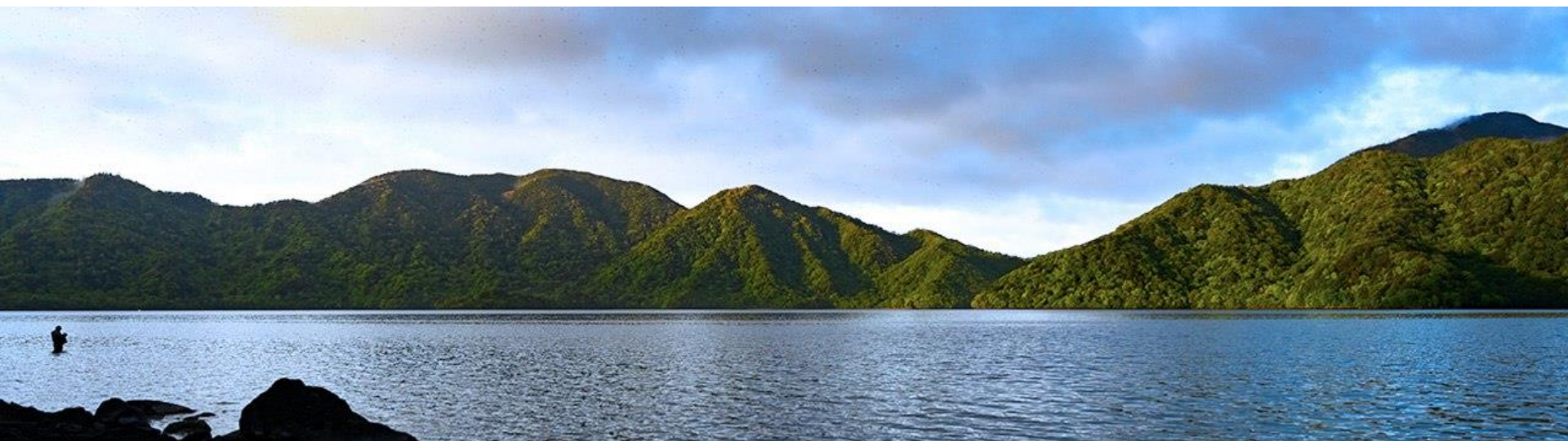


Supplementary Materials on Financial Results Second Quarter of FY11/2023



(TSE STD: 7501)

July 12, 2023

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Highlights

Higher revenues / Higher earnings

1 Higher revenues: **7.4% UP**

- Net sales [2023/1-2Q]: **1,814 mil. yen** (UP by 125 mil. yen or 7.4% YoY)
- Factor: Growth of Outdoor Business (UP by 144 mil. yen or 12.8% YoY)

2 Much higher earnings: **Operating profit increased by 82.4%**

【Factor】 (+) Segment profit of Outdoor Business increased by **85.5%** namely **54 mil. yen**

- Operating profit: **125 mil. yen** UP by 82.4% or 56 mil. yen (FY2022: 68 mil. yen)
- Ordinary profit: **124 mil. yen** UP by 64.9% or 49 mil. yen (FY2022: 75 mil. yen)
- Net profit: **98 mil. yen** UP by 44.9% or 30 mil. yen (FY2022: 67 mil. yen)

3 **Net sales in domestic retailers increased by 9.0%**

- Net sales: **1,430 mil. yen** UP by 9.0% or 117 mil. yen (FY2022: 1,312 mil. yen)
- Factor: Recovery of customers' foot traffic into commercial facilities such as department stores and shopping centers around major terminals

4 **Net sales from domestic in-house mail-order increased by 17.1%**

- Net sales: **56 mil. yen** UP by 17.1% or 8 mil. yen (FY2022: 48 mil. yen)
- Factor: Membership of Foxfire has become fully operational

Financial results overview: 2Q of FY11/2023 (company-wide)

Financial results overview (company-wide)

