



(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
- Merchandise
- EC (Online Shopping)
- Distribution Network

■ Management Philosophy

Evolve for those who ask us to

声のする方に、進化する。



■ 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.

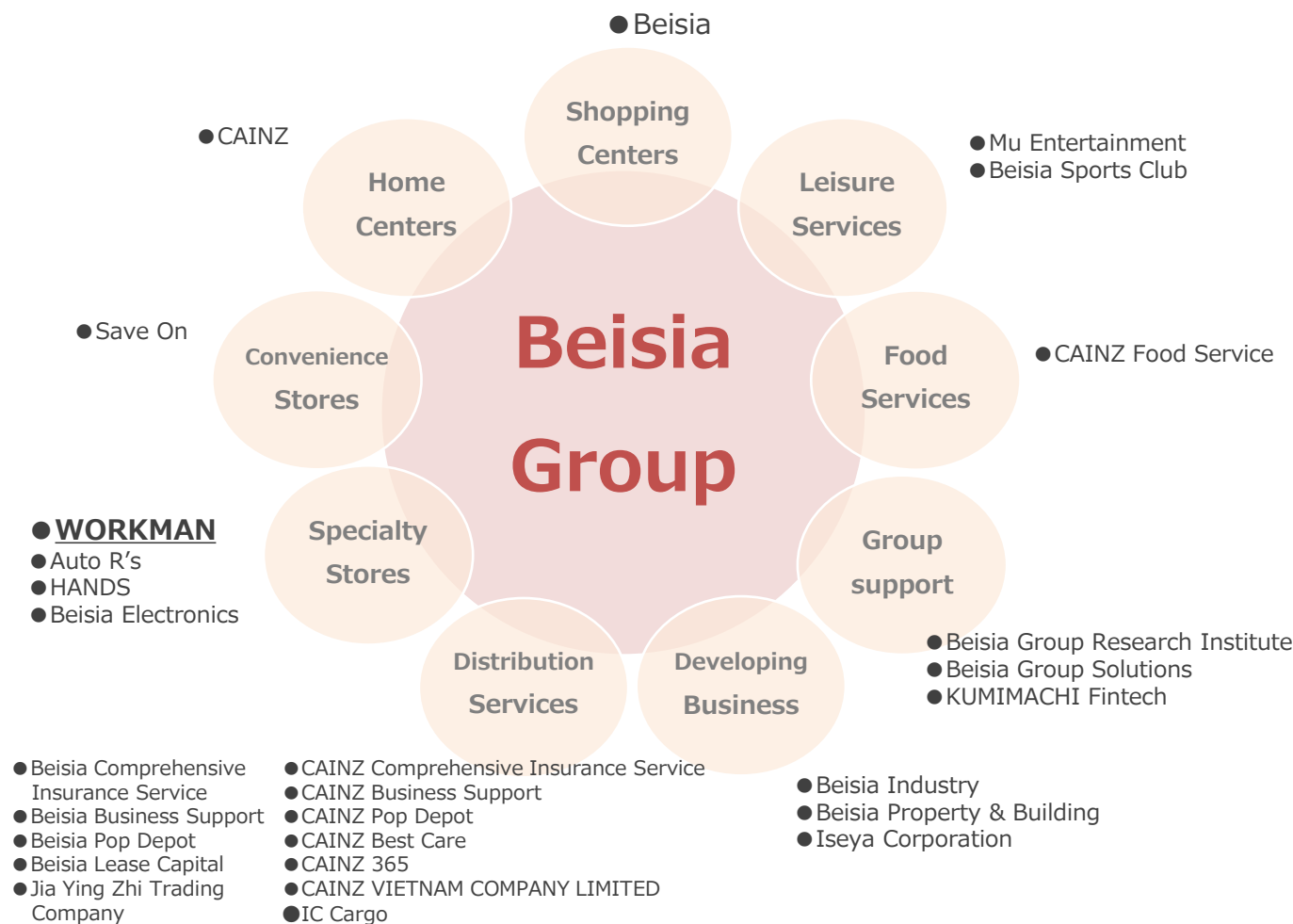
● Overview of the Beisia Group (as of the end of Feb. 2024)

Number of Companies	30
	Sales/Services 10
	Distribution Services 20

Number of Stores	2,118
------------------	-------

Store Locations	47 Prefectures
-----------------	----------------

Sales	¥1.1136 trillion
-------	------------------



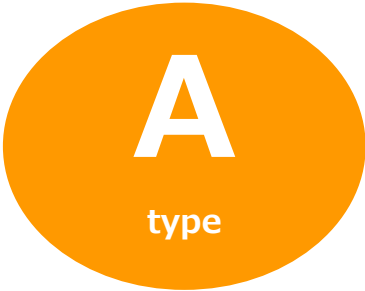


WORKMAN CO., LTD.

Establishment	August 1982
Securities code	7564, STANDARD (Listed in September 1997)
Share capital	¥1,622 million
Net sales	¥183,132 million (Net sales at all chain stores)
Ordinary profit	¥24,904 million
Profit	¥16,892 million
Number of employees	417 (As of March 31, 2025)



President and CEO
Hideyuki Kohama



Franchise agreement

Income increases as sales (gross profit) increase

Length of contract

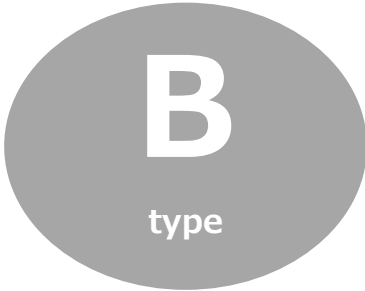
3 years

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 (¥500,000 per month + percentage of sales)

