights of Shareholders" and "Equal Treatment of Shareholders"

Employees

Employees are considered as the most valuable asset and vital for the Company's success. The Company therefore develops the written policy concerning to their safety, welfares, and fringe benefits in followings:

Safety: The Company has formed a Safety Committee as to set guidelines and monitor safety conditions in every department. The safety trainings have been provided in order to control hazardous substances in the workplace, such as instructions on how to use safety equipment, forklift safety drive training, preliminary for fire suppression, annual fire evacuation drill, motorcycle safety drive, and participating in Zero Accident and won Bronze Award from the Department of Protection and Ministry of Labor.



Welfare: The Company has a clear policy to provide employees with good and adequate welfares for their livelihoods including transportation, free rice, shift wage, overtime wage, and other grants for marriage, child delivery, provident fund, etc. There is a nursing room available and medical treatment fee can be reimbursed.

The said welfares have been announced and disclosed on the Company's internal website and work regulations in section of employee welfares. The Human Resource department always informs a new employee about the work regulations upon orientation. Besides, to establish "Vitya Memorial Hall" at Wangnoi site to be a leisure place for the employees to eating, playing sports, and reading books.



Training and Development: The Company plans in advance each year about which training should be provided to the employees by focusing on quality of people and work. Each year, various training courses will be selected and matched with the needs of every section. The training courses are provided to enhance the employees' knowledge in accordance with the Company's Quality Policy in section 5 " to enhance management team effectiveness". It also adopts KPI assessment annually. In 2009, the training courses

included The Rights and Duties of Employers and Employees, QCC Management, 5S, Leadership Technique on How to Be a Good Leader, New Technical and Improvement by sending the employees for overseas training at Japan. The Company also sent its investor relations to attend the seminars in order to ensure that the Company has complied with all regulations and good corporate governance practices.



Customers

The Company places great emphasis to create satisfactions to clients in all dimensions of the products, price and cost in competitive level; goods quality in the best level comparing to the criteria of goods quality set forth by customers; goods deliveries in the best level comparing to the criteria of deliveries set forth by customers and the best successful services to clients at all times. The Company conducts clients' satisfactory assessment from the clients' evaluation results every month for reviews and continuing improvements and that the results of the evaluations which the Company received were in consistently good level. In addition, the Company has carried out its business operations in faithful and equity manner; safeguarding customers' data and not disclosing it without permission of the customers unless it is the data necessarily required to be disclosed to the third party involved in accordance with the provisions of the law.

Business Partners and Creditors

Any business operations in conjunction with trading counterparts shall not bring the impairment to the Company's reputation or otherwise contradiction to any laws; equity in the carrying out of business operations and mutual benefits with trading counterparts shall be taken into account; selections of trading counterparts shall be conducted in equity and equal manner without any concealing benefits and the rights in offering the prices shall be equally and perpetually given. The Company holds fast to the contracts or agreements and complies with conditions with creditors as material matter in making back payments on the principals and interests where the Company's reputation in this regard has never been impaired. The Company, in the past year, had none of any disputes in connection with the trading counterparts and creditors.

Competitors

The Company aims to support free and fair competition and will not try to monopolize the industry or use any illegal and immorality manners. Last year, there was no any dispute against the competitors.

Society and Environment

The Company is one of the companies that always realize the importance of environment and society. The Company has set up the Committee of Occupational Safety, Health, and Environment to control and prevent pollutions to the community, employees, and environment. In 2009, the Company conducted social and environmental responsibility practices in the following:

Environment

- Waste management: all trash was segregated prior to disposal and notified the garbage collection agency authorized by the Ministry of Industrial to bury in a landfill, and sorted out rubbish for sale as recycle rubbish.
- Air pollution management: cyclone system was installed to capture dust particles from combustion. The Company measures dust level for preventing over-limit dust level in every year. A dust collector system was also installed for the machine using powders or carbons to prevent any spread of airborne dust to nearby community.
- Performed maintenance and repair of machines and equipments in the good conditions.
- Reduced the electrical power consumption and the use of heavy oil in order to reduce emission of carbon dioxide.
- Participated the Environment Governance Project of Ministry of Industrial, the project gave chances for villagers to participate in suggesting various problems by sending out the Company's representatives to question them about understanding, satisfaction of community towards the impact on environment or problems received from the Company by arrangement of exhibition on environment to promote and enhance knowledge to villagers in the vicinity. Subsequently, furthers it by opening factory to let villagers' representatives and public agencies to visit factory to study about advantage of environmental management system of the Company.

Social

- Conducted a short training course called IRC Safety Ride for Life Project in all regions in Thailand to promote enhancement of their knowledge about motorcycle safety driving and traffic rules
- Collaborated in contribution of fund for construction of a common medical treatment building, Chalerm Prakiat, and medical equipment and tools to Chulalongkorn Hospital in the amount of 100,000 baht.
- Granted scholarship for poor students, donated rice and antiseptic hand gel to Rangsit Infant House Pathumthanee province, donated funds to the Thai Red-Cross Fair organized by the Industrial Council of Pathumthanee province, and donated funds to the Children Day in Pathumthanee province.

4. Disclosure and Transparency

The Company is aware of the importance on the disclosure of the Company's information, both financial and non-financial, for such information would effect the decisions of shareholders, investors and interested persons of all groups, the Company, therefore, has held fast to the principle in disclosing information with accuracy, sufficiency and transparency. In according with the 2008 Corporate Governance Assessment Report, the Company achieved score of 96 in the Disclosure and Transparency. In 2009, the Company conducted the following practices:

4.1 The Company made available the disseminations of the Company's various information which include information on financial statements in an accurate, complete and timely manner through the

Securities and Exchange channel, Annual Information List Form (Form 56-1) and Annual Report including other reports in compatibility with related regulations of the Securities and Exchange Commission and Stock Exchange of Thailand and that, over the past years, the Company had no history of any delaying submissions on financial statements.

4.2 The Company updated website data in compatibility with a good way of information disclosure which is the disclosure of important information: such as; the Company's shareholding structures, business group structures, financial statements, annual report, prepared in both Thai and English which can be downloaded from Company's website www.ircthailand.com.

4.3 The Company has formed the Investor Relations Section to be as a channel in maintaining direct communication contacts with shareholders, investors, both small and institutional, analysts including and other related entities, such as SET and SEC. The Company Investor Relations Office can be reached at Telephone No. 02-996-0890 Ext. 212. The Investor Relations' main activities in 2009 can be concluded as follows:

- Coordinated conference calls between President and analysts.
- Coordinated conference calls and personal interviews between President and local and foreign reporters.
- Gathered and summarized the Company's analyst reports and reported to President
- Gathered related news and information and reported to President
- Reported importance information through SET system in accordance with the notifications and principle of good corporate governance.
- Gathered questioned raised by shareholders to President, and answered the questions to the shareholders and investors via phone and e-mail ir@ircthailand.com.
- Disclosed and updated significant information in the Company website.

4.4 The Company is mindful of the importance of quality of financial information in order to make the financial statements accurate, complete and in accordance with the generally accepted accounting standard by having such financial statements audited by independent certified accountant and verified by the Audit Committee, an independent Committee. Over the past year, the Company financial statements, both quarterly and yearly, were certified unconditionally by the independent certified accountant.

4.5 The Company is caused to disclose the authorities and duties of the Company Board of Directors and the Audit Committee, the details of which appear on the subject of Management including the number of the meetings and number of meetings attended by each Director, the details of which appear on the subject of Corporate Governance in section "Responsibility of Board of Directors," including the disclosure on the payments of remunerations to Directors and the first four Executives next level down from the Managers, in details on the subject of the Management Structure.

5. Responsibilities of the Board

5.1 Director Structure

According to the regulations of the Company, the Board of Directors of the Company is consisting of at least five directors and at least half of the directors required to have a domicile in the kingdom, are appointed

and removed by the meeting of shareholders. As of November 25, 2009, the Board of Directors consisted of eleven members; nine of whom were non-executive directors (three independent directors) and two of whom were executive directors (the directors' names have been mentioned in the Management Structure). To comply with the regulation on restructuring of the Board of Directors of the Capital Market Supervision Committee, which requires the listed company to have the Independent Directors for at least one-third of the total directors, on November 2009 the Board of Directors therefore considered the qualification of the current director and approved to appoint one more independent director; namely Mr. Kiyoshi Nomura, who met the qualification of independent director under the Notification of the Capital Market Supervisory Board No. TorChor. 4/2552. However, the composition of the Company's independent directors is still less than one-third of the board size, and is on the process of proceeding.

In the past year, none of director of the Company was appointed as director of other listed company over five companies and had no record of offence against rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand.

5.2 Sub-Committee

The Company only has one sub-committee; namely the Audit Committee. The Committee consists of independent directors who are neither executives nor employees of the Company. Moreover, they are independent from main shareholders and have no direct or indirect financial interest in the Company. The Chairman of Audit Committee serves tenure of 3 years per term and 2 years per term for other Audit Committees.

As of 24 November 2009, there were three audit committees; namely Mr. Kampanart Lohacharoenvanich, Mr. Vichit Vuthisombut, and Ms. Chaovana Viwatpanachati, who had to retire by rotation. The Board of Directors approved to re-elect the retiring audit committee for another term; however, Mr. Kampanart Lohacharoenvanich, the Chairman of Audit Committee, informed the meeting that he could not renew the position and had to resign his position as the Independent Director and the Chairman of Audit Committee. This was because he had been appointed to be one of the commission members of the Capital Market Supervisory Board under the Securities and Exchange Act B.E. 2535. Under the Acts, the commission members could not hold any positions of any businesses under the SEC supervision. Consequently, the audit committee consisted of two members; namely Mr. Vichit Vuthisombut, and Ms. Chaovana Viwatpanachati. The Company is on the process of seeking new audit committee to fulfill the requirement of the Stock Exchange of Thailand.

