



WORKMAN CO., LTD.

Materials for Briefing Session on the Financial Results for
the Fiscal Year Ending March 31, 2024

May 7, 2024

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- Financial Results for the Fiscal Year
Ending March 31, 2024

Cumulative income statement

| (Millions of yen) | FY 3/23 | FY 3/24 | YoY (%) | Forecast for FY3/24 | Compared with Plan |
|----------------------------------|-----------|------------------|--------------|---------------------|--------------------|
| Sales at all chain stores | 169,856 | 175,250 | +3.2 | 175,888 | △0.4 |
| Sales to directly managed stores | 10,965 | 14,323 | +30.6 | 14,505 | △1.3 |
| Sales to franchise stores | 158,891 | 160,926 | +1.3 | 161,382 | △0.3 |
| (Same store sales) | — | — | △1.4 | △1.1 | △0.3 |
| Total operating revenue | 128,289 | 132,651 | +3.4 | 134,993 | △1.7 |
| Cost of sales | 83,529 | 85,420 | +2.3 | 87,088 | △1.9 |
| Adjusted OP before SG&A | 44,759 | 47,230 | +5.5 | 47,905 | △1.4 |
| SG&A | 20,652 | 24,087 | +16.6 | 24,464 | △1.5 |
| Operating profit | 24,106 | 23,142 | △4.0 | 23,440 | △1.3 |
| Ordinary profit | 24,664 | 23,666 | △4.0 | 23,955 | △1.2 |
| Net income | 16,656 | 15,986 | △4.0 | 16,030 | △0.3 |
| EPS | 204.10yen | 195.88yen | | 196.42yen | |

➤ Financial Results Highlights

● Sales at all chain stores

- Main factors for not achieving plan targets (△0.4 points below plan):
 - ① Sluggish sales of winter products due to the warm winter.
 - ② Rising prices have heightened awareness of the need for consumption that protects one's lifestyle.
 - ③ Consumer behavior has changed after COVID-19.

- Sluggish sales at existing stores that were opened last year or that underwent renovations.

● Total operating revenue

- Sales to directly managed stores: 14,323 million yen (YoY +30.6%)
Average number of stores during the quarter: +15, including +10 SC stores with high sales that drive growth.
- Product supply and sales to franchise stores: 82,324 million yen (YoY +0.5%)
Decrease for the Q4 accounting period due to inventory adjustments (QoQ △9.6%)

● Cost of sales

- Profit related to overseas purchases increased due to higher transaction volume and improved profit margins, etc. YoY decrease for the Q4 accounting period as the yen continued to weaken.
- Direct overseas purchases: 122.8% (accounts for 60.9% of total purchases, YoY 10.3 points)
- Average settlement rate: 136.28 yen (FY3/23: 128.05 yen)
- Profit related to overseas purchases: 5,860 million yen (YoY +33.7%)

● Gross operating profit (main factors for rise/drop)

- Revenue from franchise stores: up 561 million yen
- Gross profit from self-operated stores: up 1,008 million yen
- Profit related to overseas purchases: up 1,477 million yen
- Other purchase rebates, etc.: △587 million yen

Cumulative Selling, General and Administrative Expenses (SG&A)



| (Millions of yen) | FY 3/23 | SG&A ratio (%) | FY 3/24 | SG&A ratio (%) | Change | YoY (%) |
|----------------------------------|----------------|----------------|----------------|----------------|---------------|--------------|
| Sales at all chain stores | 169,856 | – | 175,250 | – | – | +3.2 |
| Labor cost | 3,700 | 2.2 | 4,008 | 2.3 | +307 | +8.3 |
| Selling cost | 1,084 | 0.6 | 1,405 | 0.8 | +321 | +29.6 |
| Traveling expenses | 322 | 0.2 | 429 | 0.2 | +107 | +33.4 |
| Freight cost | 1,422 | 0.8 | 1,935 | 1.1 | +512 | +36.0 |
| Rent | 6,000 | 3.5 | 6,636 | 3.8 | +635 | +10.6 |
| Supply expenses | 741 | 0.4 | 800 | 0.5 | +59 | +8.0 |
| Outsourcing expenses | 2,865 | 1.7 | 3,719 | 2.1 | +853 | +29.8 |
| Depreciation | 2,305 | 1.4 | 2,732 | 1.6 | +426 | +18.5 |
| Other | 2,210 | 1.3 | 2,420 | 1.4 | +210 | +9.5 |
| Total | 20,652 | 12.2 | 24,087 | 13.7 | +3,434 | +16.6 |

➤ Factors of increase/decrease

● Labor cost

Regular salary increase: +5.1%. Average number of employees during the quarter: +13

● Selling cost

- Resumption of product exhibitions for franchise stores: +78 million yen
- Sales promotion flyers +121 million yen

● Traveling expenses

- Resumption of business trips and in-person sales meetings with the easing of restrictions on activities

● Freight cost

- +467 million yen because of the decrease in rebates due to the decrease in domestic purchases

● Rent

- The average number of stores during the quarter +35, +195 million yen
- Leasing costs for Kobe Distribution Center (DC): +336 million yen

● Outsourcing expenses

- Operating cost was up +195 million yen due to the increase in the average number of SC stores during the quarter
- Distribution center operating cost: +83 million yen
- +353 million yen because of the decrease in rebates due to the decrease in domestic purchases

● Depreciation

- Acquisition costs increased due to expansion of owned property and store sites

● Qther

- Invoice system support: +83 million yen

※Logistics-related rebates are recorded as a reduction in SG&A expenses.

※The SG&A ratio is the ratio of SG&A to sales at all chain stores.

Balance Sheet



| (Millions of yen) | FY 3/23 | FY 3/24 | Change |
|---|---------|----------------|------------------------|
| Current assets | 101,390 | 112,648 | +11,257 |
| Cash and deposits | 62,640 | 68,187 | +5,547 |
| Accounts receivable - due from FCs | 13,459 | 14,407 | +948 |
| Merchandise | 21,911 | 25,270 | +3,359 |
| Other | 3,379 | 4,782 | +1,402 |
| Non-current assets | 34,355 | 35,714 | + 1,358 |
| Property, plant and equipment | 27,149 | 28,755 | +1,606 |
| Intangible assets | 884 | 760 | \triangle 123 |
| Other investments | 6,322 | 6,197 | \triangle 124 |
| Total assets | 135,746 | 148,362 | +12,616 |
| Current liabilities | 17,172 | 18,334 | +1,161 |
| Non-Current liabilities | 4,337 | 4,599 | +262 |
| Total liabilities | 21,510 | 22,934 | +1,423 |
| Total net assets | 114,236 | 125,428 | +11,192 |
| Total liabilities and net assets | 135,746 | 148,362 | + 12,616 |

➤ Factors of increase/decrease

● Cash and deposits

- Free cash flow: up 6,228 million yen
- Payments of dividends: down 5,548 million yen
- Term deposits with maturity dates exceeding 3 months: +5,000 million yen

● Accounts receivable - due from FCs

- There was an increase in the number of stores covered (YoY +12 stores)
- While winter inventories that will be carried over have increased, inventories of spring products have decreased.