Length of contract

1 year

Contract renewable per agreement with HQ after one year

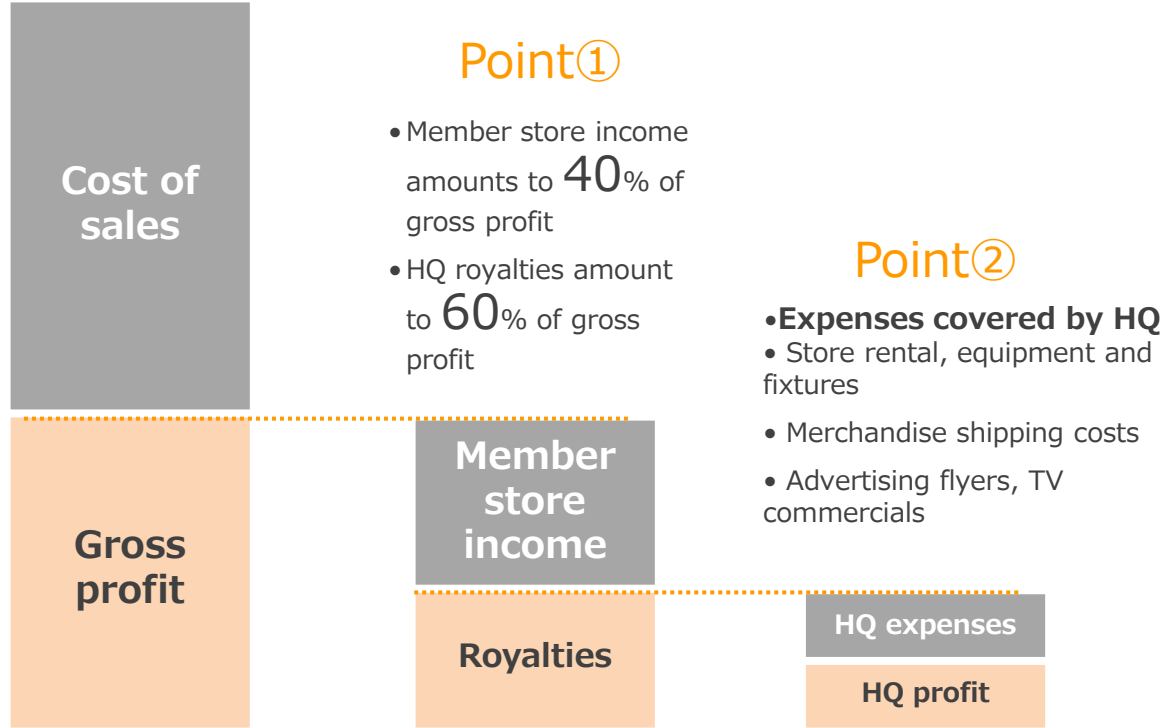
Required funds

¥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



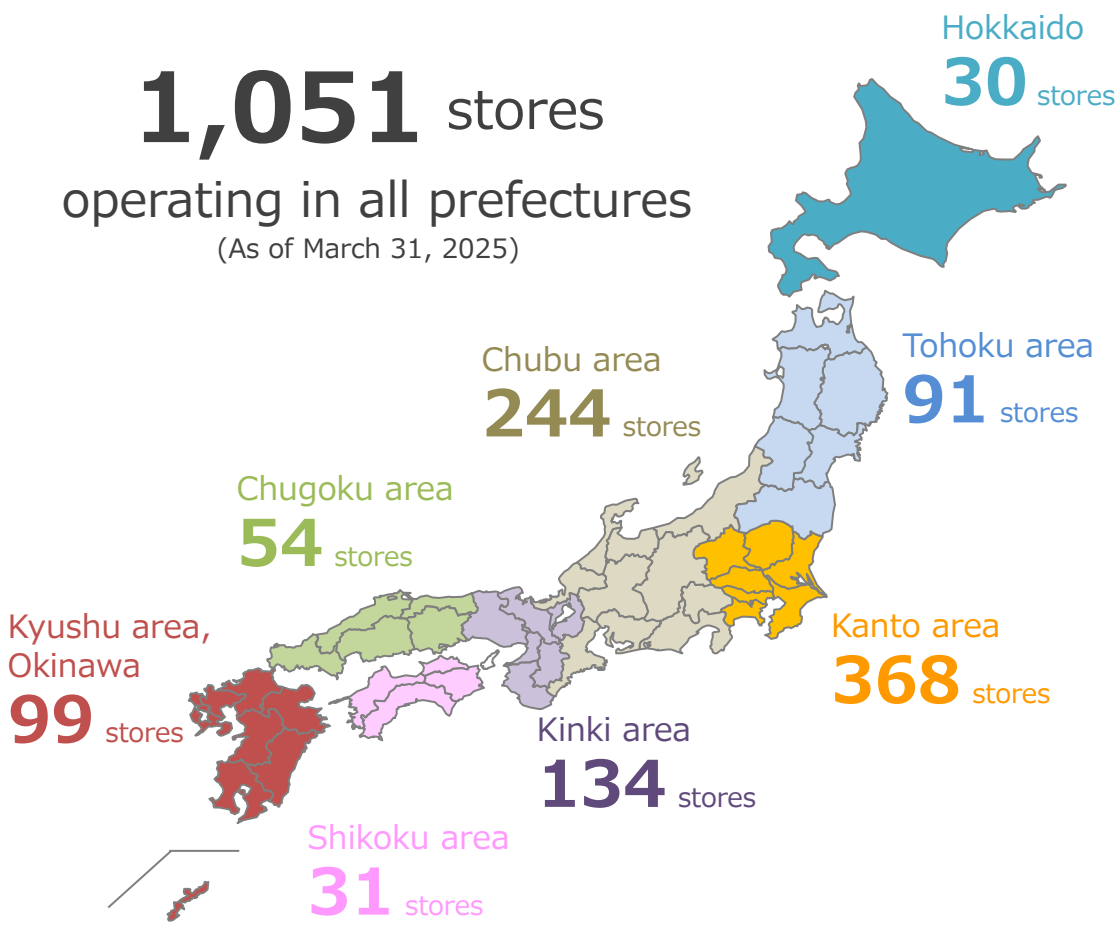
■ Advantages of WORKMAN franchises

- 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)