FY11/2023, 1-2Q

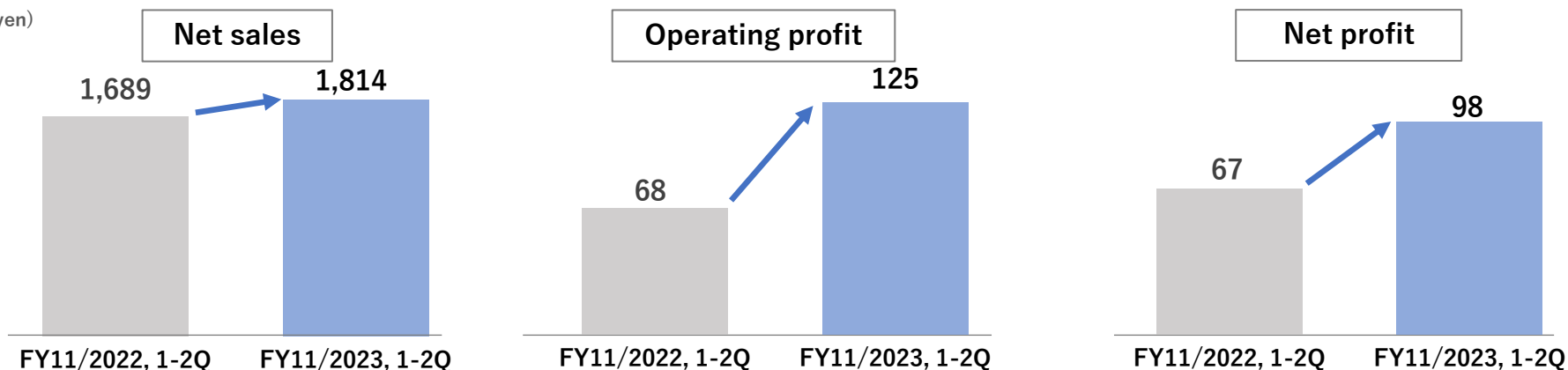
Higher revenues / Higher earnings

(Factors)

Fishing Business had a hard time, whereas Outdoor Business could go strong. Outdoor clothing market expanded thanks to recovery of customers' foot traffic into commercial facilities such as department stores and shopping centers around major terminals, as well as recovery of tourism-related demands.

(mil. yen)	FY11/2022 1-2Q	FY11/2023 1-2Q	+/- %	+/- amount
Net sales	1,689	1,814	+ 7.4%	+ 125
Operating profit	68	125	+ 82.4%	+ 56
Ordinary profit	75	124	+ 64.9%	+ 49
Net profit	67	98	+ 44.9%	+ 30

(mil. yen)



Financial results overview: 2Q of FY11/2023 (by segment)

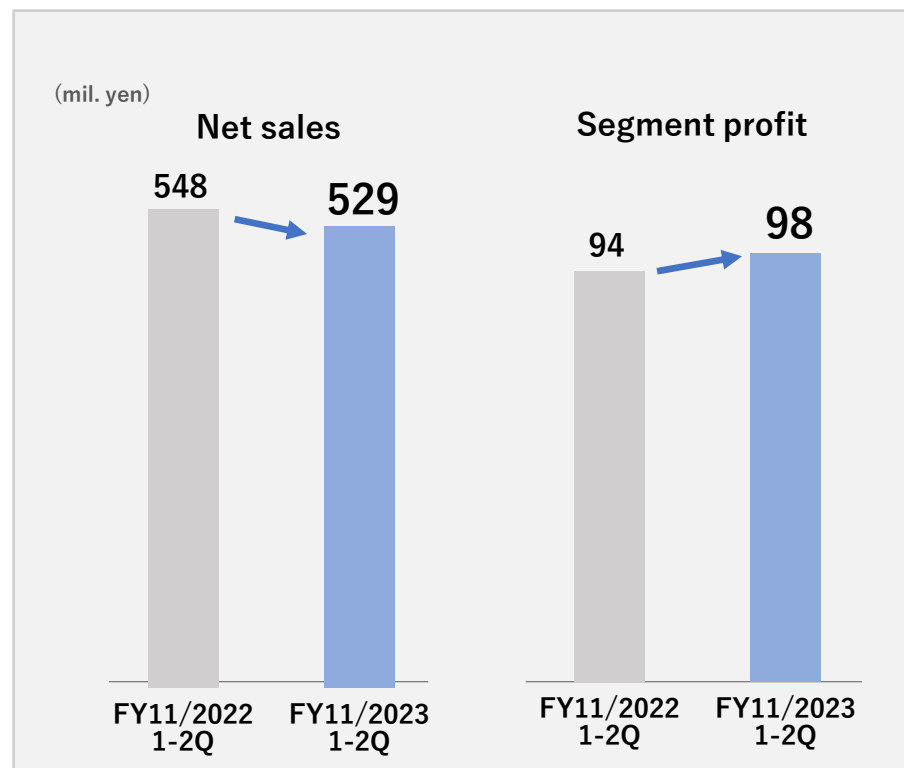
Financial results overview (by segment)

Fishing Business

FY11/2023, 1-2Q

Lower revenues but Higher earnings

(mil. yen)	FY11/2022 1-2Q	FY11/2023 1-2Q	+/- %	+/- amount
Net sales	548	529	-3.5%	-19
Segment profit	94	98	+3.6%	+3



Factors, etc.

【Positive factors】

- Lure-fishing/fly-fishing gears could be procured smoothly. Actual results were better than the previous FY mainly with new products.
- Improved profit rate associated with price rise of merchandise resulted in higher earnings.

【Negative factors】

- Although fishing gathered attention as an activity where we could avoid the “Three Cs” amid the COVID-19 pandemic, thereafter, relaxation of behavioral restrictions turned such interests in fishing market to normal states.
- Prior announcement about price rise implemented on December 1, 2022, had given rise to rush demands, and some retroaction against such demands led to falling sales.