● Merchandise (factors for increase/decrease)

- Inventories of winter products increased at both stores and distribution centers due to the warm winter.
- Expansion of the Kobe Distribution Center: +1,477 million yen
- Goods in transit increased because the arrival of spring products was postponed.

| Factors | Changes FY 3/23 |
|------------------------------|--------------------|
| • Directly managed/SC stores | +428 million yen |
| • Distribution centers | +1,493 million yen |
| • Goods in transit | +1,424 million yen |

● Rise in tangible fixed assets

- A total of 49 newly built stores—33 new stores and 16 S&B stores (of which 33 are company owned stores)
- WORKMAN Plus renovation 58 stores
- WORKMAN Pro renovation 7 stores
- WORKMAN Colors renovation 1 stores

Statement of cash flows

| (Millions of yen) | FY 3/23 | FY 3/24 | Change |
|--|---------|---------------|--------|
| Net cash provided by (used in) operating activities | 8,813 | 15,228 | +6,414 |
| Net cash provided by (used in) investment activities | 230 | △8,999 | △9,229 |
| Net cash provided by (used in) financing activities | △5,685 | △5,681 | +4 |
| Net increase (decrease) in cash and cash equivalents | 3,357 | 547 | △2,810 |
| Cash and cash equivalents at beginning of period | 44,283 | 47,640 | +3,357 |
| Cash and cash equivalents at end of period | 47,640 | 48,187 | +547 |

➤ Principal factors of increase/decrease (change from the previous year)

● Operating C/F

- Change in inventory assets: **Up** 3,311 million yen
- Corporate income taxes paid: **Up** 1,558 million yen
- Change in accrued consumption tax, etc.: **Up** 1,361 million yen
- Fall in consumption taxes payable: **Up** 645 million yen
- Rise in credit to franchise stores: **Up** 566 million yen
- Profit before income taxes: **Down** 1,018 million yen
- Fall in accounts payable: **Down** 449 million yen
- Fall in trade payables: **Down** 290 million yen

● Investing C/F





- Net cash used in deposits for term deposits with deposit terms of over 3 months: **Down** 10,000 million yen
- Net cash used for acquisition of tangible fixed assets: **Up** 608 million yen

- Overview of Financial Results for the Fiscal Year
Ending March 31, 2024

Store Openings

- Opening of stores accelerated in urban SCs and open malls, where general demand is expected

1,011 stores at the end of March 2024 (up 30 stores over end-March 2024)

| (Number of stores) | Number of stores at end-March 2023 | New store openings | | | S&B※2 | Renovation/conversion※2 | | | Excluding increase/decrease ※3 | Closures | Number of stores at end-Dec. 2023 |
|---|------------------------------------|--------------------|------|----|-------|-------------------------|--------------------|-------|--------------------------------|----------|-----------------------------------|
| | | Roadside | SC※2 | | | Full renovation | Partial renovation | | | | |
|  | 479 | — | — | — | (△16) | (△65) | — | (△65) | (+6) | △3 | 401 |
|  | 473 | 11 | 11 | — | 16 | 58 | — | 58 | △6 | — | 552 |
|  #ワークマン女子 Workman Colors | 26 | 22 | 9 | 13 | — | 1 (△1) | 1 | — | — | — | 48 |
|  | 3 | — | — | — | — | 7 | — | 7 | — | — | 10 |
| Total ※1 | 981 | 33 | 20 | 13 | 16 | 66 | 1 | 65 | — | △3 | 1,011 |

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

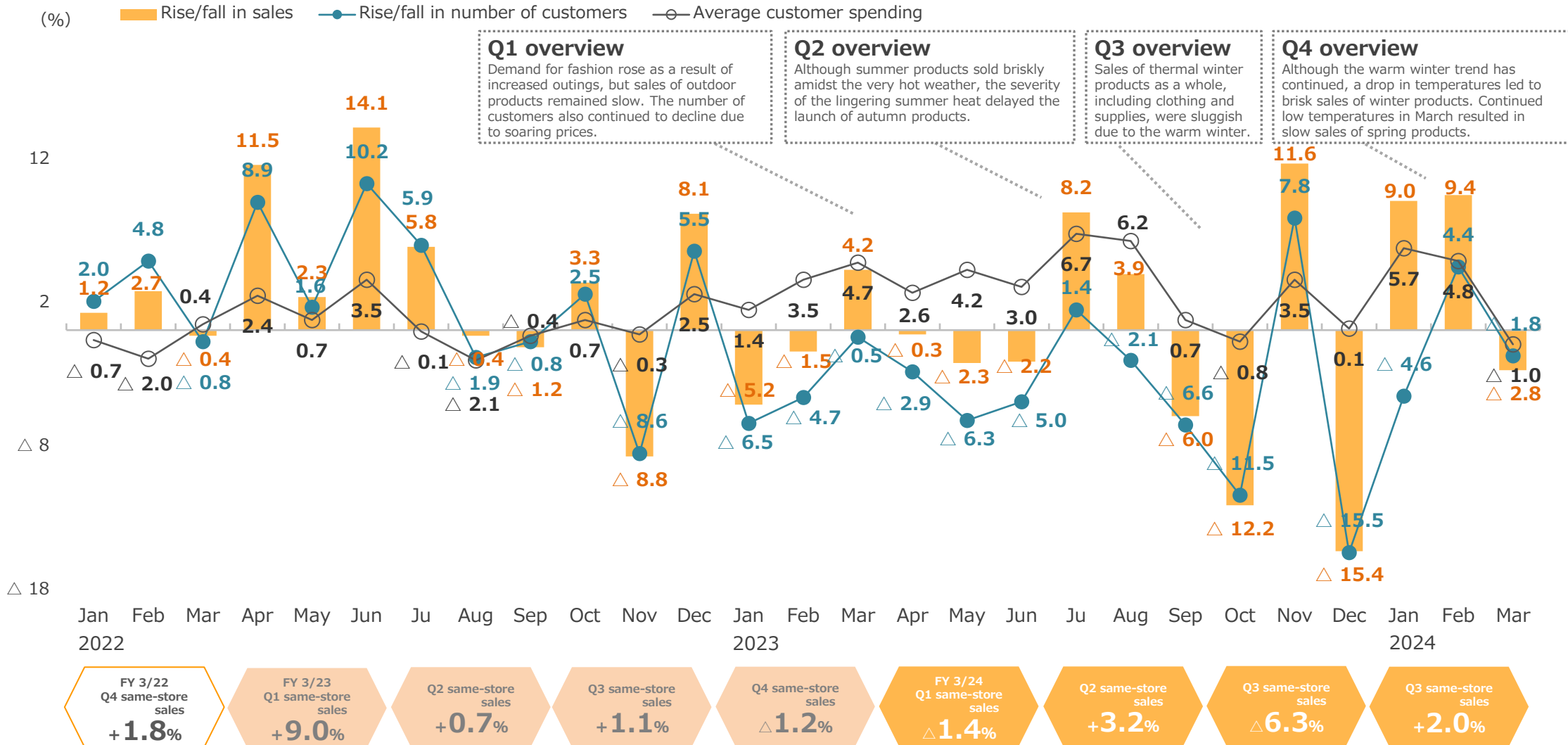
※2. SC: Shopping centers S&B: Scrap and Build

※3. This column shows the number of stores that operated as WORKMAN Plus in the past but became subject to S&B or were renovated during the period under review.

