



(7564)

WORKMAN

FY2026 Q3 Financial Results Briefing Materials

February 10, 2026

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- FY2026 Q3 Financial Results

Cumulative Income Statement



Financial Results Highlights

(Millions of yen)	FY 3/2025 Q3	FY 3/2026 Q3	YoY (%)
Sales at all chain stores	148,214	165,975	+12.0
Sales to directly managed stores	13,563	18,684	+37.8
Sales to franchise stores	134,650	147,290	+9.4
(Same store sales)	—	—	+6.9
Total operating revenue	107,605	124,303	+15.5
Cost of sales	66,778	75,833	+13.6
Adjusted OP before SG&A	40,826	48,469	+18.7
SG&A	20,152	23,249	+15.4
Operating profit	20,674	25,220	+22.0
Ordinary profit	21,037	25,847	+22.9
Net income	13,018	16,037	+23.2
EPS	159.52 yen	196.52 yen	

● Sales at all chain stores

- In addition to robust sales of seasonal products throughout the first three quarters, thanks to favorable weather, recovery wear resonated with customers much more than expected, delivering sales that significantly exceeded the plan target (+1.3 points above the Q3 cumulative target).

● Total operating revenue

- Sales at directly managed stores were up by +37.8% YoY (with the average number of stores during the period increasing by 26).
- Gross profit margin at franchise stores was 36.6% (+0.3 points).
- Product supply and sales at franchise stores was 72,441 million yen (+13.5% YoY), as supply and sales were boosted by the early introduction of spring and summer recovery wear.

● Cost of sales

- Profit related to overseas purchases: 9,071 million yen (+61.6% YoY)
- (1) Average settlement rate: 147.22 yen (FY 3/25 Q2 143.35 yen)
- (2) Direct overseas purchases: +28.4% (accounts for 64.8% of total purchases)

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

- Revenue from franchise stores: +2,982 million yen
- Gross profit from self-operated stores: +1,819 million yen
- Profit related to overseas purchases: +3,457 million yen

● In summary

- With both revenue and profit increasing in Q3 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 Q3	SG&A ratio (%)	FY 3/2026 Q3	SG&A ratio (%)	Change	YoY (%)
Sales at all chain stores	148,214	–	165,975	–	–	+12.0
Labor cost	3,288	2.2	3,847	2.3	+559	+17.0
Selling cost	1,235	0.8	1,831	1.1	+595	+48.2
Traveling expenses	346	0.2	376	0.2	+29	+8.6
Freight cost	1,631	1.1	1,780	1.1	+148	+9.1
Rent	5,244	3.6	5,398	3.2	+154	+2.9
Supply expenses	719	0.5	976	0.6	+256	+35.7
Outsourcing expenses	3,389	2.3	3,960	2.4	+570	+16.8
Depreciation	2,194	1.5	2,625	1.6	+430	+19.6
Other	2,101	1.4	2,453	1.5	+351	+16.7
Total	20,152	13.6	23,249	14.0	+3,096	+15.4

Factors of increase/decrease

● Labor cost

- Regular salary increase: +3.6%. Average number of employees during the quarter: +28
- Average number of directly managed stores during the quarter: +24 stores, increased part-time hiring

● Selling cost

- Increase in the number of sales promotion flyers and the number of stores: +296 million yen
- Sales promotion media: +153 million yen (in-store wrapping displays, panels, etc.)

● Freight cost

- Although logistics costs increased due to growth in sales at all chain stores, the increase was offset by rebates associated with an increase in domestic purchases (△175 million yen).

● Rent

- The average number of stores during the quarter: +47, +151 million yen

● Supply expenses

- Furniture and fixtures for new stores and renovations: +164 million yen
- Establishment of logistics depots (Hokkaido, Kyushu), purchase of equipment: +106 million yen

● Outsourcing expenses

- SC stores operating cost: +189 million yen
- New store and renovation operations: +234 million yen
- Distribution center management outsourcing: +283 million yen
- Increase in rebates due to the increase in domestic purchases: △161 million yen

● Depreciation

- Increase in company-owned properties and soaring construction costs
- Asset retirement obligation reassessment: +81 million yen

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

Balance Sheet



(Millions of yen)	FY 3/2025 Q3	End of FY 3/2025	FY 3/2026 Q3	Change
Current assets	120,879	121,066	135,536	+14,470
Cash and deposits	88,656	80,381	89,938	+9,556
Accounts receivable - due from FCs	8,293	12,594	9,366	△3,227
Merchandise	16,672	24,084	21,278	△2,806
Other	7,257	4,005	14,953	+10,948
Non-current assets	38,736	41,164	43,773	+2,608
Property, plant and equipment	31,717	32,814	35,985	+3,170
Intangible assets	887	1,090	1,415	+325
Other investments	6,130	7,259	6,371	△888
Total assets	159,615	162,231	179,309	+17,078
Current liabilities	21,518	22,145	25,715	+3,569
Non-Current liabilities	4,750	4,783	5,311	+527
Total liabilities	26,268	26,928	31,026	+4,097
Total net assets	133,346	135,302	148,283	+12,981
Total liabilities and net assets	159,615	162,231	179,309	+17,078

Factors of increase/decrease

● Cash and deposits

- Operating CF : +26,386 million yen
- Investing CF : △10,788 million yen
※Investment in short-term bonds decreased by 4,297 million yen due to rising interest rates
- Financing CF: △6,041 million yen

● Accounts receivable - due from FCs

- While sales of winter products were brisk, year-round products have increased.
Inventory per store: +103 million yen YoY

● Merchandise (factors for increase/decrease)

- Because of distribution centers strategically increasing inventories of year-round products such as recovery wear, there was a significant increase YoY.