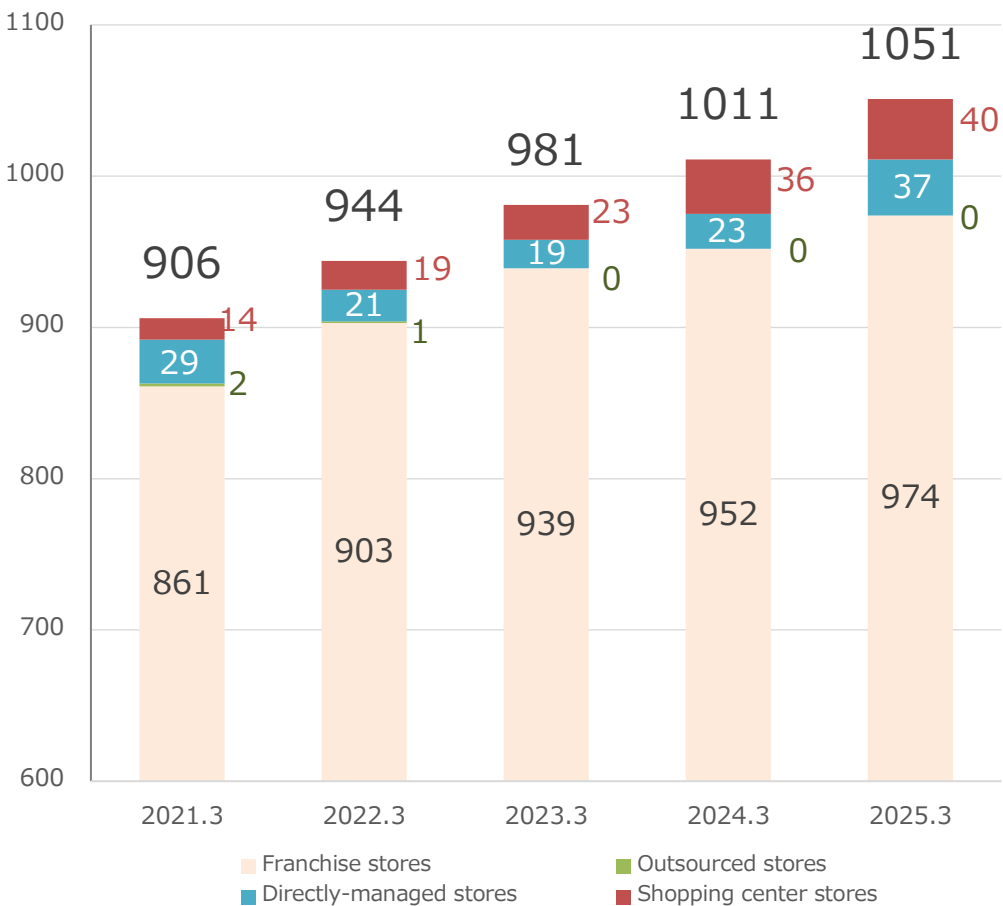


■ Store opening status







■ Store management format

(As of March 31, 2025) FC ratio **92.7%**



■ Store format by business type (As of March 31, 2025)

Business Format	Number of stores	Location	Standard store (1 tsubo \approx 3.3 m ²)	Customer base
	317	Roadside	100 tsubo building 10-15 Parking spaces	Work : 80% General : 20%
	10	Roadside	100 tsubo building 10-15 Parking spaces	Work : 80% General : 20%
	634	Roadside	130 tsubo building 20-30 Parking spaces	Work : 60% General : 40%
	11	Shopping center	—	General : 100%
	49	Roadside	150 tsubo building 20-30 Parking spaces	General : 100%
	30	Shopping center	—	General : 100%

Every Day Low Prices

01.

Comparison with Other Companies

Customers can buy low-cost products anytime and anywhere

02.

No Discount Sales

- List Price Sales Ratio: approx. 98%
- We keep sale expenses down

03.

Scaled Merits

We maintain low prices through scaled and minute product planning

We aim to be trusted by customers and **expand our customer base**
by offering customers **“Good Products for Less.”**

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

• Sales of PB Products **125,261** Million Yen (Up 5.6% YoY)

Point

Fixed pricing

No discount sales

Point

Continuity

Continuous sales while making minor changes

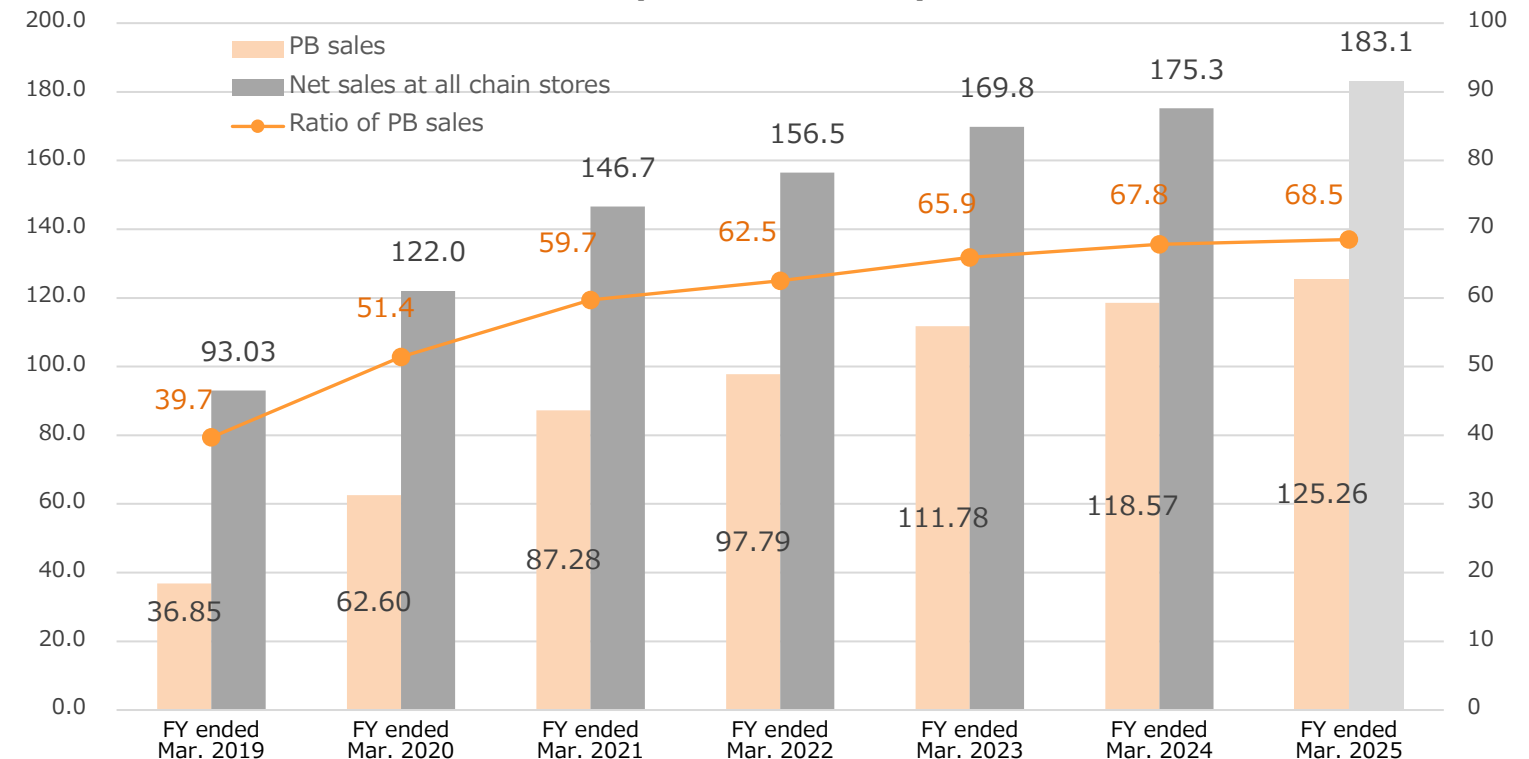
Point

Undifferentiated merchandise

Undifferentiated merchandise targeting both professionals and the general public (Sales to dual customer segments)

(Billions of yen)

