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# Workman

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## FY 3/2026 Financial Results Briefing Materials

May 11, 2026

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- FY 3/2026 Financial Results

# Cumulative Income Statement



(Millions of yen)	FY 3/25	FY 3/26	YoY (%)	Forecast for FY 3/26	Compared with Plan
<b>Sales at all chain stores</b>	183,132	<b>209,234</b>	<b>+14.3</b>	201,800	+3.7
Sales to directly managed stores	17,215	<b>24,396</b>	<b>+41.7</b>	22,300	+9.4
Sales to franchise stores	165,917	<b>184,837</b>	<b>+11.4</b>	179,500	+3.0
(Same store sales)	—		<b>+9.0</b>	+5.4	+3.6
<b>Total operating revenue</b>	136,933	<b>160,852</b>	<b>+17.5</b>	155,000	+3.8
Cost of sales	85,771	<b>99,866</b>	<b>+16.4</b>	95,410	+4.7
Adjusted OP before SG&A	51,162	<b>60,986</b>	<b>+19.2</b>	59,590	+2.3
SG&A	26,768	<b>31,309</b>	<b>+17.0</b>	31,390	△0.3
<b>Operating profit</b>	24,394	<b>29,676</b>	<b>+21.7</b>	28,200	+5.2
<b>Ordinary profit</b>	24,904	<b>30,567</b>	<b>+22.7</b>	29,000	+5.4
<b>Net income</b>	16,892	<b>20,618</b>	<b>+22.1</b>	19,700	+4.7
EPS	206.99 yen	<b>252.64 yen</b>		241.39 yen	

## Financial Results Highlights

### ● Sales at all chain stores

- Sales of seasonal products and off-season products performed well, driven by efforts to respond to climate change
- Recovery wear gained widespread popularity among the general public, with sales far exceeding expectations and driving overall profit (+3.6 points above the full-year plan target)

### ● Total operating revenue

- Sales at directly managed stores were up by +41.7% YoY (with the average number of stores during the period increasing by 24)
- Gross profit margin at franchise stores was 36.9% (+0.7 points)  
⇒ Royalty income increased as a result of improvement in store gross profit margins
- Product supply and sales at franchise stores was 94,849 million yen (+15.0% YoY)

### ● Cost of sales

- Profit related to overseas purchases: 10,876 million yen (+41.7% YoY)
- (1) Average settlement rate: 148.06 yen (FY 3/25 144.94 yen)
- (2) Direct overseas purchases: +25.7% (accounts for 64.4% of total purchases)

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

- Revenue from franchise stores: +4,380 million yen
- Gross profit from self-operated stores: +2,627 million yen
- Profit related to overseas purchases: +3,201 million yen

### ● In summary

- Achieved an increase in both revenue and profit for the second consecutive year, with record-high profit

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



## Factors of increase/decrease

(Millions of yen)	FY 3/2025	SG&A ratio (%)	FY 3/2026	SG&A ratio (%)	Change	YoY (%)
<b>Sales at all chain stores</b>	183,132	–	<b>209,234</b>	–	–	+14.3
Labor cost	4,404	2.4	<b>5,192</b>	2.5	+788	+17.9
Selling cost	1,544	0.8	<b>2,719</b>	1.3	+1,175	+76.1
Traveling expenses	451	0.2	<b>488</b>	0.2	+36	+8.1
Freight cost	2,113	1.2	<b>2,285</b>	1.1	+171	+8.1
Rent	7,008	3.8	<b>7,220</b>	3.5	+211	+3.0
Supply expenses	1,022	0.6	<b>1,377</b>	0.7	+354	+34.7
Outsourcing expenses	4,398	2.4	<b>5,169</b>	2.5	+771	+17.5
Depreciation	3,008	1.6	<b>3,575</b>	1.7	+566	+18.8
Other	2,815	1.5	<b>3,280</b>	1.6	+464	+16.5
<b>Total</b>	<b>26,768</b>	<b>14.6</b>	<b>31,309</b>	<b>15.0</b>	<b>+4,541</b>	<b>+17.0</b>

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

### ● Labor cost

- Regular salary increase: +3.6%. Average number of employees during the quarter: +21
- Average number of directly managed stores during the quarter: +21 stores, with increased part-time hiring

### ● Selling cost

- Increase in the number of sales promotion flyers distributed and the number of stores used: +360 million yen
- Sales promotion media: +306 million yen (in-store wrapping displays, panels, etc.)
- TV commercials: +408 million yen
- Product showcases: +140 million yen

### ● Freight cost

- Increase in rebates associated with an increase in domestic purchases (△972 million yen)
- \*Product freight cost: △333 million yen / Rent: △194 million yen / Outsourcing expenses: △299 million yen

### ● Rent

- The average number of stores during the quarter: +46, +202 million yen

### ● Supply expenses

- Furniture and fixtures for new stores and renovations: +214 million yen
- Establishment of logistics depots (Hokkaido, Kyushu), purchase of equipment: +180 million yen

### ● Outsourcing expenses

- SC stores operating cost: +287 million yen
- New store and renovation operations: +283 million yen
- Distribution center management outsourcing: +433 million yen

### ● Depreciation

- Increase in company-owned properties and soaring construction costs
- Asset retirement obligation reassessment: +108 million yen

# Balance Sheet



(Millions of yen)	FY 3/2025	FY 3/2026	Change
<b>Current assets</b>	121,066	<b>138,440</b>	+17,374
Cash and deposits	80,381	<b>83,743</b>	+3,362
Accounts receivable - due from FCs	12,594	<b>14,470</b>	+1,875
Merchandise	24,084	<b>29,770</b>	+5,685
Other	4,005	<b>10,456</b>	+6,450
<b>Non-current assets</b>	41,164	<b>46,816</b>	+5,651
Property, plant and equipment	32,814	<b>38,531</b>	+5,716
Intangible assets	1,090	<b>1,437</b>	+347
Other investments	7,259	<b>6,847</b>	△412
<b>Total assets</b>	162,231	<b>185,257</b>	+23,026
<b>Current liabilities</b>	22,145	<b>26,454</b>	+4,309
<b>Non-Current liabilities</b>	4,783	<b>5,345</b>	+562
<b>Total liabilities</b>	26,928	<b>31,800</b>	+4,871
<b>Total net assets</b>	135,302	<b>153,456</b>	+18,154
<b>Total liabilities and net assets</b>	162,231	<b>185,257</b>	+23,026