(Millions of Yen)

Factors	Changes FY 3/25 Q3	Changes FY 3/25
• Directly managed/SC stores	+327	△56
• Distribution centers	+3,195	△449
• Goods in transit	+878	△2,494

● Rise in tangible fixed assets

- A total of 45 newly built stores—41 new stores and 4 S&B stores (of which 36 stores are properties owned and built by the company; down 1 store YoY)
Building costs remain high due to the soaring prices of materials and labor costs.

- FY2026 Q3 Financial Results Overview

Store Openings

Corporate franchise stores have begun operating, and opening of WORKMAN Colors stores is accelerating. Both store openings and renovations are proceeding in line with the plan.

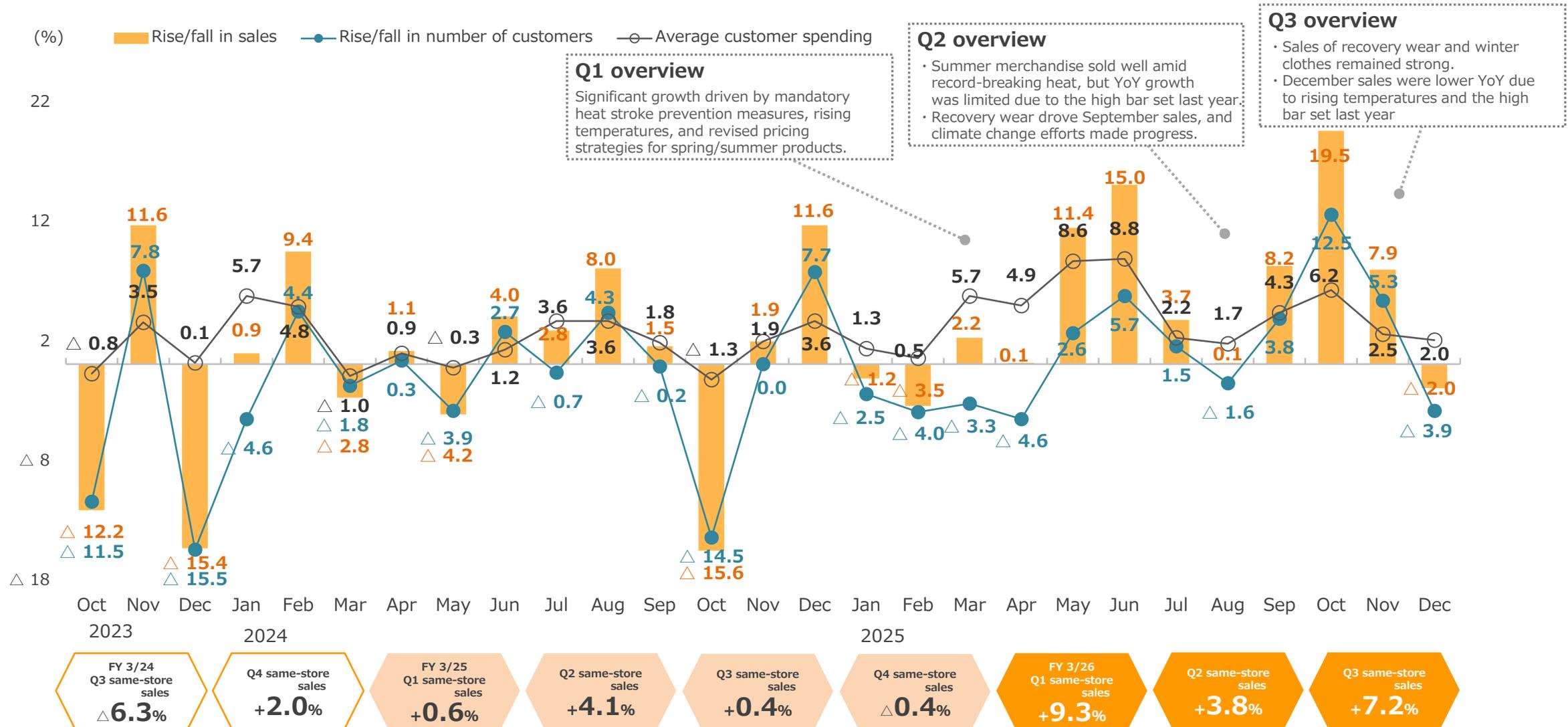
(Number of stores)	End of FY 3/2025	New store openings			S&B※2	Renovation	Excluding increase /decrease ※3	Closures	End of FY 3/2026 Q3
		Roadside	SC※2						
	317	–	–	–	△4	△55	2	△2	258
	645	9	9	–	4	55	△2	△2	709
	62	–	–	–	–	△7	–	–	55
	17	32	23	9	–	7	–	–	56
	10	–	–	–	–	–	–	–	10
Total ※1	1,051	41	32	9	(4)	(62)	–	△4	1,088