In 2009, the Audit Committee held a total of 6 meetings (attendance of the directors is detailed under the "Board of Directors' Meeting" section). The Audit Committee performed its duties in accordance with the Charter of Audit Committee and reported its performance to the Board of Directors in every meeting as well as in the annual report under the message of audit committee.

5.3 Duties and Responsibilities of the Board of Directors

The Board of Directors of the Company had clearly determined and separated duties and responsibilities on the work performed by the Board of Directors and the management (details provided in the management structure) and the work to be performed is clearly classified into different levels of authority and such roles, duties and responsibilities have been clearly communicated to the related persons on regular basis.

5.4 Board of Directors' Meeting

The Company has set a the Board of Directors' meeting and notified each director on a meeting calendar in advance in order to enable the directors to attend the meeting. The Board of Directors shall conduct the meeting at least one meeting per quarter and hold special meeting as necessary. The President and the Managing Director jointly consider the meeting agenda, which each director is permitted to propose any matter in the meeting as needed. In 2009, the Board of Directors held a total of 6 meetings and the Audit Committee held a total of 6 meetings. The details of directors' attendance are as follows:

	Name	Board of Directors	Audit Committee	Remark
1.	Mr. Soichi Inoue	0/6		
2.	Mrs. Pimjai Laochinda	6/6		
3.	Mr. Takeshi Arakawa	6/6		
4.	Mr. Hiroshi Ito	3/6		Resigned on 25 Feb 2009
5.	Mr. Masayuki Inoue	2/6		
6.	Mr. Thanong Leeissaranukul	6/6		
7.	Mr. Apichart Leeissaranukul	5/6		
8.	Mrs. Porntip Sethiwan	6/6		
9.	Mr. Shigeru Uno	4/6		Appointed as director on 25 Feb 2009
10.	Mr. Nobuaki Suzuki	0/6		Resigned on 10 Feb 2009
11.	Mr. Koji Ito	1/6		Resigned on 17 Jul 2009
12.	Mr. Masaaki Tsuya	0/6		Resigned on 1 Jan 2009
13.	Mr. Kazuhisa Usami	4/6		Appointed as director on 10 Feb 2009 and resigned on 24 Nov 2009
14.	Mr. Hiroyuki Hibi	0/6		Appointed as director on 1 Sep 2009 and resigned on 24 Nov 2009
15.	Mr. Chayud Lee-isaranukul	5/6		Resigned on 24 Nov 2009
16.	Mr. Nareothai Boothong	6/6		Resigned on 24 Nov 2009
17.	Mr. Kiyoshi Nomura	1/6		
18.	Mr.Kampanart Lohacharoenvanich	6/6	6/6	Resigned on 24 Nov 2009
19.	Mr.Vichit Vuthisombut	6/6	6/6	
20.	Ms. Chaovana Viwatpanachati	6/6	5/6	

Remark: The Company has not yet appointed a Chairman since Mr. Vitya Leeissaranukul, former Chairman passed away on 30 January 2006.

5.5 Board of Directors' Self-Assessment

The Board of Directors has established an annual Board of Directors' self assessment for the purpose of evaluation the performance of the Board as a whole. The result of evaluation can be used to improve the performance of the Board.

5.6 Remuneration

Remuneration of the Board of Directors is determined on a yearly basis, and the total remuneration of each year will be submitted to the meeting of shareholders for approval. Even though the Remuneration Committee has not been formed, the Company has clearly and transparently determined the remuneration as follows. Remuneration for non-executive director is 120,000 baht per year, executive director is 80,000 baht per year, chairman of audit committee is 300,000 baht per year and audit committee is 220,000 baht per year. Such remuneration is mainly determined with consideration on the overall remuneration of the entrepreneur in the same industry and the operating results of the Company. The remuneration of the management is made in accordance with principle and policy of the Board of Directors formulated in connection with the operating results of the Company and the performance of each manager.

5.7 Development for Directors and Executives

The Company has promoted and facilitated training and educating to the Board of Directors, and executives. The Directors who attended the director courses conducted by Thai Institute of Directors (IOD) are as follows:

Name	Position	Training Course
1. Mrs. Pimjai Laochinda	President	Director Certification Program # 37/2004
2. Mr. Takeshi Arakawa	Managing Director	Director Accreditation Program # 65/2007
3. Mr. Apichart Leeissaranukul	Director	Director Certification Program # 8/2001
4. Mr. Kampanart Lohacharoenvanich	Independent Director/ Chairman of Audit Committee	Director Certification Program # 17/2002
5. Ms. Chaovana Viwatpanachati	Independent Director/Audit Committee	Director Certification Program # 58/2005 Audit Committee Program # 14/2006
6. Mr. Vichit Vuthisombut	Independent Director/Audit Committee	Director Accreditation Program # 27/2004 Director Certification Program # 58/2005
7. Mr. Nareothai Boothong	Executive Director	Director Accreditation Program # 11/2004
8. Mr. Masayuki Inoue	Executive Director	Director Accreditation Program # 65/2007

CONNECTED TRANSACTIONS

Connected Transaction with Parties with Possible Conflict of Interest

During the year 2009, the Company and the subsidiaries entered into the connected transactions with the parties or persons who might have conflict of interest to the Company. Most of the transactions were related to sales and purchases of raw materials and products, lease of assets, and services rendered/received. The said transactions were engaged in accordance with the conditions mutually agreed between the Company and the related parties, which relied on the normal business conditions and the Arm's length basis. The Company already disclosed information on such connected transaction, such as description of transaction, transaction value, and pricing policy in note 6 in the financial statements.

Necessity and Reasonableness

Most of the connected transactions are the transactions undertaken continuously to support normal business of the Company, which are most beneficial to the Company and enable the Company to achieve a sustainable growth. To enter into each transaction, the Company always makes a decision based on the utmost good faith for the Company's benefits without any conflict of interests.

Procedures for Connected Transaction

The Company has clearly stated the procedures for connected transaction in an authorized manual of the Company and the subsidiary companies which aligns with the regulations of the Stock Exchange of Thailand.

Policy and Possibility in Conducting the Connected Transaction in Future

The Company has to enter into the connected transactions, but such transactions shall be conducted based on the normal business conditions by not transferring any benefits to the parties who might have the conflict of interest with the Company. The Company shall assign the Audit Committee or the external auditor or independent specialists to consider an appropriate value, and disclose type of transaction, value, and rationale in conducting the transactions to the shareholders as required by the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.

EXPLANATION AND ANALYSIS OF OPERATING RESULTS

The Company had an impact of global financial crisis during the end of 2008 and resulted in severe impact during the first half of 2009 resulted in year ended 30 September 2009 the Company's sales and service income decreased Baht 1,141.18 million baht or reduced the growth down 20.20% and the main income derived from industrial elastomer parts, motorcycle tires, motorcycle tubes, and wheel set assembly, respectively. However, the Company could gain advantage from the cost of main raw material having been reduced in accordance with the world oil prices as well as the Company had good control of production cost and different expenses resulting in reduction of cost of sales and service down for Baht 1,172.10 million or reduced 22.89% making profit before interest and income tax to increase 20.10 million baht or increased 5.95%. However, in 2009 the Company paid more income tax of Baht 33.65 million or increased 64.50% subsequent to the expiration of tax holiday of some BOI projects. For 2009, the Company had net profit reduced 16.60 million baht or reduced 5.99%

Financial Status

The Company had total assets of Baht 2,848.85 million, reducing Baht 368.16 million or reduced 11.44% from the preceding year due to the decrease of accounts receivable, inventory and current assets.

On part of total liabilities of Baht 1,074.95 million which reduced Baht 538.79 million or reduced 33.39% from the preceding year due to decrease of accounts payable down baht 502.20 million or reduced 41.08%, the Company still had gradually been repaid short-term loan and long-term loan, even though there were more long-term loan coming in additionally, DE ratio remained low at 0.61, lower than the preceding year. On part of shareholders' equity, it increased by 10.64%.

In 2009, cash and cash equivalent as of September 30, 2009 increased Baht 181.43 million resulted from net cash flow from operating activities increased 117.16% while cash flow from the investing activities reduced 42.20%. As for cash flow from financing activities, the Company had gradually repaid the loans and paid dividend in the amount of Baht 90 million.

The liquidity ratio was 1.55 times, the quick ratio was 1.12 times, a slight increase, while the average debt collection period was 81.76 days, slower than that of the preceding year. The assets turnover ratio decreased to 1.50 times due to the economic recession

REPORT OF INDEPENDENT AUDITOR

To The Shareholders of Inoue Rubber (Thailand) Public Company Limited

I have audited the accompanying consolidated balance sheet of Inoue Rubber (Thailand) Public Company Limited and its subsidiaries as at 30 September 2009 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Inoue Rubber (Thailand) Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of Inoue Rubber (Thailand) Public Company Limited for the year ended 30 September 2008, as presented herein for comparative purposes, were audited by another auditor of our firm who expresses an unqualified opinion under her report dated 20 November 2008.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inoue Rubber (Thailand) Public Company Limited and its subsidiaries and of Inoue Rubber (Thailand) Public Company Limited as at 30 September 2009, and the results of their operations and, cash flows for the year then ended in accordance with generally accepted accounting principles.



Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

Ernst & Young Office Limited
Bangkok: 24 November 2009

BALANCE SHEETS

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT 30 SEPTEMBER 2009 AND 2008

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents		222,618,039	41,188,350	196,830,507	13,350,647
Trade accounts receivable					
Related parties	6, 7	226,903,209	345,968,406	226,380,206	345,683,568
Unrelated parties	7	630,036,076	801,787,387	630,036,076	801,787,387
Less: Allowance for doubtful accounts		(2,672,291)	(2,672,291)	(2,672,291)	(2,672,291)
Total trade accounts receivable - net		854,266,994	1,145,083,502	853,743,991	1,144,798,664
Inventories - net	8	373,712,832	597,378,207	365,461,553	589,502,297
Other current assets		40,435,650	55,936,594	38,170,779	55,068,561
Total current assets		1,491,033,515	1,839,586,653	1,454,206,830	1,802,720,169
Non-current assets					
Investments in subsidiary companies	9	-	-	20,049,230	20,049,230
Investment in other company	10	30,781,799	30,781,799	30,781,799	30,781,799
Property, plant and equipment - net	11	1,288,843,052	1,297,983,880	1,212,034,352	1,224,955,424
Intangible assets - net	12	10,324,487	14,282,333	2,122,102	3,856,348
Other non-current assets		27,870,500	34,376,307	27,800,300	34,176,107
Total non-current assets		1,357,819,838	1,377,424,319	1,292,787,783	1,313,818,908
Total assets		2,848,853,353	3,217,010,972	2,746,994,613	3,116,539,077

The accompanying notes are an integral part of the financial statements.

BALANCE SHEETS (Continued)

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT 30 SEPTEMBER 2009 AND 2008

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	13	1,054,572	258,199,114	-	258,182,499
Trade accounts payable					
Related parties	6	192,008,583	269,443,505	202,276,869	296,309,131
Unrelated parties		528,185,417	952,954,918	523,829,586	945,590,315
Total trade accounts payable		720,194,000	1,222,398,423	726,106,455	1,241,899,446
Current portion of long-term loans	14	68,000,000	-	68,000,000	-
Corporate tax payable		55,722,910	15,829,817	55,722,910	15,405,528
Accrued expenses		87,346,533	94,720,574	82,034,341	86,723,730
Other current liabilities		27,631,803	22,590,568	26,960,560	21,571,485
Total current liabilities		959,949,818	1,613,738,496	958,824,266	1,623,782,688
Non-current liabilities					
Long-term loans, net of current portion	14	115,000,000	-	115,000,000	-
Total non-current liabilities		115,000,000	-	115,000,000	-
Total liabilities		1,074,949,818	1,613,738,496	1,073,824,266	1,623,782,688

The accompanying notes are an integral part of the financial statements.

BALANCE SHEETS (Continued)

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT 30 SEPTEMBER 2009 AND 2008

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid-up					
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Premium on share capital		298,000,000	298,000,000	298,000,000	298,000,000
Retained earnings					
Appropriated - statutory reserve	15	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		1,255,896,358	1,085,264,550	1,155,170,347	974,756,389
Equity attributable to parent company's shareholders					
		1,773,896,358	1,603,264,550	1,673,170,347	1,492,756,389
Minority interest - equity attributable to minority shareholders of subsidiaries					
		7,177	7,926	-	-
Total shareholders' equity					
		1,773,903,535	1,603,272,476	1,673,170,347	1,492,756,389
Total liabilities and shareholders' equity					
		2,848,853,353	3,217,010,972	2,746,994,613	3,116,539,077

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF INCOME

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 30 SEPTEMBER 2009 AND 2008

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales and service income	6, 18	4,507,224,289	5,648,408,447	4,507,224,289	5,648,408,447
Dividend received	9	-	-	16,998,810	-
Other income	6	32,716,993	45,827,390	34,651,852	47,711,741
Total revenues		4,539,941,282	5,694,235,837	4,558,874,951	5,696,120,188
Expenses					
Cost of sales and service	6	3,949,290,662	5,121,395,415	3,965,397,986	5,150,928,077
Selling expenses	6	74,335,141	72,182,350	74,335,141	72,182,350
Administrative expenses		144,351,859	148,390,229	138,189,685	142,516,544
Management's remuneration	6	13,754,032	14,162,296	13,754,032	14,162,296
Total expenses		4,181,731,694	5,356,130,290	4,191,676,844	5,379,789,267
Income before finance cost and corporate income tax					
		358,209,588	338,105,547	367,198,107	316,330,921
Finance cost		(11,744,494)	(8,696,185)	(11,741,295)	(8,673,150)
Income before corporate income tax		346,465,094	329,409,362	355,456,812	307,657,771
Corporate income tax	17	(85,832,845)	(52,179,206)	(85,042,854)	(50,698,074)
Net income for the year		260,632,249	277,230,156	270,413,958	256,959,697
Net income attributable to:					
Equity holders of the parent		260,631,808	277,228,919	270,413,958	256,959,697
Minority interests of the subsidiaries		441	1,237		
		<u>260,632,249</u>	<u>277,230,156</u>		
Basic earnings per share					
Net income attributable to equity holders of the parent	19	1.30	1.39	1.35	1.28

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 30 SEPTEMBER 2009 AND 2008

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income before tax	346,465,094	329,409,362	355,456,812	307,657,771
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities				
Depreciation	225,348,715	197,885,414	209,347,954	183,822,557
Amortisation	5,321,946	6,350,469	2,059,246	3,388,881
Reversal of allowance for doubtful debts	-	(117,878)	-	(117,878)
Provision (reversal) for loss on diminution in value of inventories and inventories obsolescence	5,375,195	(3,378,188)	5,375,195	(3,378,188)
Gain on sales of property, plant and equipment	(3,218,351)	(6,787,165)	(3,612,005)	(6,770,268)
Unrealised exchange loss (gain)	(4,466,626)	3,897,329	(4,466,626)	3,897,329
Loss from liquidation of subsidiary	-	-	-	2,314,811
Dividend income	-	-	(16,998,810)	-
Interest income	(85,899)	(109,924)	(32,403)	(64,394)
Interest expenses	11,248,755	8,274,325	11,245,556	8,251,290
Income from operating activities before changes in operating assets and liabilities	585,988,829	535,423,744	558,374,919	499,001,911
Operating assets (increase) decrease				
Trade accounts receivable	291,529,653	(226,086,123)	291,767,818	(226,199,826)
Inventories	218,290,180	(204,486,138)	218,665,549	(205,092,647)
Other current assets	16,597,455	(31,155,137)	16,923,517	(31,668,512)
Other non-current assets	6,505,807	(11,660,002)	6,375,807	(11,660,003)
Operating liabilities increase (decrease)				
Trade accounts payable	(498,450,942)	267,267,469	(512,039,510)	271,531,672
Other current liabilities	(2,431,438)	11,666,627	601,055	9,448,562
Cash flows from operating activities	618,029,544	340,970,440	580,669,155	305,361,157
Cash paid for interest expenses	(11,150,124)	(6,891,893)	(11,146,925)	(6,868,859)
Cash paid for corporate income tax	(47,010,009)	(76,262,687)	(44,725,472)	(74,165,127)
Net cash flows from operating activities	559,869,411	257,815,860	524,796,758	224,327,171

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

(Continued)

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED 30 SEPTEMBER 2009 AND 2008

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from investing activities				
Acquisition of property, plant and equipment	(220,233,429)	(386,948,989)	(199,938,221)	(371,853,842)
Acquisition of intangible assets	(1,364,100)	(4,457,220)	(325,000)	(692,124)
Proceeds from sales of property, plant and equipment	7,243,893	20,577,510	7,123,344	20,560,610
Cash received from liquidation of subsidiary	-	-	-	60,260,119
Dividend received from subsidiary	-	-	16,998,810	-
Cash received from interest income	59,646	109,735	6,668	64,205
Net cash flows used in investing activities	(214,293,990)	(370,718,964)	(176,134,399)	(291,661,032)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(257,144,542)	243,178,551	(258,182,499)	243,182,499
Cash receipt from long-term loans	200,000,000	-	200,000,000	-
Repayment of long-term loans	(17,000,000)	(80,000,000)	(17,000,000)	(80,000,000)
Dividend paid	(90,000,000)	(96,000,000)	(90,000,000)	(96,000,000)
Dividend paid by subsidiary to minority interest	(1,190)	-	-	-
Net cash flows from (used in) financing activities	(164,145,732)	67,178,551	(165,182,499)	67,182,499
Net increase (decrease) in cash and cash equivalents	181,429,689	(45,724,553)	183,479,860	(151,362)
Cash and cash equivalents at beginning of the year	41,188,350	86,912,903	13,350,647	13,502,009
Cash and cash equivalents at end of the year	222,618,039	41,188,350	196,830,507	13,350,647

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 30 SEPTEMBER 2009 AND 2008

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to the parent company's shareholders						
	Share capital issued and fully paid up	Premium on share capital	Retained earnings		Total equity attributable to the parent company's shareholders	Minority interest	Total
			Appropriated - statutory reserve	Unappropriated			
Balance as at 30 September 2008	200,000,000	298,000,000	20,000,000	1,085,264,550	1,603,264,550	7,926	1,603,272,476
Net income for the year	-	-	-	260,631,808	260,631,808	441	260,632,249
Dividend paid (Note 22)	-	-	-	(90,000,000)	(90,000,000)	-	(90,000,000)
Dividend paid by subsidiary to minority interest	-	-	-	-	-	(1,190)	(1,190)
Balance as at 30 September 2009	200,000,000	298,000,000	20,000,000	1,255,896,358	1,773,896,358	7,177	1,773,903,535
Balance as at 30 September 2007	200,000,000	298,000,000	20,000,000	904,035,631	1,422,035,631	6,689	1,422,042,320
Net income for the year	-	-	-	277,228,919	277,228,919	1,237	277,230,156
Dividend paid (Note 22)	-	-	-	(96,000,000)	(96,000,000)	-	(96,000,000)
Balance as at 30 September 2008	200,000,000	298,000,000	20,000,000	1,085,264,550	1,603,264,550	7,926	1,603,272,476

