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May 10, 2021

Subject: Management Discussion and Analysis for Quarter 2/FY2021

To: Managing Director

The Stock Exchange of Thailand

Inoue Rubber (Thailand) Public Company Limited (the "Company") would like to clarify its operation results for the Quarter2/FY2021 (ended March 31, 2021) of the Company and its subsidiaries, as follows:

(unit: million baht)	Q2/FY2021	Q2/FY2020	change	%YoY
<b>Total Revenues</b>	1,449.35	1,327.01	122.34	9.22%
<b>Cost of Sales and Services</b>	1,188.75	1,098.32	90.43	8.23%
<b>Selling and Administrative Expenses</b>	96.37	105.74	(9.37)	-8.86%
<b>EBIT</b>	164.21	122.95	41.26	33.56%
<b>Net Profit</b>	131.89	99.49	32.40	32.57%
<b>Basic Earnings per Share (baht)</b>	0.69	0.50	0.19	38.00%

### Performance Report

The global economy is continuously recovered from the progress of COVID-19 vaccination and the ease of COVID-19 situation in many countries together with the recovery of Thai economy from government's stimulus measures. These positively affect the supply and demand of both domestic and foreign and lead to the recovery of Thai automotive industry and cause the automotive infrastructures increase their production, which leads to the increase in the production of automobiles 2.68% and motorcycles 8.36%. This affects the sales and production costs of the Company and subsidiaries during the 2nd quarter of the fiscal year 2021 (January 1, 2021 to March 31, 2021) as follows;

1. The Company's total revenue increased by 122.34 million baht or 9.22% from the same period last year.
2. The cost of sales and services increased by 90.43 million baht or 8.23% from the same period last year, mainly from the increase of raw material costs according to demand and supply together with the increase of oil price and the increase of freight expenses due to the container shortage.
3. Selling and administrative expenses decreased by 9.37 million baht or 8.86% from the same period last year, mainly because the Management has been closely monitoring all operating expenses.
4. The Company received dividend income from the subsidiaries amount 21.56 million baht.



Overall, in Q2/FY2021, the Company had net profit around 131.89 million baht, increased around 32.42 million baht or 32.56% comparing to the same period last year, mainly from the increase of sales and the effectiveness of expense monitoring. The Company recorded earning per share at 0.69 baht.

### Financial Status

As of March 31, 2021; the Company had total assets of 5,184.68 million baht, increased by 596.11 million baht compared to September 30, 2020. The main reasons are first; the increase of value of equity instrument resulted from the change of valuation method due to the adoption of the financial reporting standards relate to financial instruments (IFRS 9) and second; the increase of trade and other receivables and inventories following the sales increased.

The total liabilities of the Company were 1,389.88 million baht, increased by 350.31 million baht compared to September 30, 2020 mainly due to the increase of trade and other payables.

In this regard, the Company has shareholders' equity of 3,794.80 million baht, increased by 245.80 million baht from unappropriated retained earnings and change in other components of equity due to the adoption of the financial reporting standards relate to financial instruments (IFRS 9). This results in the book value per share of the Company at 19.74 and the debt to equity ratio (D / E ratio) at 0.37.

### Cash Flow

As of March 31, 2021, the Company had net cash generated from operating activities around 380.01 million baht, increased about 140.76 million baht. The net cash used in investing activities was around 272.05 million baht, increased about 109.85 million baht, mainly from investment in debt instruments. There was net cash paid for financing activities around 109.76 million baht, mainly from dividend payment.

As of March 31, 2021; the Company had cash and cash equivalents at 903.30 million baht, increased around 413.41 million baht compared to the same period last year.

Pleased be informed accordingly and further disseminate to investors.

Faithfully yours,

(Mrs. Pimjai Leeissaranukul)

(Mr. Katsunori Ito)

Chairman

President