



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 yen	

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%)
- Gross 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

Factors of increase/decrease

● Labor cost

- Regular salary increase: +3.6%. Average number of employees during the quarter: +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 quarter: +44, +75 million yen

● Supply expenses

- Furniture and fixtures for new stores and renovations: +182 million yen
- 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

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

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
 ※Investment 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.

Factors	(Millions of Yen)	
	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)

- FY2026 Q2 Financial Results Overview

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)

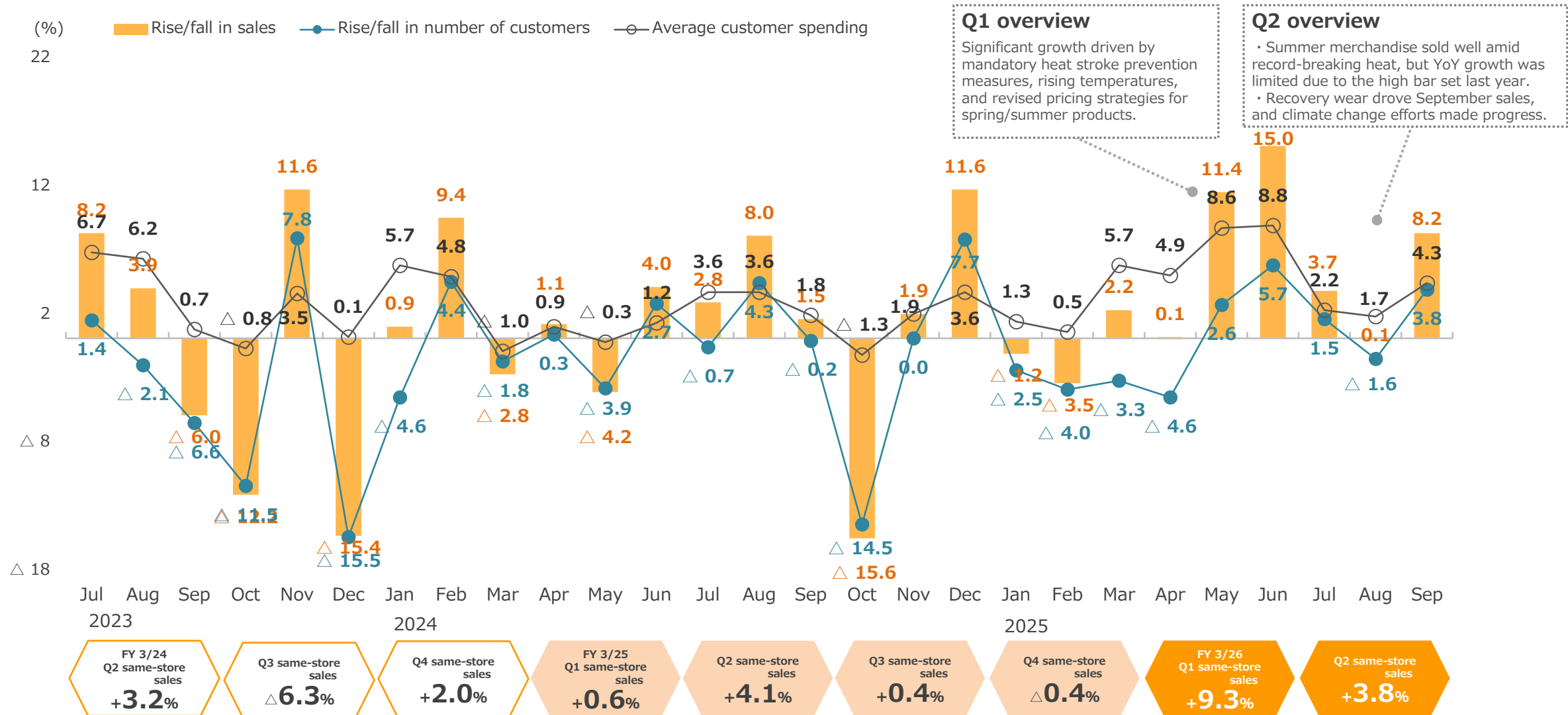
(Number of stores)	End of FY 3/2025	New store openings			S&B※2	Renovation	Excluding increase /decrease ※3	Closures	End of FY 3/2026 Q2
		Roadside	SC※2						
	317	–	–	–	△3	△31	2	△2	283
	645	5	5	–	3	31	△2	–	682
	62	–	–	–	–	△6	–	–	56
	17	17	13	4	–	6	–	–	40
	10	–	–	–	–	–	–	–	10
Total ※1	1,051	22	18	4	(3)	(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.