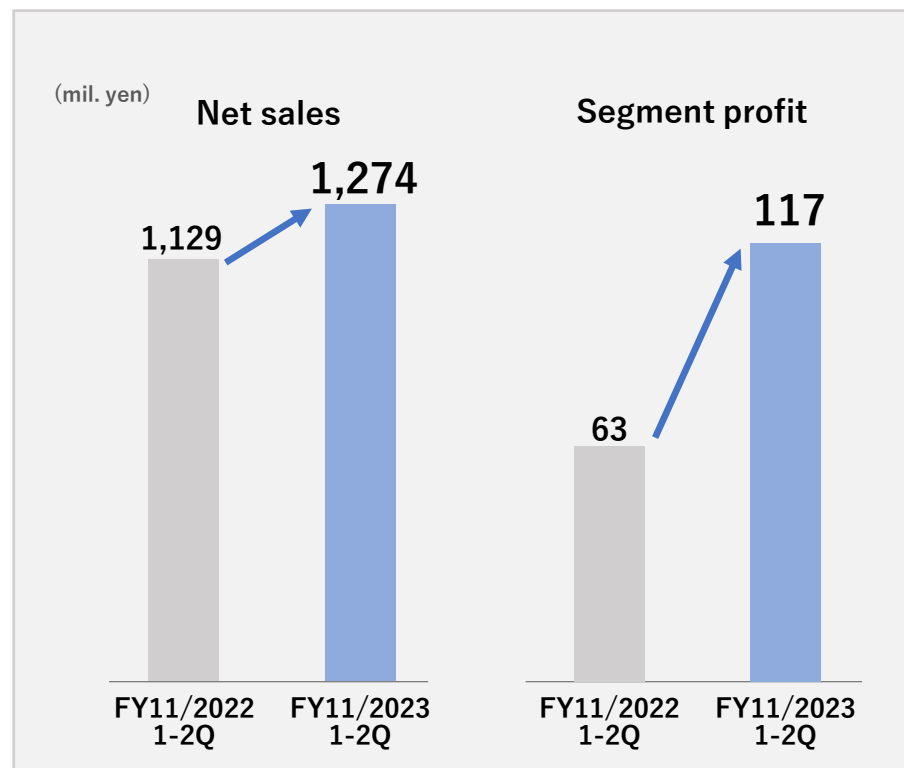
Financial results overview (by segment)

Outdoor Business

FY11/2023, 1-2Q

Higher revenues / Higher earnings

(mil. yen)	FY11/2022 1-2Q	FY11/2023 1-2Q	+/- %	+/- amount
Net sales	1,129	1,274	+ 12.8%	+ 144
Segment profit	63	117	+ 85.5%	+ 54



Factors, etc.

【Positive factors】

- Recovery of customers' foot traffic into commercial facilities such as department stores and shopping centers around major terminals.
- During the COVID-19 pandemic, in addition to slowdown in tourism market, markets for mountain climbing and trekking also slowed down because lodges and other places could easily become crowded, but demands in those markets recovered after lifting the state of emergency declaration.
- Sales of warm clothing increased steadily, due to unusually cold winter since December 2022.

**Financial results overview:
2Q of FY11/2023
(Net sales sorted by sales channel)**

Financial results overview (Net sales sorted by sales channel)



FY11/2023, 1-2Q

Sales expanded in domestic markets

(Factors)

Thanks to recovery of customers' foot traffic into commercial facilities such as department stores and shopping centers around major terminals, sales in domestic retailers (including our own Foxfire stores) increased (PLUS 117,936 thousand yen or 9.0%).

From this year, membership of Foxfire has become fully operational and led to much growth of our in-house mail-order (PLUS 8,229 thousand yen or 17.1%). For the future, we intend to implement more active approaches for our customers.

* In-house mail-order means actual sales results in our own EC stores of Foxfire handled by our Outdoor Business segment.

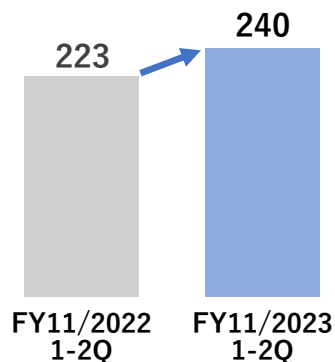
Mail-order sales through websites dedicated to mail-order and retailers of our business partners are not included.

