



Summary of Financial Results for the First Quarter of the Fiscal Year

Ending March 31, 2023 [Japanese GAAP] (Unconsolidated)

August 8, 2022

Company name: Workman Co., Ltd. Stock Exchange Listing: Tokyo
 Securities code: 7564 URL: <https://www.workman.co.jp/>
 Representative: Representative Director & President Hideyuki Kohama
 Contact: Director & Treasurer Yukitaka Iizuka Tel: 03-3847-7740
 Scheduled date of filing quarterly securities report: August 12, 2022 Scheduled date to commence dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes (for securities analysts and institutional investors)

(All amounts are rounded down to the nearest million yen)

1. Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 – June 30, 2022)

(1) Operating results

(Percentages represent year-on-year changes)

| | Total operating revenue | | Operating profit | | Ordinary profit | | Net income | |
|---|-------------------------|------|------------------|-----|-----------------|-----|-----------------|-----|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Q1 of the Fiscal Year Ending March 31, 2023 | 33,327 | 12.8 | 7,459 | 4.4 | 7,610 | 4.3 | 4,766 | 3.0 |
| Q1 of the Fiscal Year Ended March 31, 2022 | 29,534 | — | 7,148 | — | 7,299 | — | 4,628 | — |

| | Net income per share | Diluted net income per share |
|---|----------------------|------------------------------|
| | Yen | Yen |
| Q1 of the Fiscal Year Ending March 31, 2023 | 58.40 | — |
| Q1 of the Fiscal Year Ended March 31, 2022 | 56.72 | — |

(Reference) Net sales at all chain stores (millions of yen) Q1 of the Fiscal Year Ending March 31, 2023 46,096 (YoY 15.7%)
 Q1 of the Fiscal Year Ended March 31, 2022 39,851 (YoY —%)

(Note) As the Company applies the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of the accounting period for the first quarter of the fiscal year ending March 31, 2022, figures relating to the first quarter of the fiscal year ending March 31, 2022, are figures to which the said accounting standard is applied. Hence, the rates of increase/decrease compared with the first quarter of the preceding fiscal year are not stated.

(2) Financial position

| | Total assets | Net assets | Equity ratio |
|---|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| Q1 of the Fiscal Year Ending March 31, 2023 | 124,541 | 103,637 | 83.2 |
| FY March 2022 | 125,145 | 103,559 | 82.8 |

(Reference) Equity (millions of yen) Q1 of the Fiscal Year Ending March 31, 2023 103,637 FY March 2022 103,559

2. Dividends

| | Annual dividends per share | | | | |
|--------------------------|----------------------------|--------|--------|----------|-------|
| | Q1-end | Q2-end | Q3-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY March 2022 | — | 0.00 | — | 68.00 | 68.00 |
| FY March 2023 | — | — | — | — | — |
| FY March 2023 (forecast) | — | 0.00 | — | 68.00 | 68.00 |

(Note) Revision from the most recently released expected dividend: None

3. Forecast of Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes)

| | Total operating revenue | | Operating profit | | Ordinary profit | | Net income | | Net income per share |
|-----------------|-------------------------|-----|------------------|------|-----------------|------|-----------------|------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Q2 (cumulative) | 59,971 | 8.5 | 11,867 | △5.9 | 12,179 | △5.5 | 7,602 | △5.0 | 93.15 |
| Full year | 124,110 | 6.7 | 24,461 | △8.7 | 25,063 | △8.5 | 16,782 | △8.3 | 205.65 |

(Note) Revision from the most recently released forecast of financial results: None

(Reference) Net sales at all chain stores (millions of yen) Q2 (cumulative) 79,995 (YoY change +8.5%)
 Full year (cumulative) 166,690 (YoY change +6.4%)

※ Notes

(1) The application of accounting treatment unique to the preparation of quarterly financial statements: None

(2) Changes in accounting policies, and accounting-based estimates and restatement

- ① Changes in accounting policies due to revisions in accounting standards: Yes
- ② Changes in accounting policies other than ① above: None
- ③ Changes in accounting-based estimates: None
- ④ Restatements: None

(2) Number of outstanding shares (common shares)

| | | | | |
|---|------------------|-------------------|------------------|-------------------|
| ① Number of shares outstanding at the end of period (including treasury shares) | Q1 FY March 2023 | 81,846,816 shares | FY March 2022 | 81,846,816 shares |
| ② Number of treasury shares at the end of period | Q1 FY March 2023 | 236,476 shares | FY March 2022 | 236,434 shares |
| ③ Average number of shares outstanding during the period | Q1 FY March 2023 | 81,610,372 shares | Q1 FY March 2022 | 81,610,382 shares |

※ The Summary of Quarterly Financial Results is not subject to the quarterly review by certified public accountants or an auditing firm.