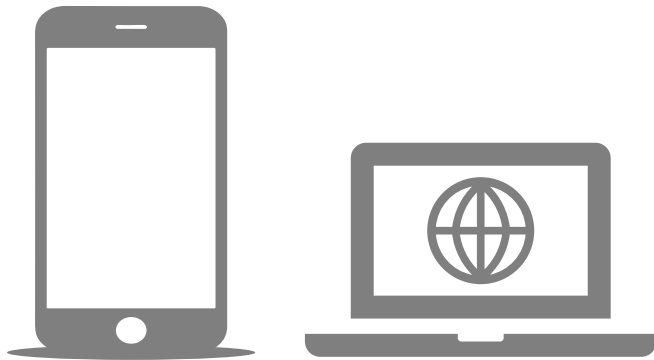
Sales of private brand products



■ E-commerce operations helps Franchise stores

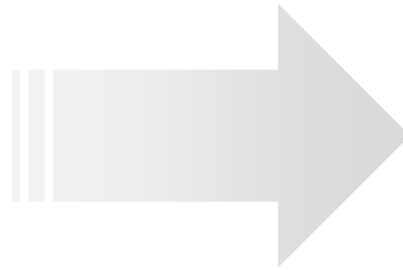
- Strengthen customer transfer to FC stores by promoting online sales utilizing store inventory

BOPIS ... Buy Online Pick-up In Store



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 pick up
- You can try on and change the size on the spot
- Supports corporate name processing

■ Company-owned distribution center 3 base system

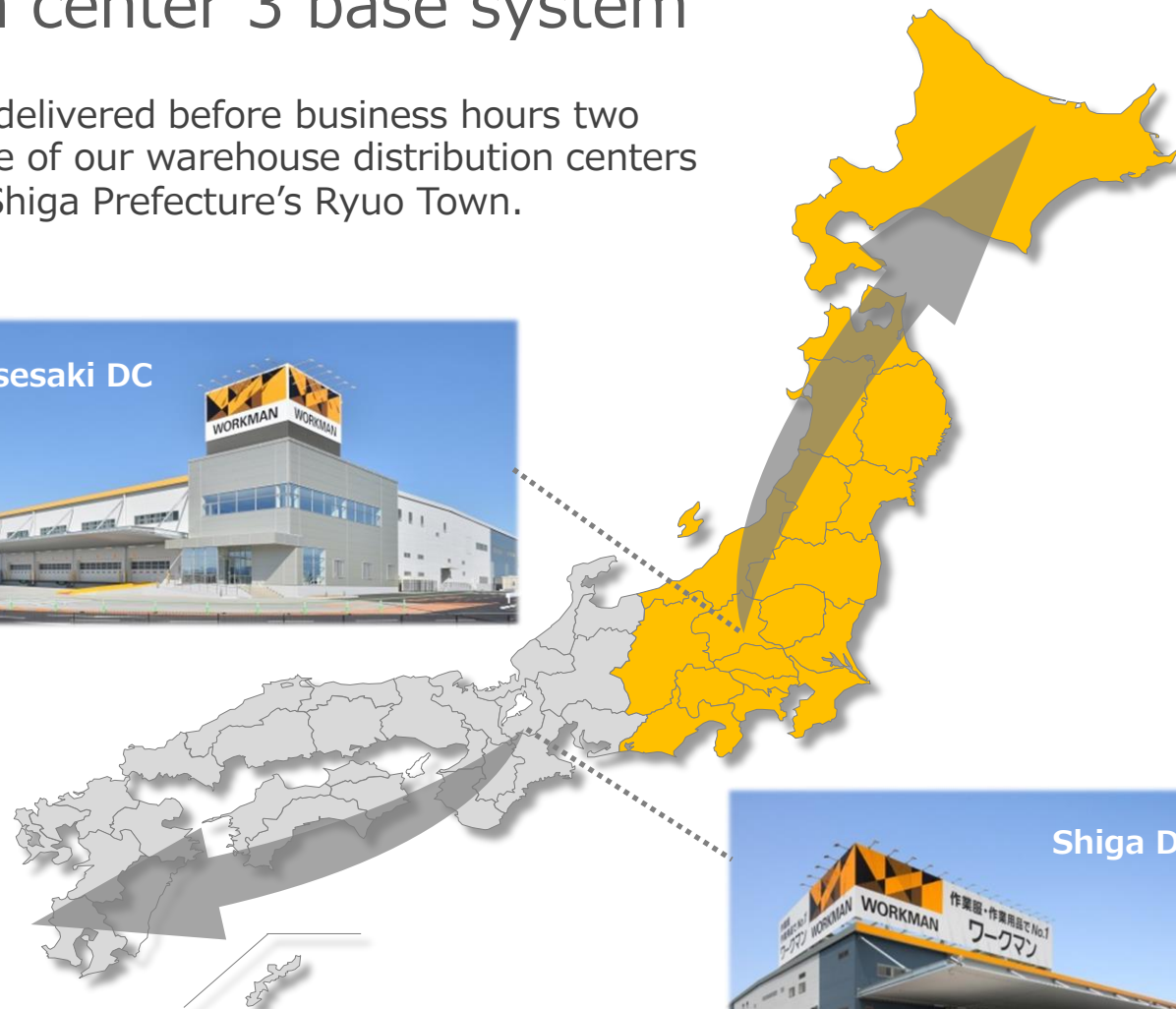
- Under our distribution framework, products are delivered before business hours two days after an order has been placed, making use of our warehouse distribution centers located in Gunma Prefecture's Iseaki City and Shiga Prefecture's Ryuo Town.

East Japan area

Iseaki DC (Owned)	16,670 ^{tsubo}
Iseaki warehouse (Owned)	6,480 ^{tsubo}
Gunma DC (Owned) (scheduled for completion in 2028)	25,000^{tsubo}
External warehouse	11,000 ^{tsubo}