(thousand yen)

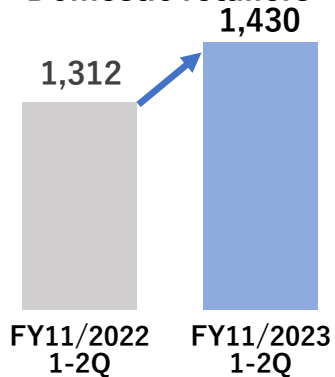
sales channel		FY11/2022, 1-2Q		FY11/2023, 1-2Q		YoY	
		amount	proportion	amount	proportion	+/- amount	+/- %
Domestic	wholesalers	223,126	13.3%	240,301	13.4%	+17,175	7.7%
	retailers	1,312,550	78.4%	1,430,486	79.9%	+117,936	9.0%
	in-house mail-order	48,203	2.9%	56,433	3.2%	+8,229	17.1%
Export		91,152	5.4%	62,120	3.5%	-29,031	-31.9%
Total		1,675,031	100%	1,789,342	100%	114,311	6.8%

* Overall net sales correspond to the totals shown above plus income from real estate rental.

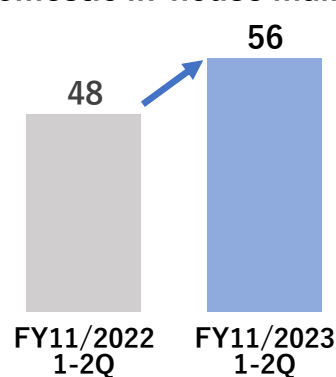
Domestic wholesalers



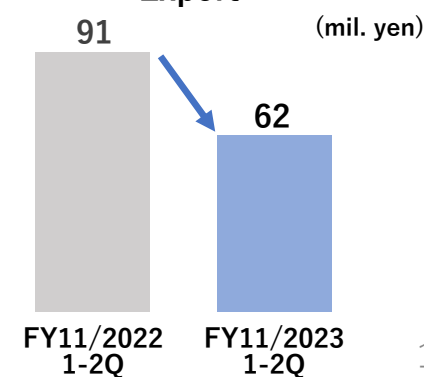
Domestic retailers



Domestic in-house mail-order



Export



**Financial results overview:
2Q of FY11/2023
(Monthly net sales)**

Financial results overview (Monthly net sales)



FY11/2023, 1-2Q

Sales smoothly expanded as compared to same months of the previous year

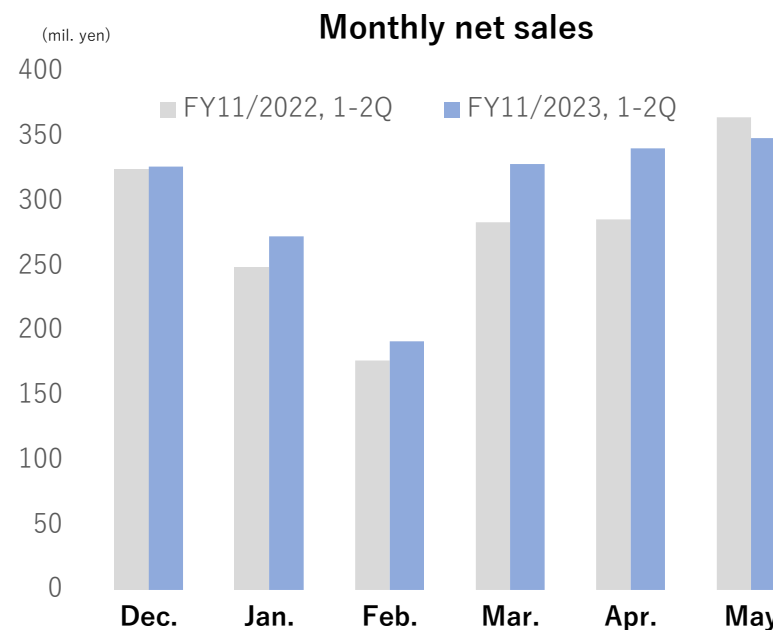
Sales of warm clothing increased steadily, due to unusually cold winter since December 2022.

May 2022: Both Fishing/Outdoor Businesses grew substantially.

Apr. 2023: Recovery of tourism demands expecting for the GW gave rise to rush demands in April, resulting in substantial increase in net sales.

May 2023: Net sales of outdoor gears was almost level as 2022, whereas that of fishing gears decreased due to retroaction against April. Net sales during the entire 2Q expanded smoothly, exceeding FY2022.

(thousand yen)	Net sales		YoY
	FY11/2022 1-2Q	FY11/2023 1-2Q	
Dec.	325,559	327,909	100.7%
Jan.	249,971	273,853	109.6%
Feb.	177,546	192,343	108.3%
Mar.	284,135	329,770	116.1%
Apr.	286,337	341,522	119.3%
May	365,497	349,257	95.6%