※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

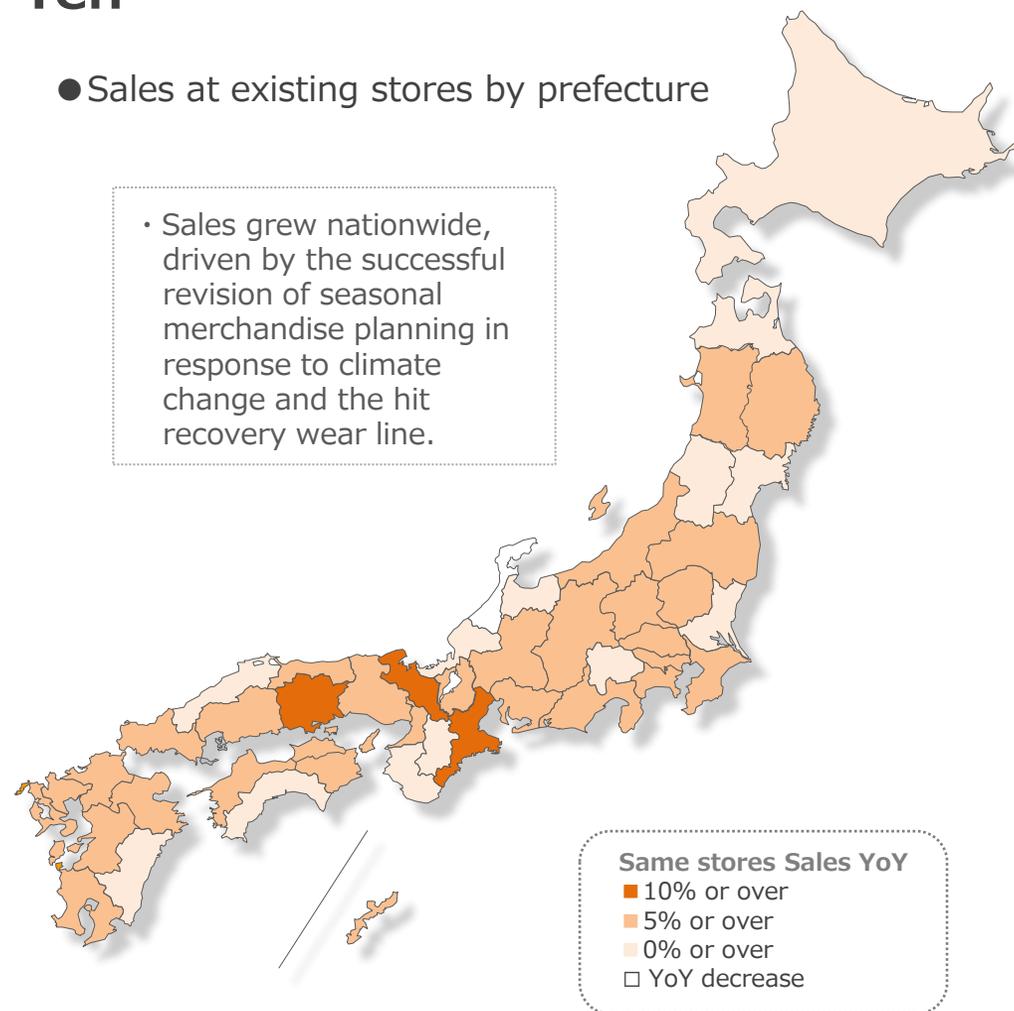


Sales at All Chain Stores **165,975** Million Yen

● Sales at existing stores by prefecture

	All chain stores	Existing stores
Net sales	+12.0%	+6.9%
Number of customers	+7.0%	+2.3%
Average number of customers per day	—	※182 (+7)
Average customer spending	3,224 yen (+4.7%)	3,220 yen (+4.5%)
Unit price per item	1,296 yen (+4.5%)	1,289 yen (+4.1%)
Number of items purchased	2.48 items (+0.2%)	2.49 items (+0.3%)

※ 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.