West Japan area

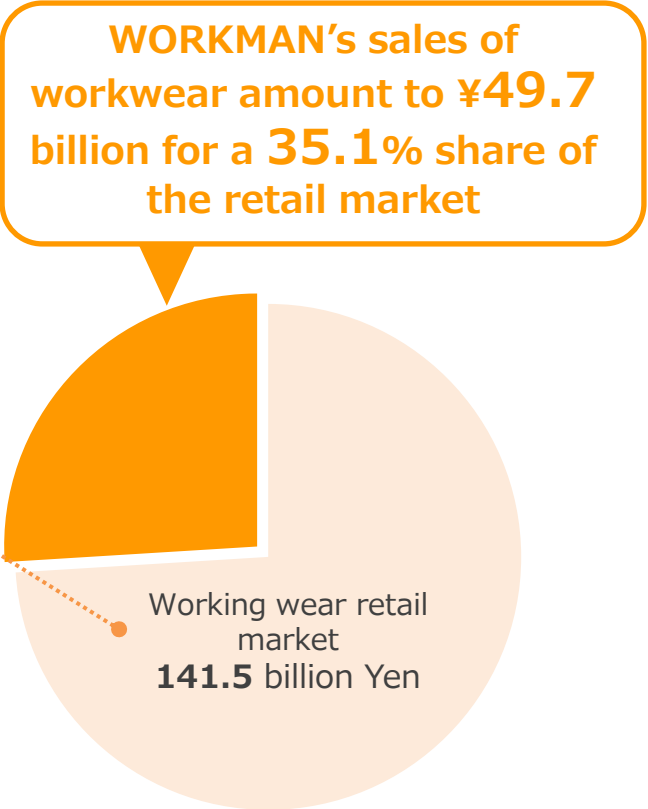
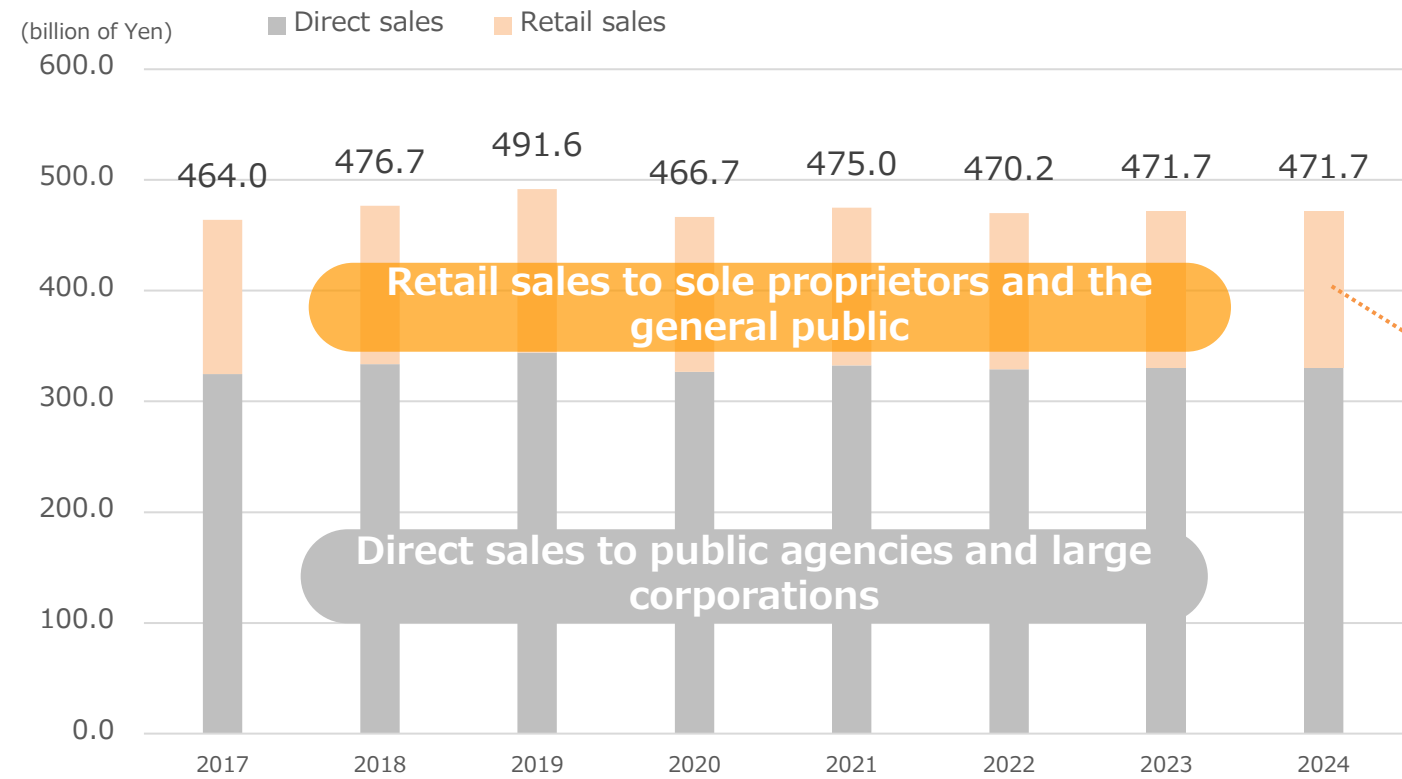
Shiga DC (Owned)	7,200 ^{tsubo}
Kobe DC (External)	13,500 ^{tsubo}
Okayama DC (Owned) (scheduled for completion in 2027)	22,000^{tsubo}
External warehouse	9,600 ^{tsubo}