Monthly Trends and Factors



● Rise/Fall in Same-Store Sales, Number of Customers and Average Customer Spending

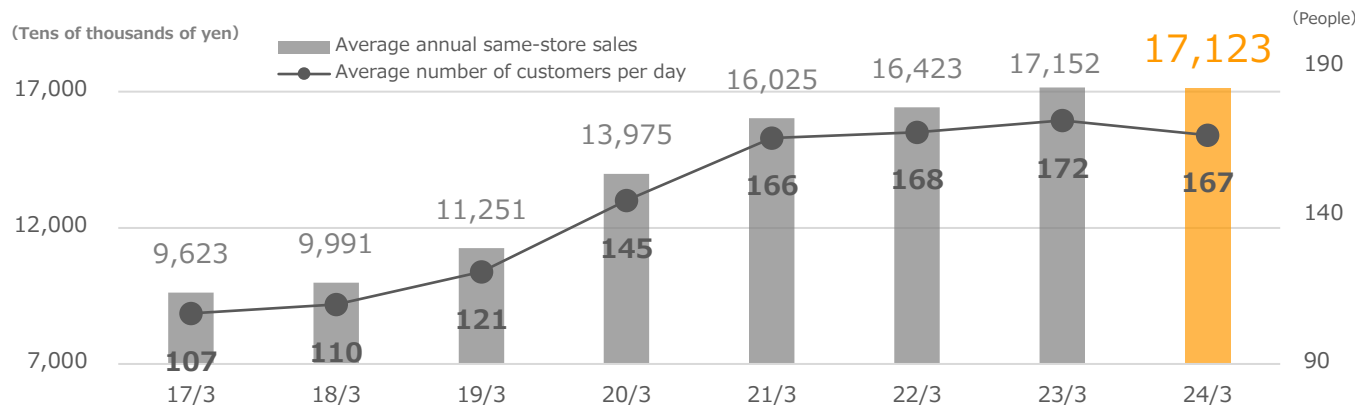


● Sales at All Chain Stores **175,250** Million Yen

| | All chain stores | Existing stores |
|-------------------------------------|-----------------------|-----------------------|
| Net sales | +3.2% | △1.4% |
| Number of customers | +0.3% | △4.0% |
| Average number of customers per day | — | ※167 (△5) |
| Average customer spending | 2,985 yen (+2.8%) | 2,977 yen (+2.8%) |
| Unit price per item | 1,201 yen (+48 yen) | 1,189 yen (+48 yen) |
| Number of items purchased | 2.5 items (±0.0 item) | 2.5 items (±0.0 item) |

※ The average number of customers per day is an approximate figure as the number of business days varies depending on the format of store operations.

● Average annual same-store sales / Average number of customers per day



● Sales at existing stores by prefecture

Sales of winter products were weak due to the warm winter, with lower sales YoY in an increasing number of areas, particularly East Japan.

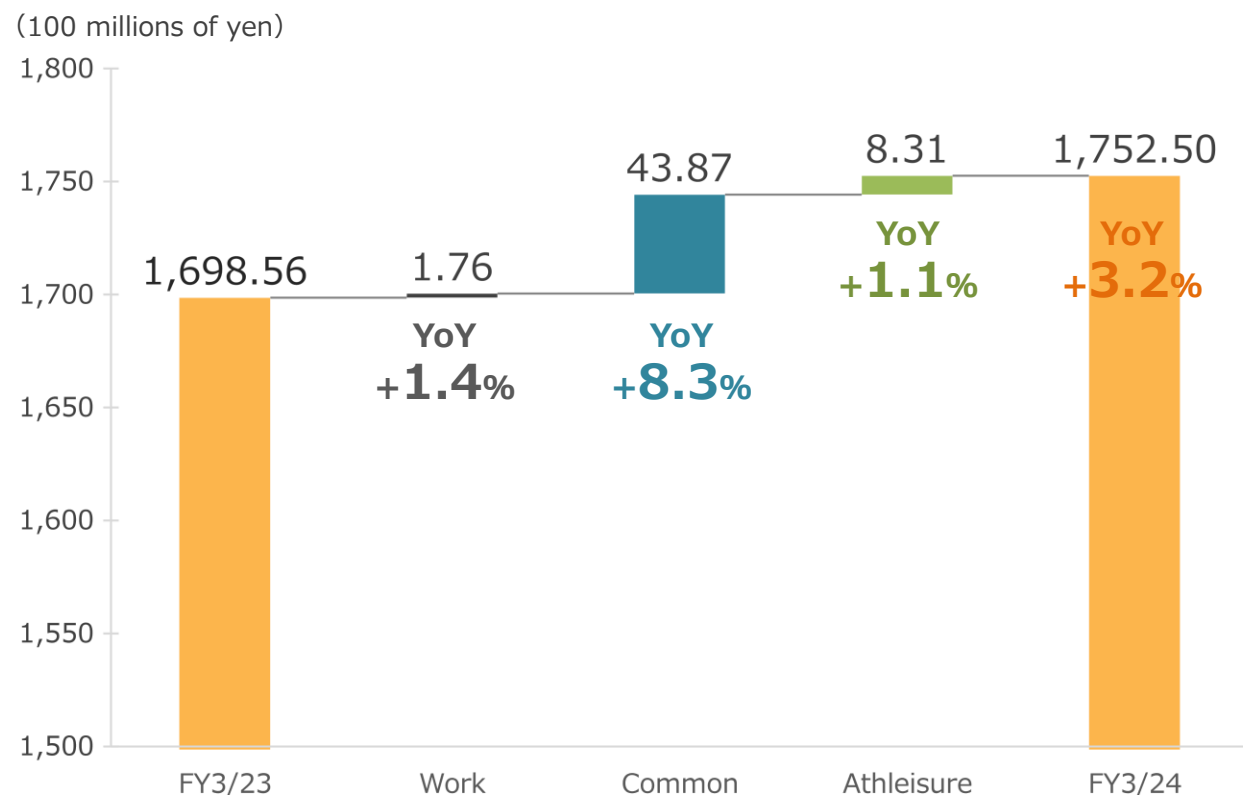


Status of Sales (Results by Product)



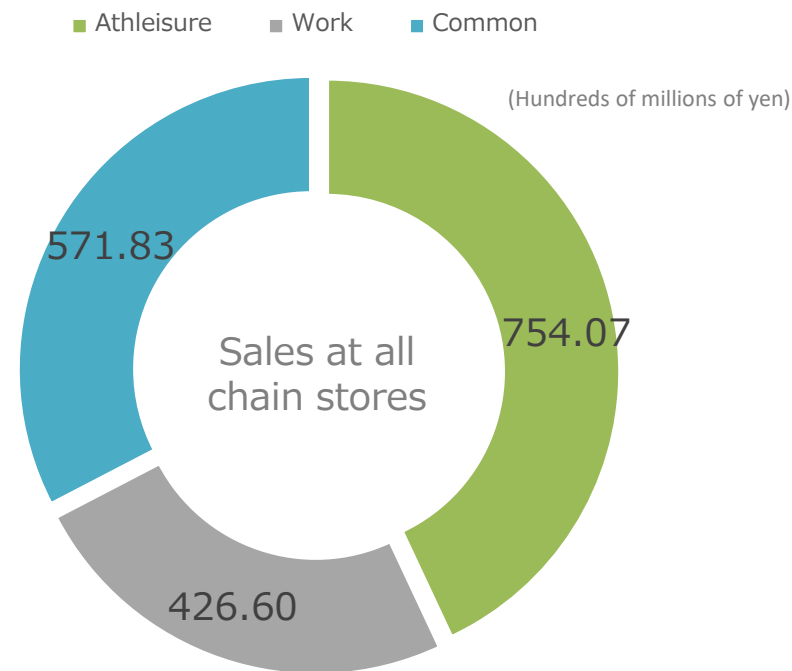
- Sales of common products such as socks and T-shirts have remained steady

● Factors for Increase/Decrease in FY 3/24 Sales at All Chain Stores



※Sales are calculated by product. These are not the product of a customer analysis.