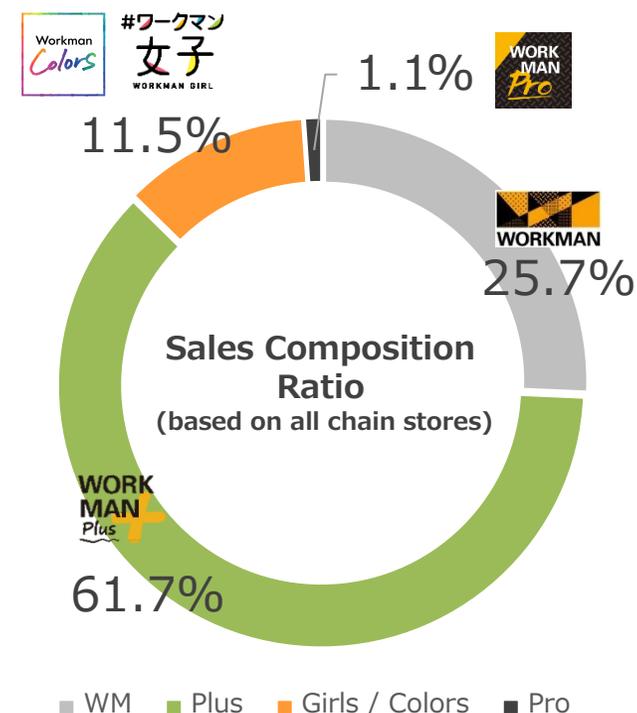
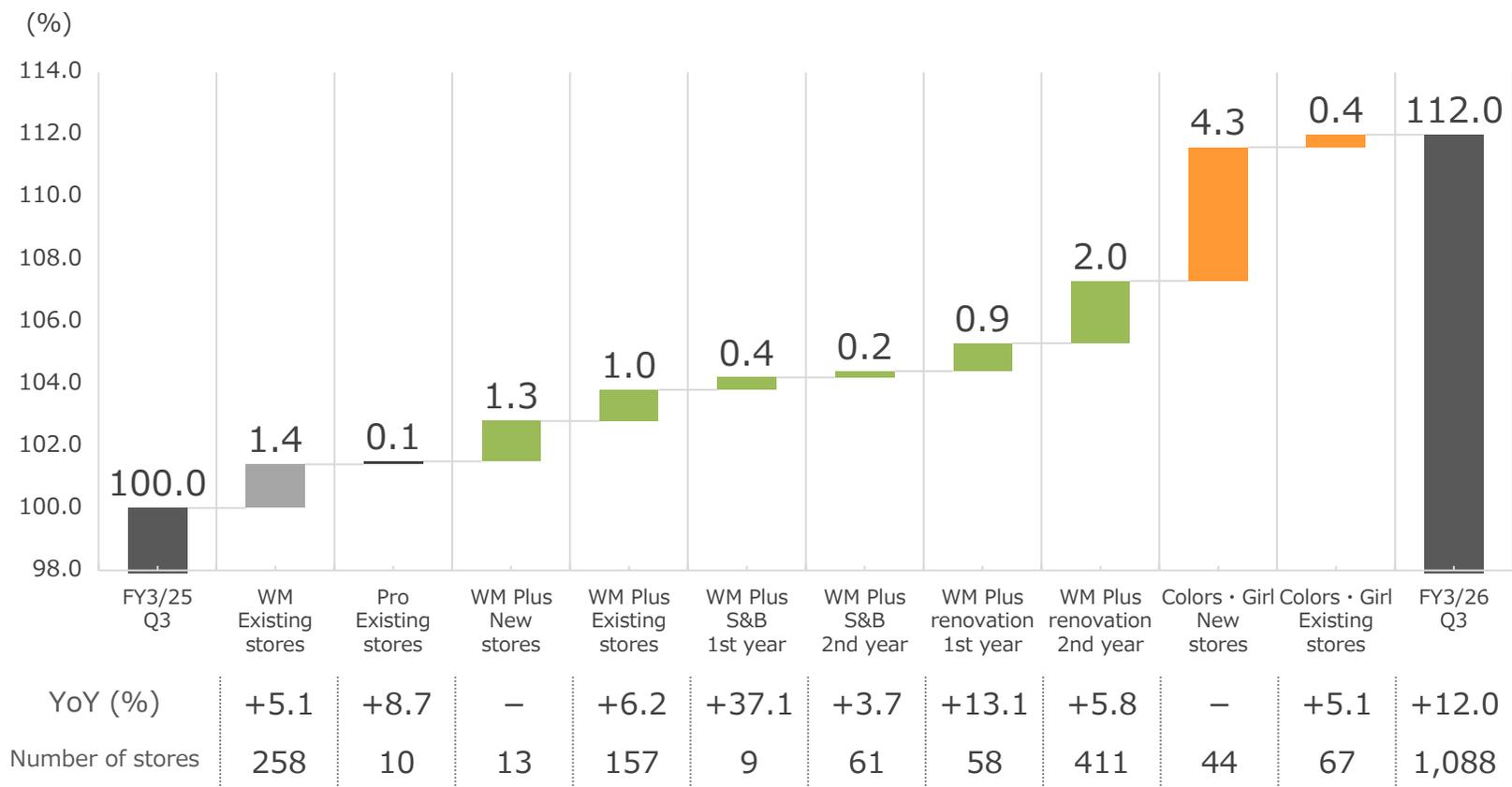


Sales by Business Category



Positive growth is being maintained in all business categories. WORKMAN Colors sales are stabilizing

● 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.

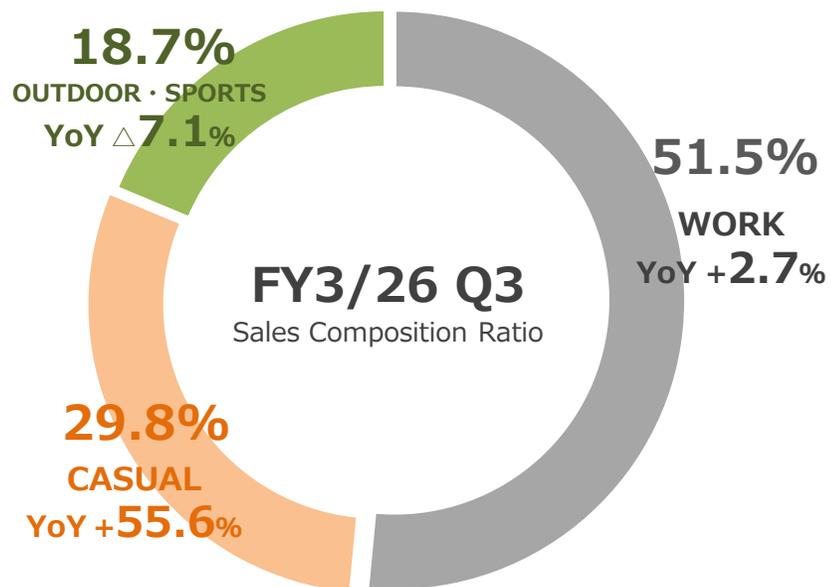
Status of Sales (Results by Product)



Casual products have grown with the accelerated expansion of WORKMAN Colors and the high popularity of recovery wear

