



(7564)

# WORKMAN CO., LTD.

## Company Briefing Materials

1. Company Information
2. Domestic Market Share
3. Growth Strategy
4. Business Performance,  
Shareholder Return  
and Other Information

# **1. Company Information**

- Management Philosophy
- Business Activities
- Group Companies
- Company Information
- Franchise System
- Store Information
- EC (Online Shopping)
- Distribution Network

## ■ Management Philosophy —————

**Evolve for those who ask us to**

Greater convenience, better quality and  
lower prices for working people

## ■ Business Activities —————

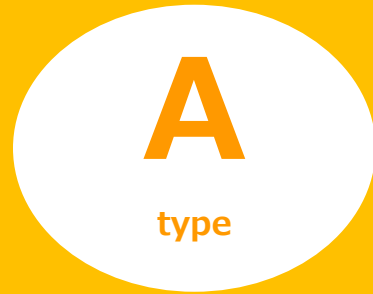
**Leveraging WORKMAN's franchise system,**

we operate a chain of specialty retail stores offering workwear,  
athleisure attire and work-related products.

## ■ WORKMAN is the core company of the Beisia Group.



Establishment	August 1982	
Securities code	7564, STANDARD	(Listed in September 1997)
Share capital	¥1,622 million	
Net sales	¥156,597 million (Net sales at all chain stores)	(FY 3/2022)
Ordinary profit	¥27,395 million	(FY 3/2022)
Profit	¥18,303 million	(FY 3/2022)
Number of employees	349	(As of March 31, 2022)



## Franchise agreement

Income increases as sales (gross profit) increase

### Length of contract

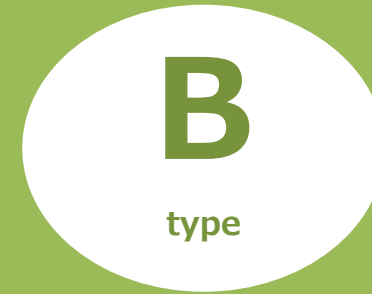
**3** years

Contract renewable per agreement with HQ after six years

### Required funds

¥**2.23** million (incl. tax)

Of which, ¥1.0 million is refunded upon contract expiration



## Outsourcing agreement

Guarantee of a fixed amount of income (¥500 thousand per month + percentage of sales)

### Length of contract

**1** year

Contract renewable per agreement with HQ after one year

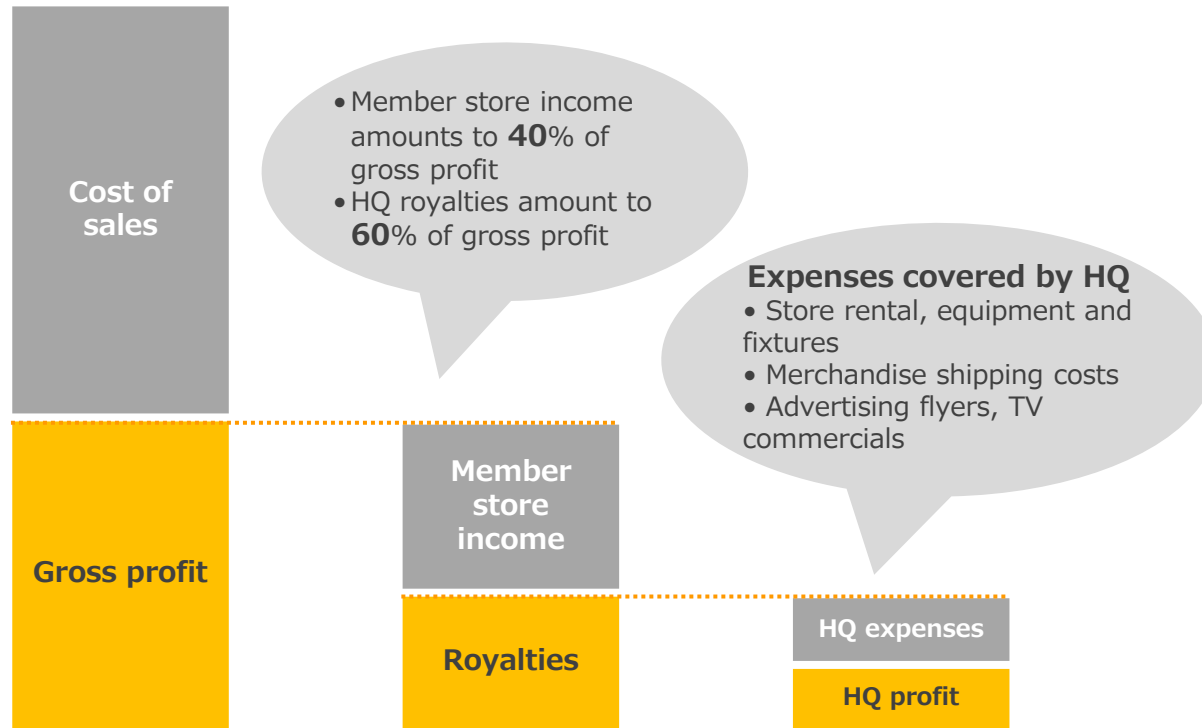
### Required funds

¥**1.55** million (incl. tax)

Of which, ¥1.00 million is refunded upon contract expiration

The contract type is determined based on store sales.