**Financial results overview:
2Q of FY11/2023
(Sales proportions of new products
& originally planned products)**

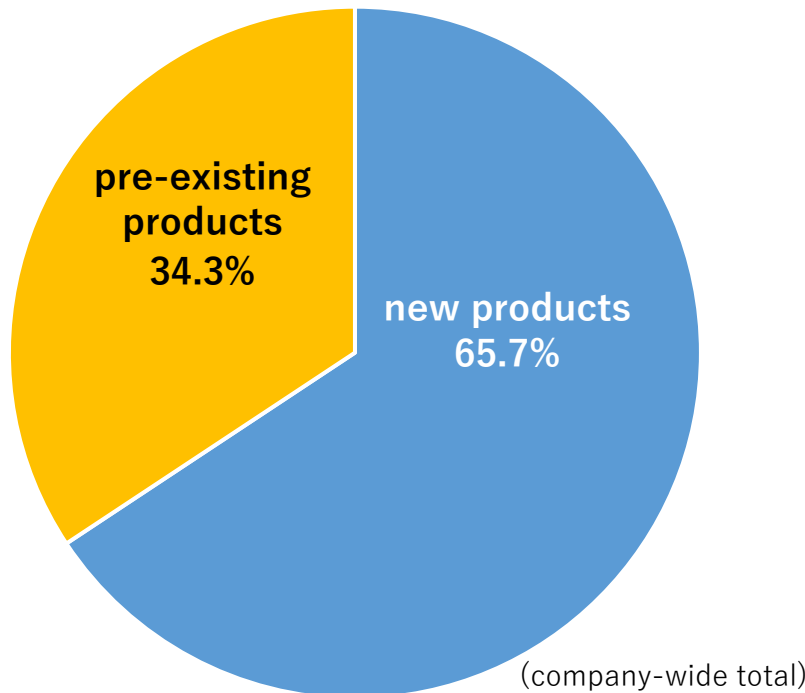
Financial results overview

(Sales proportions of new products & originally planned products)

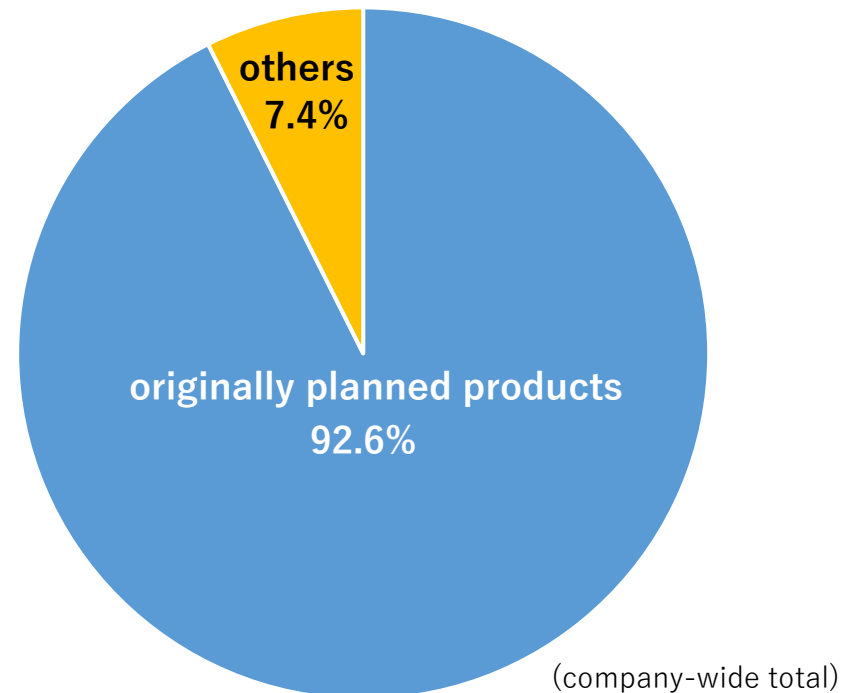
FY11/2023, 1-2Q

Relative to the company-wide sales, new products and originally planned products account for more than 60% and more than 90%, respectively.

Sales proportions
of new products



Sales proportions of
originally planned products



**Financial results overview:
2Q of FY11/2023
(Export & Import statuses)**

Financial results overview(Export status)



FY11/2023, 1-2Q

Export comprises mainly fishing gears. Fishing gear markets in the USA and Europe which were active during the COVID-19 pandemic returned to their normal states like in Japan. Consequently, they were compelled to do some inventory adjustment and our export business generally faced some challenges. In particular, slowdown in export to the USA had an impact on changes in component percentages of individual countries.

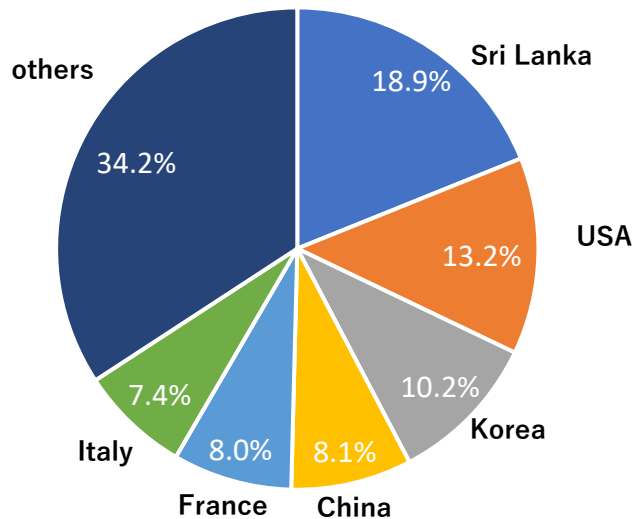
Philippines: Component percentage increased thanks to expanded trade in factories of products which use our fishhooks.

