



WORKMAN

FY2026 Q2 Financial Results Briefing Materials

November 10, 2025

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FY2026 Q2 Financial Results

Cumulative Income Statement



(Millions of yen)	FY 3/2025 Q2	FY 3/2026 Q2	YoY (%)	FY 3/2026 Q2 Plans	Vs. Plans
Sales at all chain stores	91,209	101,574	+11.4	96,385	+5.4
Sales to directly managed stores	8,024	11,184	+39.4	10,894	+2.7
Sales to franchise stores	83,184	90,389	+8.7	85,490	+5.7
(Same store sales)	-	-	+6.8	+1.3	+5.5
Total operating revenue	65,795	76,137	+15.7	70,262	+8.4
Cost of sales	41,022	46,714	+13.9	42,585	+9.7
Adjusted OP before SG&A	24,773	29,423	+18.8	27,676	+6.3
SG&A	12,845	14,978	+16.6	14,773	+1.4
Operating profit	11,927	14,444	+21.1	12,903	+11.9
Ordinary profit	12,179	14,874	+22.1	13,288	+11.9
Net income	7,530	9,227	+22.5	8,212	+12.4
EPS	92.28 yen	113.06 yen		100.63 ye	n

Financial Results Highlights

Sales at all chain stores

• Sales of summer apparel remained robust thanks to hot weather lingering into late summer. Rollout of products for off-peak times of year such as recovery wear also contributed to results that exceeded the plan target (+5.4 points above plan).

Total operating revenue

- Sales at directly managed stores increased significantly due to the rise in average number of stores during the period (+28 stores) (YoY +39.4%)
- Ġross profit margin at franchise stores rose +0.3 points due to an increase in royalties.
- Product sales and supply at franchise stores was 44,600 million yen (up 13.9% YoY) as supply of summer and year-round products has increased in response to climate change.

Cost of sales

- Profit related to overseas purchases rose due to price revisions from product change/elimination and an increase in transactions.
- ① Average settlement rate: 147.17 yen (FY 3/25 Q2 143.11 yen)
- ② Direct overseas purchases: +38.1% (accounts for 63.9% of total purchases)
- (3) Profit related to overseas purchases: 5,358 million yen (+75.1% YoY)
- Recording of inventory valuation losses: 1,289 million yen (+630 million yen YoY)

Gross operating profit (main factors for rise/drop)

- Revenue from franchise stores: +1,729 million yen
- Gross profit from self-operated stores: +1,138 million yen
- Profit related to overseas purchases: +2,299 million yen

In summary

• With both revenue and profit increasing in Q2 for the first time in 4 years, record-high profit was achieved.

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



(Millions of yen)	FY 3/2025 Q2	SG&A ratio (%)	FY 3/2026 Q2	SG&A ratio (%)	Change	YoY (%)
Sales at all chain stores	91,209	_	101,574	-	_	+11.4
Labor cost	2,156	2.4	2,519	2.5	+362	+16.8
Selling cost	666	0.7	1,080	1.1	+414	+62.1
Traveling expenses	224	0.2	237	0.2	+12	+5.7
Freight cost	974	1.1	1,091	1.1	+116	+12.0
Rent	3,452	3.8	3,558	3.5	+105	+3.1
Supply expenses	464	0.5	652	0.6	+188	+40.5
Outsourcing expenses	2,127	2.3	2,463	2.4	+336	+15.8
Depreciation	1,434	1.6	1,717	1.7	+283	+19.8
Other	1,345	1.5	1,658	1.6	+313	+23.3
Total	12,845	14.1	14,978	14.7	+2,132	+16.6

^{*}The SG&A ratio is the ratio of SG&A to sales at all chain stores.

Factors of increase/decrease

Labor cost

- Regular salary increase: +3.6%. Average number of employees during the guarter: +24
- Average number of directly managed stores during the quarter: +24 stores, increased part-time hiring

Selling cost

• Efforts to strengthen the integration of sales promotions and sales floors (advertising media +164 million yen, exhibition expenses +68 million yen), flyers +138 million yen

Freight cost

· Growth in sales at all chain stores and product supply and sales at franchise stores.