## ■ Distribution of franchise store gross profit



## ■ Advantages of WORKMAN franchises

i . Community - based

ii . Sustainable management

iii . Financing

iv . Original Products

v . Outstanding rewards program

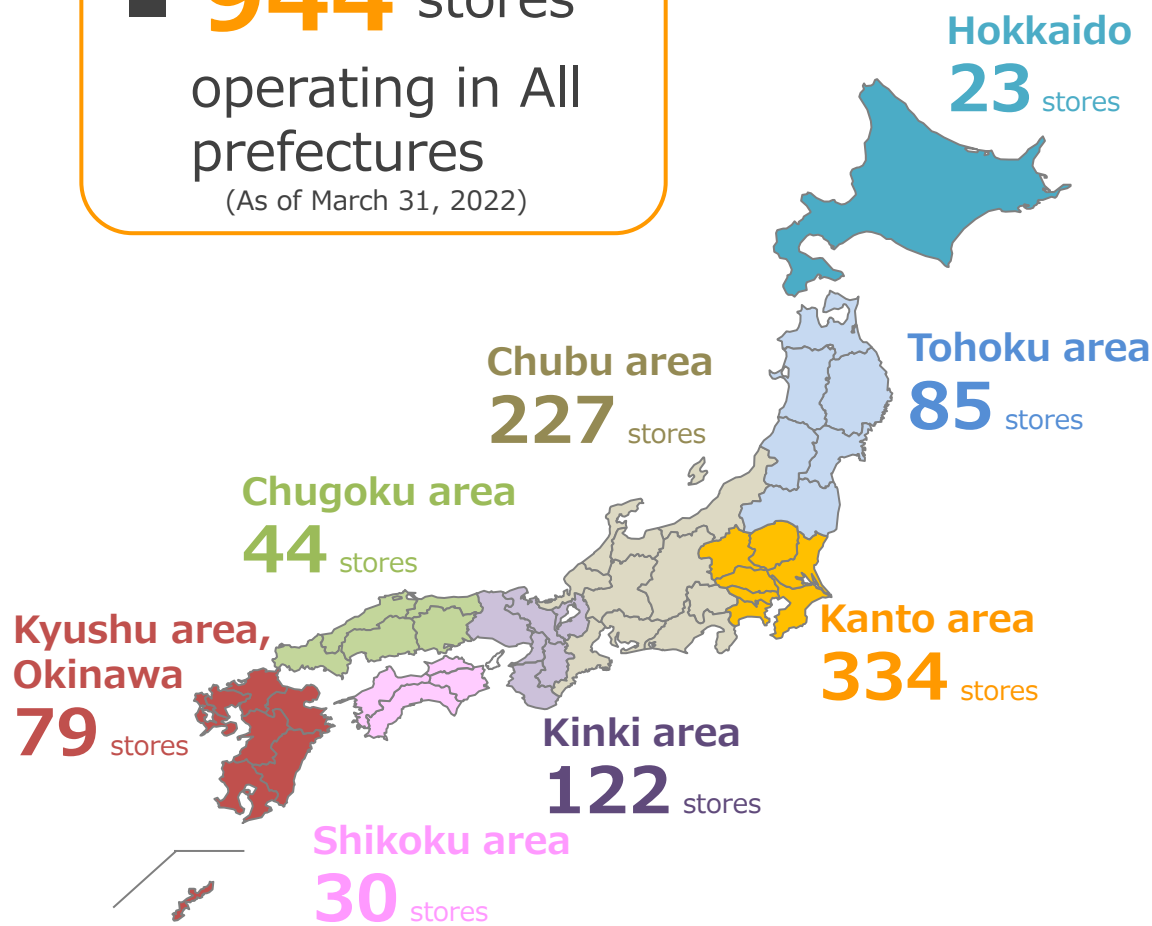
vi . Pleasant working conditions



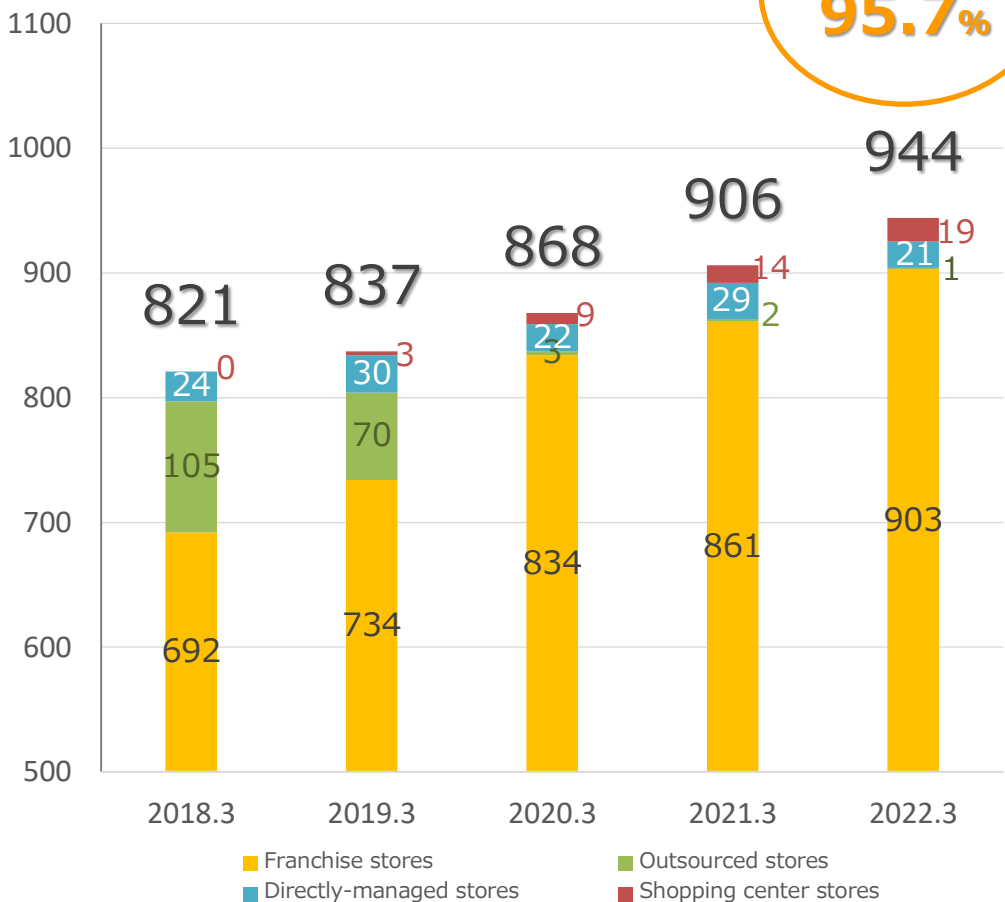
# Store Information (Status of Store Openings・Business Format)



■ **944** stores  
operating in All  
prefectures  
(As of March 31, 2022)







(As of March 31, 2022)



**FC ratio**  
**95.7%**

## ■ Store format by business type (As of March 31, 2022)

Business Format	Number of stores	Location	Standard store (1 tsubo ≈ 3.3 m <sup>2</sup> )	Customer base
	559	Roadside	100 tsubo building 10-15 Parking spaces	Work : 80% General : 20%
	1	Roadside	100 tsubo building 10-15 Parking spaces	Work : 80% General : 20%
	360	Roadside	130 tsubo building 20-30 Parking spaces	Work : 60% General : 40%
	12	Shopping center	—	General : 100%
	5	Roadside	130 tsubo building 20-30 Parking spaces	General : 100%
	7	Shopping center	—	General : 100%



## Concept

Offering something for everyone at unexpectedly high performance combined with affordable pricing.