(Unit: Baht)

	Separate financial statements				
	Share capital issued and fully paid up	Premium on share capital	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
	Balance as at 30 September 2008	200,000,000	298,000,000	20,000,000	974,756,389
Net income for the year	-	-	-	270,413,958	270,413,958
Dividend paid (Note 22)	-	-	-	(90,000,000)	(90,000,000)
Balance as at 30 September 2009	200,000,000	298,000,000	20,000,000	1,155,170,347	1,673,170,347
Balance as at 30 September 2007	200,000,000	298,000,000	20,000,000	813,796,692	1,331,796,692
Net income for the year	-	-	-	256,959,697	256,959,697
Dividend paid (Note 22)	-	-	-	(96,000,000)	(96,000,000)
Balance as at 30 September 2008	200,000,000	298,000,000	20,000,000	974,756,389	1,492,756,389

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 30 SEPTEMBER 2009

1. General information

Inoue Rubber (Thailand) Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Inoue Rubber Company Limited, which was incorporated in Japan. The Company is principally engaged in the manufacture and distribution of motorcycle tire and tube and industrial elastomer rubber parts and its registered address is at No. 258, Soi Rangsit-Nakornnayok 49, Prachathipat Sub-district, Thanyaburi District, Pathumthani Province and another factory at No. 157, Moo 5, Phahoyothin Road, Lamsai, Wangnoi, Ayutthaya Province.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 30 September		Revenues as a percentage to the consolidated total revenues for the year ended 30 September	
			2009	2008	2009	2008	2009	2008
IRC (Asia) Research Limited	Research and development of product	Thailand	99.99	99.99	1.80	1.45	-	-
Kin No Hoshi Engineering Company Limited	Manufacture and repair of mold	Thailand	99.99	99.99	2.47	2.31	-	-

b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

e) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are represented separately in the consolidated income statement and within equity in the consolidated balance sheet.

- 2.3 The separate financial statements, which present investments in subsidiaries, presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 9/2550, 38/2550, 62/2550, 86/2551 and 16/2552 mandating the use of the following new accounting standards and financial reporting standard.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

TAS 1 (revised 2007)	Presentation of Financial Statements
TAS 2 (revised 2007)	Inventories
TAS 7 (revised 2007)	Cash Flow Statements
TAS 8 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 11 (revised 2007)	Construction Contracts
TAS 17 (revised 2007)	Leases
TAS 23 (revised 2007)	Borrowing Costs
TAS 34 (revised 2007)	Interim Financial Reporting
TAS 38	Intangible Assets
TFRS 3 (revised 2007)	Business Combinations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal year beginning on or after 1 January 2008. The management of the Company has assessed the effect of these standards and guidance and believes that TAS 11 (revised 2007), TFRS 3 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for the Preparation and Presentation of Financial Statements (revised 2007), TAS 1 (revised 2007), TAS 2 (revised 2007), TAS 7 (revised 2007), TAS 8 (revised 2007), TAS 17 (revised 2007), TAS 23 (revised 2007), TAS 34 (revised 2007), TAS 38 and Accounting Treatment Guidance for Leasehold Right do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards and financial reporting standard which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 36 (revised 2007)	Impairment of Assets	1 January 2009
TAS 40	Investment Property	1 January 2011
TFRS 5 (revised 2007)	Non-Current Assets Held for Sale and Discontinued Operations	1 January 2009

However, TAS 24 (revised 2007), TAS 36 (revised 2007), TAS 40 and TFRS 5 (revised 2007) allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20, TAS 40 and TFRS 5 (revised 2007) are not relevant to the business of the Company, while TAS 36 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

In addition, the management of the Company is still evaluating the effect of TAS 20, TAS 24 (revised 2007) and has not been able to reach a conclusion as to its effect to the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion, excluding value added tax, of service rendered.

Interest and rental income

Interest income is recognized on an accrual basis based on the effective interest rate.

Rental income are recorded on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided by the Company and its subsidiaries for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.
- b) Investments in non-marketable equity securities, which the Company classified as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	10 years
Building and building improvement	10 - 20 years
Machinery	5 - 10 years
Tools and factory equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided for land and assets under construction.

4.7 Intangible assets and amortisation

Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows:

- a) The Company and subsidiary companies recorded cost of acquisition of computer software as deferred asset amortised as expenses on a straight-line basis over periods of between 3 - 10 years.
- b) The subsidiary company recorded development costs of new product as deferred asset amortised as expenses on a straight-line basis over periods of 5 years.

4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.9 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

At each reporting date, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.11 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.13 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management need to made judgement and estimates of losses that may be incurred from obsolete, slow-moving or deteriorated inventories.

Impairment of equity investments

The Company treats other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit : Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2009	2008	2009	2008	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	2,372	2,302	Contract price
Research and development expense	-	-	44,427	48,209	Contract price
Purchases of fixed assets	-	-	41,173	61,187	Mutually agreed prices
<u>Transactions with related companies</u>					
Sales of goods	1,446,314	1,839,551	1,446,314	1,839,551	Market price or cost plus margin according to type of products
Purchases of raw materials	469,115	689,925	469,115	689,925	Market price
Purchases of fixed assets	1,904	30,755	1,904	30,755	Mutually agreed prices
Rental income	7,458	10,071	7,458	10,071	Contract price
Service and other income	6,751	6,404	6,751	6,404	Cost plus margin
Technical assistance fee expenses	38,997	39,847	35,563	37,447	Contract price
Research and development expenses	2,325	124	-	-	Contract price
Advertising expense	454	2,508	454	2,508	Mutually agreed prices

The Company entered into rental agreements of land, building, and machinery and equipment with two subsidiary companies and two related companies at total annual rental income of approximately Baht 9.6 million. The terms of the leases are between 1 - 3 years. These lease are renewable by giving the lessor a notice within 60 days prior to expiry of the agreement.

The Company charged certain utility expenses to certain related companies at cost plus margin.

The Company and a Subsidiary entered into technical assistance and professional service agreements with an overseas related company. Under those agreements, the Company and the Subsidiary have obliged to pay technical assistance and service fees to that company at the rates stipulated in the agreements. The agreements have been in effect since April 1994 to July 2010 and January 2001, respectively, or until cancelled by either party.

The Company entered into a service agreement with a subsidiary company to obtain the research and development services for the production. Under this agreement, the Company has obliged to pay service fee to the Subsidiary at the rate stipulated in the agreement. The agreement has been in effect since October 1995 or until cancelled by either party.

The Company and a Subsidiary entered into marketing and sales cooperation and product quality assurance and quality control service agreements with a local related company. Under these agreements, the Company and the Subsidiary have obliged to pay service fees to that company at the rate as stipulated in the agreements. The agreements have been in effect since May 2009 or until cancelled by either party.

The balances of the accounts as at 30 September 2009 and 2008 between the Company and those related companies are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Trade accounts receivable - related parties				
<i>Related Companies</i>				
The Sittipol (1919) Co., Ltd.	107,014,489	96,721,702	107,014,489	96,721,702
Inoac Tokai (Thailand) Co., Ltd.	81,153,467	109,570,040	81,153,467	109,570,040
Inoue Rubber Co., Ltd. - Japan	19,533,778	15,503,105	19,010,775	15,275,913
SK Rubber Product Co., Ltd.	8,419,735	9,123,079	8,419,735	9,123,079
Thai Stanley Public Co., Ltd.	6,871,517	8,943,593	6,871,517	8,943,593
Inoac Vietnam Co., Ltd.	2,381,160	74,371	2,381,160	74,371
Inoac International Co., Ltd.	1,529,063	1,493,482	1,529,063	1,493,482
Inoue Rubber Vietnam Co., Ltd.	-	82,091,787	-	82,091,787
Bridgestone IRC Manufacturing Co., Ltd.	-	22,389,601	-	22,389,601
Inoac Elastomer Co., Ltd.	-	57,646	-	-
Total trade accounts receivable - related parties	226,903,209	345,968,406	226,380,206	345,683,568

(Unit : Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	2009	2008	2009	2008
Trade accounts payable - related parties				
<i>Subsidiary Companies</i>				
(eliminated from consolidated financial statements)				
IRC (Asia) Research Ltd.	-	-	5,242,914	8,597,687
Kin No Hoshi Engineering Co., Ltd.	-	-	7,618,721	18,965,262
	-	-	12,861,635	27,562,949
<i>Related Companies</i>				
Inoac International Co., Ltd.	96,954,610	144,981,325	96,835,365	144,884,002
Inoac Tokai (Thailand) Co., Ltd.	47,593,902	82,383,068	47,593,902	82,383,068
Pacific Industries (Thailand) Co., Ltd.	16,442,549	13,802,144	16,442,549	13,802,144
SK Rubber Product Co., Ltd.	13,229,634	14,204,355	13,229,634	14,204,355
Inoue Rubber Co., Ltd. - Japan	11,668,187	12,905,051	10,486,108	12,305,051
Inoac Thailand Co., Ltd.	4,218,475	-	2,926,450	-
Total Oil (Thailand) Co., Ltd.	1,104,483	1,167,562	1,104,483	1,167,562
Inoac Corporation Co., Ltd.	614,807	-	614,807	-
Inoac Elastomer Co., Ltd.	181,936	-	181,936	-
	192,008,583	269,443,505	189,415,234	268,746,182
Total trade accounts payable - related parties	192,008,583	269,443,505	202,276,869	296,309,131

Directors and management's remuneration

The Company and its subsidiaries paid salaries, meeting allowances and gratuities to their directors and management totaling Baht 13.75 million and for the Company only: Baht 13.75 million (2008: Baht 14.16 million and for the Company only: Baht 14.16 million).