## Factors of increase/decrease

### ● Cash and deposits

- Operating CF : +18,838 million yen
  - Investing CF : △13,404 million yen
  - Financing CF : △6,071 million yen
- A solid financial base that supports growth investment

### ● Accounts receivable - due from FCs

- Against the backdrop of strong sales, inventories of year-round and spring/summer products were expanded (inventory at retail value per store: +3.5 million yen)

### ● Merchandise (factors for increase/decrease)

- There was a significant increase YoY as distribution centers strategically increased inventories centered on key products in preparation for future sales growth

(Millions of Yen)

Factors	Changes FY 3/25
• Directly managed/SC stores	+96
• Distribution centers	+5,843
• Goods in transit	△257






### ● Rise in tangible fixed assets

- A total of 55 newly built stores: 48 new stores and 7 S&B stores (of which 45 stores are properties owned and built by the company; down 7 stores YoY)
- Building costs remain high due to the soaring prices of materials and labor costs.

- FY 3/2026 Financial Results Overview

# Store Openings

Expansion of Workman Colors stores is accelerating with new store openings and renovations  
 Strengthening store openings in shopping centers through corporate franchise stores

(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
		Roadside	SC※2						
	<b>317</b>	–	–	–	△7	△55	2	△2	<b>255</b>
	<b>645</b>	<b>10</b>	10	–	<b>7</b>	<b>55</b> △1	△2	△3	<b>711</b>
	<b>62</b>	–	–	–	–	△31	–	–	<b>31</b>
	<b>17</b>	<b>38</b>	28	10	–	<b>31</b> 1	–	–	<b>87</b>
	<b>10</b>	–	–	–	–	–	–	–	<b>10</b>
Total ※1	<b>1,051</b>	<b>48</b>	38	10	<b>(7)</b>	<b>(87)</b>	–	△5	<b>1,094</b>

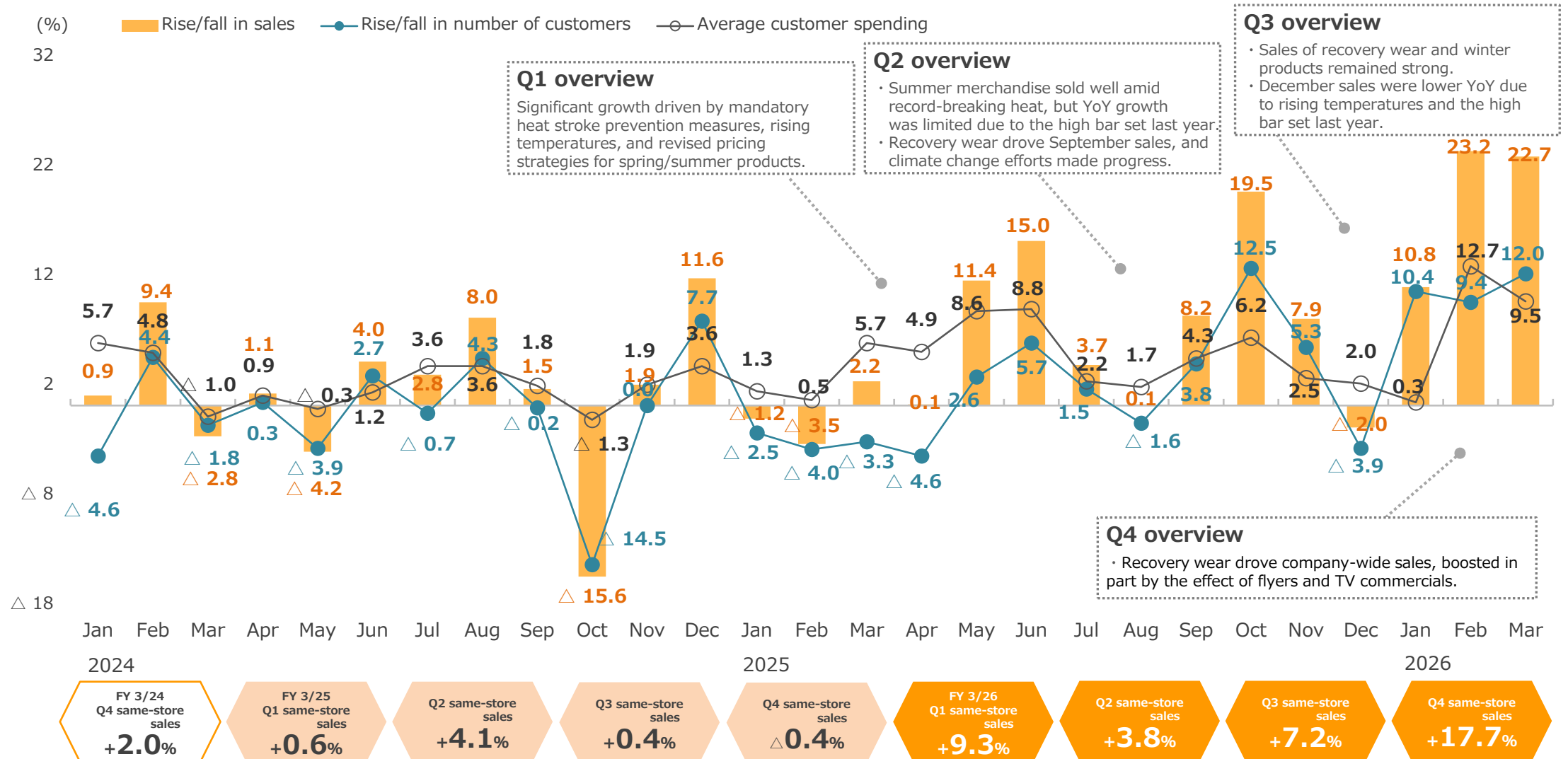
※1. The Total column shows the number of operating stores, with figures in parentheses excluded from the Total.

※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.

※4. The lower section of the revised table shows the changes resulting from the transition from Workman Plus to Workman Colors.