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

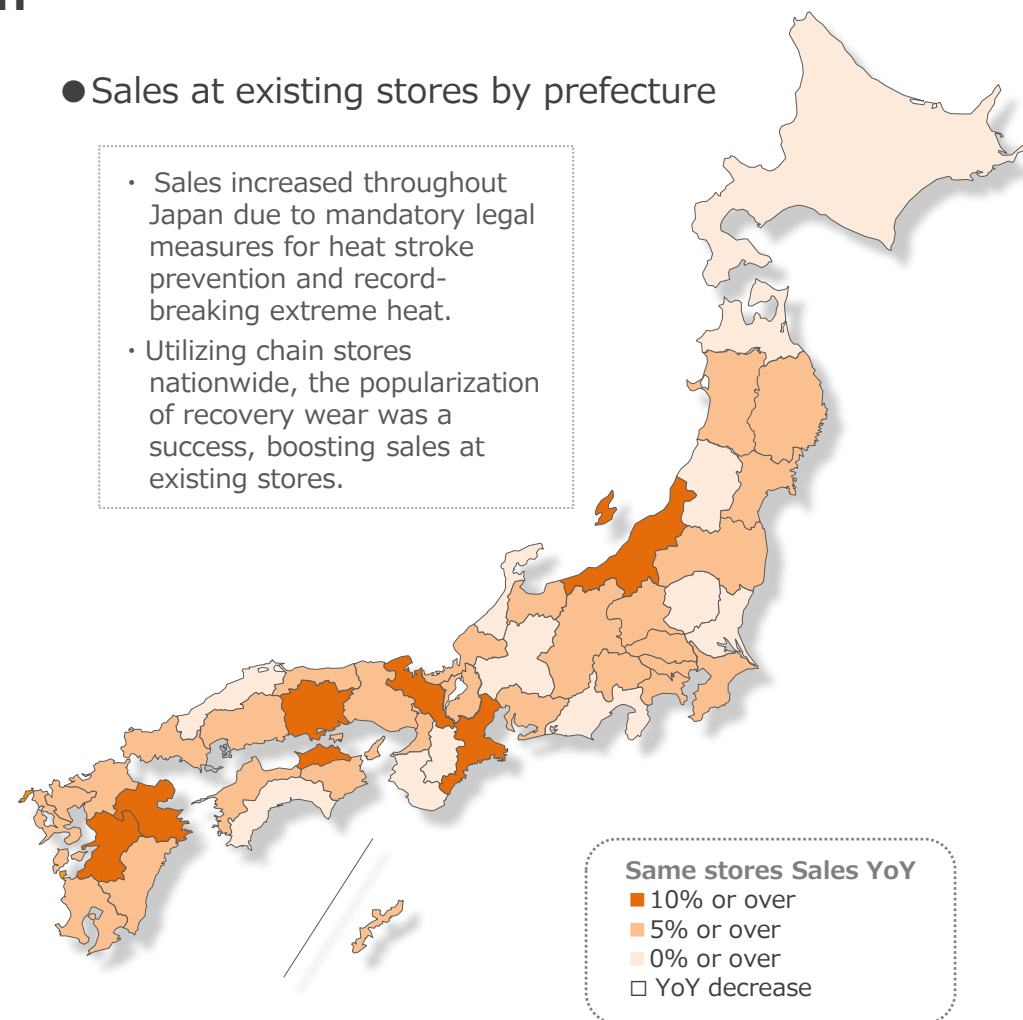


Sales at All Chain Stores **101,574** Million Yen

	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%)