Store development aiming for sustainable growth

## Target

Expanding customer base

Expanding customer base  
Balance adjustment for the entire chain store

## Strategy

### Private Brand Products



### Refurbishment Conversion

The same merchandise in every store, only the exteriors, fixtures and layout differ.

### Location of store openings

- Urban roadside
- Shopping center

### Products

Revolves around FieldCore, Find-Out, and AEGIS, and will strengthen and enhance women's development personnel in the future.  
Developed only functional apparel and differentiated it from fashion apparel.

## ■ E-commerce operations helps Franchise stores

- Strengthen customer transfer to FC stores by promoting online sales utilizing store inventory



### FC's benefits

- Sales returned to FC stores
- Streamlining store operations
- Turn store visitors into regular customers

### Customer benefits

- Can be picked up at the store in a minimum of 3 hours
- Free shipping for store collects
- You can try on and change the size on the spot
- Supports corporate name processing



## ■ Logistics investment looking 5 to 10 years

### ● Okayama Distribution Center (New)

⇒Scheduled to start operation in 4 to 5 years

#### East Japan area

Isesaki DC (Owned)	10,000tsubo
" Extension( " )	6,670tsubo
Isesaki warehouse (Owned)	6,480tsubo
External warehouse	13,400tsubo

#### West Japan area

Shiga DC (Owned)	7,400tsubo
Kobe DC (External)	6,220tsubo
<b>New Okayama DC (Owned)</b>	<b>15,000tsubo</b>
External warehouse	8,000tsubo



Isesaki DC



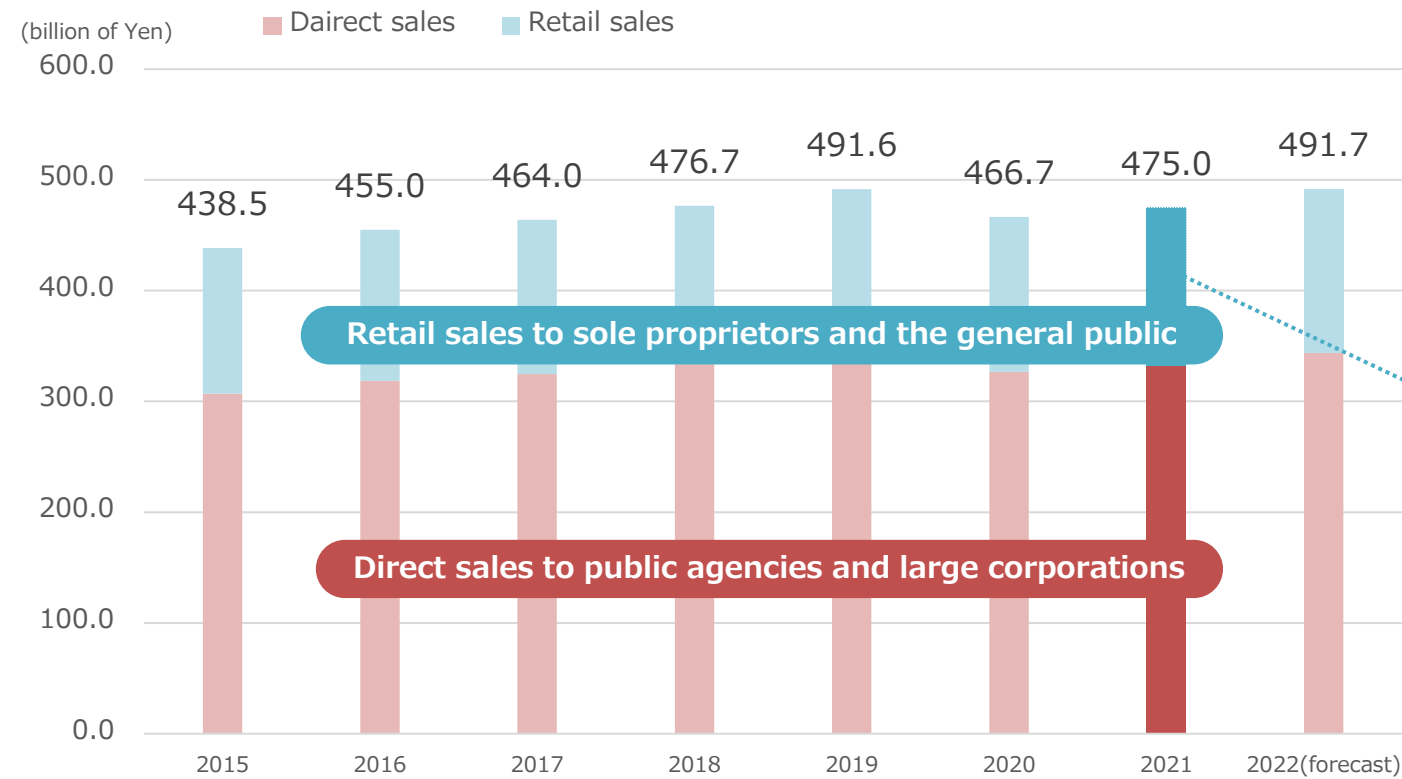
Shiga DC

■ Under our distribution framework, products are delivered before business hours two days after an order has been placed, making use of our warehouse distribution centers located in Gunma Prefecture's Isesaki City and Shiga Prefecture's Ryuo Town.