● FY 3/24 Sales by Product

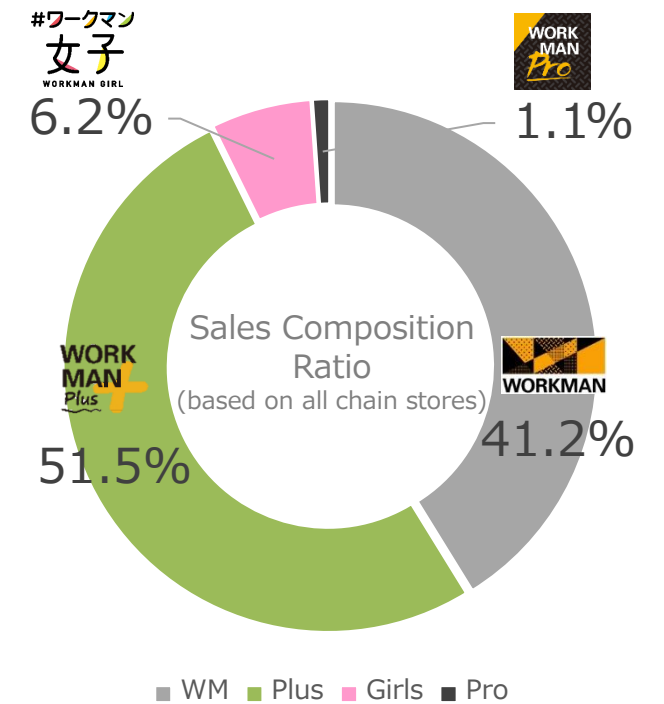
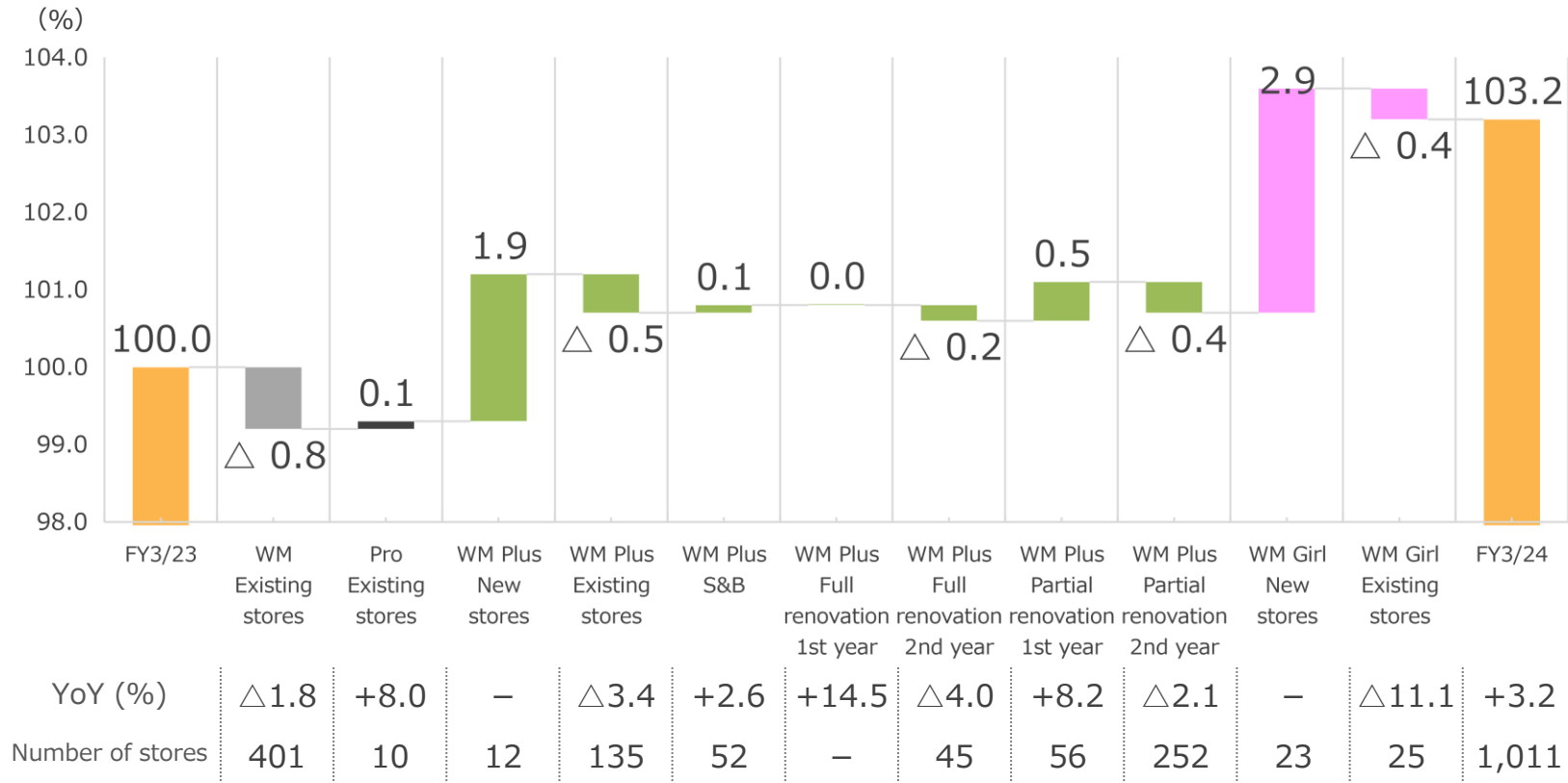


01. Market for professionals...Only products ordinary consumers are believed to have very few opportunities to use are chosen, such as working uniforms, "tabi" Japanese stocks and protective footwear for incorporated enterprises.
02. Athleisure market...FieldCore/Find-Out/AEGIS brands
03. Common...Products other than the above, such as socks and T-shirts.

Sales by Business Category

● Contribution to sales at all chain stores (Monthly cumulative period)

While new stores are driving sales, sales at existing stores that had special demand from openings and renovations last year are sluggish.



※Same-store sales are calculated by excluding sales in months of new store openings and post-renovation renewal openings.
 ※“WM Plus Existing stores” covers stores newly opened in the WORKMAN Plus format.
 ※One WORKMAN Colors store is included in WM Girl Existing stores.

Status of Sales (Sales by Product and Factors)

- Although products for women are selling well, sales of winter products such as thermal outerwear have been weak overall.

| Category | FY 3/23 | | FY 3/24 | | Factors (YoY) |
|---|---------|-------|----------------|---------------|--|
| | Sales | YoY | Sales | YoY | |
| Undergarments · Socks Undergarments, socks, hats, towels, etc. | 16,861 | +13.4 | 18,200 | +7.9 | <ul style="list-style-type: none"> • Support straps (+38.2%) • Ladies' Summer supplies (+394.8%) • Ladies' thermal undergarments (+69.6%) |
| Casualwear · Sports Sportswear, polo shirts, etc. | 24,661 | +10.3 | 25,801 | +4.6 | <ul style="list-style-type: none"> • Casualwear tops (+26.9%) • Thermal compression clothing (△11.1%) • Golf wear (+255.6%) |
| Workwear · Outdoor Workwear, outdoor wear, etc. | 50,386 | +5.4 | 49,704 | △ 1.4 | <ul style="list-style-type: none"> • Clothing with air-conditioning fan(s) (+24.3%) • Thermal outerwear (△13.8%) • Warm pants (△12.2%) |
| Women's · Uniforms white smocks, office uniforms, etc. | 10,723 | +29.4 | 12,335 | +15.0 | <ul style="list-style-type: none"> • women's Rain wear (△7.3%) • Summer woman's tops (+23.9%) • Thermal ladies' clothing (+21.7%) |
| Footgear Protective footwear, <i>tabi</i> stocks, high boots, kitchen shoes, etc. | 27,072 | +10.2 | 28,684 | +6.0 | <ul style="list-style-type: none"> • Athletic shoes (+18.0%) • Outdoor shoes (+22.3%) • Winter shoes (△8.9%) |
| Work supplies Work gloves, protective gear, rainwear, etc. | 39,982 | +3.5 | 40,171 | +0.5 | <ul style="list-style-type: none"> • Waterproof winter clothing (+14.4%) • Outdoor gear (△20.2%) • Windbreaker (△9.0%) |
| Other | 167 | +80.5 | 352 | +110.7 | – |
| Total | 169,856 | +8.5 | 175,250 | +3.2 | |