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

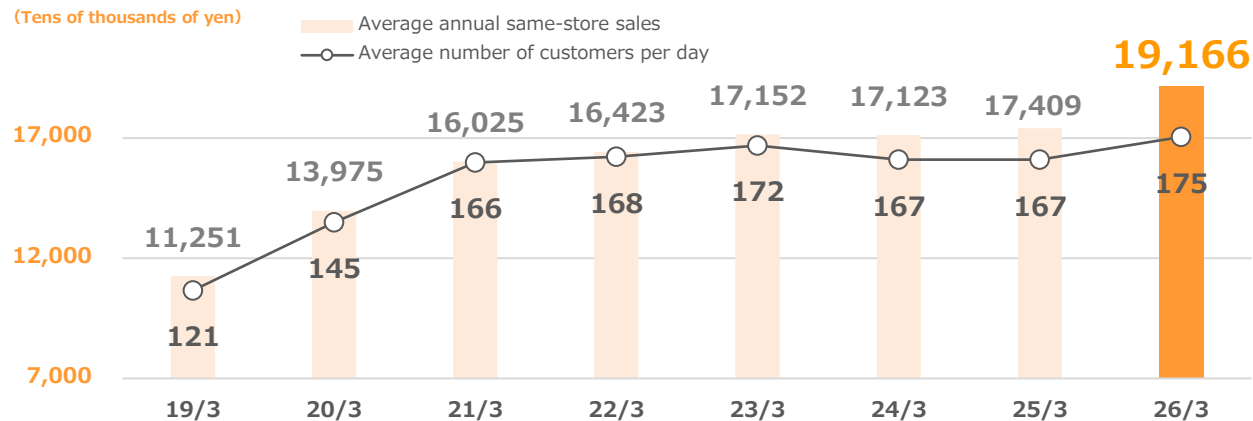


## Sales at All Chain Stores **209,234** Million Yen

	All chain stores	Existing stores
Net sales	+14.3%	+9.0%
Number of customers	+8.7%	△3.9%
Average number of customers per day	—	※175 (+8)
Average customer spending	3,197 yen (+5.1%)	3,190 yen (+4.9%)
Unit price per item	1,291 yen (+4.3%)	1,282 yen (+3.9%)
Number of items purchased	2.46 items (+0.7%)	2.47 items (+0.9%)

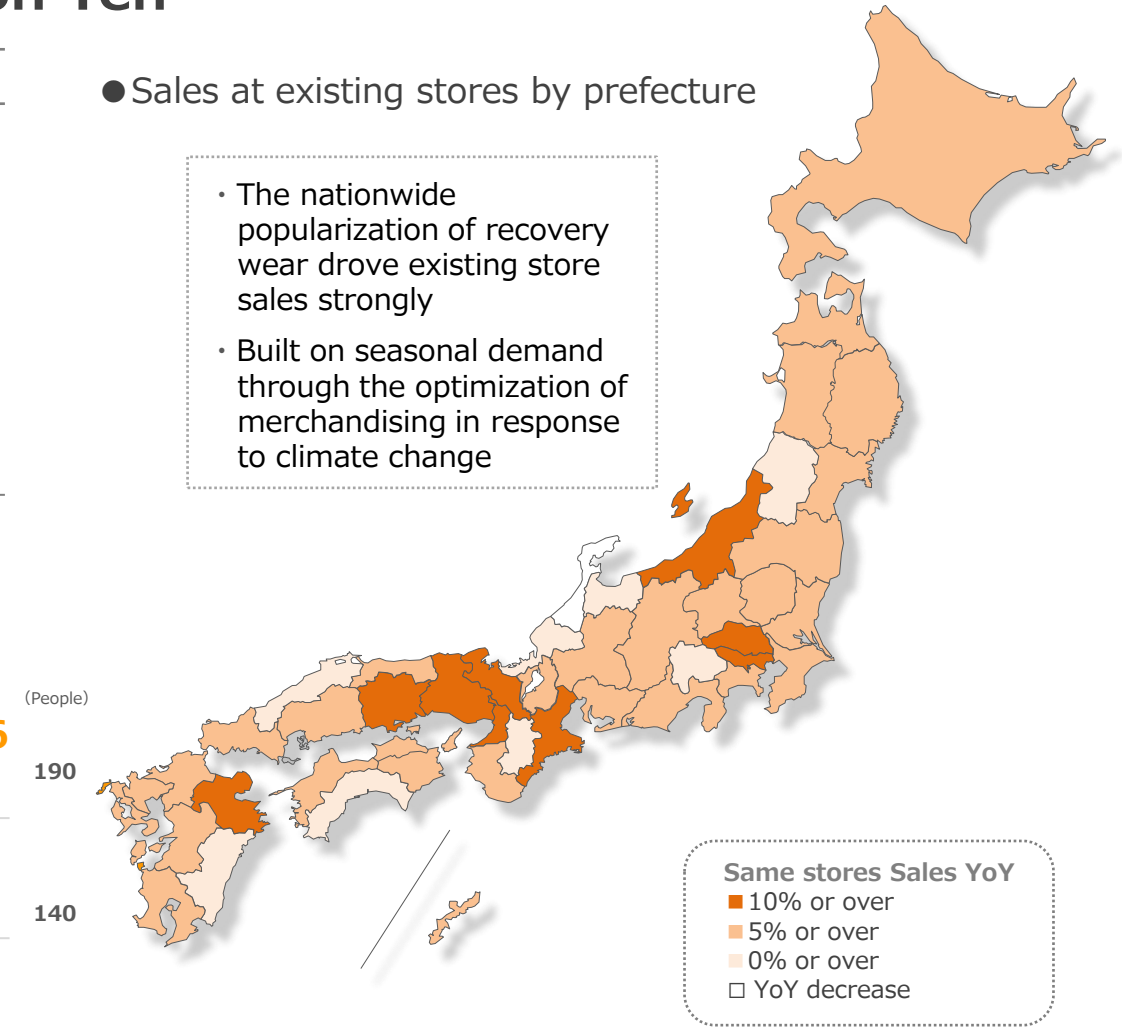
※ The average number of customers per day is an approximate figure as the number of business days varies depending on the format of store operations.