7. Trade accounts receivable

The outstanding balances of accounts receivable as at 30 September 2009 and 2008 are aged, based on due date, as follows:

	Consolidated financial		Separate financial	
	statements		statements	
	2009	2008	2009	2008
Related parties				
Age of receivables				
Not yet due	226,062,042	345,048,188	225,539,039	344,990,542
Past due				
- Less than 3 months	601,644	693,026	601,644	693,026
- 3 to 6 months	-	-	-	-
- 6 to 12 months	9,423	-	9,423	-
- More than 12 months	230,100	227,192	230,100	-
Trade accounts receivable - related parties	226,903,209	345,968,406	226,380,206	345,683,568

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	Unrelated parties			
Age of receivables				
Not yet due	619,088,151	794,745,216	619,088,151	794,745,216
Past due				
- Less than 3 months	4,228,691	4,069,071	4,228,691	4,069,071
- 3 to 6 months	100,080	39,671	100,080	39,671
- 6 to 12 months	3,761,731	11,490	3,761,731	11,490
- More than 12 months	2,857,423	2,921,939	2,857,423	2,921,939
Total	630,036,076	801,787,387	630,036,076	801,787,387
Less: Allowance for doubtful accounts	(2,672,291)	(2,672,291)	(2,672,291)	(2,672,291)
Trade accounts receivable - unrelated parties - net	627,363,785	799,115,096	627,363,785	799,115,096
Total trade accounts receivable - net	854,266,994	1,145,083,502	853,743,991	1,144,798,664

8. Inventories

As at 30 September 2009 and 2008, inventories consisted of:

(Unit : Baht)

	Consolidated financial statements							
	Allowance of diminution in value of inventories							
	Cost		Reduction cost to net				Inventories - net	
	2009	2008	realisable value		Stock obsolescence		2009	2008
Finished goods	105,316,443	147,778,596	(1,364,925)	(994,736)	(9,570,500)	(4,911,626)	94,381,018	141,872,234
Work in process	65,931,759	61,871,113	-	-	-	-	65,931,759	61,871,113
Raw materials	149,959,842	293,724,773	-	-	(3,264,627)	(2,918,495)	146,695,215	290,806,278
Supplies and spareparts	22,075,805	20,754,410	-	-	-	-	22,075,805	20,754,410
Raw materials in transit	44,629,035	82,074,172	-	-	-	-	44,629,035	82,074,172
Total	387,912,884	606,203,064	(1,364,925)	(994,736)	(12,835,127)	(7,830,121)	373,712,832	597,378,207

Separate financial statements

	Cost		Allowance of diminution in value of inventories				Inventories - net	
			Reduction cost to net		Stock obsolescence			
	2009	2008	realisable value	2009	2008	2009	2008	2009
Finished goods	105,316,443	147,778,596	(1,364,925)	(994,736)	(9,570,500)	(4,911,626)	94,381,018	141,872,234
Work in process	62,435,257	59,591,509	-	-	-	-	62,435,257	59,591,509
Raw materials	149,959,842	293,724,773	-	-	(3,264,627)	(2,918,495)	146,695,215	290,806,278
Supplies and spareparts	17,321,028	15,158,104	-	-	-	-	17,321,028	15,158,104
Raw materials in transit	44,629,035	82,074,172	-	-	-	-	44,629,035	82,074,172
Total	379,661,605	598,327,154	(1,364,925)	(994,736)	(12,835,127)	(7,830,121)	365,461,553	589,502,297

9. Investments in subsidiary companies

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit : Baht)

Company's name	Paid up capital (Million Baht)	Percentage of shareholding (Percent)	Cost		Dividend received during the year	
			2009	2008	2009	2008
			IRC (Asia) Research Limited	10	99.99	10,049,930
Kin No Hoshi Engineering Company Limited	10	99.99	9,999,300	9,999,300	16,998,810	-
			<u>20,049,230</u>	<u>20,049,230</u>	<u>16,998,810</u>	<u>-</u>

On 22 December 2008, the Annual General Meeting of Kin No Hoshi Engineering Company Limited's shareholders approved the payments of dividend from retain earnings (from BOI-promoted operations), a total dividend of Baht 17 million and set aside the statutory reserve of Baht 0.85 million. The Company received such dividend in January 2009.

10. Investment in other company

(Unit : Baht)

Company's name (Nature of business)	Paid up capital	Percentage of shareholding (Percent)	Cost		Dividend received during the year	
			2009	2008	2009	2008
			Inoue Rubber Vietnam Company Limited (Manufacture of motorcycle tire and tube and related parts)	USD 10 million	10	30,781,799
Total investment in other company - net			<u>30,781,799</u>	<u>30,781,799</u>	<u>-</u>	<u>-</u>

11. Property, plant and equipment

(Unit : Baht)

	Consolidated financial statements							Total
	Land and land improvement	Building and building improvement	Machinery	Tools and factory equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction	
Cost :								
30 September 2008	131,492,436	605,631,346	1,452,022,849	1,055,883,642	73,410,105	19,653,214	105,397,183	3,443,490,775
Purchase	2,399,000	5,813,825	118,551,643	59,437,018	2,102,058	4,099,824	27,830,061	220,233,429
Transfer in (out)	1,066,800	-	107,857,435	3,918,514	-	-	(112,842,749)	-
Disposal	-	-	(6,252,790)	(6,041,141)	(2,839,284)	(2,922,135)	-	(18,055,350)
30 September 2009	134,958,236	611,445,171	1,672,179,137	1,113,198,033	72,672,879	20,830,903	20,384,495	3,645,668,854
Accumulated depreciation :								
30 September 2008	13,174,239	322,324,761	903,371,242	843,811,891	53,965,503	8,859,259	-	2,145,506,895
Depreciation for the year	1,252,491	30,942,092	99,158,647	82,632,927	8,169,261	3,193,297	-	225,348,715
Accumulated depreciation of disposal assets	-	-	(5,664,760)	(3,613,124)	(2,802,649)	(1,949,275)	-	(14,029,808)
30 September 2009	14,426,730	353,266,853	996,865,129	922,831,694	59,332,115	10,103,281	-	2,356,825,802
Net book value :								
30 September 2008	118,318,197	283,306,585	548,651,607	212,071,751	19,444,602	10,793,955	105,397,183	1,297,983,880
30 September 2009	120,531,506	258,178,318	675,314,008	190,366,339	13,340,764	10,727,622	20,384,495	1,288,843,052
Depreciation for the year (included in income statements)								
Year 2008 (Baht 187.0 million included in manufacturing cost, and the balance in administrative expenses)								197,885,414
Year 2009 (Baht 214.8 million included in manufacturing cost, and the balance in administrative expenses)								225,348,715

(Unit : Baht)

	Separate financial statements							Total
	Land and land improvement	Building and building improvement	Machinery	Tools and factory equipment	Furniture, fixture and office equipment	Vehicles	Assets under construction	
Cost :								
30 September 2008	131,492,436	601,837,793	1,339,640,203	1,031,389,069	57,156,707	19,423,780	102,819,513	3,283,759,501
Purchase	2,399,000	5,337,626	113,564,511	56,035,476	1,144,983	3,978,403	17,478,222	199,938,221
Transfer in (out)	1,066,800	-	96,511,673	3,577,607	-	-	(101,156,080)	-
Disposal	-	-	(4,706,601)	(5,476,325)	(2,772,634)	(2,922,135)	-	(15,877,695)
30 September 2009	134,958,236	607,175,419	1,545,009,786	1,085,525,827	55,529,056	20,480,048	19,141,655	3,467,820,027
Accumulated depreciation :								
30 September 2008	13,174,239	320,873,127	845,934,594	829,098,411	41,041,992	8,681,714	-	2,058,804,077
Depreciation for the year	1,252,491	30,119,408	89,223,099	78,991,939	6,593,486	3,167,531	-	209,347,954
Accumulated depreciation of disposal assets	-	-	(4,632,768)	(3,048,311)	(2,736,002)	(1,949,275)	-	(12,366,356)
30 September 2009	14,426,730	350,992,535	930,524,925	905,042,039	44,899,476	9,899,970	-	2,255,785,675
Net book value :								
30 September 2008	118,318,197	280,964,666	493,705,609	202,290,658	16,114,715	10,742,066	102,819,513	1,224,955,424
30 September 2009	120,531,506	256,182,884	614,484,861	180,483,788	10,629,580	10,580,078	19,141,655	1,212,034,352
Depreciation for the year (included in income statements)								
Year 2008 (Baht 173.8 million included in manufacturing cost, and the balance in administrative expenses)								183,822,557
Year 2009 (Baht 199.6 million included in manufacturing cost, and the balance in administrative expenses)								209,347,954

As at 30 September 2009 and 2008, certain machinery and equipment of the Company and a subsidiary company have been fully depreciated but are still in use. The original cost, before accumulated depreciation, of those assets amounted to Baht 1,470 million and Baht 1,382 million, respectively (Separate financial statements: Baht 1,430 million and Baht 1,344 million, respectively).