Rent

• The average number of stores during the guarter: +44, +75 million ven

Supply expenses

- Furniture and fixtures for new stores and renovations: +182 million ven
- Establishment of logistics depots (Hokkaido, Kyushu), purchase of equipment: +33 million yen

Outsourcing expenses

- · SC stores operating cost: +218 million yen
- Distribution center management outsourcing: +72 million yen
 New store and renovation operations: +50 million yen

Depreciation

• Increase in company-owned properties and soaring construction costs

Balance Sheet



(Millions of yen)	FY 3/2025 Q2	End of FY 3/2025	FY 3/2026 Q2	Change
Current assets	114,690	121,066	126,517	+5,451
Cash and deposits	76,698	80,381	77,816	△2,565
Accounts receivable - due from FCs	11,263	12,594	13,055	+461
Merchandise	23,889	24,084	27,948	+3,864
Other	2,839	4,005	7,697	+3,691
Non-current assets	38,334	41,164	43,808	+2,643
Property, plant and equipment	30,171	32,814	35,323	+2,509
Intangible assets	757	1,090	1,173	+83
Other investments	7,405	7,259	7,311	+51
Total assets	153,025	162,231	170,326	+8,095
Current liabilities	23,607	22,145	25,688	+3,542
Non-Current liabilities	4,652	4,783	5,166	+383
Total liabilities	28,259	26,928	30,855	+3,926
Total net assets	124,765	135,302	139,471	+4,169
Total liabilities and net assets	153,025	162,231	170,326	+8,095

Factors of increase/decrease

Cash and deposits

• Operating CF: +9,824 million yen

• Investing CF : △6,377 million yen

XInvestment in short-term bonds decreased by 2,996 million yen due to rising interest rates

Payments of dividends: △5,954 million yen

Accounts receivable - due from FCs

• Inventory of summer and year-round goods has increased due to response to climate change.

Merchandise (factors for increase/decrease)

- Year-round products are being strategically stockpiled to ensure sales during off-peak times, leading to increased inventory at stores as well as distribution centers.
- This inventory increase is policy-based and no issues are recognized.

(Millions of Yen)

Factors	Changes FY 3/25 Q2	Changes FY 3/25
· Directly managed/SC stores	+632	+299
· Distribution centers	+2,525	+2,960
• Goods in transit	+901	+611

Rise in tangible fixed assets

 A total of 25 newly built stores—22 new stores and 3 S&B stores (of which 21 are company-owned property stores

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Store Openings



Store openings and renovation in 1H are proceeding according to plan.

1,071 stores at the end of September 2025 (up 20 stores over end-March 2025)

	End of	New	store openi	ngs			Excluding		End of
(Number of stores)	FY 3/2025		Roadside	SC*2	S&B*2	Renovation	increase /decrease *3	Closures	FY 3/2026 Q2
WORKMAN	317	_	_	_	△3	△31	2	△2	283
WORKMAN Plus	645	5	5	_	3	31	△2	_	682
#ワークマン女子	62	_	_			△6		_	56
Workman lors	17	17	13	4	_	6		_	40
WORKMAN Pro	10	_	_	_	_	_	_	_	10
Total *1	1,051	22	18	4	(3)	(37)	_	△2	1,071

^{×1.} The Total column shows the number of operating stores, with figures in parentheses excluded from the Total.