China: So far there is no shipment to business partners to which we had shipped last year.

Export status

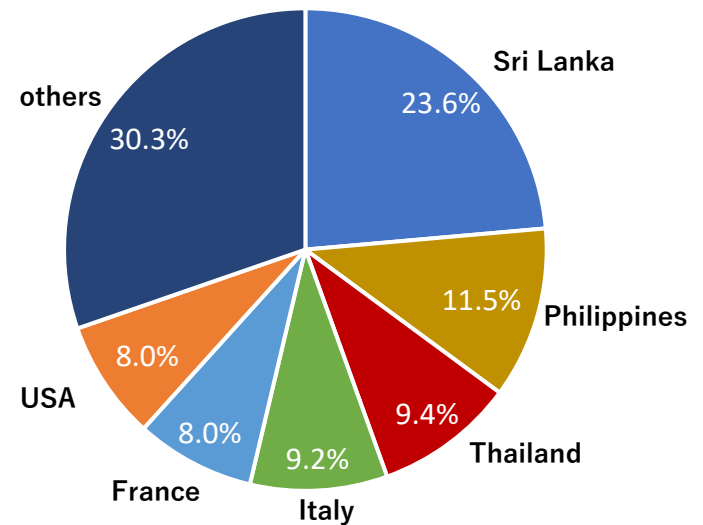
FY11/2022, 1-2Q

Net sales: 1,689,047 thousand yen
 Export amount: 91,152 thousand yen
 Export proportion: 5.4%



FY11/2023, 1-2Q

Net sales: 1,814,656 thousand yen
 Export amount: 62,120 thousand yen
 Export proportion: 3.4%



Financial results overview(Import status)

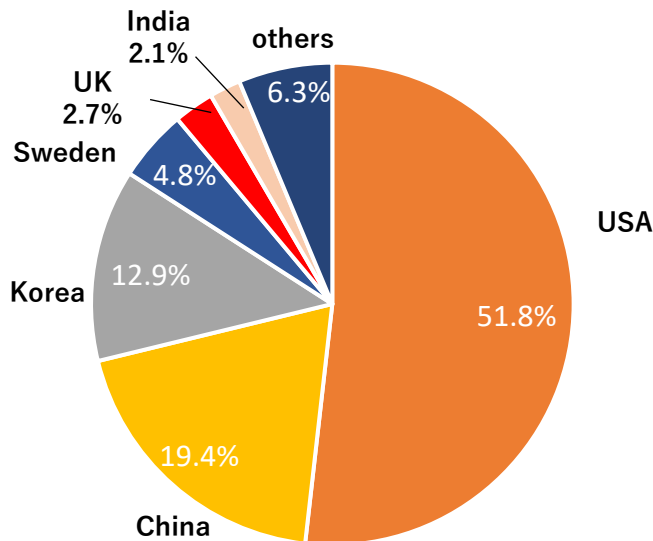
FY11/2023, 1-2Q

If nationality of a business partner is not Japan, transactions with it are recorded as imports. Until FY2022, there appeared stagnation of procurement from mainly overseas due to the COVID-19 pandemic, but we have seen some improvement during FY2023 and increasing number of cases of progressive procurement have been seen up to the 2Q. These changes in percentages of imports show that procurement from Taiwan increased, mainly fishing gears.

Import status

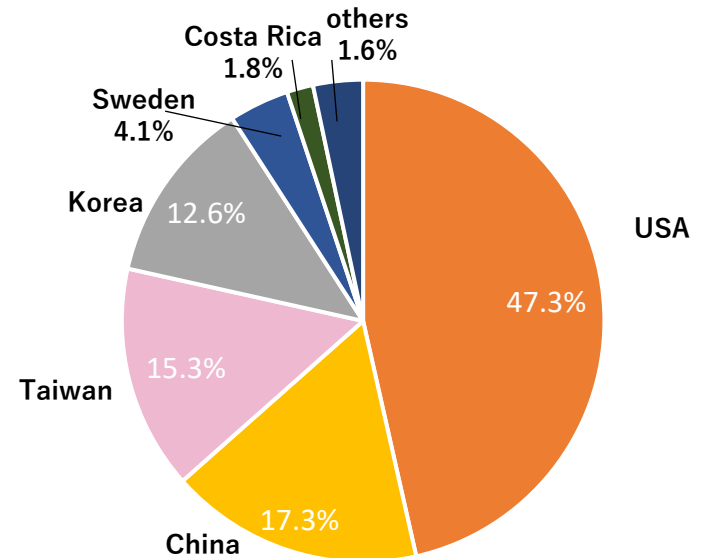
FY11/2022, 1-2Q

Purchase amount: 1,013,832 thousand yen
 Import amount: 166,336 thousand yen
 Import proportion: 16.4%