● Sales at existing stores by prefecture

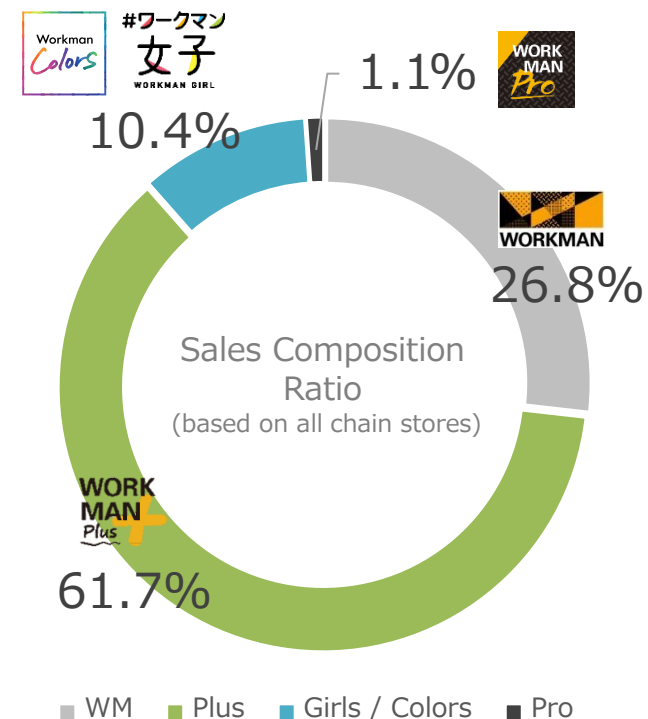
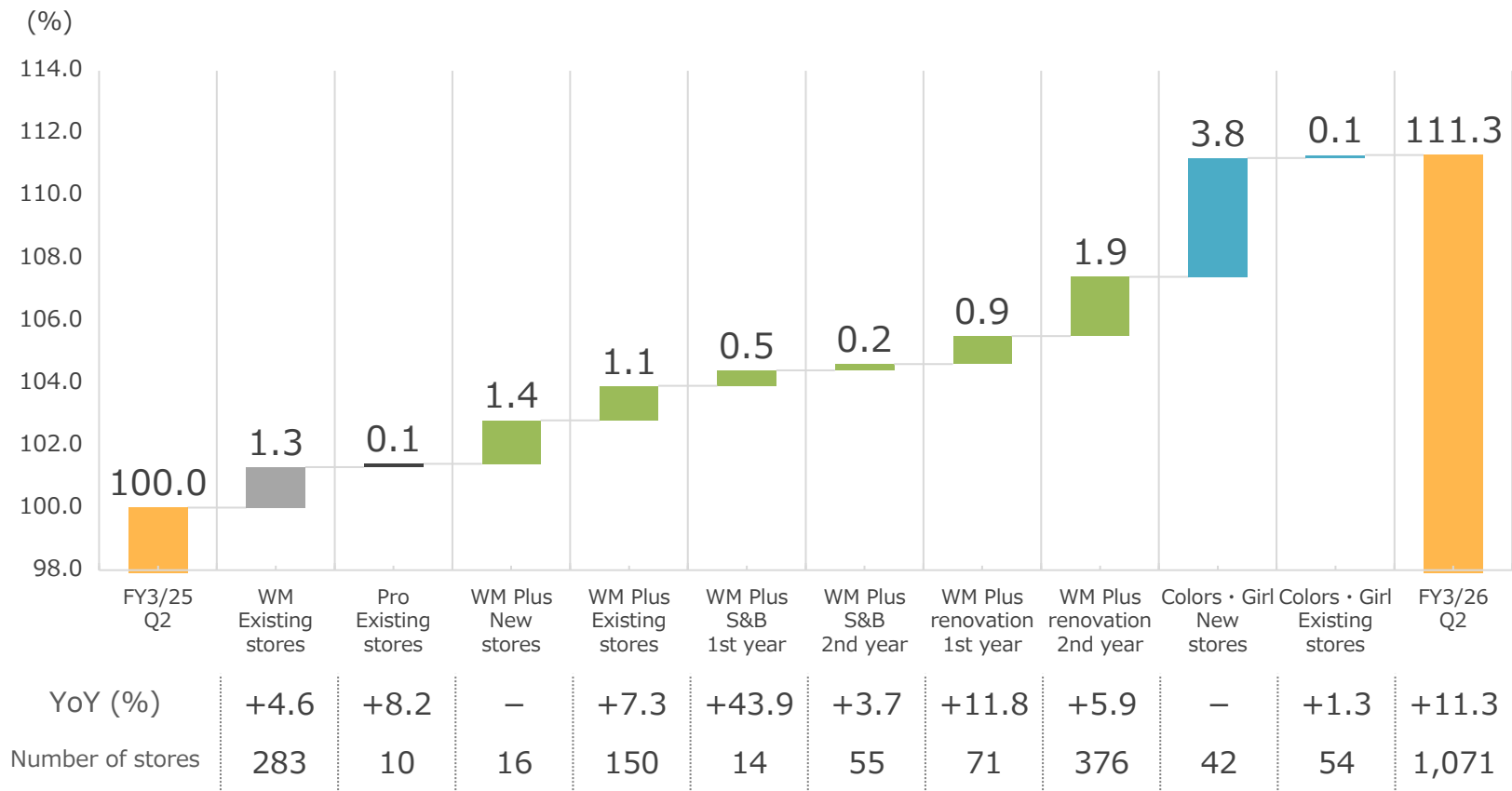
- Sales increased throughout Japan due to mandatory legal measures for heat stroke prevention and record-breaking extreme heat.
- Utilizing chain stores nationwide, the popularization of recovery wear was a success, boosting sales at existing stores.