2. Domestic Market Share

- Workwear Market
- Athleisure Market

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

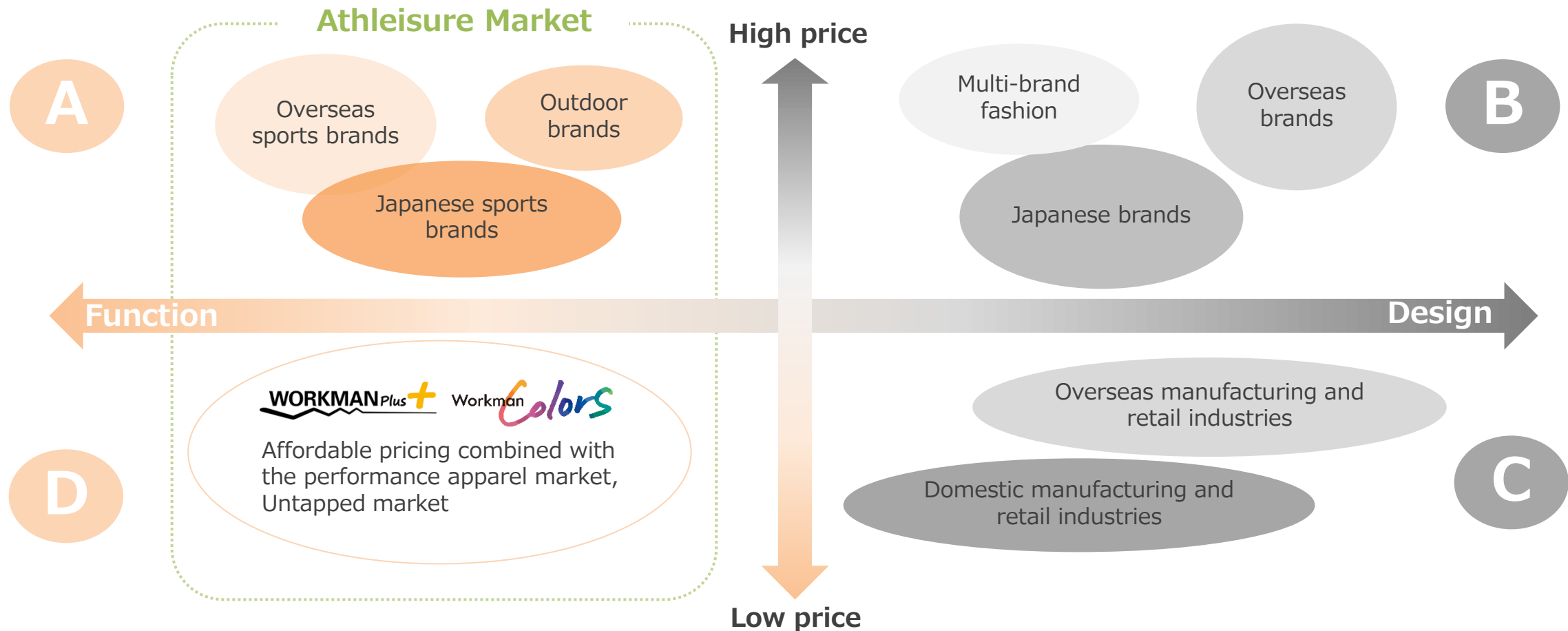


Notes:
1. Figures calculated on the basis of retail value
2. Source: Calculations and preparation by WORKMAN based on "Uniform Market 2020," published by Yano Research Institute Ltd.

- 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
- Product Development
- Sales Strategy
- Sustainability

● Management Policy

We will rebuild our management foundations towards sustainable growth by reinforcing workwear and evolving Colors stores.

Store Opening

Increase store openings, aiming for a
1,500-store network.
New store openings: 48 planned

- Open new stores in locations that leverage the strengths of each business category
- Make Plus stores dominant
Cultivate markets in major urban centers and small commercial areas
- Expand the network of Colors stores
Take on the challenge of new kinds of store operations, e.g. corporate franchising
- Improve existing store sales by implementing S&B

Products

Develop competitive exclusive products.
Review MD taking into account business categories and climate change

- Reinforce workwear
Evolve everyday low-price products (EDLP), collaboration projects, etc.
- Strengthen the line-up of comfortable everyday clothing (basic apparel)
Colors exclusive product sales ratio: 30% ⇒ 50%
- Respond to climate change
 - Review MD plans and secure sales during off-peak times of year
 - Develop new materials and new functions
- Flexible pricing policy
Improve profitability by setting prices based on forward exchange contracts

Sales






Improve existing store sales.
Retain customers by developing the WORKMAN app

- Renovate existing stores
Plan to renovate 100-200 stores per year
- Establish operating methods for each business category
Standardize sales floors to make operations more efficient
- Develop app
 - Provide useful information about collaborations, sales campaigns, etc.
 - Link to EC sites and physical stores
- Theme-based product exhibitions
Maximize sales by linking with sales floors

Store Opening Plans



Expansion of Colors stores is accelerating with new roadside store openings and renovations. We are considering new forms of store operations, such as corporate franchising with limited conditions.

(Number of stores)	Number of stores at end of FY 3/25	Openings set for FY 3/26			S&B※2	Renovation	Excluding increase/decrease ※3	Closures	Number of stores at end of FY 3/26	Medium/longer-term goals
			Roadside	SC※2						
	317	—	—	—	△7	△53	2	△2	257	200
	645	12	12	—	7	53	△2	△1	714	900
	62	—	—	—	—	△7	—	—	55	400
	17	36	30	6	—	7	—	—	60	
	10	—	—	—	—	—	—	—	10	N/A
Total※1	1,051	48	42	6	(7)	(60)	—	△3	1,096	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.

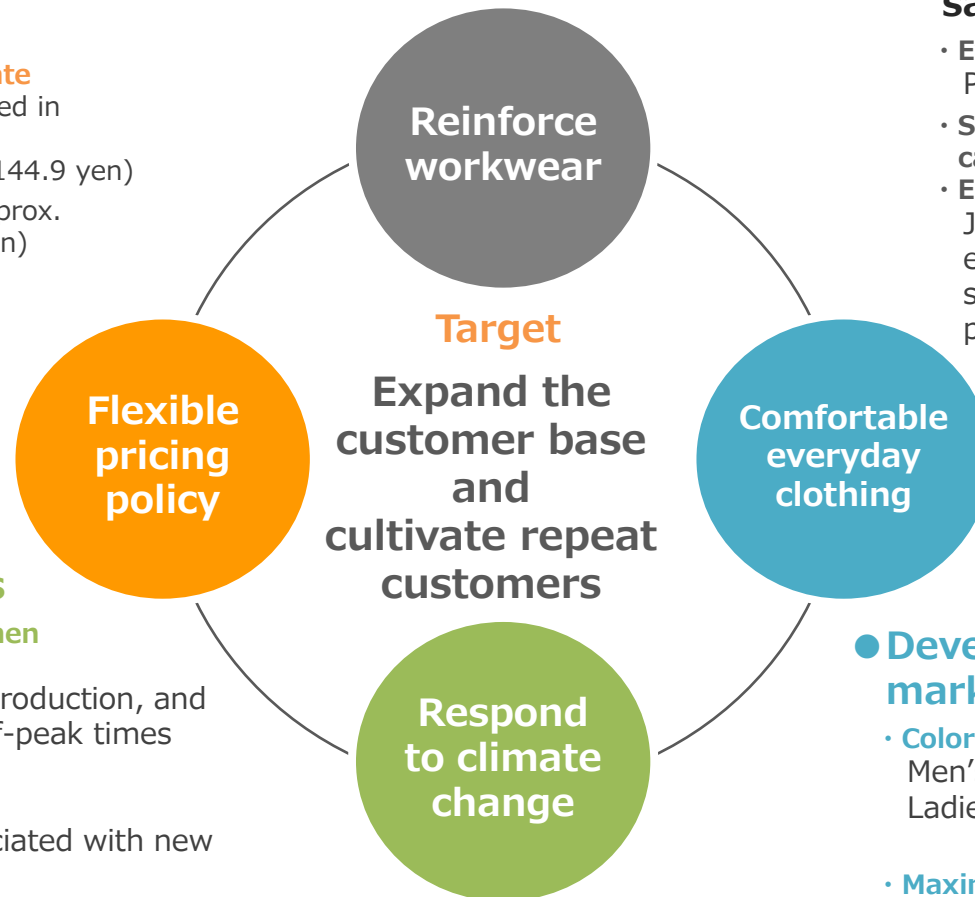
We will resolve challenges with a view to sustainable growth, expand the customer base, and promote efforts to cultivate repeat customers.