12. Intangible assets

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Computer software	44,772,286	40,545,066	24,361,066	23,898,942
Golf club	1,015,050	785,050	1,015,050	785,050
Additions	1,364,100	4,457,220	325,000	692,124
Accumulated amortisation	(36,826,949)	(31,505,003)	(23,579,014)	(21,519,768)
Net	10,324,487	14,282,333	2,122,102	3,856,348
Amortisation expenses included in the income statements for the year	5,321,946	6,350,469	2,059,246	3,388,881

13. Bank overdrafts and short-term loans from financial institutions

	Interest rate		Consolidated financial		Separate financial	
	(percent per annum)		statements		statements	
	2009	2008	2009	2008	2009	2008
Bank overdrafts	10.75	7.75 - 10.75	1,054,572	12,199,114	-	12,182,499
Short term loans from financial institutions	-	3.65 - 3.80	-	246,000,000	-	246,000,000
Total			<u>1,054,572</u>	<u>258,199,114</u>	<u>-</u>	<u>258,182,499</u>

14. Long-term loans

	(Unit : Baht)	
	2009	2008
Long-term loans	183,000,000	-
Less: Current portion	(68,000,000)	-
Long-term loans, net of current portion	<u>115,000,000</u>	<u>-</u>

Movements in the long-term loans account during the year ended 30 September 2009 are summarised below.

	(Unit : Baht)	
	Consolidated and	Separate financial
	statements	
Balance as at 30 September 2008		-
Add: Additional loans during the year		200,000,000
Less: Repayment		(17,000,000)
Balance as at 30 September 2009		<u>183,000,000</u>

14.1 In January 2009, the Company entered into a loan agreement for loan of Baht 100 million with a local branch of a foreign commercial bank which is payable on a semi-annual basis from July 2009 to January 2012 of Baht 17 million each and in January 2012 of Baht 15 million. The loan carries interest at the rate of 4.25 percent per annum. As at 30 September 2009, the outstanding balance of the loan was Baht 83 million.

14.2 In April 2009, the Company entered into a loan agreement for loan of Baht 100 million with a local branch of a foreign commercial bank which is payable on a semi-annual basis from November 2009 to May 2011 of Baht 17 million each which the interest rate is of 3.60 percent per annum and from November 2011 to May 2012 of Baht 16 million each which the interest rate will be of 3.65 percent per annum. As at 30 September 2009, the outstanding balance of the loan was Baht 100 million.

15. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

16. Expenses by nature

Significant expenses by nature are as follows:

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Raw materials and consumables used	2,926,282,641	4,006,664,089	2,916,661,358	3,994,131,316
Salaries and wages and other employee benefits	404,339,401	427,480,586	373,520,601	391,734,723
Depreciation	225,348,715	197,885,414	209,347,954	183,822,557
Promotion expenses	23,213,880	10,488,866	23,213,880	10,488,866
Amortisation expenses	5,321,946	6,350,469	2,059,246	3,388,881
Loss on exchange	2,822,680	528,613	3,013,577	526,617
Rental expenses	1,657,757	1,662,887	1,607,079	1,603,878
Changes in inventories of finished goods and work in progress	(38,401,506)	23,124,365	(39,618,405)	23,897,963

17. Corporate income tax

Corporate income tax was calculated on income before income tax of non-promoted activities, after added back for provision and expenses of which are disallowed for tax computation purposes.

18. Promotional privileges

The Company and its subsidiaries have been granted promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Under certain significant conditions, significant privileges are as follow:

Details	Inoue Rubber (Thailand) Public Company Limited		Kin No Hoshi Engineering Company Limited		IRC (Asia) Research Limited
	1119(2)/2009 9 December 2008 Manufacturing of vehicle component, plastic or plastic coated products 3 years Granted	2005(2)/2004 29 September 2004 Manufacturing of vehicle component, plastic or plastic coated products 3 years (Expired) Granted	1758(1)/2001 30 November 2001 Manufacturing of mould 8 years Granted	1682(2)/2007 12 July 2007 Manufacturing of mould and repairing of its own manufacturing of mould 8 years Granted	1211(4)/2005 16 March 2005 Research and Development 8 years Granted
1. Certificate No.					
Dated					
2. Promotional privileges for					
3. The significant privileges are					
3.1 Exemption of corporate income tax for net income from promotional operations and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.					
3.2 Allowance for carry-forward of annual loss from operations incurred during the exemption of corporate income tax on net income to offset with net income for a period of 5 years, after exemption period in 3.1.					
3.3 Exemption/Reduction of import duty on machinery as approved by the Board.					
3.4 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.					
4. Date of first earning operating income	August 2009	February 2006	February 2002	Not use promotional privilege	Not use promotional privilege

Sales of the Company are both export and local sales which could be separated between promoted and

non-promoted operations as follows:

(Unit : Baht)

	BOI		NON-BOI		Total	
	2009	2008	2009	2008	2009	2008
Sales						
Export	59,373,819	125,533,345	1,017,858,461	1,185,271,764	1,077,232,280	1,310,805,109
Local sales	273,850,914	853,156,835	3,156,141,095	3,484,446,503	3,429,992,009	4,337,603,338
Total sales	<u>333,224,733</u>	<u>978,690,180</u>	<u>4,173,999,556</u>	<u>4,669,718,267</u>	<u>4,507,224,289</u>	<u>5,648,408,447</u>

A subsidiary company has BOI-promoted income, consisting of sales to the Company, and such income is eliminated from the consolidated financial statements.

19. Earnings per share

Basic earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year.

20. Financial information by segment

The Company's and its subsidiary companies' operations involve principally the manufacture and distribution of rubber and elastomer products mainly for automobile industry with manufacturing facilities in Thailand and operations in both domestic and overseas markets.

Financial information of the Company's and its subsidiaries for the year ended 30 September 2009 and 2008 classified by market is as follows:

(Unit : Baht)

	Consolidated for the year ended 30 September 2009		
	Local	Export	Total
Sales	3,429,992,009	1,077,232,280	4,507,224,289
Cost of sales	(3,059,736,427)	(889,554,235)	(3,949,290,662)
Gross margin	<u>370,255,582</u>	<u>187,678,045</u>	557,933,627
Other income			32,716,993
Selling expenses			(74,335,141)
Administrative expenses			(158,105,891)
Financial expenses			(11,744,494)
Corporate income tax			(85,832,845)
Income in respect of minority interest			(441)
Net income			<u>260,631,808</u>

(Unit : Baht)

	Consolidated for the year ended 30 September 2008		
	Local	Export	Total
Sales	4,337,603,338	1,310,805,109	5,648,408,447
Cost of sales	(3,920,854,360)	(1,200,541,055)	(5,121,395,415)
Gross margin	<u>416,748,978</u>	<u>110,264,054</u>	527,013,032
Other income			45,827,390
Selling expenses			(72,182,350)
Administrative expenses			(162,552,525)
Financial expenses			(8,696,185)
Corporate income tax			(52,179,206)
Income in respect of minority interest			(1,237)
Net income			<u>277,228,919</u>

(Unit : Baht)

	2009	2008
	Property, plant and equipment - net	1,288,843,052
Other assets	1,560,010,301	1,919,027,092
Total assets	<u>2,848,853,353</u>	<u>3,217,010,972</u>

21. Provident fund

The Company, the subsidiary companies and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiary companies and employees contributed to the fund monthly at the rate of 3 - 6 percent of basic salary. The fund, which is managed by Bualuang Securities Public Company Limited will be paid to employees upon termination in accordance with the fund rules. During the year 2008, the Company contributed Baht 7.6 million (2008: Baht 7.1 million) to the fund.

22. Dividend

22.1 On 29 January 2009, the Annual General Meeting of the Company's shareholders No. 1/2009 approved the payment of dividend from the 2008 operations to the Company's shareholders of Baht 0.45 per share (from non BOI - promoted operations), or a total dividend of Baht 90 million.

The Company had already paid such dividend on 20 February 2009.

22.2 On 29 January 2008, the Annual General Meeting of the Company's shareholders No. 1/2008 approved the payment of dividend from the 2007 operations to the Company's shareholders of Baht 0.48 per share (from BOI - promoted operations), or a total dividend of Baht 96 million.

The Company had already paid such dividend on 28 February 2008.

23. Commitments and contingent liabilities

As at 30 September 2009, the Company has commitment and contingent liabilities other than those disclosed in other notes as follows:

23.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of land, office building space, motor vehicles, machinery and equipment.

Future minimum rentals payable under these leases as at 30 September 2009 are as follows:

	<u>Million Baht</u>
Payable within:	
1 year	0.95
2 to 5 years	0.73

23.2 Guarantees

As at 30 September 2009, there were outstanding bank guarantees of approximately Baht 17.1 million (30 September 2007: Baht 17.1 million) issued by banks to the provincial Electricity Authority for electricity consumption on behalf of the Company.

24. Financial instruments

24.1 Financial risk management

The Company and subsidiary companies' financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, investments, short-term and long-term loans, and trade accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and subsidiary companies are exposed to credit risk primarily with respect to trade accounts receivable. The Company and subsidiary companies manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and subsidiary companies do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade account receivables as stated in the balance sheet.