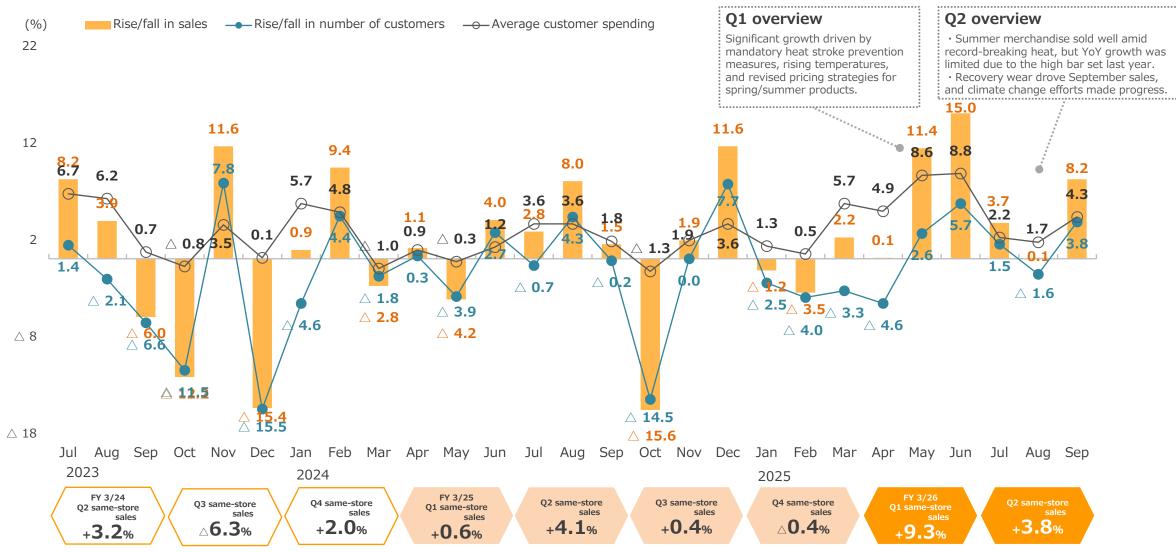
^{※2.} SC: Shopping centers S&B: Scrap and Build

^{**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



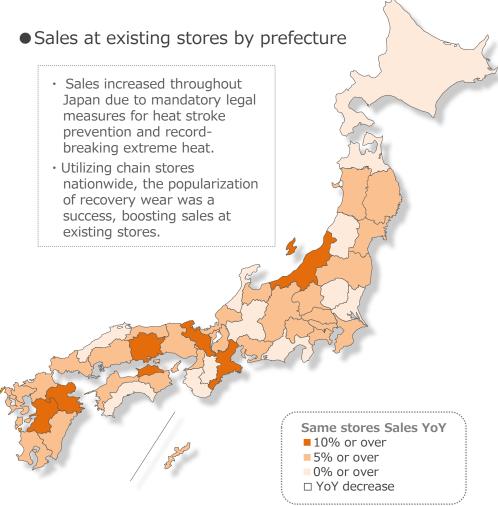
Status of Sales



Sales at All Chain Stores 101,574 Million Yen

	All chain stores	Existing stores
Net sales	+11.3%	+6.8%
Number of customers	+5.8%	+1.6%
Average number of customers per day	_	%174 (+3)
Average customer spending	3,139yen (+5.3%)	3,145 yen (+5.3%)
Unit price per item	1,245 yen (+5.2%)	1,242 yen (+5.0%)
Number of items purchased	2.51 items (+0.0%)	2.52 items (+0.2%)

^{*} 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.