● Lock in profits by lengthening forward exchange contracts

- **Status of FY2026 contracts and assumed rate**
(Assumptions) Purchase plan: approx. 90% locked in at 147.5 yen, spot rate of 150 yen
⇒ Full-year assumed rate: 148 yen (FY 3/25: 144.9 yen)
⇒ Expected profit from overseas purchases: approx. 10,300 million yen (FY 3/25: 7,675 million yen)
- **Expected increase in unit price per item of approx. 5%**
Raise prices of some products and make product changes/revisions

● Re-establish seasonal categories

- **Add summer and autumn products, strengthen autumn line, reduce winter products**
Review product development, timing of introduction, and sales promotions to secure sales during off-peak times
- **Implement mandatory heat stroke countermeasures**
Increase profit-earning opportunities associated with new legislation taking effect
⇒ Strengthen development of clothing with air-conditioning fans and new heat-insulating materials, etc.



● Increase professional customer satisfaction

- **Evolve EDLP**
Pursue peak cost performance via processing trade
- **Separate development teams (work: 80%, casual: 20%)**
- **Expand comfortable work products**
Jointly develop products with powerful partners to expand market share in various areas including heat stroke-preventing items and medical and nursing products

● Develop products for the general mass market

- **Colors exclusive product sales ratio: 50%**
Men's: Create basic items for the mass market
Ladies: Plan items with the right balance of mass market trends and basics
- **Maximize sales by linking sales promotions and sales floors**



Sales Strategy



We will boost customer satisfaction by enhancing our services, aiming to improve sales at existing stores.

● Revitalize existing stores

Renovations (FY2026 Plan)

	112 stores
	5 stores
Total:	117 stores

Point: Make Stores Feel New

- Revitalize sales floors in stores where 3 years have passed since the store opened or was renovated
- Clarify the differentiation of existing business categories in line with the accelerated expansion of WORKMAN Colors
- Investment per store: 4 million yen (expenses borne by headquarters)

● Theme-based product exhibitions

Maximize sales by linking sales floors with EC sites



Action

- Announce new products in each business category
- Disseminate information tailored for the season, such as heat stroke countermeasures

Target

- Acquire new customers
- Improve engagement with existing customers

● Develop the WORKMAN app








- Share useful information and expand customer touchpoints
- Retain customers through linkage with e-commerce

Target number of downloads:

• FY2027 **2 million** • FY2030 **5 million**

We have made steady progress in sustainability management.

	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: 220 items; 14,537 million yen ● Product disposal rate: 1.57% (improvement of 0.98%)
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 ⇒Started scenario analysis and calculation of Scope 3 emissions ● Started experimental operation of an environmentally-friendly store (Minano Store, opened in September 2024)
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 96.0% of franchise stores ● Increased the ratio of women in chief and manager positions from 10.2% to 10.7% ● Improved the employee engagement indicators of paid vacation taken and hours of overtime worked ● Increased the ratio of male employees taking childcare leave from 25.0% to 57.1%
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"> ● Subsidized school club activities, etc., through the Beisia 21st Century Foundation
05.	Governance 	We aim to be an honest company that is trusted by our stakeholders and local communities.	<ul style="list-style-type: none"> ● Implemented incentives to boost corporate value Introduced a restricted stock compensation plan ※To be submitted for resolution at the general shareholders' meeting scheduled for June 26, 2025

4. Business Performance, Shareholder Return and Other Information

- Performance Data
- Shareholder Return
- History

Plans for the Fiscal Year Ending March 2025



We aim to increase both revenue and profit for the second consecutive year by accelerating store openings and improving profit related to overseas purchases.

(Millions of yen)	FY3/2025 Results	YoY (%)	FY3/2026 Q2 Plan	QoQ (%)	FY3/2026 Full-year Plan	YoY (%)
Sales at all chain stores	183,132	+4.5	96,385	+5.7	192,970	+5.4
Sales at directly managed stores	17,215	+20.2	10,894	+35.8	20,814	+20.9
Sales at franchise stores	165,917	+3.1	85,490	+2.8	172,155	+3.8
(Same store sales)	—	+1.1	—	+1.3	—	+0.8
Total operating revenue	136,933	+3.2	70,262	+6.8	147,152	+7.5
Cost of sales	85,771	+0.4	42,585	+3.8	90,648	+5.7
Adjusted OP before SG&A	51,162	+8.3	27,676	+11.7	56,503	+10.4
SG&A	26,768	+11.1	14,773	+15.0	30,497	+13.9
Operating profit	24,394	+5.4	12,903	+8.2	26,005	+6.6
Ordinary profit	24,904	+5.2	13,288	+9.1	26,760	+7.5
Net income	16,892	+5.7	8,212	+9.1	18,100	+7.2
EPS	206.99yen		100.63yen		221.79yen	

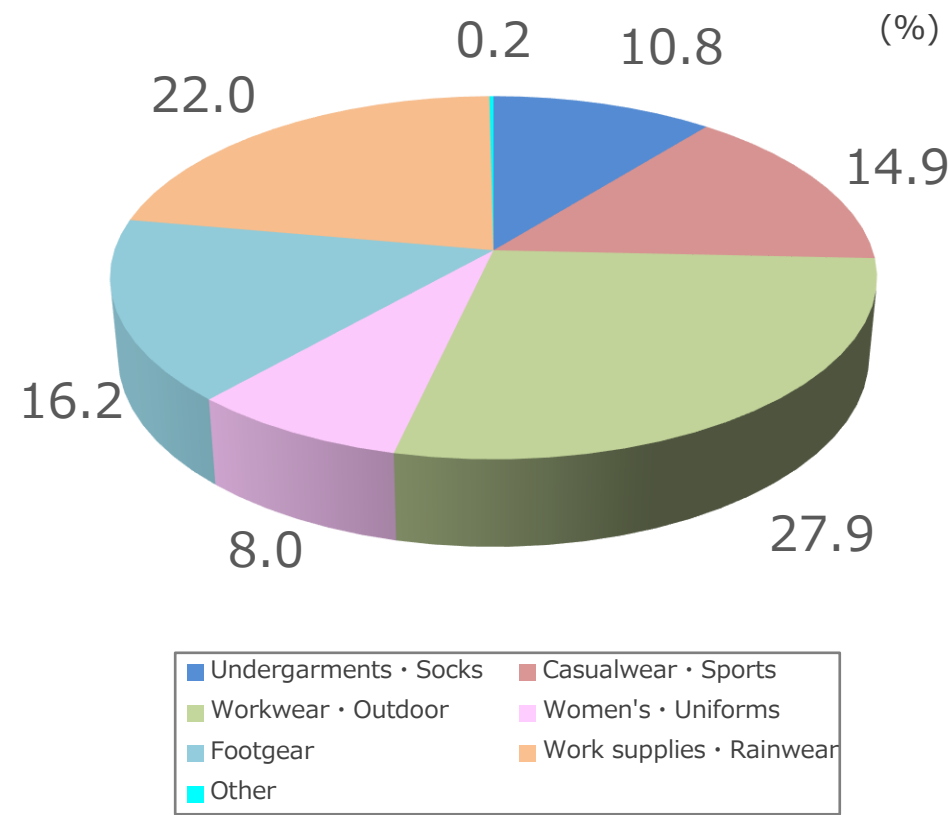
Performance Data (Balance Sheet)