※ 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.

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)

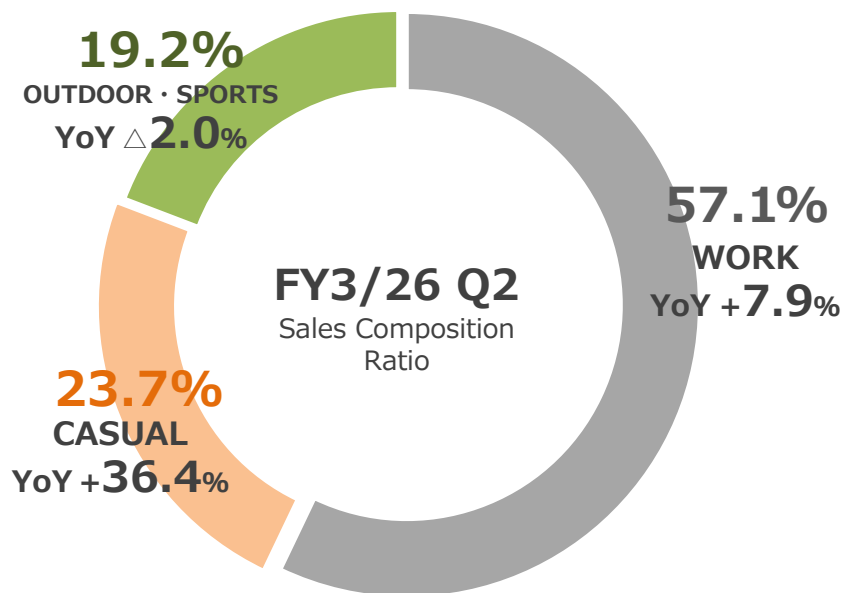


Casual products are demonstrating high growth in association with the accelerated expansion of WORKMAN Colors.

- Trends in the sales composition ratio by product

- Sales by category (sales at all chain stores)

※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.

Category	FY 3/25 Q2		FY 3/26 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 · PB ratio **65.4%** (YoY +1.3pt)

● Sales results by brand

(Millions of yen)	Number of items (YoY)	Sales value (YoY)	Share (%)
Workman WORK	534 (Δ2.7%)	29,783 (+5.8%)	44.8
Workman SPORTS	164 (Δ24.4%)	8,267 (+11.1%)	12.4
Workman OUTDOOR	309 (Δ9.1%)	10,339 (Δ2.0%)	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