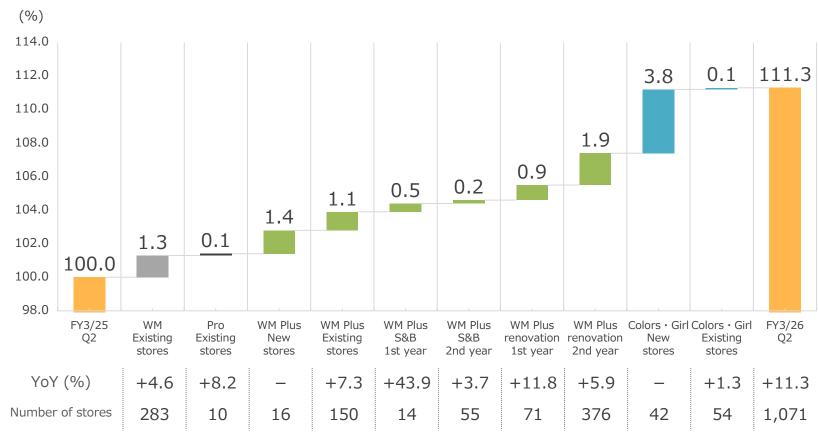


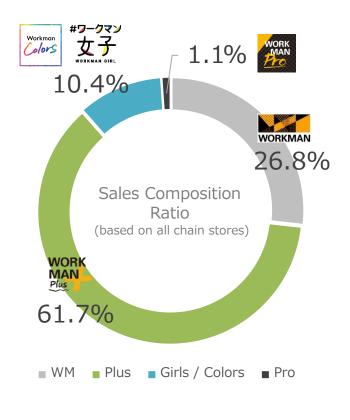
Sales by Business Category



YoY sales numbers are up for all business categories.

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





^{**}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.

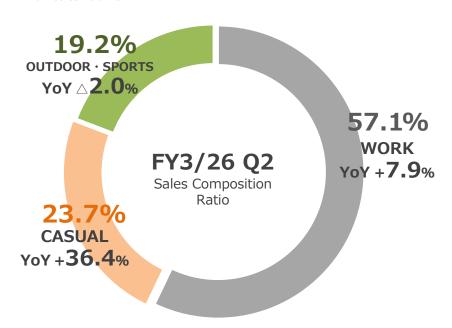
Status of Sales (Results by Product)



Casual products are demonstrating high growth in association with the accelerated expansion of WORKMAN Colors.

Trends in the sales composition ratio by product

**1.Sales are calculated by product. These are not the product of a customer analysis.
**2.Calculations exclude products on manufacturer's catalogs and some items with low sales volume.



(Categories)

- Work: Workwear, medical
- Casual: Casual wear, health care, home furniture
- Outdoor/sports: Outdoor, sports, motorcycle-related, etc.

Sales by category (sales at all chain stores)

Category	FY 3	/25 Q2	FY 3/2	26 Q2
	Sales	YoY (%)	Sales	YoY (%)
Undergarments · Socks Undergarments, socks, hats, towels, etc.	9,628	+10.6	11,219	+16.5
Casualwear • Sports Sportswear, polo shirts, etc.	14,496	+11.7	18,575	+28.1
Workwear · Outdoor Workwear, outdoor wear, etc.	27,073	+4.0	30,366	+12.2
Women's · Uniforms White smocks, office uniforms, etc.	7,185	+17.4	8,406	+17.0
Footgear Protective footwear, <i>tabi</i> stocks, high boots, kitchen shoes, etc.	14,240	+4.3	14,185	△0.4
Work supplies Work gloves, protective gear, rainwear, etc.	18,486	△2.1	18,839	+1.9
Other	98	△27.4	△18	_
Total	91,209	+5.4	101,574	+11.4

Status of Sales (Sales by Product and Factors)



Sales of PB Products 66,476 Million Yen \cdot PB ratio 65.4% (YoY +1.3pt)

Sales results by brand

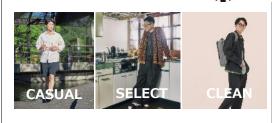
(Millions of yen)	Number of items (YoY)	Sales value (YoY)	Share (%)
W Workman WORK	534 (△2.7%)	29,783 (+5.8%)	44.8
Workman SPORTS	164 (∆24.4%)	8,267 (+11.1%)	12.4
Workman OUTDOOR	309 (△9.1%)	10,339 (△2.0%)	15.6
Workman DAYS	821 (+54.6%)	18,085 (+47.0%)	27.2
Total for PB products	1,828 (+12.1%)	66,476 (+13.7%)	100.0