※ Explanation regarding the appropriate use of the forecast of financial results and other special notes
(Cautionary statements with respect to forward-looking statements)

Forward-looking statements in this material, including forecasts of financial results, are based on information currently available to the Company and certain assumptions judged to be rational, and the Company does not warrant their achievement. Actual financial results may differ significantly from these forecasts for a number of factors.

(How to obtain supplementary explanatory materials for the quarterly financial results)

The Company will disclose supplementary explanatory materials for the quarterly financial results on TDnet on Tuesday, August 8, 2022.

Quarterly Financial Statements

(1) Quarterly Balance Sheet

(Millions of yen)

| | Fiscal Year Ended March 31, 2022 | First-Quarter Accounting Period (Ended June 30, 2022) |
|--|----------------------------------|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 64,283 | 65,408 |
| Accounts receivable-trade | 1,213 | 1,988 |
| Accounts receivable-due to franchise stores | 11,944 | 11,571 |
| Merchandise | 15,257 | 11,762 |
| Inventory goods | 25 | 26 |
| Guarantee deposits to be recovered within one year | 389 | 375 |
| Other | 1,154 | 2,492 |
| Allowance for doubtful accounts | △1 | △1 |
| Total current assets | 94,266 | 93,625 |
| Non-current assets | | |
| Tangible non-current assets | | |
| Buildings(net) | 14,666 | 15,265 |
| Land | 4,003 | 4,003 |
| Other(net) | 5,278 | 5,372 |
| Total tangible non-current assets | 23,949 | 24,641 |
| Intangible non-current assets | 818 | 758 |
| Investment and other assets | | |
| Guarantee deposits | 4,165 | 4,129 |
| Other | 1,945 | 1,386 |
| Allowance for doubtful accounts | △0 | △0 |
| Total investment and other assets | 6,110 | 5,515 |
| Total non-current assets | 30,878 | 30,915 |
| Total assets | 125,145 | 124,541 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 4,857 | 3,693 |
| Accounts payable to franchise stores | 1,983 | 2,109 |
| Short-term borrowings | 1,350 | 1,350 |
| Corporate income taxes payable | 4,960 | 2,738 |
| Provisions for executive bonuses | 35 | 8 |
| Other | 4,711 | 7,295 |
| Total current liabilities | 17,897 | 17,196 |
| Non-current liabilities | | |
| Long-term guarantee deposits received | 938 | 944 |
| Asset retirement obligations | 1,649 | 1,718 |
| Other | 1,100 | 1,044 |
| Total non-current liabilities | 3,687 | 3,707 |
| Total liabilities | 21,585 | 20,904 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,622 | 1,622 |
| Legal capital surplus | 1,342 | 1,342 |
| Retained earnings | 99,997 | 99,214 |
| Treasury shares | △67 | △67 |
| Total shareholders' equity | 102,896 | 102,112 |
| Valuation and translation adjustments | | |
| Deferred gains or losses on hedges | 663 | 1,524 |
| Total valuation and translation adjustments | 663 | 1,524 |
| Total net assets | 103,559 | 103,637 |
| Total liabilities and net assets | 125,145 | 124,541 |

(2) Quarterly Statement of Income
(First-Quarter Cumulative Period)

(Millions of yen)

| | Preceding First-Quarter Cumulative Period (April 1, 2021 – June 30, 2021) | Current First-Quarter Cumulative Period (April 1, 2022 – June 30, 2022) |
|--|---|---|
| Operating revenue | 8,373 | 9,522 |
| Net sales | 21,161 | 23,804 |
| Total operating revenue | 29,534 | 33,327 |
| Cost of sales | 17,516 | 20,750 |
| Adjusted operating profit before SG&A | 12,017 | 12,577 |
| Selling, general and administrative expenses | 4,869 | 5,117 |
| Operating profit | 7,148 | 7,459 |
| Non-operating income | | |
| Interest income | 75 | 71 |
| Purchase discounts | 73 | 74 |
| Other | 15 | 18 |
| Total non-operating income | 164 | 164 |
| Non-operating expenses | | |
| Interest expenses | 12 | 11 |
| Other | 0 | 2 |
| Total non-operating expenses | 13 | 13 |
| Ordinary profit | 7,299 | 7,610 |
| Extraordinary loss | | |
| Loss on retirement of non-current assets | 1 | 5 |
| Impairment loss | 20 | — |
| Total extraordinary loss | 21 | 5 |
| Profit before income taxes | 7,277 | 7,605 |
| Income taxes-current | 2,275 | 2,623 |
| Income taxes-deferred | 373 | 215 |
| Total corporate income taxes | 2,648 | 2,838 |
| Net income | 4,628 | 4,766 |