● 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 Q3		FY 3/26 Q3	
	Sales	YoY (%)	Sales	YoY (%)
Undergarments · Socks Undergarments, socks, hats, towels, etc.	16,279	+9.9	20,741	+27.4
Casualwear · Sports Sportswear, polo shirts, etc.	22,953	+6.4	29,543	+28.7
Workwear · Outdoor Workwear, outdoor wear, etc.	42,499	+1.9	46,913	+10.4
Women's · Uniforms White smocks, office uniforms, etc.	12,065	+18.5	13,978	+15.9
Footgear Protective footwear, <i>tabi</i> stocks, high boots, kitchen shoes, etc.	23,066	+4.2	23,073	+0.0
Work supplies Work gloves, protective gear, rainwear, etc.	31,206	+1.8	31,697	+1.6
Other	142	△50.6	26	△81.1
Total	148,214	+4.8	165,975	+12.0

Status of Sales (Sales by Product and Factors)

Sales of PB Products **117,651** Million Yen · PB ratio **70.9%** (YoY +2.6pt)

● Sales results by brand

(Millions of yen)	Number of items (YoY)	Sales value (YoY)	Share (%)
Workman WORK	610 (△11.5%)	50,197 (+5.1%)	42.7
Workman SPORTS	197 (△31.8%)	11,910 (+13.4%)	10.1
Workman OUTDOOR	380 (△29.1%)	20,892 (+0.5%)	17.8
Workman DAYS	1,263 (+46.7%)	34,650 (+57.0%)	29.4
Total for PB products	2,450 (+3.2%)	117,651 (+16.3%)	100.0

● New Brand

Unisex

Men's

Ladies'

CASUAL

SELECT

CLEAN

CASUAL

OFFICE

RELAX

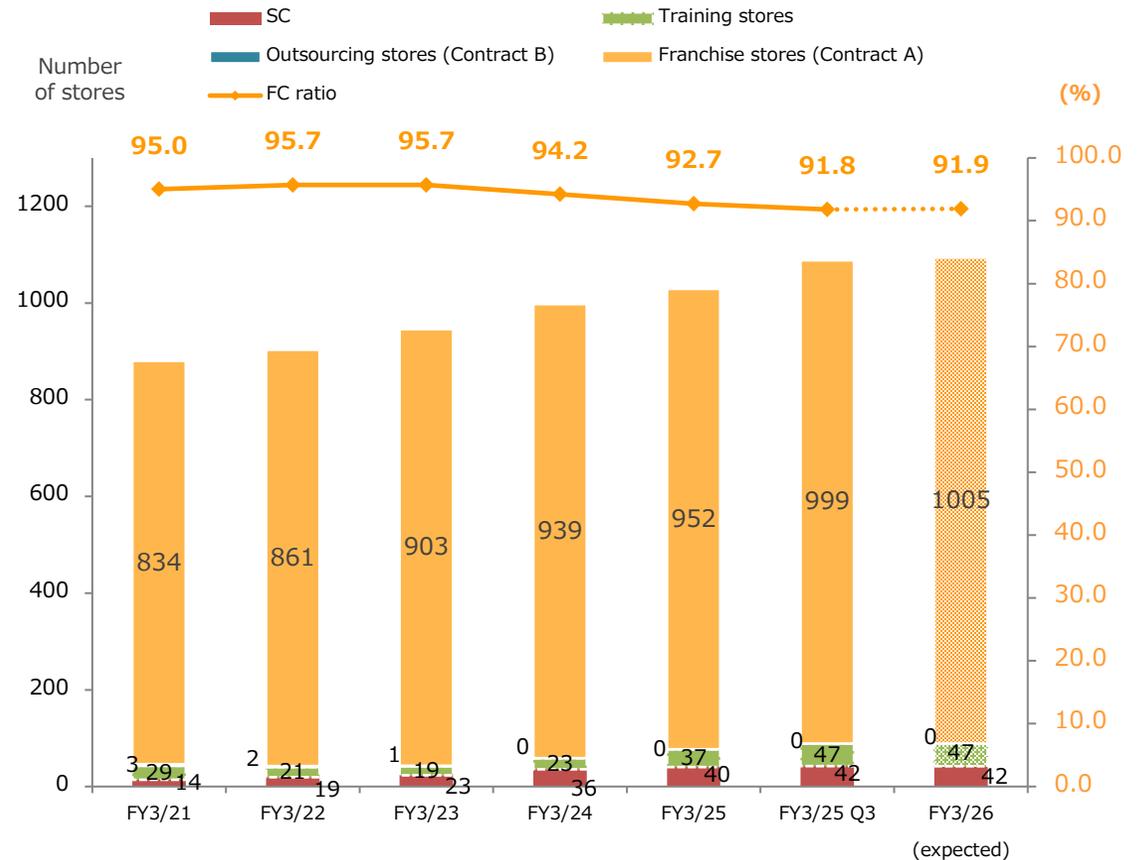
Format of Store Operations

Ratio of franchise stores: 91.8% ($\Delta 0.9$ points from the end of FY 3/25). **Corporate franchise stores have started operating, and we plan to expand the store network.**

● Format of Store Operations for FY 3/26 Q3

Format of Store Operations		End-March 2025	Up	Down	End-December 2025
FC	Individual proprietor franchise stores	974	70	50	994
	Corporate franchise stores	—	5	—	5
Directly managed	Outsourcing stores	—	—	—	—
	Training stores	37	50	40	47
	Shopping center (SC) and outsourced stores	40	3	1	42
Total		1,051	128	91	1,088