## **2. Domestic Market Share**

- Workwear Market
- Athleisure Market

## ■ Top share of Japan’s retail market for workwear



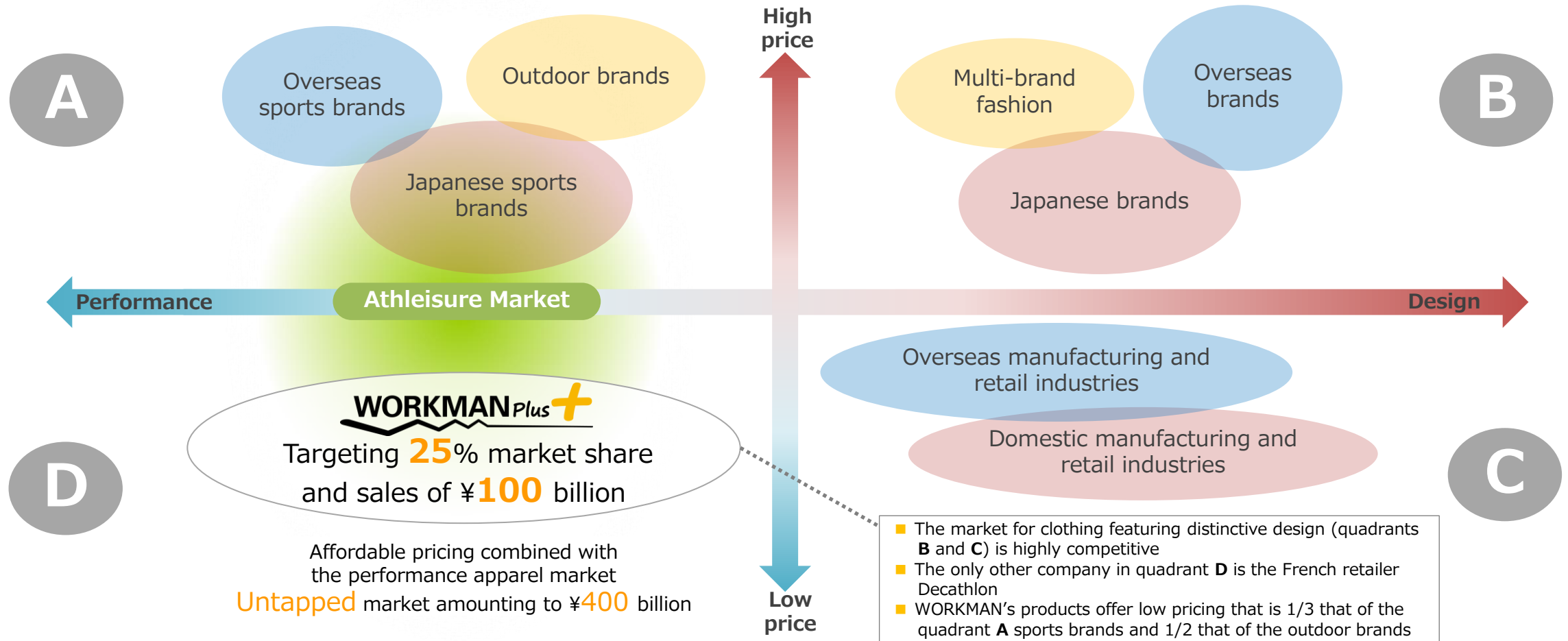
WORKMAN’s sales of workwear amount to **¥47.8 billion** for a **33.5%** share of the retail market



Notes:  
1. Figures calculated on the basis of retail value  
2. Source: Calculations and preparation by WORKMAN based on “Uniform Market 2020,” published by Yano Research Institute Ltd.

- Perceptual map of the apparel market (athleisure market: ¥855.8 billion) According to survey by Yano Research Institute Ltd.

**Athleisure:**  
A combination of the words “athletic” and “leisure,” the term “athleisure” refers to a style of clothing where performance apparel is also worn as part of people’s everyday wardrobes.





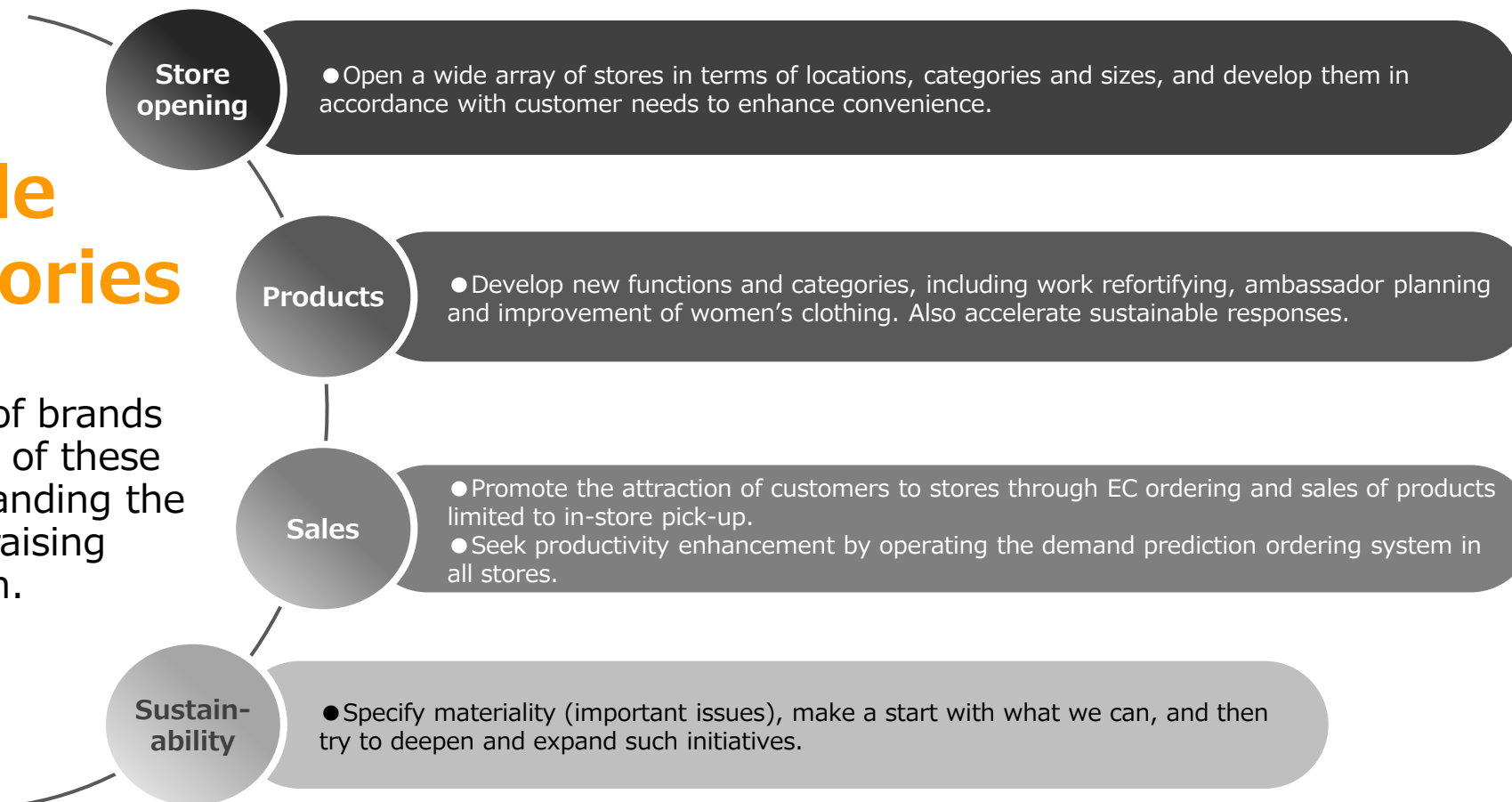
## **3. Growth Strategy**

- Store Openings
- Merchandise
- Sales Strategy





## ● Management policy

# Sustainable Growth Stories

Enhance the power of brands through the creation of these stories, thereby expanding the customer base and raising customer satisfaction.