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



### ● Sales at existing stores by prefecture

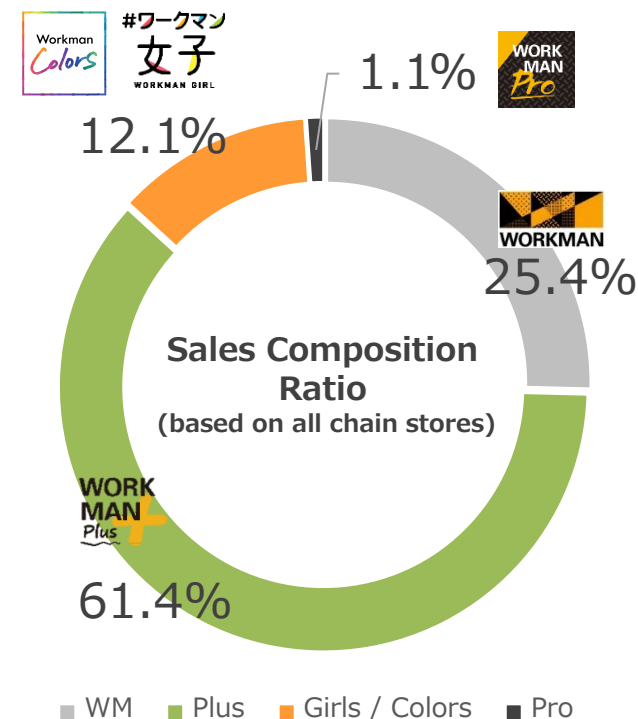
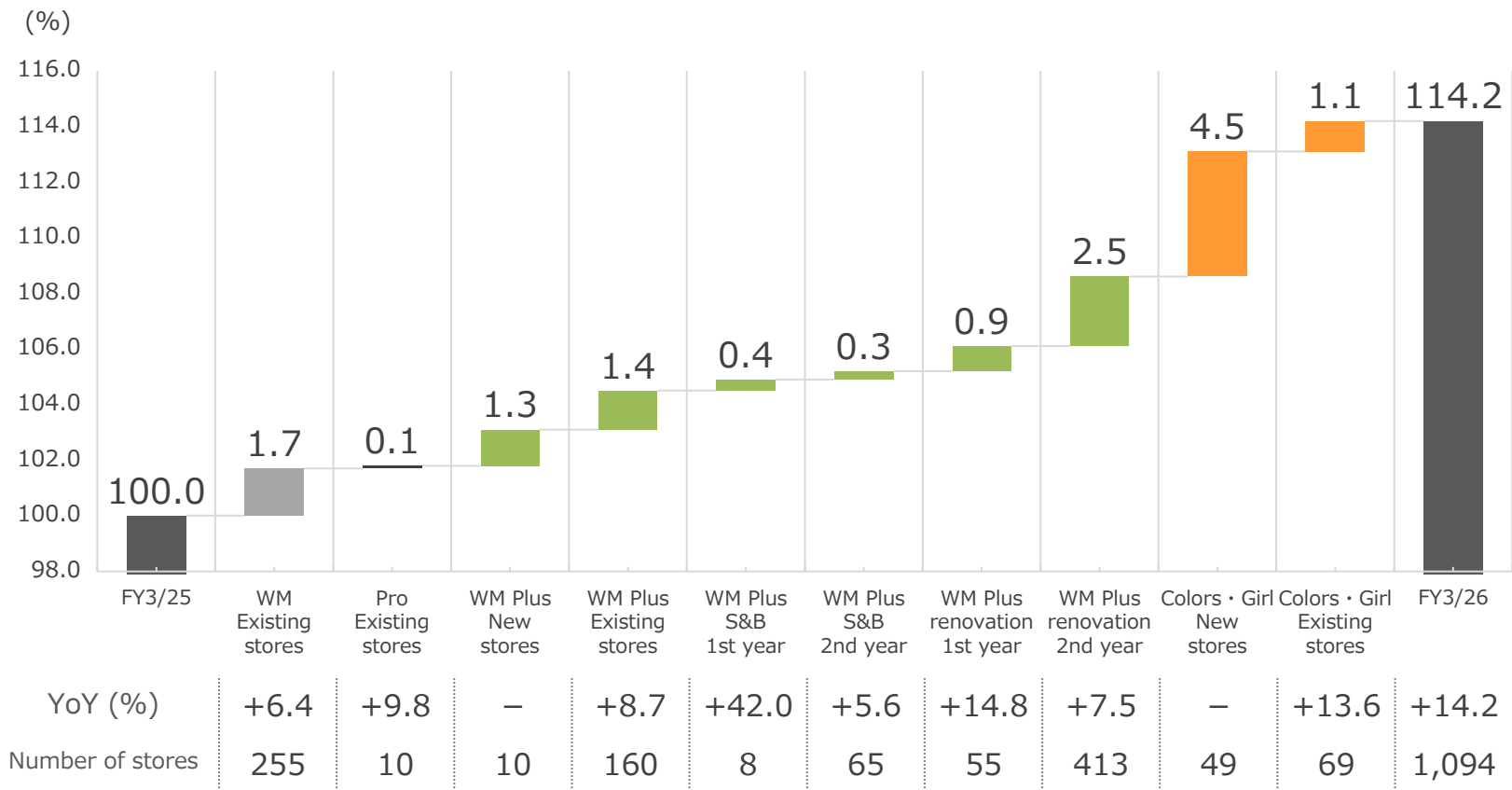
- The nationwide popularization of recovery wear drove existing store sales strongly
- Built on seasonal demand through the optimization of merchandising in response to climate change



# Sales by Business Category

Positive growth is being maintained in all business categories, with Workman Colors existing stores driving sales

● 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.