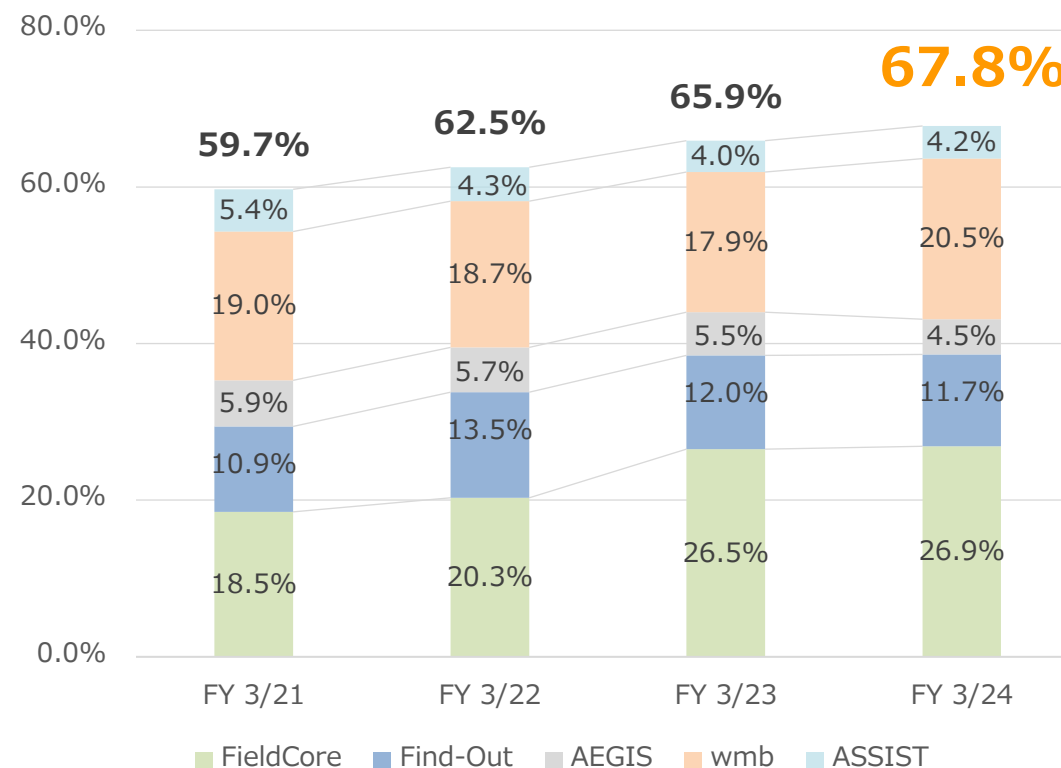
Status of Sales (Sales by Product and Factors)

● Sales of PB Products **118,577** Million Yen (Up 6.1% YoY)

● Sales results by brand

● Changes in the PB ratio
(The ratio to sales at all chain stores)

| | (Millions of yen) | Number of items (the previous year) | Sales value (YoY) |
|------------------------------|-------------------|--|------------------------|
| Work & Outdoor | | 1,021 (+127) | 47,083 (+5.0) |
| Work & Sports | | 437 (+49) | 20,395 (+0.2) |
| High-performance rainwear | | 87 (△30) | 7,928 (△15.5) |
| Work & Casual | | 798 (+217) | 35,907 (+17.9) |
| Work | | 152 (+11) | 7,262 (+7.5) |
| Total for PB products | | 2,495 (+374) | 118,577 (+6.1) |



Format of Store Operations

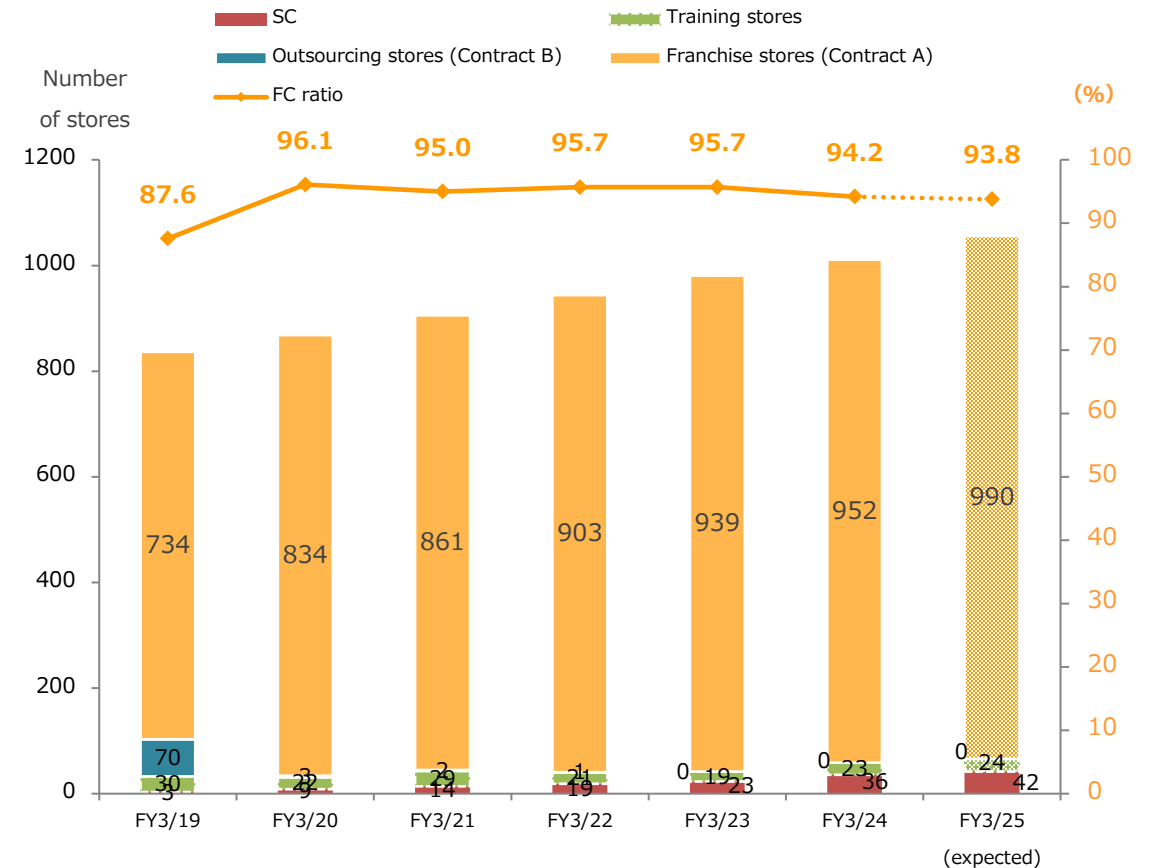


- Ratio of Franchise Stores **94.2%** (Down 1.5 points YoY)

● Format of Store Operations for FY 3/24

| Format | End-March 2023 | Up | Down | End-March. 2024 |
|--------------------|----------------|----|------|-----------------|
| Franchise stores | 939 | 49 | 36 | 952 |
| Outsourcing stores | — | — | — | — |
| Training stores | 19 | 36 | 32 | 23 |
| SC stores | 23 | 13 | — | 36 |
| Total | 981 | 98 | 68 | 1,011 |

● Number of Stores by Format of Operations



Inventories (Logistics Cost)



- Significant increase in winter inventories carried over due to the warm winter

- Selling price inventories per store

- While consumption of winter products made headway thanks to falling temperatures and markdowns at the beginning of the year, the amount of inventories carried over has increased significantly compared to last year.