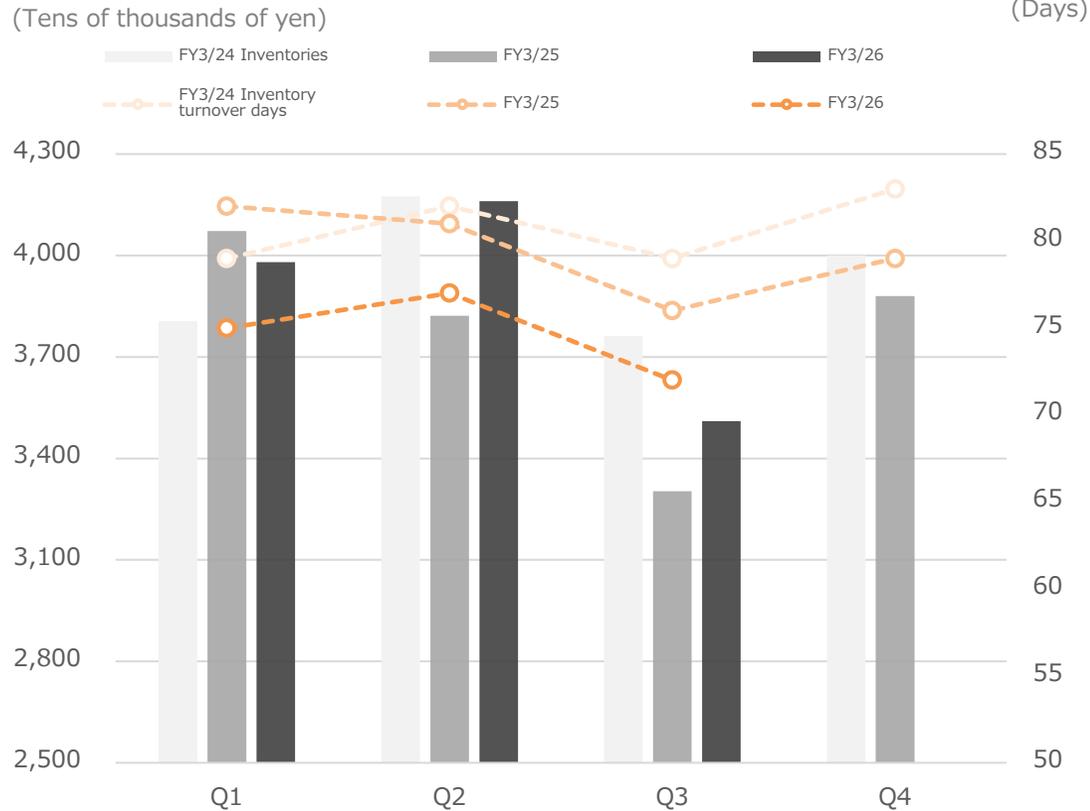
● Number of Stores by Format of Operations



Steady reduction of autumn and winter products due to growth in sales has improved the number of days for inventory turnover

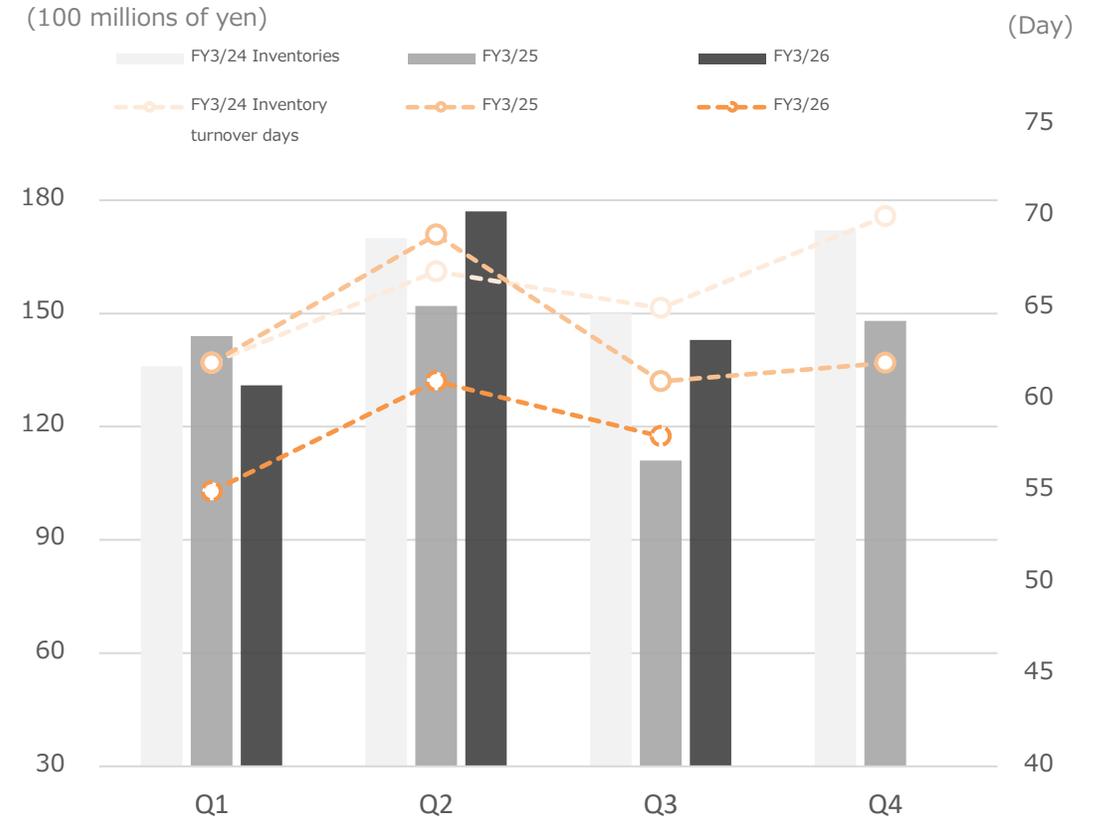
● Selling price inventories per store

- Autumn and winter products are selling well, maintaining inventory turnover at an appropriate level.
- We plan to increase the inventory of key products in the run-up to the end of the term.