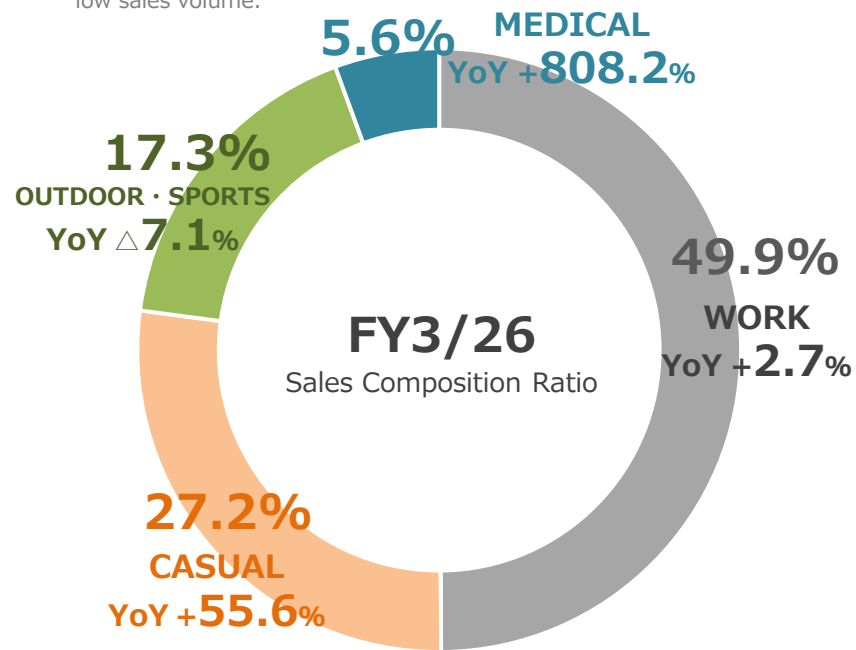
# Status of Sales (Results by Product)



## Casual and medical products (recovery wear) have grown, diversifying the revenue base

### ● 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.
- Medical

### ● Sales by category (sales at all chain stores)

Category	FY 3/25		FY 3/26	
	Sales	YoY (%)	Sales	YoY (%)
<b>Undergarments · Socks</b> Undergarments, socks, hats, towels, etc.	19,844	+9.0	<b>28,005</b>	<b>+41.1</b>
<b>Casualwear · Sports</b> Sportswear, polo shirts, etc.	27,319	+5.9	<b>37,107</b>	<b>+35.8</b>
<b>Workwear · Outdoor</b> Workwear, outdoor wear, etc.	50,982	+2.6	<b>55,195</b>	<b>+8.3</b>
<b>Women's · Uniforms</b> White smocks, office uniforms, etc.	14,631	+18.6	<b>17,315</b>	<b>+18.3</b>
<b>Footgear</b> Protective footwear, <i>tabi</i> stocks, high boots, kitchen shoes, etc.	29,652	+3.4	<b>30,375</b>	<b>+2.4</b>
<b>Work supplies</b> Work gloves, protective gear, rainwear, etc.	40,326	+0.4	<b>40,849</b>	<b>+1.3</b>
<b>Other</b>	376	+6.6	<b>384</b>	<b>+2.3</b>
<b>Total</b>	<b>183,132</b>	<b>+4.5</b>	<b>209,234</b>	<b>+14.3</b>

# Status of Sales (Sales by Product and Factors)

Sales of PB Products **150,130** Million Yen · PB ratio **71.9%** (YoY +3.4pt)

● Sales results by brand

(Millions of yen)	Number of items (YoY)	Sales value (YoY)	Share (%)
Workman <b>WORK</b>	660 (△17.7%)	61,273 (+2.5%)	40.8
Workman <b>SPORTS</b>	230 (△29.7%)	12,946 (+3.4%)	8.6
Workman <b>OUTDOOR</b>	455 (△26.0%)	26,877 (+4.9%)	17.9
Workman <b>DAYS</b>	1,558 (+42.7%)	49,033 (+79.4%)	32.7
Total for PB products	<b>2,903</b> (+2.4%)	<b>150,130</b> (+19.9%)	<b>100.0</b>

● New Brand

**Unisex**

**Men's**

**Ladies'**

# Format of Store Operations

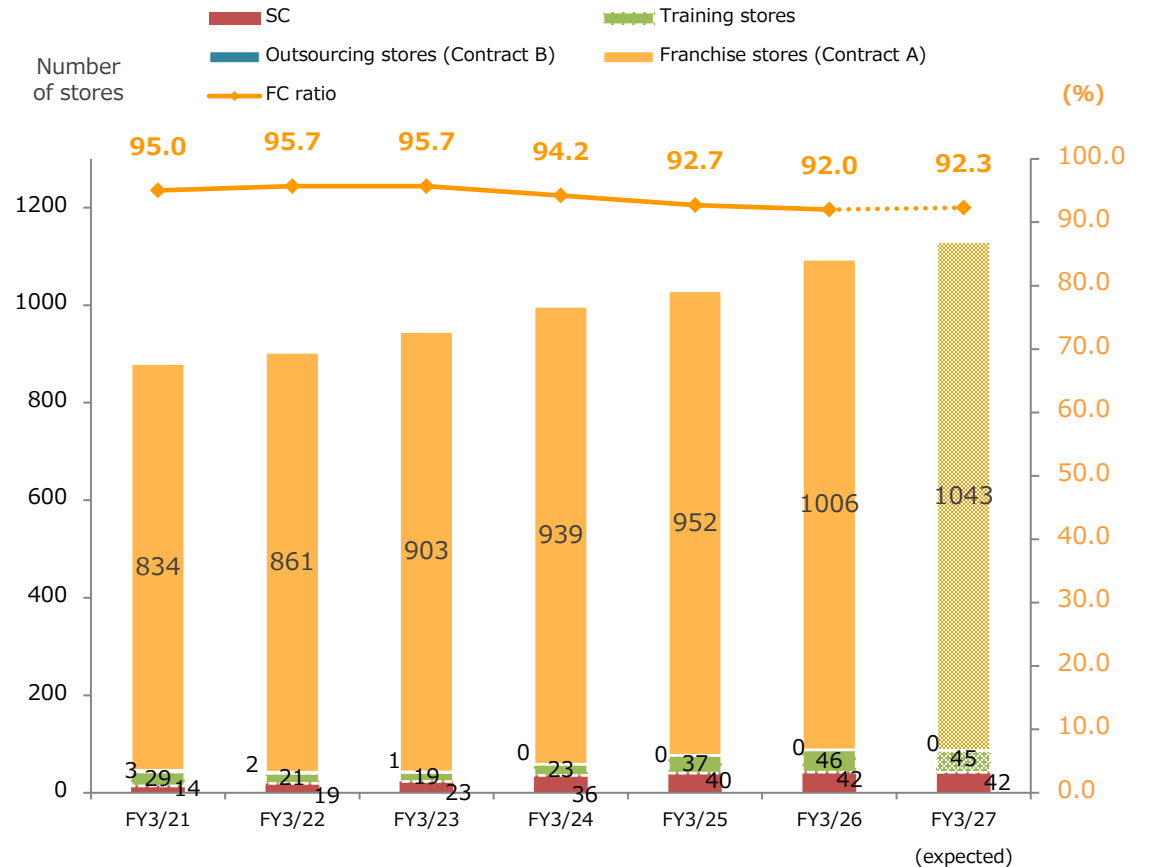


**Ratio of franchise stores: 92.0%** ( $\Delta 0.7$  points from the end of the previous fiscal year), **with corporate franchise stores making steady progress as we aim to improve the FC ratio**