- DC inventories / delivery cost ratio

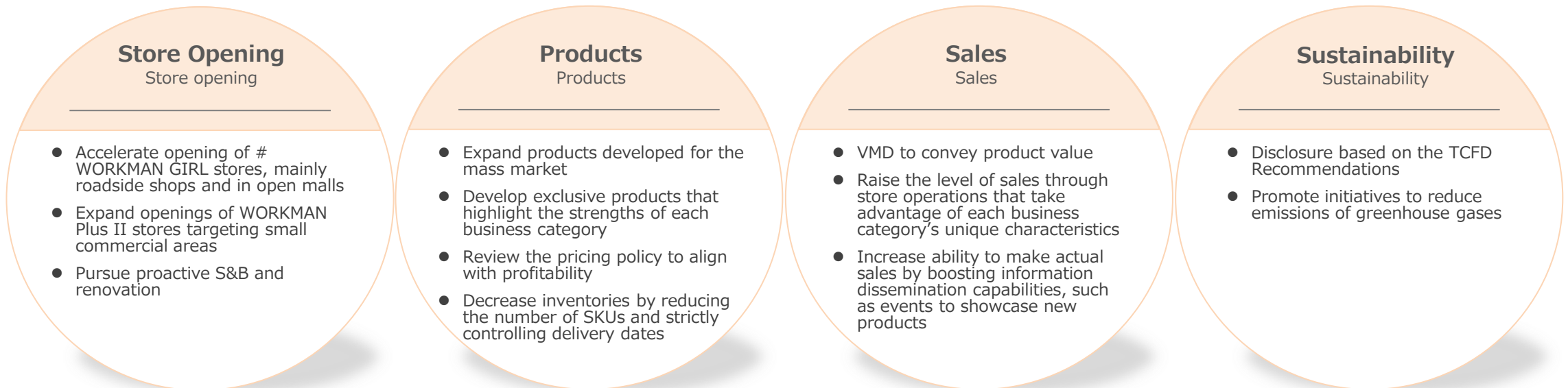
- In view of the large increase in winter products, production adjustments will be made through the next quarter to optimize inventories.
- The expansion of the Kobe Distribution Center and the increase in inventories have led to an increase in the delivery cost ratio.



- Plans for the Fiscal Year Ending March 31, 2025





● Management Policy

- 1. Maintain sales growth by aggressively opening stores and improving operations in order to revitalize existing stores.**
- 2. Improve profitability by developing products with increased added value and adopting a flexible pricing policy.**



Store Opening Plans

- Accelerate opening of #WORKMAN GIRL stores and shift to business categories that meet local needs

| (Number of stores) | Number of stores at end of FY 3/23 | Openings set for FY 3/25 | | | S&B※2 | Renovation | Excluding increase/decrease ※3 | Closures | Number of stores at end of FY 3/25 | Medium/longer-term goals |
|---|------------------------------------|--------------------------|----------|------|-------|------------|--------------------------------|----------|------------------------------------|--------------------------|
| | | | Roadside | SC※2 | | | | | | |
|  | 401 | — | — | — | (△12) | (△75) | (+3) | △2 | 315 | 200 |
|  | 552 | 14 | 14 | — | 12 | 75 | △3 | — | 650 | 900 |
|  | 48 | 33 | 27 | 6 | — | — | — | — | 81 | 400 |
|  | 10 | — | — | — | — | — | — | — | 10 | N/A |
| Total※1 | 1,011 | 47 | 41 | 6 | 12 | 75 | — | △2 | 1,056 | 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. SC: Shopping centers S&B: Scrap and Build

※3. This column shows the number of stores that operated as WORKMAN Plus in the past but became subject to S&B or were renovated during the period under review.

- Develop PB products chosen for their price and functionality

- Develop products targeting the mass market
- Develop products that will continue to support a broad range of customers with basic items, focusing on functionality and price.

- Develop exclusive # WORKMAN GIRL products

- Develop products targeting general consumers such as QR code products in order to change up sales floors and keep customers interested.

- Enhance professional merchandise

- **Comfortable work products**

- Provide value-added products to the professional market, who are our main customers, supporting a comfortable work environment.

シン・呼吸するインナー
旭化成アドバンス株式会社との共同開発商品

吸放湿性試験(生地) 二

瞬間冷却 最大-10℃
瞬間温熱 最大+43℃

UVカット 吸放湿性 抗菌防臭 吸汗速乾 ストレッチ

WORKMAN LADIES' WEAR

MON: 撥水マッコー 手袖シャツ (46372)

TUE: ソロTEX®使用 ショートスリーブTシャツ (46645)

WED: ニューラフレア プルオーバー (46380) ¥(46393)

THU: ショートスリーブTシャツ (46376)

FRI: ソロTEX®使用 ショートスリーブTシャツ (46388)

SAT: ソロTEX®使用 ロングスリーブTシャツ (46393)

SUN: 撥水マッコー 手袖シャツ (46372)

3箇所カラダを瞬間冷却/温熱

瞬間冷却 最大-10℃

瞬間温熱 最大+43℃

最大+43℃ HEATER

最大-10℃ ICE

- **Yaru-ne!**

- Low-priced product line for professionals, as we pursue the world's lowest prices

BounceTECH

• Workman's original highly-resilient soles demonstrate high performance in a variety of scenarios

¥1,900

業界最安値を目指して

やる値!