## ● Go for **1,500** domestic stores in 3 categories

(Number of stores)	Number of stores at end of FY3/22	Openings set for FY3/23			S&B※3	Renovation set for FY3/23※2			Closures	Number of stores at end of FY3/23	Medium/longer-term goals
			Roadside	SC※3			Full renovation	Partial renovation			
	559	—	—	—	(△11)	(△67)	(△2)	(△65)	△2	<b>479</b>	200
	372	<b>24</b>	24	—	<b>11</b>	<b>66</b> (—)	2 (—)	64 (—)	—	<b>473</b>	900
	12	<b>16</b>	11	5	—	—	—	—	—	<b>28</b>	400
	1	—	—	—	—	<b>1</b>	—	1	—	<b>2</b>	N/A
Total※1	944	<b>40</b>	35	5	<b>11</b>	<b>67</b>	2	65	△2	<b>982</b>	1,500

These are the plans as of this moment. They may be altered in the future.

※1. The Total column shows the number of operating stores, with figures in parentheses excluded from the Total.

※2. The renovation means the conversion of WORKMAN stores to WORKMAN Plus stores.

The lower column shows the number of stores that were renovated to WORKMAN Plus in the past but became subject to S&B during the period under review.

※3. SC: Shopping centers S&B: Scrap and Build

## ● Develop stores in accordance with customer needs



Target:

**Aim to acquire general customers by broadening store-opening locations and areas**

- Store openings in urban areas
  - April EXITMELSA Ginza (Tokyo)
  - June Sunshine City Ikebukuro (Tokyo)



- Store openings in open malls

**FY3/2023 store opening plans**

**11 stores**

Accelerate store openings in malls with high customer attraction power  
Open stores mainly in group malls, also anticipate joint store openings with other chain stores

Expand the  
customer base  
Enhance  
convenience



Target:

**Revitalization of existing stores through remodeling and S&B**

**Aim for domination of low store density areas and urban areas**

**FY3/2023 plans**

Remodeling **66** stores/S&B **11** stores



Target:

**Seek to separate customers, and aim to enhance satisfaction of professional craftspeople**

- Remodeling conversion

**FY3/2023 plan 1 store**

Look into the status of sales at model stores, and then develop future plans

- Gain more customers through **EveryDay Low Prices (EDLP)** policy

Products mainly manufactured in China and Southeast Asia



Ten pairs of work gloves for ¥**178** (incl. tax)



Short-sleeved mesh T-shirts for ¥**499** (incl. tax)



Running shoes for ¥**980** (incl. tax)

- Procure merchandise leveraging economies of scale with respect to 944 store locations  
⇒ Achieve unparalleled low pricing
- Offer products that meet quality and performance levels acceptable to professionals
- Ensure that customers are able to purchase products from the same lineup at the same prices anytime and anywhere nationwide

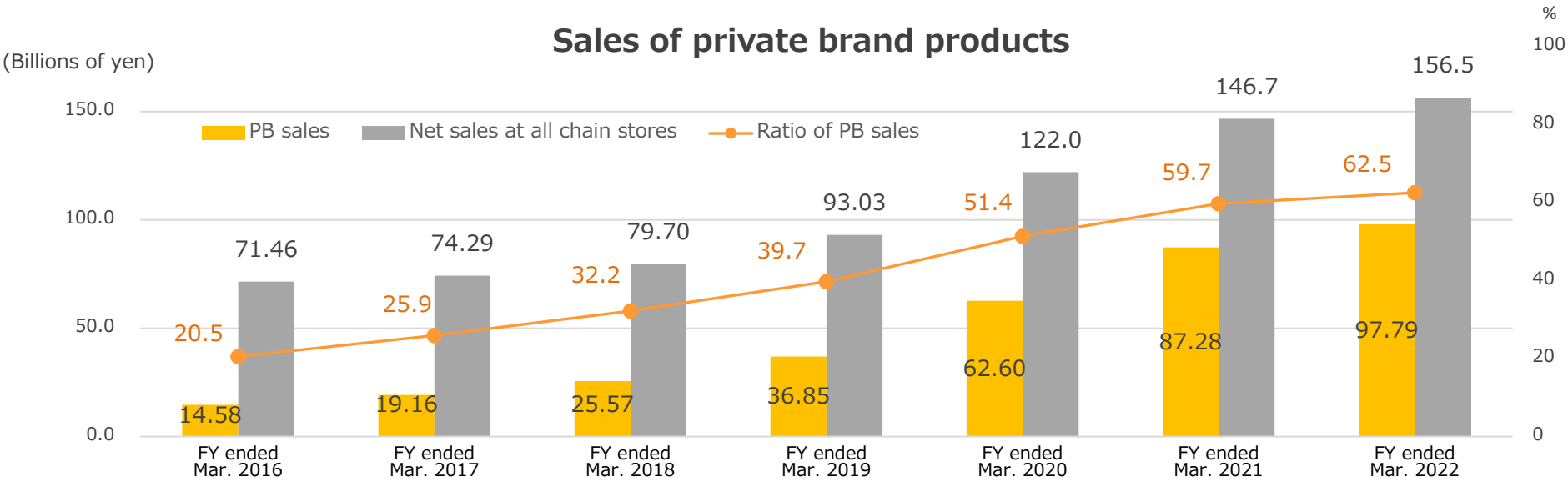
- Redouble efforts to develop private brand products, expand customer base and achieve differentiation from competitors



**STEP 01.**  
Test market 50,000 to 100,000 new products over the initial fiscal year

**STEP 02.**  
Engage in full-scale production based on demand forecasts with an accuracy of  $\pm 10\%$  to 15%

**Objective**  
Develop products that are so much better than other products that it would take competitors several years to catch up.