Interest rate risk

The Company and subsidiary companies' exposure to interest rate risk relates primarily to their cash at banks, bank overdrafts, short-term and long-term borrowings. However, since most of the Company and subsidiary companies' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 30 September 2009 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements								
Fixed interest rates								
	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)							(% p.a.)
Financial Assets								
Cash and cash equivalent	18.0	-	-	-	173.1	31.5	222.6	0.10 - 1.05
Trade accounts receivable	-	-	-	-	-	854.3	854.3	-
Investment in other company	-	-	-	-	-	30.8	30.8	-
	18.0	-	-	-	173.1	916.6	1,089.7	
Financial liabilities								
Bank overdrafts	-	-	-	-	1.1	-	1.1	10.75
Long-term loans from financial institutions	-	68.0	115.0	-	-	-	183.0	3.60 - 4.25
Trade accounts payable	-	-	-	-	-	720.2	720.2	-
	-	68.0	115.0	-	1.1	720.2	904.3	
Separate financial statements								
Fixed interest rates								
	At call	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)							(% p.a.)
Financial Assets								
Cash and cash equivalent	-	-	-	-	167.0	29.8	196.8	0.10 - 0.50
Trade accounts receivable	-	-	-	-	-	853.7	853.7	-
Investment in subsidiary companies	-	-	-	-	-	20.0	20.0	-
Investment in other company	-	-	-	-	-	30.8	30.8	-
	-	-	-	-	167.0	934.3	1,101.3	-
Financial liabilities								
Long-term loans from financial institutions	-	68.0	115.0	-	-	-	183.0	3.60 - 4.25
Trade accounts payable	-	-	-	-	-	726.1	726.1	-
	-	68.0	115.0	-	-	726.1	909.1	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 30 September 2009 are summarised below.

Foreign currency	Financial	Financial	Average exchange rate	
	assets	liabilities	as at 30 September 2009	
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
			Buying	Selling
US dollar	1.79	2.14	33.4217	33.6972
Japanese yen	51.49	180.47	0.3701	0.3768
Euro	0.11	-	48.7199	49.3760

Foreign exchange contracts outstanding at 30 September 2009 are summarized below.

Foreign currency	Sold amount (Million)	Bought amount (Million)	Contractual exchange rate	
			Sold	Bought
			(Baht per 1 foreign currency unit)	
US dollar	1.83	1.89	33.5000 - 34.1050	33.4950 - 35.4650
Japanese yen	58.03	134.75	0.3547 - 0.3762	0.3510 - 0.3745
Euro	0.11	-	48-7300 - 49.5300	-

24.2 Fair values of financial instruments

Since the majority of the Company and subsidiary companies' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

25. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 30 September 2009, the Group's debt-to-equity ratio was 0.61:1 (2008: 1.01:1) and the Company's was 0.64:1 (2008: 1.09:1).

26. Subsequent events

On 24 November 2009, the Board of Directors' Meeting of the Company No. 6/2009 approved the proposed payment of dividend for 2009 to the Company's shareholders at Baht 0.42 per share (from Non-BOI - promoted operations Baht 0.32 per share and BOI - promoted operations Baht 0.1 per share), or a total dividend of Baht 84 million.

The payment of dividend will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

27. Approval of financial statements

These financial statements were authorized for issue by the Board of Directors of the Company on 24 November 2009.

BOARD OF DIRECTORS AND EXECUTIVES PROFILES

Name/Age	Position	Shareholding ended 24 Nov 2009 (Including related persons)	Family ties with executives	Educational Qualification/ Training Program	Experience
1. Mr. Soichi Inoue 80 yrs. old	Vice-Chairman	-	Father of Mr. Masayuki Inoue	Bachelor's degree in Economic, Kobe University, Japan	<p><u>1969 - Present</u> Vice-Chairman of Inoue Rubber (Thailand) PCL.</p> <p><u>1973 - Present</u> President of Inoue Rubber Co., Ltd., Japan</p> <p><u>1975 - Present</u> President of Inoac International Co., Ltd.</p> <p><u>1986 - Present</u> President of Inoac Technical Center Co., Ltd.</p> <p><u>2000 - Present</u> Chairman & CEO of Inoac Corporation Co., Ltd.</p>
2. Mrs. Pimjai Laochinda 48 yrs. old	President	2.16	Sister of Mr. Thanong, Mr. Apichart, Mrs. Pornpip	<p>Bachelor's Degree in Engineering, Chulalongkorn University</p> <p>Master's Degree in Business Administration, Drexel University, USA</p> <p>Director Certification Program 37/2004 from IOD</p>	<p><u>1983 - Present</u> Director of Thai Stanley Electric PCL.</p> <p><u>1993 - May 2007</u> Vice President & Managing Director of Inoue Rubber (Thailand) PCL.</p> <p><u>1993 - Present</u> Director of Sopa-Kanok International Co., Ltd.</p> <p><u>1995 - Present</u> President of Toei-Inoac Co., Ltd.</p> <p>Executive Director of IRC (Asia) Research Co., Ltd.</p> <p>Executive Director of Sungold Holding Co., Ltd.</p> <p><u>2001 - Present</u> Executive Director of Kinno Hoshi Engineering Co., Ltd.</p> <p><u>2003 - Present</u> Director of S.K. Rubber Co., Ltd.</p> <p><u>2006 - Present</u> Director of Dido Sittipol Co., Ltd.</p> <p><u>2007 - Present</u> President of Inoue Rubber (Thailand) PCL.</p>
3. Mr. Masayuki Inoue 44 yrs. old	Director	-	Son of Mr. Soichi Inoue	<p>Bachelor's degree in International Management, Aoyama Gakuin Graduate School, Japan</p> <p>Director Accreditation Program 65/2007 from IOD</p>	<p><u>1991 - Apr. 2004</u> Director & General Manager of Inoue Rubber Co., Ltd, Japan</p> <p><u>Apr. 2004 - present</u> Executive Vice President of Inoue Rubber Co., Ltd, Japan</p> <p><u>1991 - present</u> Director of Inoue Rubber (Thailand) PCL.</p> <p>1993 - Mar. 2007 Director of Inoac Corporation Co., Ltd</p> <p><u>Apr. 2007 - Present</u> Managing Executive Officer of Inoac Corporation Co., Ltd.</p> <p><u>1995 - present</u> Director of Sungold Holding Co., Ltd</p>

Name/Age	Position	Shareholding ended 24 Nov 2009 (Including related persons)	Family ties with executives	Educational Qualification/ Training Program	Experience
4. Mr. Thanong Leeissaranukul 49 yrs. old	Director	1.61	Brother of Mrs. Pimjai, Mr. Apichart, and Mrs. Pornthip	Bachelor's degree in Business Administration, Nansan University, Japan	<p><u>1983 - present</u> Director of Thai Stanley Electric PCL.</p> <p><u>1986 - present</u> Managing Director of Sittipol 1919 Co., Ltd Director of Inoue Rubber(Thailand) PCL.</p> <p><u>1988 - present</u> Director of Asian Stanley International Co., Ltd <u>1993 - present</u> Director of Sopa - Kanok International Co.,Ltd Executive Director of Total Oil (Thailand) Co., Ltd <u>1995 - present</u> Executive Director of Toei-Inoac Co.,Ltd. Director of IRC (Asia) Research Co., Ltd Director of Sungold Holding Co.,Ltd <u>1996 - present</u> President of Bike Clinic Co.,Ltd Vice President of Dido Sittipol Co., Ltd Executive Director of Seng Guan Hong Co., Ltd <u>1998 - present</u> Director of the Studio Production Co., Ltd <u>2001 - present</u> President of Smart Sport Promotion Co., Ltd <u>2003 - Jan. 2008</u> Independent Director and Audit Committee of General Engineering PCL. <u>2003 - present</u> Director of S.K. Rubber Co.,Ltd. <u>2007 - present</u> President of Kanok - Sopa Foundation</p>
5. Mr. Apichart Leeissaranukul 46 yrs. old	Director	1.61	Brother of Mr. Thanong, Mrs. Pimjai, Mrs. Pornthip	<p>Bachelor's degree in Business Administration, University of the Thai Chamber of Commerce</p> <p>Master's degree in Business Administration, Oklahoma University, USA</p> <p>Director Certification Program 8/2001 from IOD</p>	<p><u>1987 - Present</u> Director of Rocket Steel Industry Co., Ltd.</p> <p><u>1991 - Present</u> Director of Inoue Rubber (Thailand) PCL.</p> <p><u>1992 - Present</u> Vice-President of Thai Stanley Electric PCL.</p> <p><u>1993 - Present</u> Director of Sopa-Kanok International Co., Ltd.</p> <p><u>1996 - Present</u> Director of Pacific Industry (Thailand) Co., Ltd.</p> <p>Vice-President of Asian Stanley International Co., Ltd.</p> <p><u>1997 - Present</u> Director of Sirvit Stanley Co., Ltd. Director of Dido Sittipol Co., Ltd</p>

Name/Age	Position	Shareholding ended 24 Nov 2009 (Including related persons)	Family ties with executives	Educational Qualification/ Training Program	Experience
5. Mr. Apichart (cont.)					<u>1999 - Present</u> President of Lao Stanley Co., Ltd <u>2000 - Present</u> Director of Vietnam Stanley Electric Co., Ltd. <u>2002 - Present</u> Director of Investor Club Association <u>2003 - Present</u> Director of S.K. Rubber Co., Ltd. <u>2004 - Present</u> Executive Director of Investor Club Association <u>2005 - Present</u> Director of Thai Lists Companies Association <u>2006 - Present</u> Director of Total Oil (Thailand) Co., Ltd. Director of PT. Indonesia Stanley Electric <u>2008 - Present</u> Executive Director of Sungold Holding Co., Ltd.
6. Mrs. Pornthip Sethiwan 42 yrs. old	Director	1.65	Sister of Mr. Thanong, Mrs. Pimjai, Mr. Apichart	Bachelor's degree in Business Administration Chulalongkorn University	<u>1980 - present</u> Director of Thai Stanley Electric PCL. <u>1986 - present</u> Director of Seng Guan Hong Co.,Ltd. <u>1990 - present</u> Executive Director of Sittpol 1919 Co., Ltd <u>1991 - present</u> Director of Inoue Rubber(Thailand) PCL. <u>1990 - present</u> Managing Director of Pacific Industry (Thailand) Co., Ltd <u>1993 - present</u> Director of Sopa - Kanok International Co., Ltd <u>1996 - present</u> Vice-President of Bike Clinic Co., Ltd <u>2003 - present</u> Director of S.K. Rubber Co., Ltd. <u>2006 - present</u> Director of IRC (Asia) Research Co.,Ltd