FY11/2023, 1-2Q

Purchase amount: 1,140,625 thousand yen
 Import amount: 215,932 thousand yen
 Import proportion: 18.9%



Performance forecasts: FY11/2023

Performance forecasts: FY11/2023



FY11/2023, 1-2Q

Expecting higher revenues and earnings

Progress greater than as planned in the full-term performance forecasts was realized. In addition, the Company expects it would record Gain on sales of investment securities during the next third quarter. However, assuming that unpredictable situations for the future would still remain, such as repeated price escalation, steep price rise of raw materials and energies, and concerns about weather due to the suspect of occurrence of El Nino phenomenon after four years of non-occurrence, the Company intends to keep the full-term performance forecasts as it is for the time being.

(thousand yen)	FY11/2022	FY11/2023 (forecast)	+/- %	+/- amount
Net sales	3,290,029	3,490,000	+6.1%	+199,971
Operating profit	113,365	149,440	+31.8%	+36,075
Ordinary profit	119,885	151,879	+26.7%	+31,994
Net profit	126,036	128,637	+2.1%	+2,601

FY11/2023: Measures and progress

Measures and progress

FY11/2023, 1-2Q



Concerning Fishing Business, there seemed to be some retroaction from the heightened demand in the field of fishing as an outdoor activity where we could avoid the “Three Cs” amid the COVID-19 pandemic, and also holding-off buying by customers due to price rise of merchandise caused by steep cost rise and weaker yen. Consequently, we had a hard time with sales activities in general during the current second quarter.

Measures

Progress

Fishing Business	Measures	Progress
	<ul style="list-style-type: none"> • Sales promotion focused on new products 	<ul style="list-style-type: none"> • Sales of mainly new products (lure-fishing gears, etc.) which were procured smoothly could maintain steady growth, but overall sales of fishing gears slowed down due to market downturn.
	<ul style="list-style-type: none"> • Organizing promotional events 	<ul style="list-style-type: none"> • We continue there events at both stores & fields • Promotional events for loyal customers are scheduled
	<ul style="list-style-type: none"> • Strengthening SNS promotion 	<ul style="list-style-type: none"> • WEB videos, Instagram and Twitter are proactively utilized
	<ul style="list-style-type: none"> • Strengthening product development target at beginners 	<ul style="list-style-type: none"> • New fly-fishing sets for beginners are under development
	<p style="text-align: center;">Mid-long term measures for sales expansion</p> <ul style="list-style-type: none"> • Facilitating fly-fishing schools & tours 	<ul style="list-style-type: none"> • Increasing number of fishing fly-fishing tours and those including real fishing are organized

Measures and progress

FY11/2023, 1-2Q



Measures

Progress

Outdoor Business	<ul style="list-style-type: none"> • Enhancing domestic in-house mail-order <ul style="list-style-type: none"> - Full-swing operation of Foxfire membership 	<ul style="list-style-type: none"> • Full-swing operation of Foxfire membership pushed up further sales expansion (increase by 17.1% YoY) Information about members registered at physical stores and those at EC site are integrated We will implement more active approaches for our customers
	<ul style="list-style-type: none"> • Reducing number of sale items 	<ul style="list-style-type: none"> • Since there were less discounted sales of merchandise which had remained in stock for a long time, this segment recorded substantially higher Segment profit (Operating profit) (increase by 85.5% YoY).
	<ul style="list-style-type: none"> • Facilitating plans for store opening 	<ul style="list-style-type: none"> • Promoting: <ul style="list-style-type: none"> - Newly opened Mar. 2023: Foxfire in Ishii Sports Yokohama (direct) - Renovated: May 2023: Foxfire in Sapporo Tokyu (direct) - Pop-up corner May 2023: Ishii Sports Daimaru Tokyo Store (dealer)
	<ul style="list-style-type: none"> • Enhancing dispatch of information via WEB, videos and SNS 	<ul style="list-style-type: none"> • Promoting: <ul style="list-style-type: none"> - Backgrounds (stories) of the developed products are introduced via HP, in-store POP, SNS, videos, etc. - Cooperation with media, collaboration partners and external staff who have information dispatching capabilities - Proactive information dispatching via SNS, etc. for communication with consumers and markets
	<div style="background-color: #D3D3D3; padding: 5px; text-align: center; font-weight: bold;">Raising awareness of Foxfire even higher</div> <ul style="list-style-type: none"> • Sales of collaboration items 	<ul style="list-style-type: none"> • Further promotion of collaboration with other companies <ul style="list-style-type: none"> - KEEN sandals (Apr. 2023) - My Neighbor Totoro (Apr. 2023) - Lee (Apr. 2023)

Most recent topics

Most recent topic 1

FY11/2023, 1-2Q

Foxfire Shirakawa Kogen store was opened on April 15, 2023



■ Overview

“**Foxfire Shirakawa Kogen**”, our first directly-run store combined with a fishing area, was opened on April 15, 2023.