## ● Development of sustainable products with functionality at their core

● FY3/2023 PB products sales target **1,128** million yen (YoY +15.3%)

01

### Refortifying work

- PRO CORE brand expansion (safety shoes, small work items, etc.)
- URBAN WORK  
New proposals for workwear

02

### Expansion of lineup of women's clothing

- Development of new categories  
Functionality-driven 2-mile wear

03

### Outdoor/Sports

- Joint development with ambassadors
- Camping gear (FY3/23 sales target 4,000 million yen)
- Horizontal development of functional materials  
Share functionality by straddling categories

## WORKMAN's Sustainability



Development of “high  
functionality × low price ×  
**Sustainable**”  
products

### ● Key development items

#### Recycled materials

PET bottle recycled yarn / residual recycled yarn / bio-derived resin

#### Environmentally friendly production

Nano bubble wash / laser processing / free of fluorine

#### Other

AI-driven cutting / unique new ideas (pump wear, etc.)

### ● FY3/2023 target

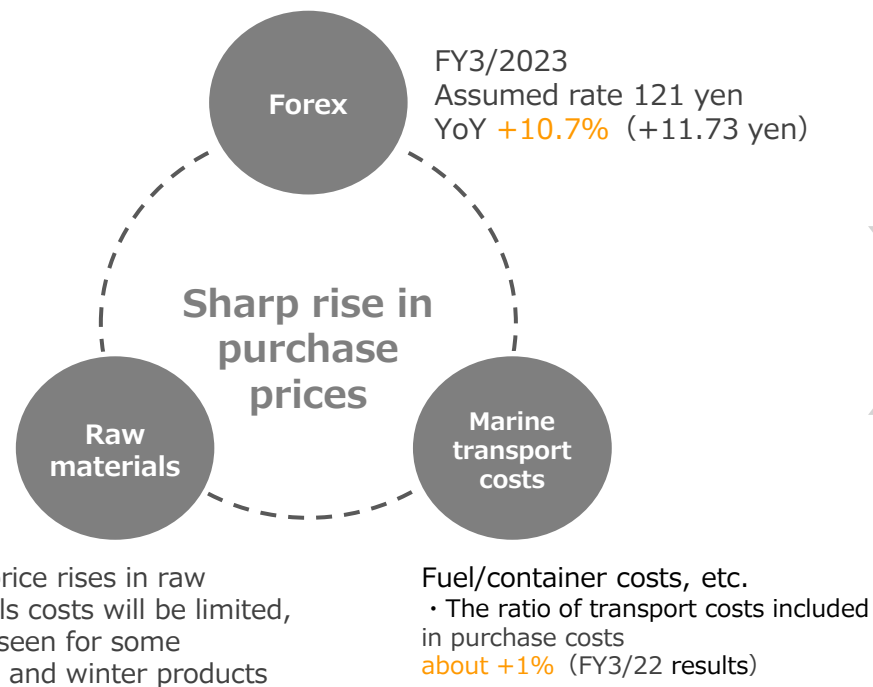
Development **115** items

Production amount **17,000** m. yen

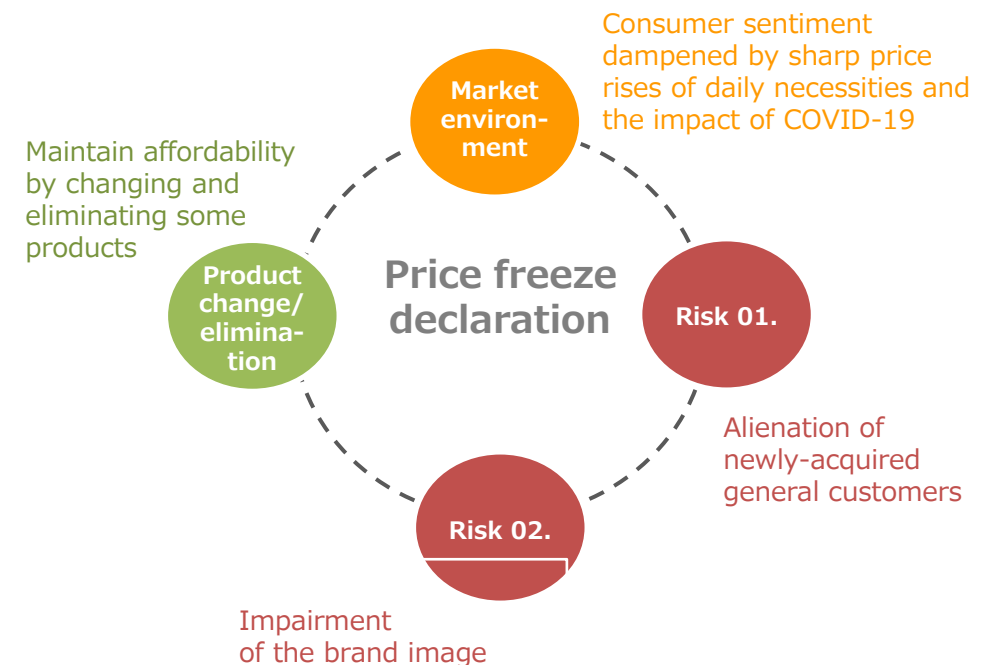
## ● Despite increasing pressure on purchase prices, we will stick to “the price freeze” for PB products

• In view of the market environment and the Company’s business environment, we have concluded that “price raises” present a risk from a long-term perspective

### ● Problems in procurement of products



### ● Background to the price freeze



※Our policy is to respond flexibly when considering profitability, as we have to assume that extremely sharp rises in purchase prices may force us to raise prices.