Unisex

Men's

Ladies

CASUAL

SELECT

CLEAN

CASUAL

OFFICE

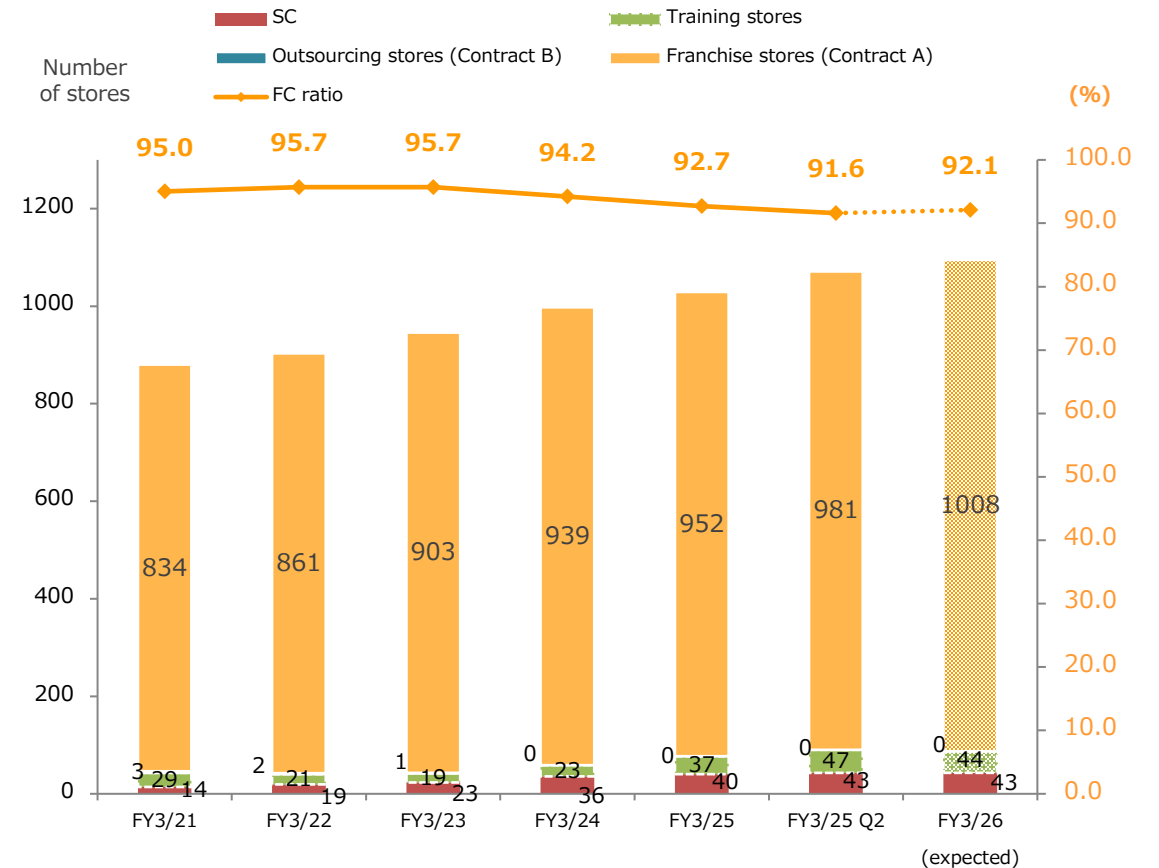
RELAX

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)