This store was built inside complex resort facilities named “Angel Forest Shirakawa Kogen” which are surrounded by vast forests at the northern base of five peaks of Nasu Mountains and have huge premises of more than two million square meters. **It deals with goods relating to fly-fishing, outdoor clothing, and dog accessories.**

Additionally, just in front of the store there is a controlled fishing area of Angel Forest Shirakawa Kogen that is among the largest in Japan, where we can **enjoy fly & lure-fishing.**

“Foxfire Shirakawa Kogen” is a shop collaborated with “Snow Peak Shirakawa Kogen” directly run by Snow Peak Inc. with which we tie up in business. In addition to this store, “Snow Peak Shirakawa Kogen Campfield” scheduled to be opened on July 15, 2023, directly run by Snow Peak Inc., is going to propose “**CAMP FISHING**”, a novel outdoor activity style where we **enjoy fishing while camping.** Not only for campers and fishing-lovers, joint events and other pleasures will be offered to wider range of visitors so that they can experience “**CAMP FISHING**”.

Most recent topic 2

FY11/2023, 1-2Q

Foxfire brand rolls out items collaborated with “My Neighbor Totoro”, a production by STUDIO GHIBLI INC.



■ Overview

Our outdoor brand “Foxfire” realized its first collaboration with “**My Neighbor Totoro**”, a production by STUDIO GHIBLI.

From April 28, 2023 (Fri.), collaboration items have been on sale at Foxfire online stores and some of directly-run Foxfire stores.

Dream collaboration was realized this time, based on high affinity of the **world-view of Totoro** with the Foxfire’s brand-statement of “**True to nature**” in which pledges of the brand are embedded, such as “**Respect for nature**”, “**Being genuine**” and “**Being honest with oneself**”.



■ Introduction of the brand

Foxfire was born in 1982.

As a pioneer of fly-fishing brands in Japan, it has developed to an outdoor brand with wide variety of lineups such as those for trekking and nature photography.

Its theme is “Quiet sports”, and its beliefs are “Commune with nature” and “Symbiosis with nature”.

In the collection this time, seven items in total have been lined up, which are designed with original patches and “Fisheye & Totoro camouflage” incorporating L/M/S sized Totoros and Makkuro Kurosuke based on the original “**Fisheye camouflage**” design intended to be unified with nature from the eyes of fishes, that has been inherited for more than 40 years since the foundation of Foxfire.

Most recent topic 3

FY11/2023, 1-2Q

The first store of CAMPERS AND ANGLERS will be opened in autumn 2023, in Kitahiroshima City, Hokkaido Pref.



(Bird's-eye view of the entire area of C&A Kitahiroshima (provisional name))

■ CAMPERS AND ANGLERS Co., Ltd.

A joint venture established by four companies: IBIC (wholesaler/retailer of outdoor/fishing products), IBIC Foods (a group company), Snow Peak (manufacturer/seller of outdoor products), and TIEMCO.

Name	CAMPERS AND ANGLERS Co., Ltd.
Head office	1-1-11, Kita-10-jo-higashi, Higashi-ku, Sapporo City
Capital	98 mil. yen
Established	Nov. 2021

■ Overview

“C&A Kitahiroshima” (provisional name), an experience-based outdoor facility produced by CAMPERS AND ANGLERS Co., Ltd. (“C&A”), will be opened near the Hokkaido Ballpark F Village which was opened in spring 2023. The first and second phases of opening are scheduled in autumn 2023 and in spring 2024, respectively.

Land area is 16,046 m².

With **store building making use of existing building and newly-built drinking/eating building** at its core, **outdoor experiences of camping and fishing** will be provided to users, utilizing the first-class Wattsu River flowing nearby and neighboring Kitahiroshima Recreation Forest. Part of parking area will be finished with turf, and roof of store building will also be greened.

Store building is about 1,160 m², and will be operated as an **outdoor shop offering the largest-class selection in Japan** such as camping gears, fishing gears and apparel fashion items. And additionally, it will become a base of information dispatching for experience fields within Hokkaido and regional vitalization. Drinking/eating building is about 660 m², in which “Café Sweets & Restaurant” will be operated by IBIC Foods which is a group company of IBIC and has invested in C&A. Its interior will be an open space filled with plenty of trees, from which visitors can enjoy **the entire view of Kitahiroshima Recreation Forest**.



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