● Promote the attraction of customers to stores, and seek to enhance the productivity of franchise stores

- EC ordering / sales for in-store pick-up  
**BOPIS (Buy Online Pick-up In Store)**



Promoting the attraction of customers to stores will support **the enhancement of sales at franchise stores**

- PR strategy



Focus on products not taken up by ambassadors or media to establish self-motivated PR content and enhance **customer attraction power**

- Demand prediction ordering system

2022.3 in operation at

**540** stores

2023.3 target

**In operation at all stores**

**Introduction effects**

(Comparison with stores without the system in FY3/22)

Sales **up about 3%** / Inventory value **down about 5%** /

Turnover days **1 day less**

## **4. Business Performance, Shareholder Return and Other Information**

- Performance Data
- Shareholder Return
- History
- Sustainability

# Plans for the Fiscal Year Ending March 2023



- Expectation of increased income but decreased profits due to sharp rises in purchase prices

(Millions of yen)	FY 3/22		Forecast for FY 3/23 2Q		Forecast for full FY 3/23	
	Amount	YoY	Amount	YoY	Amount	Progress
Sales at all chain stores	156,597	+6.8	79,995	+8.5	166,690	+6.4
(Same-store sales)	—	+1.5	—	+3.7	—	+1.5
Total operating revenue	116,264	+9.9	59,971	+8.5	124,110	+6.7
SG&A	19,254	+8.1	10,333	+7.4	21,015	+9.1
Operating profit	26,802	+11.9	11,867	△5.9	24,461	△8.7
Ordinary profit	27,395	+7.8	12,179	△5.5	25,063	△8.5
Net income	18,303	+7.4	7,602	△5.0	16,782	△8.3
Net income per share	224.28 yen		93.15 yen		205.65 yen	
Dividends per share	68 yen		—		68 yen	

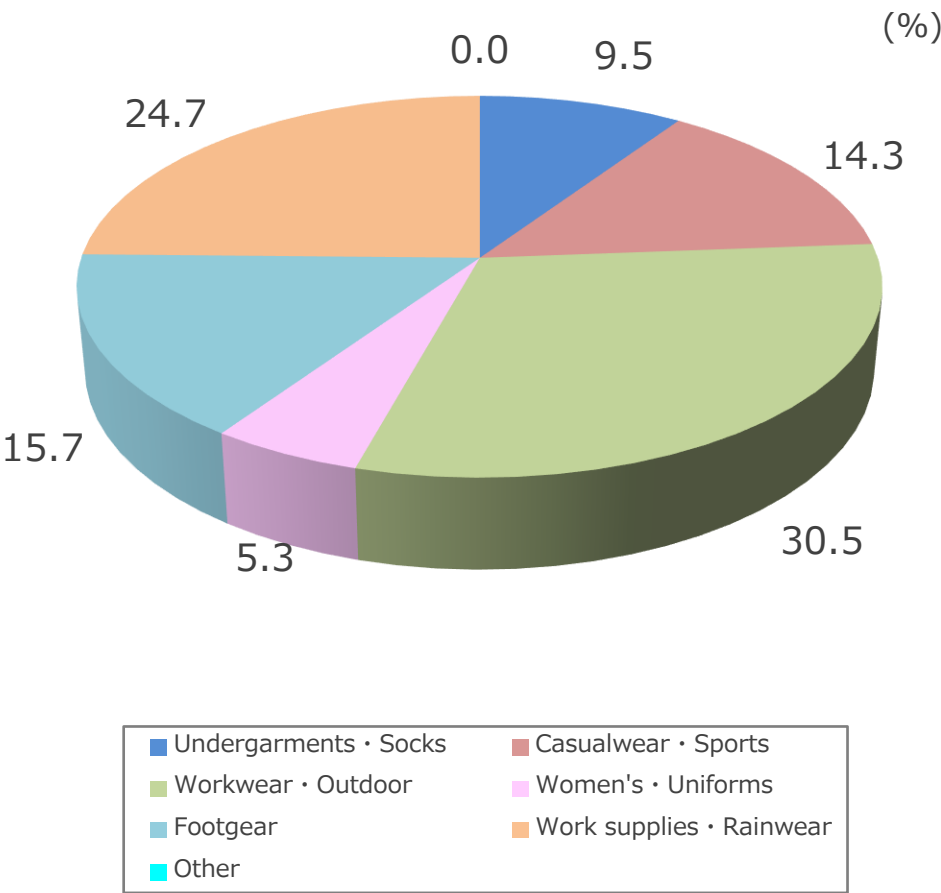
# Performance Data (Balance Sheet)



(Millions of yen)

	Item	As of March 31, 2021	As of March 31, 2022	Change
Assets	Current assets	85,696	94,266	8,569
	Cash and deposits	57,813	64,283	6,469
	Accounts receivable - due from franchised stores	11,884	11,944	60
	Merchandise	14,077	15,257	1,179
	Non-current assets	27,179	30,878	3,699
	Property, plant and equipment	20,101	23,949	3,847
	Intangible assets	769	818	48
	Other investments	6,307	6,110	△197
	Total assets	112,876	125,145	12,269
Liabilities	Current liabilities	19,090	17,897	△1,192
	Non-current liabilities	3,191	3,687	495
	Total liabilities	22,282	21,585	△696
	Total net assets	90,593	103,559	12,965
	Total liabilities and net assets	112,876	125,145	12,269

● Net sales at all chain stores: ¥156,597 million (Fiscal year ended March 31, 2022)



Product	Sales (Millions of yen)	YoY Change (%)	Main items
Undergarments · Socks	14,865	112.8	Undergarments, socks, hats, towels
Casualwear · Sports	22,364	109.7	Polo shirts, T-shirts, highneck shirts, compression wear
Workwear · Outdoor	47,799	104.3	Workwear, coveralls, construction worker uniforms
Women's · Uniforms	8,285	128.1	Women's wear, white smocks and coats, office uniforms, non-woven work clothes
Footgear	24,557	107.3	Protective footwear, <i>tabi</i> socks, boots, kitchen shoes
Work supplies	38,632	103.0	Work gloves, tools, protective gear, rainwear
Other	92	23.8	

## ■ Basic policy

We target a dividend payout  
ratio of **30%**

We regard the maintaining of an appropriate distribution of profits to our shareholders as an important management issue. As such, we distribute our profits to our shareholders based on our financial performance while striving to enhance internal reserves as necessary to achieve sustainable growth.