● DC inventories / delivery cost ratio

- Although autumn/winter inventory has decreased, inventory of year-round products such as workwear has increased.
- Delivery cost ratio: 7.57% (down Δ 0.07 points YoY)



- 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% ⇒ 40%
- 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

Increased store openings are expected in the next term due to accelerated expansion of WORKMAN Colors and progress in corporate franchise contracts

(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	38	28	10	–	29	–	–	84	
	10	–	–	–	–	–	–	–	10	–
Total※1	1,051	48	38	10	(7)	(84)	–	△5	1,094	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.

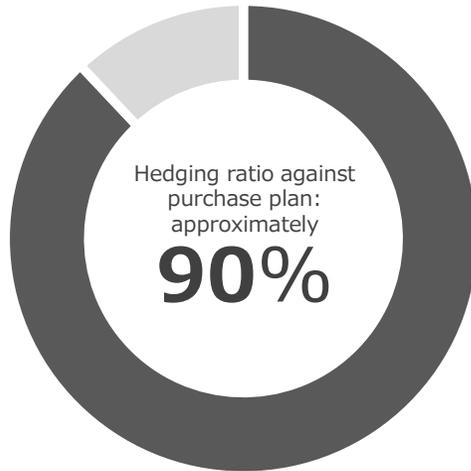
※2. SC: Shopping centers S&B: Scrap and Build

※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.

Firmly maintain profitability by systematic use of forward exchange contracts and appropriate pricing

● Forward exchange contracts

- Forward exchange contracts
- SPOT



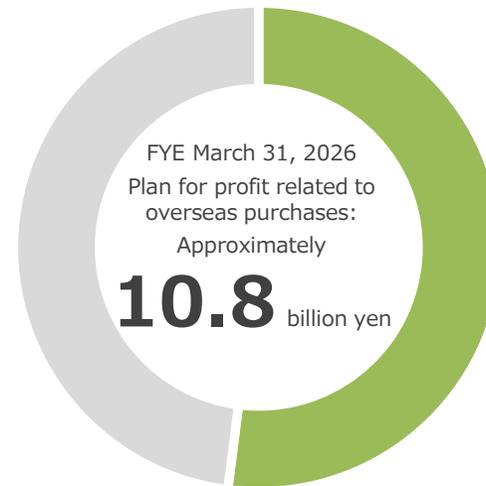
• Full-year assumed rate **148** yen

(FY ending March 2027 Plan)

Term	% locked in	Rate
1st Half	Approx. 90%	Approx. 143 yen
2nd Half	Approx. 75%	Approx. 151 yen
Full Year	Approx. 80%	Approx. 147 yen

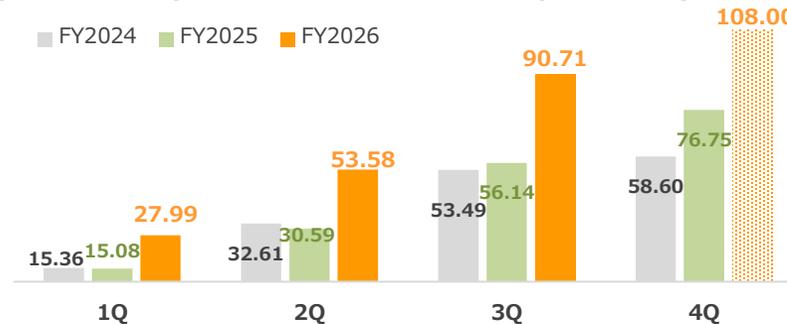
※ The % locked in is based on the purchase amount for the FY ending March 2026.

● Progress in profit related to overseas purchases

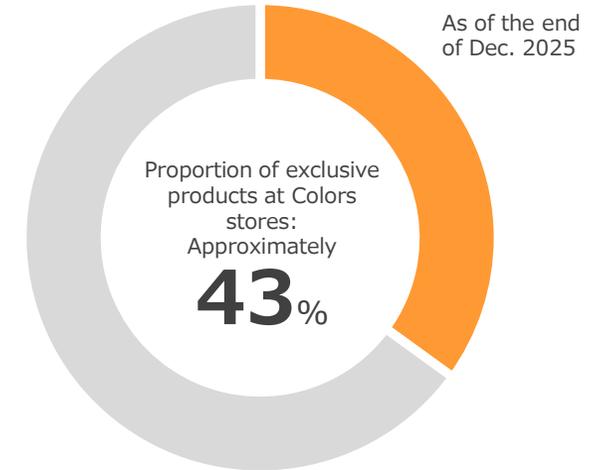


• Growth in Q4 will be limited due to enhanced profit sharing with franchise stores

(Cumulative profit related to overseas purchases)



● Workman Colors exclusive product ratio



• Expansion of functional casual wear and the shift to exclusive products will continue in spring and summer 2026



Aim to be **No.1** in the recovery wear industry (in both items sold and sales profit)

Accelerate popularization by enhancing the production system, sales promotion, sales floors, and the product lineup, developing MEDiHEAL into a core product



- Newly appointed brand ambassador: Saori Yoshida
- Strive for even greater popularization by strengthening sales promotion

- Sales performance (chronic inventory shortages due to higher-than-anticipated sales)