Name/Age	Position	Shareholding ended 24 Nov 2009 (Including related persons)	Family ties with executives	Educational Qualification/ Training Program	Experience
7. Mr. Takeshi Arakawa 50 yrs. old	Executive Director	0.01	-	Bachelor's degree in Mechanical Engineering, Nihon University, Japan Director Accreditation Program 65/2007 from IOD	<u>2000 - 2004</u> Engineering Manager of Bridgestone IRC Manufacturing Co., Ltd <u>2004 - 2005</u> General Manager Production division of Bridgestone IRC Manufacturing Co., Ltd <u>2006 - 2009</u> Executive Director of Inoue Rubber (Thailand) PCL. <u>2009 - Present</u> Managing Director of Inoue Rubber (Thailand) PCL.
8. Ms. Chaovana Vwatpanachati 48 yrs. old	Independent Director/ Audit Committee	-	-	Bachelor's degree in Accounting, Chulalongkorn University Diploma of Management University of Newcastle, NSW Australia Diploma in Auditing, 1994, Thammasat University Master of Management University of Wollongong, NSW Australia Master's Degree in Accounting, Chulalongkorn University Director Certification Program 58/2005 and Audit Committee Program 14/2006 from IOD	<u>1994 - Present</u> Director of Moore Stephens Asia Pacific Limited (Hong Kong) Director of Moore Stephens DIA Sevi Limited Audit Committee and Independent Director of Inoue Rubber (Thailand) PCL. <u>1995 - Present</u> Audit Committee and Independent Director of Food and Drink PCL. Senior Partner of Pitisevi & Company (A member of Moore Stephens International Limited Group of Independent Firms) <u>2001 - 2007</u> Liquidator of Tanapat Credit Fancier Limited (2003), (Appointed by the Ministry of Finance), Liquidator of Saving Assets Management Co., Ltd. (2001) <u>2005 - Present</u> Member of the subcommittee of Activity & Member of Relation and Assistance of Treasurer of Federation of Accounting Professions. <u>2008 - Present</u> Auditing Profession Committee Ethics Code Setting Sub-Committee member The Committee of Faculty of Commerce and Accountancy of Chulalongkorn University Alumni Association

Name/Age	Position	Shareholding ended 24 Nov 2009 (Including related persons)	Family ties with executives	Educational Qualification/ Training Program	Experience
9. Mr. Vichit Vuthisombut 68 yrs. old	Independent Director/ Audit Committee	-	-	Bachelor's degree in Economics, Thammasat University Director Accreditation Program 27/2004 and Director Certification Program 51/2004 from IOD	<u>2000 - present</u> The Committee & Subcommittee of the Investor Club Association(IC) <u>2002 - present</u> Consultant of Jongsathit Co., Ltd Consultant of A J Plast PCL. Audit Committee and Independent Director of Inoue Rubber (Thailand) PCL. <u>2006 - present</u> Independent Director of Thai-German products PCL. <u>2009 - present</u> Independent Director of Siam Steel Service Center PCL.
10. Mr. Kiyoshi Nomura 57 yrs.old	Independent Director			Master's degree in Industrial Engineering and Management Tokyo Institute of Technology, Japan	<u>Jul 2003 - Jan 2005</u> Director, Finance Division; concurrently General Manager, Headquarters Accounting Department, Bridgestone Corporation <u>Jan 2005 - Mar 2006</u> Director, Americas & Europe Operations, Bridgestone Corporation <u>Mar 2006 - Jul 2008</u> Vice-President and Officer, International Tire Business Operations, Bridgestone Corporation <u>Jul 2008 - Aug 2008</u> Vice-President and Officer, Production and Distribution, Mold Technology and Manufacturing, Bridgestone Corporation <u>Aug 2008 - Jan 2009</u> Vice-President and Officer, Production and Distribution, Mold Technology and Manufacturing, Chief Information Officer, IT & Network, Bridgestone Corporation <u>Jan 2009 - Mar 2009</u> Vice-President and Officer, Production and Distribution, Mold Technology and Manufacturing, Procurement, Chief Information Officer, IT & Network, Bridgestone Corporation <u>Apr 2009 - Present</u> Vice-President and Senior Officer, Responsible for Global Administration and Logistics, Procurement, Internal Manufacturing Management <u>Jan 2009 - Present</u> Independent Director of Inoue Rubber (Thailand) PCL.

Name/Age	Position	Shareholding ended 24 Nov 2009 (Including related persons)	Family ties with executives	Educational Qualification/ Training Program	Experience
11. Mr. Shigeru Uno 62 yrs. old	Director	-	-	Graduated from Nanzan University, the Department of English Launguage and Literature	<u>Nov 1999 - Sep 2007</u> Vice-President of Hukla Japan Inc. <u>Oct 2007 - 2008</u> Managing Director of Tokyo Branch, Tokyo, Japan <u>Jun 2008 - Present</u> Director of Toei Inoac Co., Ltd. <u>Apr 2008 - Present</u> Executive Managing Director of Inoac (Thailand) Co., Ltd. <u>Feb 2009 - Present</u> Director of Inoue Rubber (Thailand) PCL.
12. Mr. Nareothai Boothong 52 yrs. old	Executive	0.01	-	Bachelor's degree in Rubber Chemical and Technology, Prince of Songkla University M.A. NIDA	<u>1992 - Present</u> Executive Director of Inoue Rubber (Thailand) PCL. <u>1995 - Nov 2009</u> Director of Inoue Rubber (Thailand) PCL <u>2001 - Present</u> Director of Kinno Hoshi Engineering Co., Ltd. <u>2005 - Present</u> Director of Toei Inoac Co., Ltd.
13. Mr. Koji Yamauchi 49 yrs. old	Executive	-	-	Bachelor's degree in Engineering, Toyama University, Japan	<u>1997 - 2009</u> Manager of Technical Section of Inoac Elastomer, Japan <u>2009 - Present</u> Executive Director of Inoue Rubber (Thailand) PCL. Director of Kinno Hoshi Engineering Co., Ltd. Director of IRC (Asia) Research Co., Ltd.

Name/Age	Position	Shareholding ended 24 Nov 2009 (Including related persons)	Family ties with executives	Educational Qualification/ Training Program	Experience
14.Mr. Suriyan Chaiprome 56 yrs. old	Executive	-	-	Higher Education Certification in Industrial Technical Department, Bangkok Technical Campus Bachelor's Degree in Business Administration, Rajabhat Institute Petchaburi Vithayalongkorn MINI MBA 12 Kasetsart University	<u>1995 - 2007</u> Director of IRC-Rayoung Co., Ltd. <u>2005 - 2007</u> Subcommittee of Minimum wage, Pathumthani <u>1995 - 2009</u> Deputy Executive Director of Tire, Tube, and Rim Businesses of Inoue Rubber (Thailand) PCL. <u>2003 - Present</u> Vice President of the Federation of Thai Industries, Prathumthani, Vice President of the Federation of Thai Industries, Pranakorn Sri Ayutthaya Director of S.K. Rubber Co., Ltd. <u>2005 - Present</u> Director of Development for SME Industry, Prathumthani Project Consultant of the Federation of Thai Industries, Pranakorn Sri Ayutthaya Consultant of Labor Relations, Pathumthani <u>2009 - Present</u> Senior Deputy Executive Director of Inoue Rubber (Thailand) PCL.
15. Mrs.Sopa Lumlerdvoravith 44 yrs. old	Executive	-	-	Bachelor's Degree in Mathematics-Science, King Mongkut's Institute of Technology Thonburi Master's Degree in Business Administration, Kasetsart University.	<u>2000 - 2003</u> Manager of M.I.S. of Inoue Rubber (Thailand) PCL. <u>2004 - 2006</u> Senior Manager of M.I.S. & Finance of Inoue Rubber (Thailand) PCL. <u>2007 - present</u> Senior Manager of Accounting of Inoue Rubber (Thailand) PCL., IRC (Asia) Research Co., Ltd., Kinno Hoshi Engineering Co., Ltd.

GENERAL INFORMATION

Company Name	Inoue Rubber (Thailand) Public Company Limited
Head Office	258 Soi Rangsit-Nakornnayok 49, Prachatipat Thanyaburi, Pathumthanee 12130
Branch	157 Moo 5, Phaholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170
Telephone	(66 2) 996 0890 (23 Auto Lines)
Fax	(66 2) 996 1439
Investor Relations	(66 2) 996 0890 Ext. 212
Home Page	www.ircthailand.com
E-mail Address	info@ircthailand.com
Registration No.	0107536001737 (PCL.247)
Main Business	Manufacturer of Industrial Elastomer Parts, Motorcycle Tires, Motorcycle Tubes, and Wheel Set Assembly
Registered Capital	200,000,000 Baht (Fully paid)
Issued Shares	200,000,000 Shares
Par Value Per Share	1 Baht