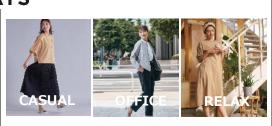
New Brand



Men's

Workman
DAYS





Ladies

Format of Store Operations

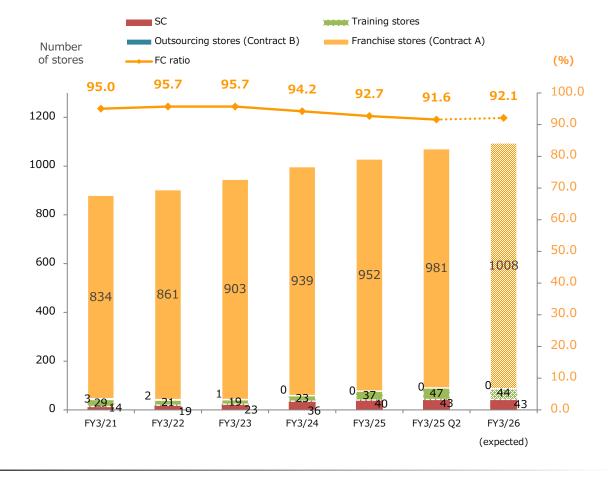


Corporate franchise stores began operations in October. Ratio of franchise stores: **91.6**% (down 1.1 points YoY)

• Format of Store Operations for FY 3/26 Q2

Format	End- March 2025	Up	Down	End- September 2025
Franchise stores	974	41	34	981
Outsourcing stores	_	_	_	_
Training stores	37	35	25	47
SC stores	40	3	_	43
Total	1,051	79	59	1,071

Number of Stores by Format of Operations

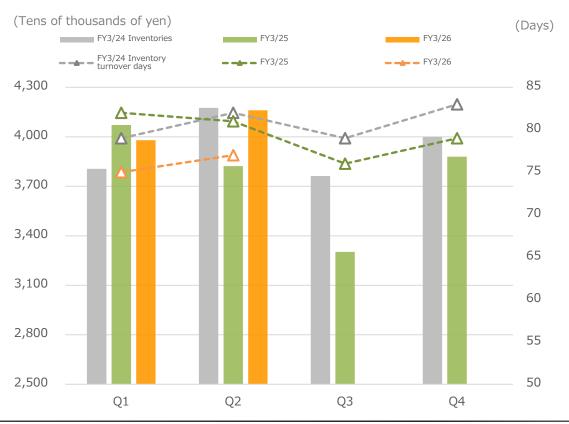


Inventories (Logistics Cost)



Inventory is being increased company-wide as a measure for off-peak times of year, while inventory efficiency remains sound.

- Selling price inventories per store
 - Inventories of late summer items and year-round products have increased to respond to climate change.
 - Inventory composition has improved as autumn/winter products have decreased. Turnover days are also at a good level.



- DC inventories / delivery cost ratio
 - Inventory levels for seasonal products were comparable to the previous year, while year-round products have increased significantly.
 - $\boldsymbol{\cdot}$ Inventory optimization has improved inventory turnover and the delivery cost ratio.



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FY2026 Plans

Plans for FY Ending March 31, 2026



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 offpeak 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



The initial plan has been partly revised, and roadside #WORKMAN GIRL stores are being renovated as Colors.

	End of	Openii End of		nings set for FY 3/26			Excluding increase/		End of	Medium/
(Number of stores)	FY 3/2025		Roadside	SC%2	S&B※2	Renovation	decrease *3	Closures	FY 3/26	longer-term goals
WORKMAN	317	_	_	_	△7	△55	2	△2	255	200
WORKMAN Plus +	645	10	10	_	7	55	△2	△3	712	900
#ワークマン女子 WORKMAN GIRL	62	_	_	_	_	△29		_	33	400
Workman Jors	17	39	29	10		29			85	400
WORKMAN	10	_	_	_	_	_	_	_	10	
Total _{*1}	1,051	49	39	10	(7)	(60)	_	△5	1,095	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.

Product Development



Steady progress in implementing measures to tackle internal and external challenges.

Transform merchandising



TASK	ACTION
✓ <u>Popular items sell out fast</u>	Shifted strategy to mass-produce key products, linking sales promotions and sales floors to boost selling capabilities
✓ <u>High correlation between</u> <u>sales and the weather</u>	"X Shelter" line for mild and severe wintersThe ultimate loungewear: MEDiHEAL
✓ <u>Late to take action in</u> <u>response to climate change</u>	 Postpone the launch of winter products from August to October During off-peak times, showcase year-round items with seasonally appropriate displays

 Develop core products unaffected by seasonality



Cumulative series sales results as of the end of October 2025:

About 1.6 million items 28 million yen

*Temporarily out of stock due to higher-than-anticipated sales.