Cumulative sales for the series (September-December 2025) About **3.19** million items **5.5** billion yen

● Sales strategy

✓ Production logistics	<ul style="list-style-type: none"> • Secure annual production capacity of 21 million items • Establish a dedicated MEDiHEAL warehouse (monthly bulk procurement) • Reinforce lineup of everyday wear including underwear
✓ Sales floor development	<ul style="list-style-type: none"> • Increase display shelves (about 1,500 per store) • 8 SC stores to feature in-store wrapping displays
✓ Sales promotions	<ul style="list-style-type: none"> • Disseminate information on social media, e.g. new product showcases • Special edition flyers (starting on February 10) • TV commercials (details to be announced soon)
✓ App	<ul style="list-style-type: none"> • Pre-ordering through the app • Develop feature pages, give shoppers the ability to check product availability

Maximize sales through event-driven expansion of key products

- Product showcase events for the media and influencers



February 9, 2026 | Tokyo International Forum

MEDiHEAL® Recovery Wear

- In line with the expansion of the recovery wear market, release 24 new spring and summer items including underwear and bedding
- Disclose our sales strategy to maximize product potential and outline our policy for market development

Colors Functional Casual: Comfortable Everyday Clothing

- Display approximately 300 new functional casual items offered at "inflation-relief prices"
- Aim for high growth through aggressive product and store expansion

Heat-Resistant Line: XShelter

- Lead the industry by unveiling 80 new items of extreme heat-resistant wear
- Optimize products by adapting to a changing environment and capture new demand

Growth strategies are steadily delivering results, with progress exceeding the forecast

Sales at all chain stores

201,800 Million yen YoY + **10.2%**

Total operating revenue

155,000 Million yen YoY + **13.2%**

Operating profit

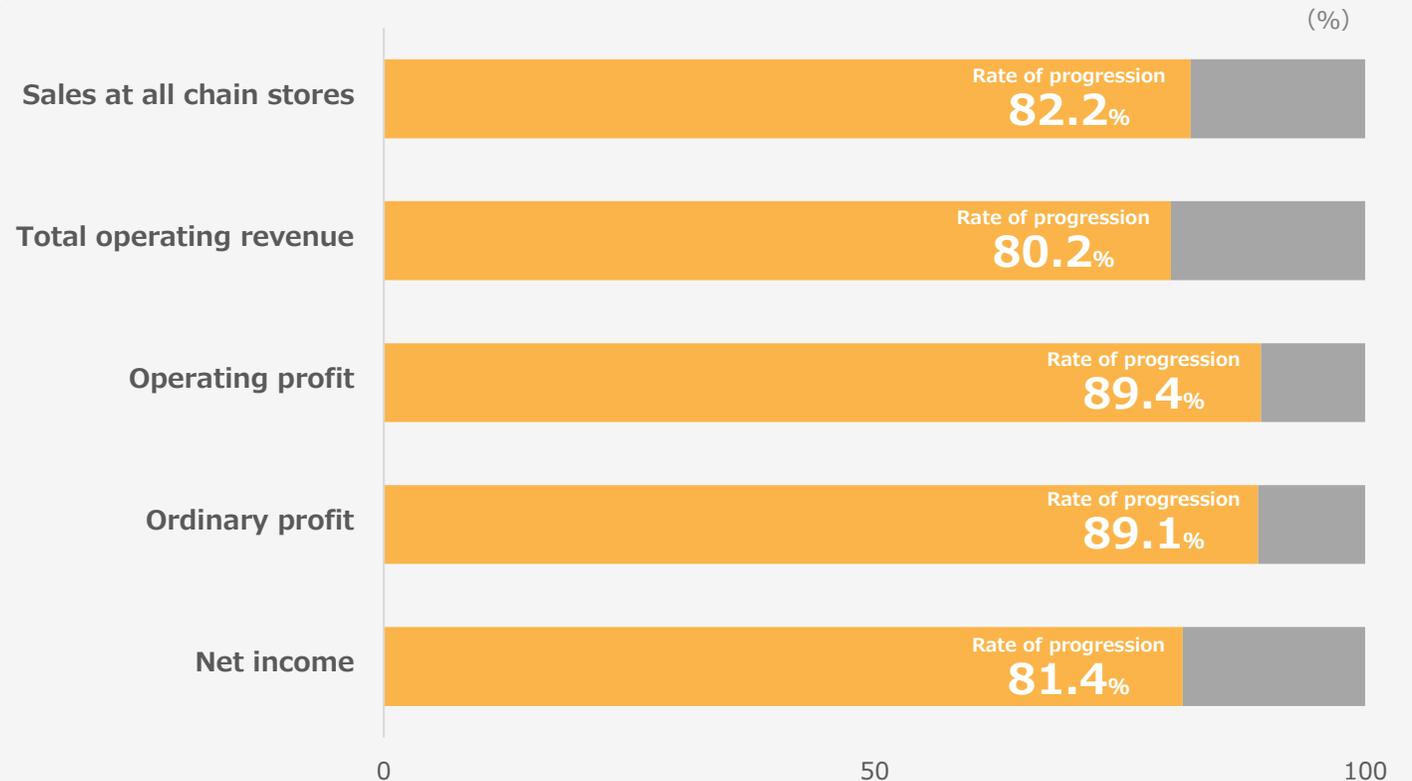
28,200 Million yen YoY + **15.6%**

Ordinary profit

29,000 Million yen YoY + **16.4%**

Net income

19,700 Million yen YoY + **16.6%**





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- 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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