● Format of Store Operations for FY 3/26

Format of Store Operations		End-March 2025	Up	Down	End-March 2026
FC	Individual proprietor franchise stores	974	87	61	1,000
	Corporate franchise stores	—	6	—	6
Directly managed	Outsourcing stores	—	—	—	—
	Training stores	37	59	50	46
	Shopping center (SC) and outsourced stores	40	3	1	42
	<b>Total</b>	<b>1,051</b>	<b>155</b>	<b>112</b>	<b>1,094</b>

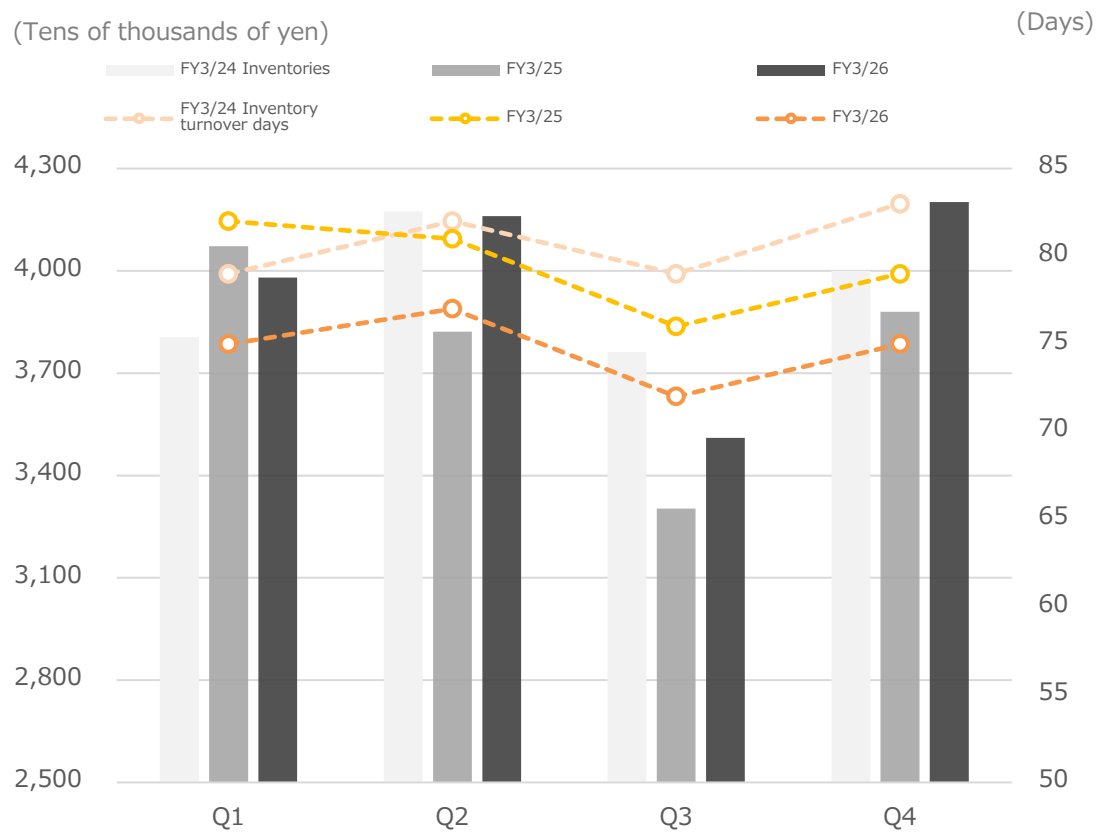
● Number of Stores by Format of Operations



## Inventory optimization is progressing, with strategic inventory expansion for the next season

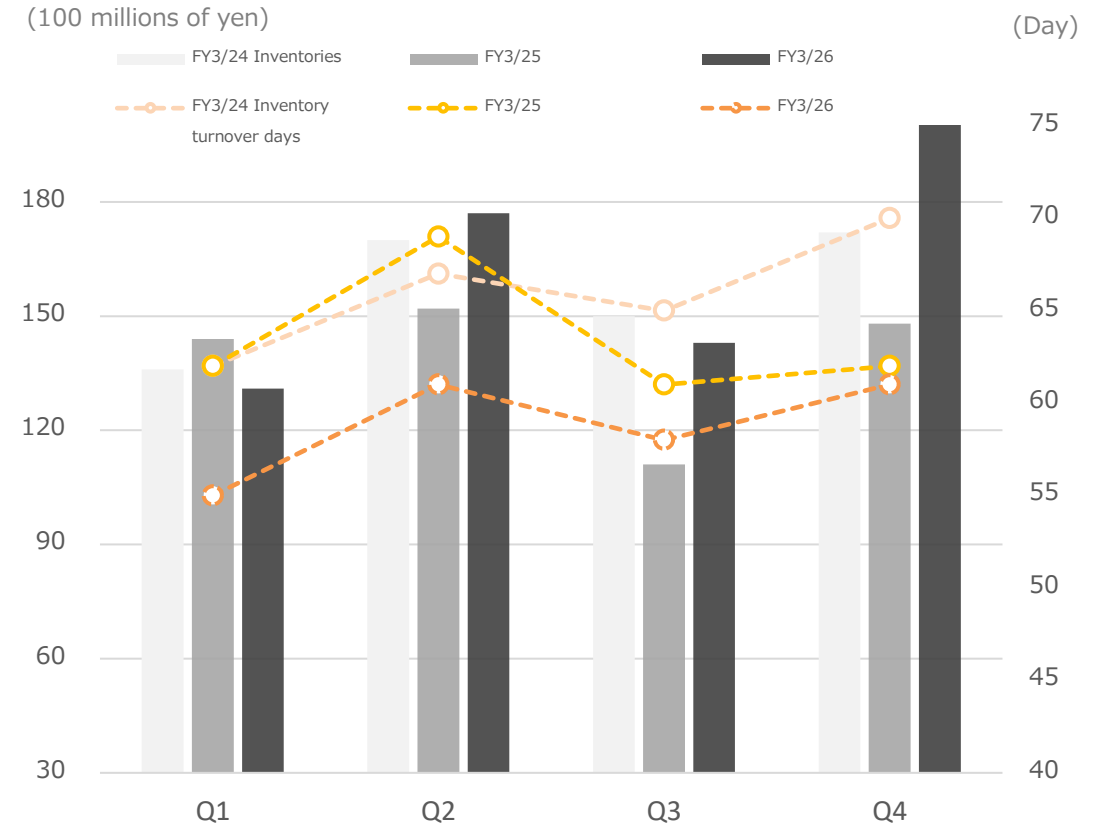
### ● Selling price inventories per store