## ■ Dividends per share

- Fiscal year ended March 31, 2022

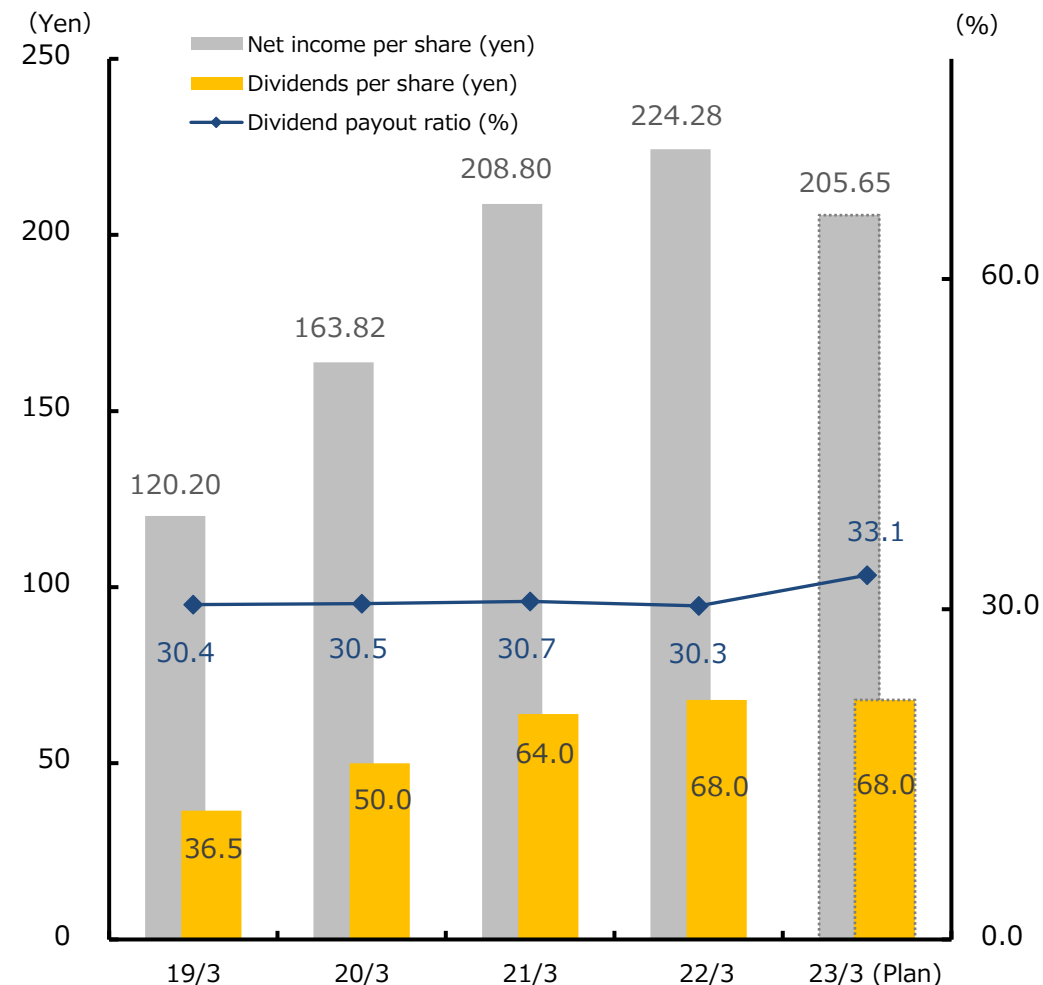
Plan to increase by 4 yen to **68** yen  
(Dividend increase for 11th straight year)

- Fiscal year ending March 31, 2023

Expect to keep at **68** yen

We will strive to realize a dividend increase in accordance with this basic policy.

### Changes in net income and dividends per share



# History



- 1980 Opened "WORKMAN, a store for professionals" store No. 1
- 1982 Established WORKMAN CO., LTD.
- 1986 Established new headquarters and relocated headquarters operations to the Shibamachi district of Isesaki City, Gunma Prefecture
- 1988 Opened WORKMAN's 100th store
- 1989 Installed point of sale (POS) system
- 1991 Completed Tokyo headquarters building (currently acts as WORKMAN's Product Development Center)
- 1997 Shares registered on over-the-counter market of the Japan Securities Dealers Association
- 2013 Listed on the Tokyo Stock Exchange JASDAQ Standard market  
Opened Ryuo Distribution Center
- 2016 Three brand strategy: **FieldCore Find-Out AEGIS**
- 2017 Newly established Isesaki Distribution Center and opened WORKMAN's 800th store
- 2018 Relocated headquarters to Tokyo and opened WORKMAN Plus store No. 1
- 2019 Achieved total 12-month sales at all chain stores of ¥100 billion
- 2020 Opened WORKMAN Girl store No. 1
- 2021 Opened WORKMAN Pro store No. 1



WORKMAN store No. 1



Until 1990



Until 2013



From 2014 onward



WORKMAN Pro



WORKMAN Girl



WORKMAN Plus at a shopping center



WORKMAN Plus at the roadside

● We will improve the disclosure of our current initiatives, and then deepen and expand them

● Sustainability Policy

➤ Dream

Evolve for those who ask us to

Continue to evolve as society and customers ask us to.  
Build a 100-year competitive edge through social and customer support

➤ Purpose

New standards for functions and values

Boldly create “new standards” in Woman’s fields of expertise, responding to the voices of society and our customers.

➤ Belief

Build a long-term, sustainable and good relationship with all stakeholders

Build a good and sustainable relationship with society, customers, affiliated stores, clients, employees and shareholders, looking ahead to the next 100 years.

● Materiality

We will strive to be an honest company trusted by a wide range of stakeholders, including communities, as well as shareholders, employees, customers, business partners and FC stores.

As a member of society, the Company is proactively engaged in social contribution, including support in the event of natural disasters, environmental protection, and educational and cultural activities.







- We have prepared this document solely for the purpose of facilitating understanding of WORKMAN, and not for the purpose of soliciting investment in the Company. As such, investors are advised to make investment decisions at their own discretion.
- Whereas every effort has been made to ensure the accuracy of this document, we make no guarantees regarding the completeness thereof. Accordingly, WORKMAN bears no responsibility whatsoever for any losses or damages arising in relation to information contained herein.
- Financial results forecasts, business plans and other forms of forward-looking statements contained herein have been prepared based on information available to WORKMAN as of the date on which this document was prepared. However, please be aware that actual financial results may vary greatly from the forward-looking statements herein as a result of substantial changes that may occur with respect to the business environment.

WORKMAN CO., LTD.

Securities code: 7564 (STANDARD)

Inquiry: IR Group, Finance Division

TEL: +81-3-3847-8190

E-mail: [wm\\_seibi@workman.co.jp](mailto:wm_seibi@workman.co.jp)

<https://www.workman.co.jp/>

(Japanese only)