Further growth in sales is expected in spring and summer 2026

Key winter product



• Full-scale launch of heavy winter wear began in mid-October. As the sales window is short, the focus is on selling the "X Shelter" line.

Product Development



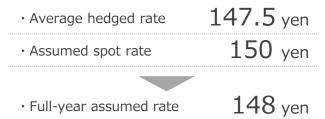
Forward exchange contracts and a flexible pricing policy are creating a positive cycle.

Forward exchange contracts

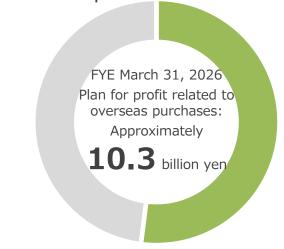


- Hedging completed at roughly equal ratios for each guarter
- Forward exchange contracts for FY ending March 2027 are underway

(FY ending March 2026 Plan)



 Progress in profit related to overseas purchases

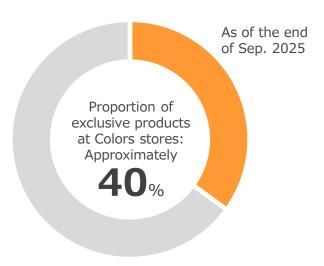


- Stabilized profit levels through enhanced foreign exchange hedging
- Performance exceeded plans thanks to an increase in transactions

(Cumulative profit related to overseas purchases)



Workman Colors exclusive product ratio



- · Steady progress in developing exclusive products
- Aiming for a 50% ratio at the end of this fiscal year and 80% at the end of the next fiscal year







Sales Strategy



Maximize sales through a three-pronged sales strategy (manufacturing, promotion, and sales).

Integration of sales floors and promotions





• For key products, highlight unique advantages by coordinating with sales promotions and secure sufficient inventory and sales floor space.





• Expand strategic promotions to establish a framework for selling high-spec (high-priced) items. This initiative enhances sales capabilities and expands the customer base.

WORKMAN app





One month after release: approximately

300,000 users

(as of September 30, 2025)

- Pre-orders for trending items: approximately 250 million yen ⇒App sales support franchise stores, as all sales are for in-store pickup ⇒Provides fair purchasing opportunities, aiming to boost customer satisfaction
- Improved ability to disseminate information in a timely way through feature pages, etc.

Plans for the Fiscal Year Ending March 2026



The full-year forecast was revised upwards in view of strong first-half performance.

· SG&A: Reflected additional costs for WORKMAN Colors renovations and external warehouses, etc.

• Due to rising labor costs and inflation, allocated part of headquarters profit to franchise store gross profit and increased franchise store profit distribution.

(Millions of yen)	FY 3/2025	FY 3/2026 Initial Plan	FY 3/2026 Revision Plan	Change Amount	Changes (%)	YoY (%)
Sales at all chain stores	183,132	192,970	201,800	+8,830	+4.6	+10.2
Sales to directly managed stores	17,215	20,814	22,300	+1,486	+7.1	+29.5
Sales to franchise stores	165,917	172,155	179,500	+7,344	+4.3	+8.2
(Same store sales)		+0.8	+5.4	-	_	_
Total operating revenue	136,933	147,152	155,000	+7,848	+5.3	+13.2
Cost of sales	85,771	90,648	95,410	+4,761	+5.3	+11.2
SG&A	26,768	30,497	31,390	+892	+2.9	+17.3
Operating profit	24,394	26,005	28,200	+2,195	+8.4	+15.6
Ordinary profit	24,904	26,760	29,000	+2,240	+8.4	+16.4
Net income	16,892	18,100	19,700	+1,600	+8.8	+16.6
EPS	206.99 yen	221.79 yen	241.39 yen	+19.60 yen	_	_









- 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.
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