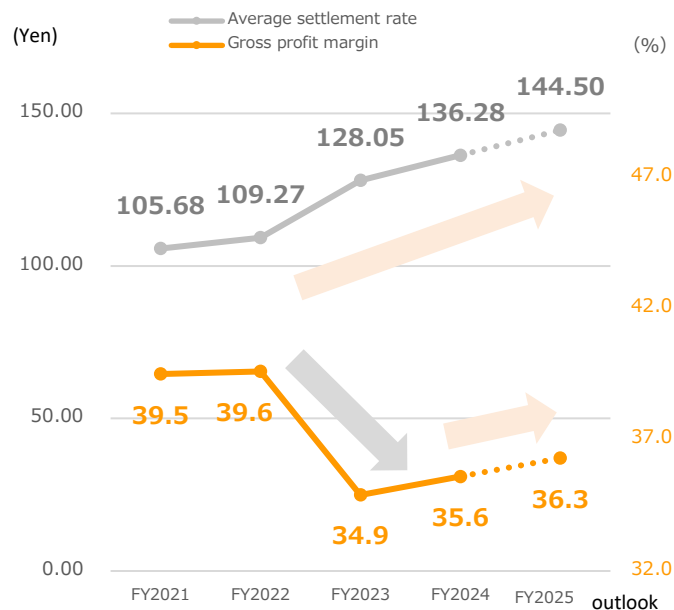
WORKMAN

¥99

Pricing Policy for the Fiscal Year Ending March 2025

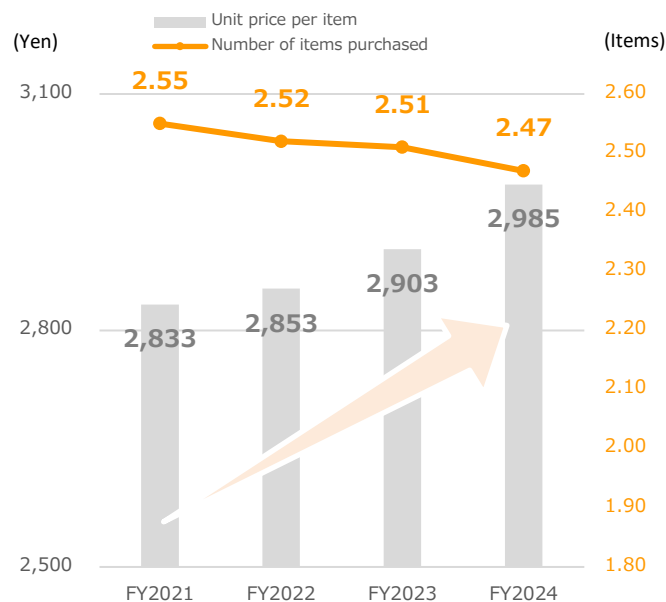
- In light of the prolonged depreciation of the yen, secure profitability by reviewing unit prices of some products.

● Trends in the exchange rate and gross profit margin



*Gross profit margin = adjusted operating profit before SG&A / total operating revenue

● Trends in average customer spending



● Pricing policy for FY 3/2025

Step 1

- Raise prices for 27 regular items in the first half of the year.

Step 2

- Plan to raise prices for 14 2024 autumn and winter items.

Step 3

- Currently considering raising prices for some regular items in the second half of the year and 2025 spring and summer items

Target

Expect an approximate 3% increase in average customer spending, including product change/elimination

Purchase prices soaring due to the weak yen

- With the average settlement rate on an increasing trend, profit margins are expected to improve through product change/elimination and revised prices.

| Timeline | % locked in | Average rate |
|-----------|-------------|-----------------|
| Q1-Q3 | Approx. 80% | Approx. 142 yen |
| Q4 | Plan : 80% | Plan: 150 yen |
| Spot rate | - | 160 yen |

Assumed rate:
146.50
yen

Unit price per item climbing due to the weak yen

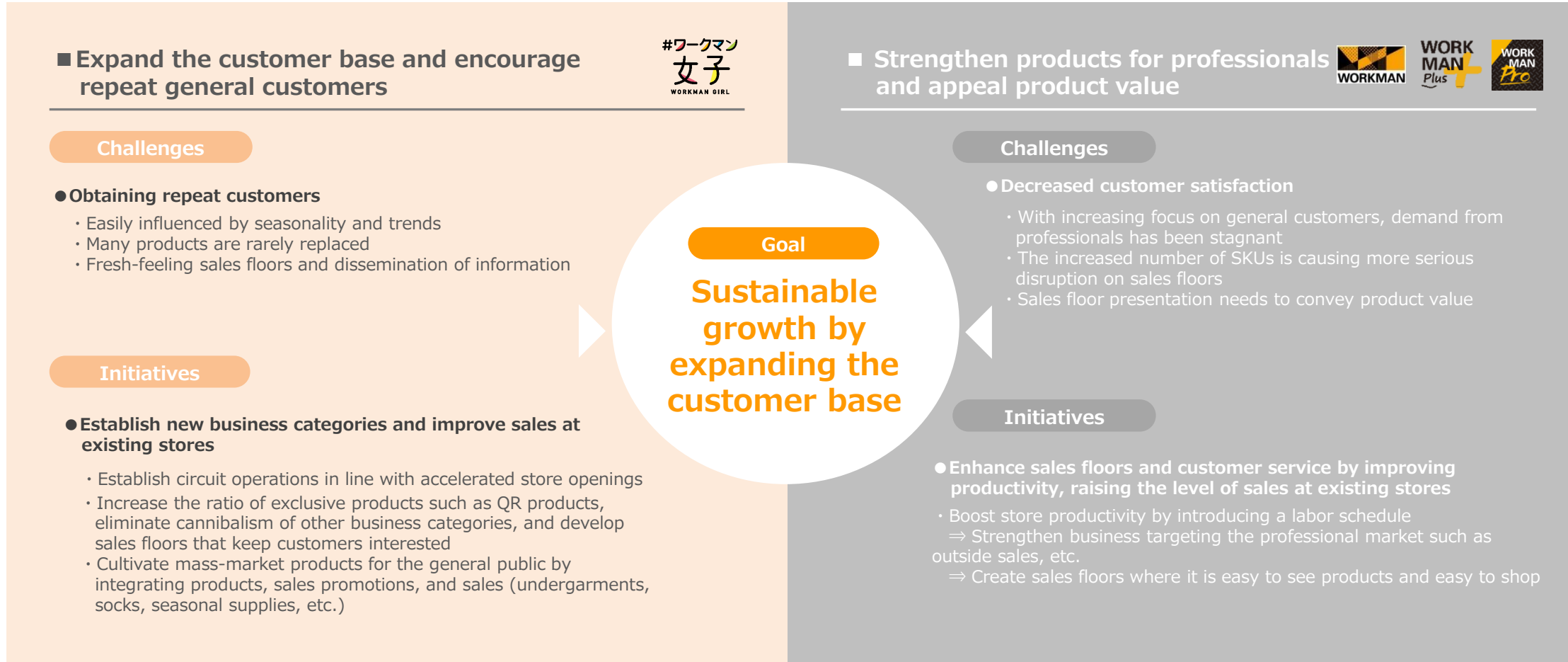
- While progress is being made with revising prices through product change/elimination, due to sharp increases in purchase prices, the number of items purchased is declining.

Use a flexible pricing policy to compensate for the impact of the weak yen


- With real income growth sluggish, the policy is to keep price increases to a level that will compensate for currently higher costs.
- Maintain the "world's lowest prices" policy for key products.

- Identify the strengths of each business category, and establish a system in which the various business categories can coexist and thrive.

Point The key points for the sustainable growth of all chain stores are "differentiation" and "strengthening products for professionals"



- We are pursuing efforts to address climate change, which also impacts business performance

| | Materiality | Policy | Initiative Results |
|-----|--|---|--|
| 01. | Sustainable product development  | We respect the labor environment and basic human rights, and supply safe and secure products. | <ul style="list-style-type: none"> ● Sustainable products: 185 items; 17,312 million yen ● Product disposal rate: 0.48% (improvement of 0.2%) |
| 02. | Contribution to the global environment  | We strive to reduce environmental impact throughout our supply chain and achieve a sustainable business model. | <ul style="list-style-type: none"> ● Disclosure based on the TCFD Recommendations ● Scope 1.2 GHG emissions of 14,933t-CO2 ● Reduced GHG emissions per store by Δ29% from FY2013 |
| 03. | Satisfaction of FC stores / employees  | We will work to increase the engagement by our franchise stores and employees, create an environment where they feel motivated, and build an organization where they can take actions that produce results. | <ul style="list-style-type: none"> ● Maintained the high contract renewal rate of 98.3% of franchise stores ● Improved employee engagement indicators of paid vacation taken and hours of overtime worked ● Increased the ratio of women in chief and manager positions from 6.2% to 9.5% |
| 04. | Contribution to society  | As a member of society, we will actively engage in efforts to contribute to society such as disaster relief, environmental conservation, and educational and cultural activities. | <ul style="list-style-type: none"> ● Provided relief supplies to the city of Nanao in Ishikawa prefecture after the Noto Peninsula Earthquake |
| 05. | Governance  | We aim to be an honest company that is trusted by our stakeholders and local communities. | <ul style="list-style-type: none"> ● Established the Sustainability Committee and enhanced the promotions structure ● Appointed a female outside director |