- While winter products are being steadily consumed, spring/summer and year-round products have increased due to the build-up of inventories of key products, with inventory turnover being maintained at an appropriate level



### ● DC inventories / delivery cost ratio

- While adjustment of seasonal products is progressing, year-round products, such as key products, have increased significantly
- Delivery cost ratio: 7.8% (up +0.1 points YoY)



- FY 2027 Plans

## ● Management Policy

# "Achieving high growth through promoting the Mass Market Product Policy"

## Store opening

**Building a store network that accelerates mass market penetration**

- Colors new store openings: 34 stores (Roadside: 16 stores, SC: 18 stores)  
Promote corporate franchising and consider diverse store openings for market development
- Open new stores in areas that leverage the strengths of each business category and in locations with high customer-drawing power
- Promote S&B to revitalize existing stores

## Products

**Create new markets with mass market products, and strengthen the management system to improve profitability**

- Promote mass market penetration across five product groups and create new markets by providing new value
- Strengthen the management system in line with the mass market product policy (reduction of the number of SKUs, production and quality management)
- Promote the development of new functions and new materials that respond to environmental changes such as climate change and health consciousness  
⇒ Create the next mass market products

## Sales

**Strengthen the linkage between sales promotions and sales floors to maximize the effectiveness of the Mass Market Product Policy**

- Strengthen mass marketing, including TV commercials and flyers, starting from new product showcases. Aim for further expansion of the customer base
- Achieve average annual sales per store of 200 million yen by improving store operations
  - Expand sales of mass market products through linkage with sales promotions
  - Improve sales efficiency through inventory optimization (launch of the new demand forecast ordering system)
- Enhance sales floor presentation capabilities through renovation of existing stores  
Expected to renovate 200 or more stores per year

## Create new markets with unique value (functionality and price) to promote mass market penetration







**Value**

By creating added-value products and delivering them to more customers, we will deepen our penetration of the domestic market, improve management efficiency, and pave the way for overseas expansion

# Store Opening Plans

**Workman Colors will strengthen store openings in shopping centers through corporate franchising, aiming to cultivate potential customers**

**Workman has reached its target number of stores, but will continue to promote conversion to Workman Plus**

(Number of stores)	End of FY 3/2026	Openings set for FY 3/27			S&B※2	Renovation	Excluding increase/decrease ※3	Closures	End of FY 3/2027	Medium/longer-term goals
		Roadside	SC※2							
	255	—	—	—	△10	△50	5	—	200	1,100
	711	6	6	—	10	51	△5	△4	769	
#ワークマン女子 WORKMAN GIRL	31	—	—	—	—	△5	—	—	26	400
	87	34	11	23	—	4	—	—	125	
	10	—	—	—	—	—	—	—	10	—
Total※1	1,094	40	17	23	(10)	(55)	—	△4	1,130	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 (MEDiHEAL)

## Despite increasing production, stockouts of some products continue due to demand exceeding expectations

● Cumulative sales for the series (September 2025 – March 2026)