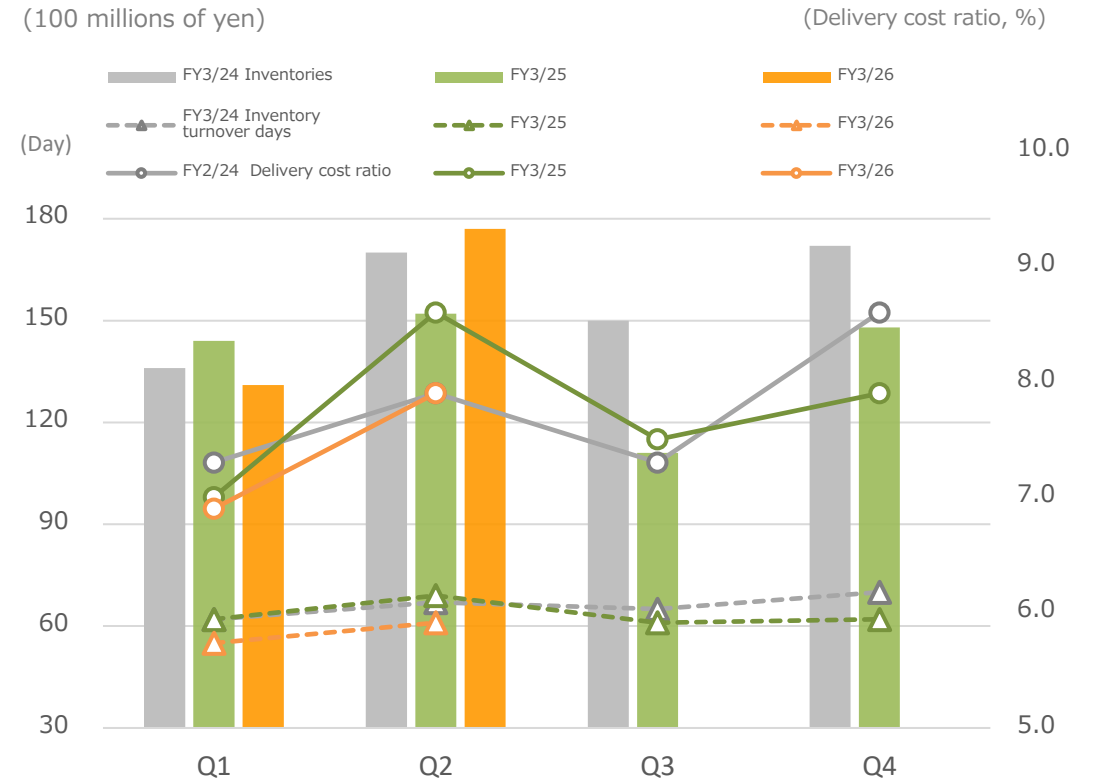
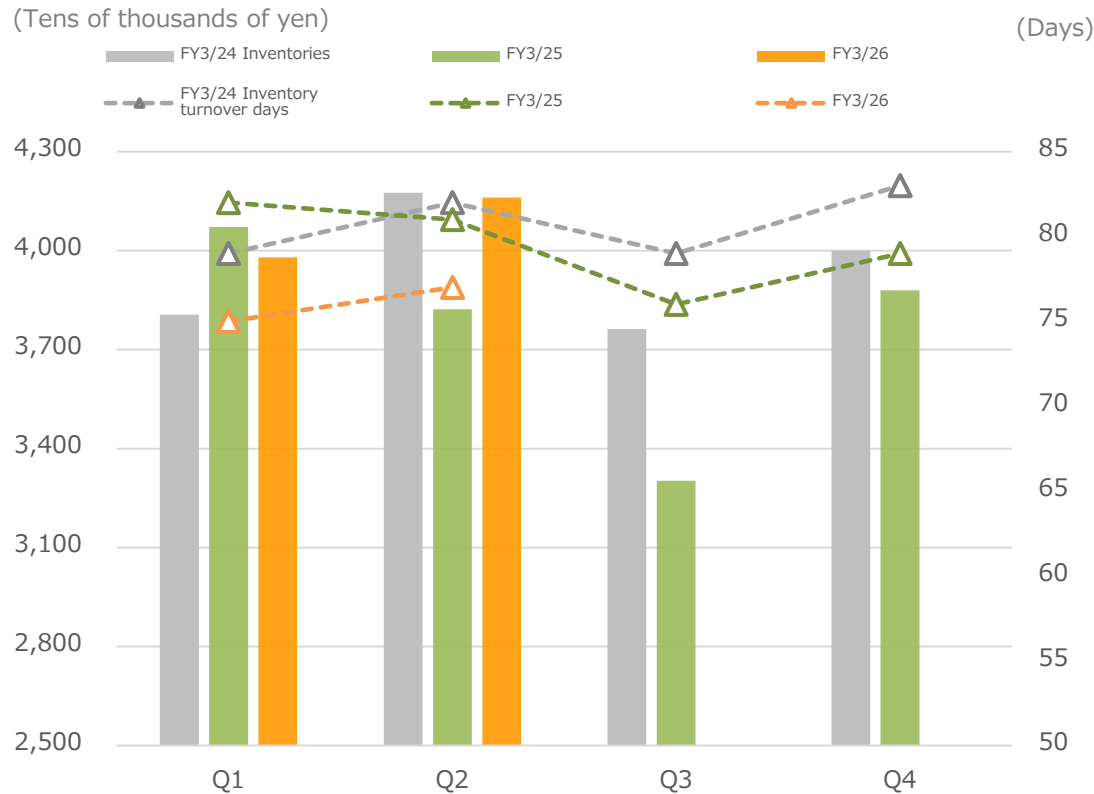
Inventory is being increased company-wide as a measure for off-peak times of year, while inventory efficiency remains sound.

● 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.
- Inventory optimization has improved inventory turnover and the delivery cost ratio.