Plans for the Fiscal Year Ending March 2025



- We plan to increase both revenue and profit by aggressively opening stores and revising the pricing policies

| (Millions of yen) | FY3/2024 Results | YoY (%) | FY3/2025 Q2 Plan | QoQ (%) | FY3/2025 Full-year Plan | YoY (%) |
|----------------------------------|---------------------|------------|---------------------|------------|-------------------------------|--------------|
| Sales at all chain stores | 175,250 | +3.2 | 90,240 | +4.3 | 183,980 | +5.0 |
| Sales at directly managed stores | 14,323 | +30.6 | 8,139 | +25.8 | 17,753 | +23.9 |
| Sales at franchise stores | 160,926 | +1.3 | 82,100 | +2.6 | 166,227 | +3.3 |
| (Same store sales) | – | △1.4 | – | +0.4 | – | +0.6 |
| Total operating revenue | 132,651 | +3.4 | 66,455 | +1.3 | 138,564 | +4.5 |
| Cost of sales | 85,420 | +2.3 | 42,261 | +1.2 | 88,304 | +3.4 |
| Adjusted OP before SG&A | 47,230 | +5.5 | 24,194 | +1.6 | 50,259 | +6.4 |
| SG&A | 24,087 | +16.6 | 13,081 | +10.7 | 26,627 | +10.5 |
| Operating profit | 23,142 | △4.0 | 11,113 | △7.3 | 23,632 | +2.1 |
| Ordinary profit | 23,666 | △4.0 | 11,388 | △7.1 | 24,167 | +2.1 |
| Net income | 15,986 | △4.0 | 7,064 | △7.1 | 16,325 | +2.1 |
| EPS | 195.88 yen | | 86.57 yen | | 200.04 yen | |

➤ Topics

● Sales at all chain stores

- Sales at existing stores are expected to rise 0.6% as a result of renovations and S&B (+0.4% in the first half of the year and +0.7% in the second half).
- On an all-store basis, sales are expected to increase 5.0% through the aggressive opening of #WORKMAN GIRL stores.

● Total operating revenue

- Franchise stores sales: YoY +3.3% Gross profit margin for stores: 36.2% (YoY +0.2pts)
- Self-operated stores sales: YoY +23.9% with the increase in SC stores
- Due to inventory adjustments, supply sales to franchise stores will only increase YoY 1.4%.

● Cost of sales

- Assumed rate: 146.5 yen (136.28 yen in FY 3/2024)

| (Prerequisites) | Timing | % locked in | Average rate |
|-----------------|-----------|-------------|-----------------|
| | Q1-Q3 | Approx. 80% | Approx. 142 yen |
| | Q4 | Plan:80% | Plan: 150 yen |
| | Spot rate | – | 160 yen |

● SG&A

- Labor costs increase by 5.1% due to regular hiring and regular salary increases (approx. +350 million yen).
- As for 2024 logistics issues, the increase in costs will be limited due to improved operational efficiency.
- Outsourcing expenses are expected to increase due to factors including SC stores operating cost and price tag replacement (approx. +840 million yen).
- Depreciation to rise with accelerated store openings and proactive S&B (approx. +230 million yen).

● Basic policy

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, 2023

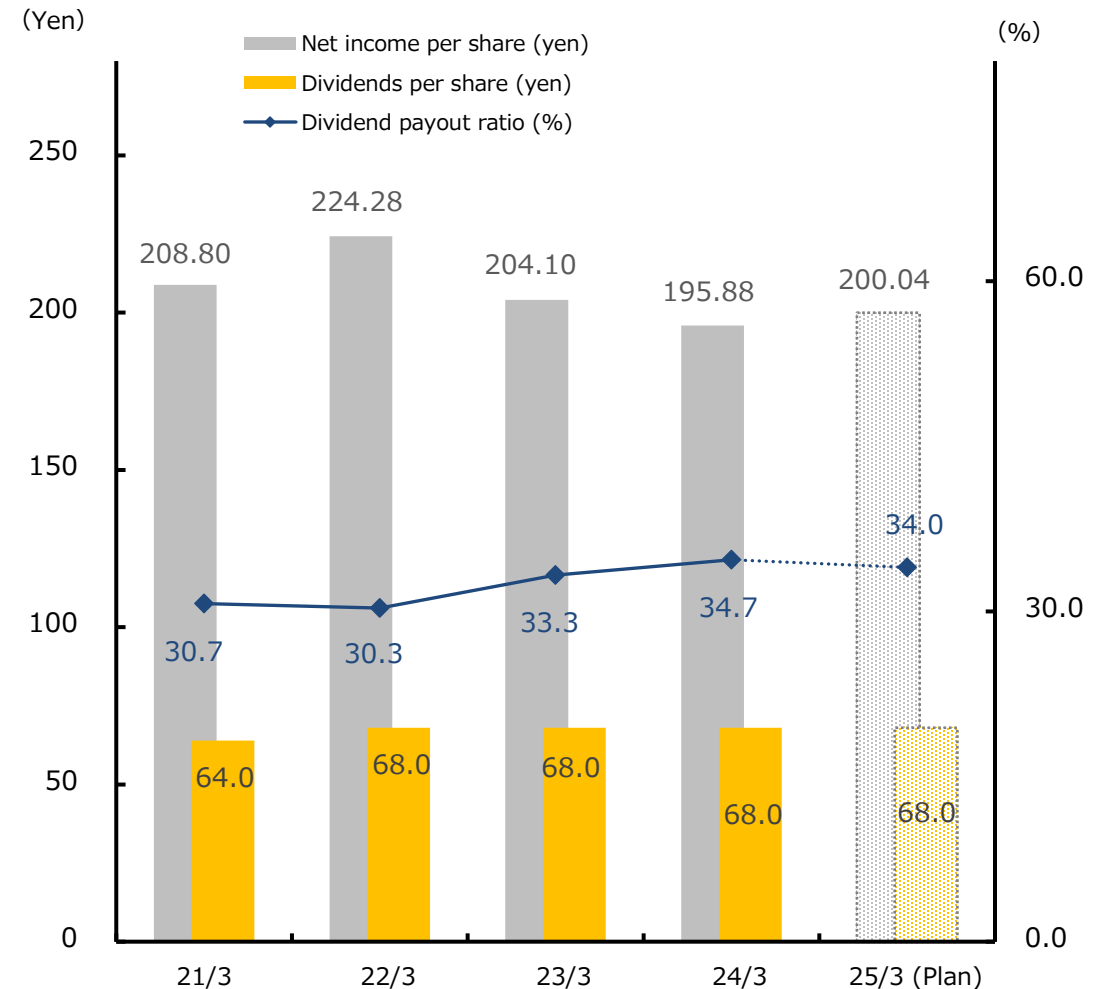
Plan to keep at **68 yen**

- Fiscal year ended March 31, 2024

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





■ 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.

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Securities code: 7564 (STANDARD)

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