(Millions of yen)

	Item	As of March 31, 2024	As of March 31, 2025	Change
Assets	Current assets	112,648	121,066	+8,418
	Cash and deposits	68,187	80,381	+12,193
	Accounts receivable - due from franchised stores	14,407	12,594	△1,812
	Merchandise	25,270	24,084	△1,185
	Non-current assets	35,714	41,164	+5,450
	Property, plant and equipment	28,755	32,814	+4,058
	Intangible assets	760	1,090	+329
	Other investments	6,197	7,259	+1,062
	Total assets	148,362	162,231	+13,868
Liabilities	Current liabilities	18,334	22,145	+3,810
	Non-current liabilities	4,599	4,783	+183
	Total liabilities	22,934	26,928	+3,994
	Total net assets	125,428	135,302	+9,873
	Total liabilities and net assets	148,362	162,231	+13,868

● Net sales at all chain stores: ¥183,132 million YoY+4.5% (FY3/2025)



Product	Sales (Millions of yen)	YoY Change (%)	Main items
Undergarments/ Socks	18,200	107.9	Undergarments, socks, hats, towels
Casualwear/Sports	25,801	104.6	Polo shirts, T-shirts, highneck shirts, compression wear
Workwear/ Outdoor	49,704	98.6	Workwear, coveralls, construction worker uniforms
Women's/ Uniforms	12,335	115.0	Women's wear, white smocks and coats, office uniforms, non-woven work clothes
Footgear	28,684	106.0	Protective footwear, <i>tabi</i> socks, boots, kitchen shoes
Work supplies	40,171	100.5	Work gloves, tools, protective gear, rainwear
Other	352	210.7	

● 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, 2025

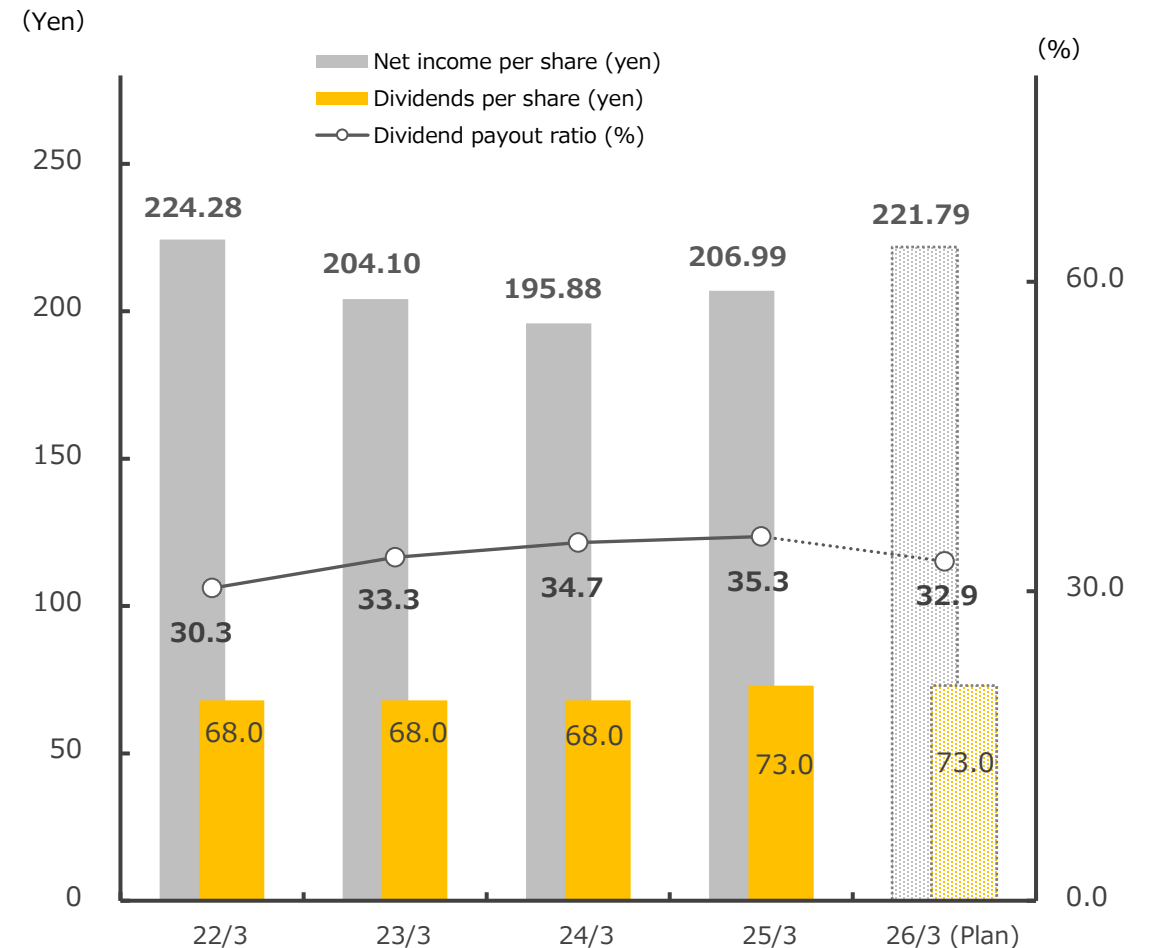
Plan to keep at **73 yen**

- Fiscal year ended March 31, 2026

Expect to keep at **73 yen**

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

Changes in net income and dividends per share



- 1980 ○ Opened “WORKMAN, a store for professionals” store No. 1
- 1982 ○ Established WORKMAN CO., LTD.
- 1988 ○ Opened WORKMAN’s 100th store
- 1997 ○ Shares registered on over-the-counter market of the Japan Securities Dealers Association
- 2010 ○ Started development of private brand products
- 2013 ○ Listed on the Tokyo Stock Exchange JASDAQ Standard market
- 2014 ○ Launched medium-term business transformation vision
- 2018 ○ Opened WORKMAN Plus store No. 1
- 2019 ○ Opened WORKMAN Girls store No. 1 (now Workman Colors)
- 2023 ○ Reached 1,000 operating stores.



●.....**WORKMAN store No. 1**

.....**Until 2013**



●.....**From 2014 onward**

.....**WORKMAN Plus**



●.....**Workman Colors**



- 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

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

(Japanese only)