- FY2026 Plans

● 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

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

(Number of stores)	End of FY 3/2025	Openings set for FY 3/26			S&B※2	Renovation	Excluding increase/decrease ※3	Closures	End of FY 3/26	Medium/longer-term goals
		Roadside	SC※2							
	317	–	–	–	△7	△55	2	△2	255	200
	645	10	10	–	7	55	△2	△3	712	900
	62	–	–	–	–	△29	–	–	33	400
	17	39	29	10	–	29	–	–	85	
	10	–	–	–	–	–	–	–	10	–
Total※1	1,051	49	39	10	(7)	(84)	–	△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.

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

- Transform merchandising



TASK	ACTION
✓ <u>Popular items sell out fast</u>	<ul style="list-style-type: none"> • Shifted strategy to mass-produce key products, linking sales promotions and sales floors to boost selling capabilities
✓ <u>High correlation between sales and the weather</u>	<ul style="list-style-type: none"> • "X Shelter" line for mild and severe winters • The ultimate loungewear: MEDiHEAL
✓ <u>Late to take action in response to climate change</u>	<ul style="list-style-type: none"> • 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.

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

● Forward exchange contracts

■ Forward exchange contracts ■ SPOT

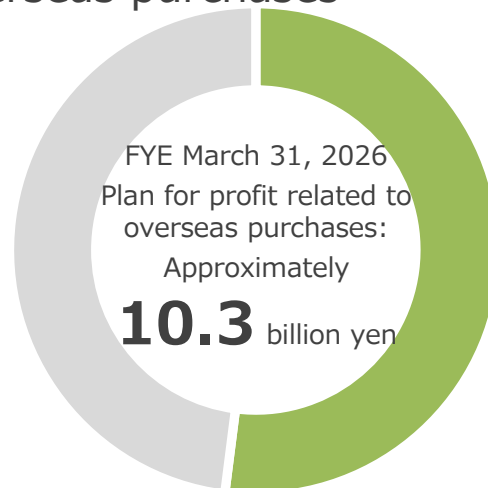


- Hedging completed at roughly equal ratios for each quarter
- Forward exchange contracts for FY ending March 2027 are underway

(FY ending March 2026 Plan)

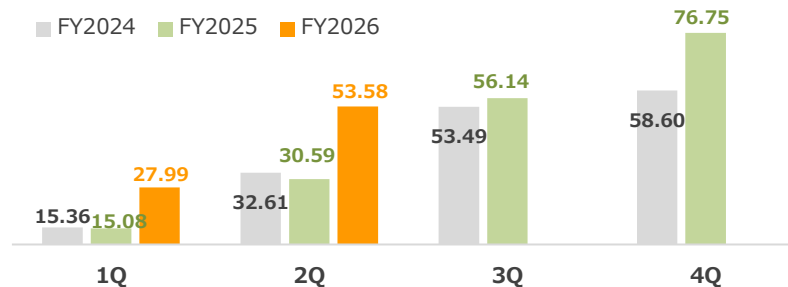
• Average hedged rate	147.5 yen
• Assumed spot rate	150 yen
▼	
• Full-year assumed rate	148 yen

● Progress in profit related to overseas purchases

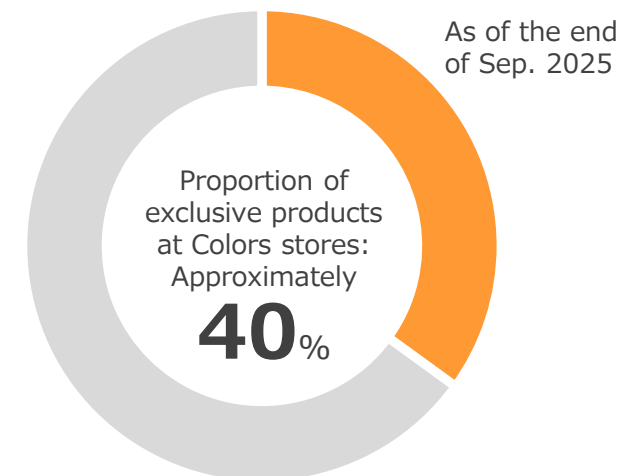


- Stabilized profit levels through enhanced foreign exchange hedging
- Performance exceeded plans thanks to an increase in transactions

(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



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



Registered app users

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	—	—



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