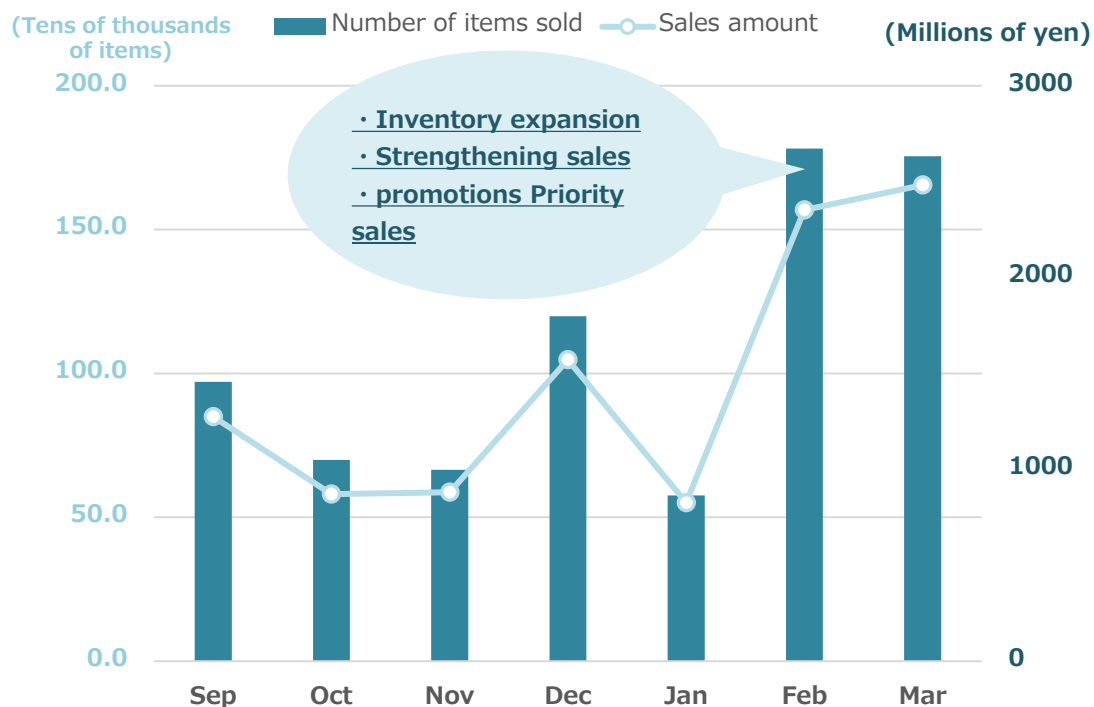


About **684** million items  
Approximately **115** billion yen

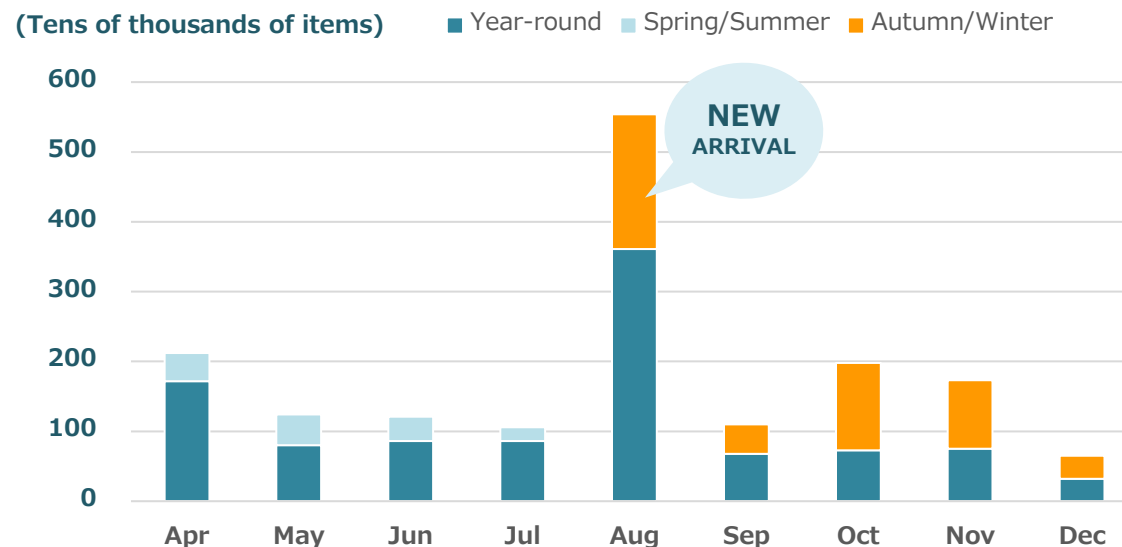
● Outlook

- Aim to stabilize inventory by adjusting production in line with sales trends
- MEDiHEAL Inner, launched in April, is performing well (decision made to increase production)  
⇒ Receiving strong support from business professionals and others as a daytime recovery care product
- Exploring product development that goes beyond the framework of room wear to cover all everyday scenes

(Sales trends)



(Planned arrivals)

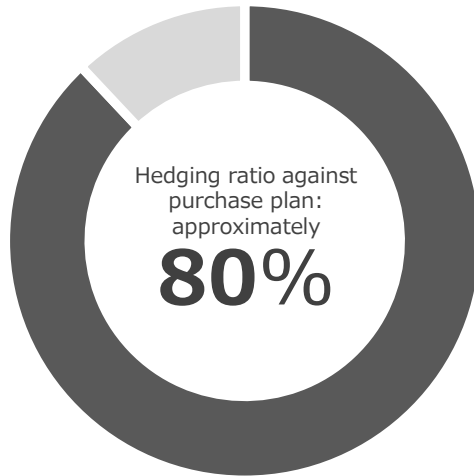


\*These plans may be altered in the future.

## The full-year assumed rate will be maintained at a level comparable to the previous year, promoting product policy with an eye toward the next fiscal year

### ● Forward exchange contracts

- Forward exchange contracts
- SPOT



### (FY ending March 2027 Plan)

Term	Locked-in % / Rate	Assumed rate (previous year)
1st Half	Approx. 80% 143 yen	147 yen (147.17 yen)
2nd Half	Approx. 80% 151 yen	153 yen (148.94 yen)
<b>Full Year</b>	<b>Approx. 80% 147 yen</b>	<b>150 yen (148.06 yen)</b>

\*Closely analyzing the impact on raw material prices and logistics networks due to heightened tensions in the Middle East

2026 Autumn/Winter • Stable supply is expected to be maintained

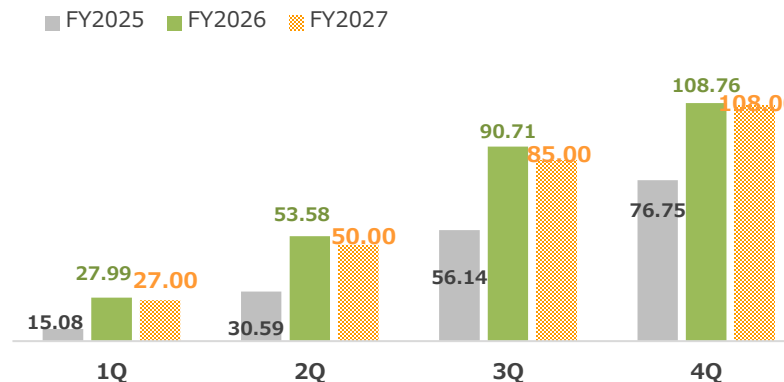
• Concerns are growing over cost increases, etc.

2027 Spring/Summer • Measures will be taken while closely monitoring future developments

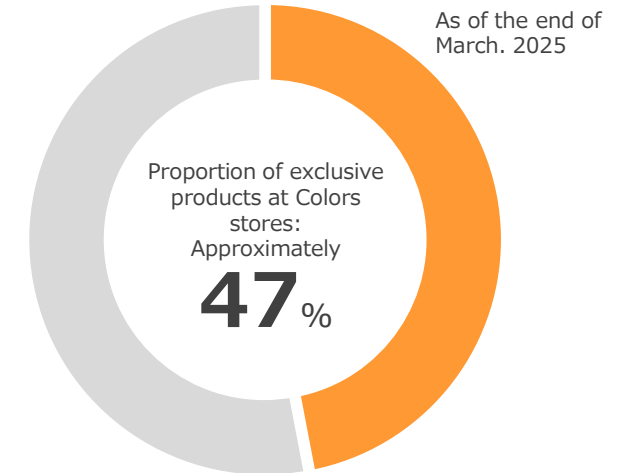
### ● Progress in profit related to overseas purchases



### (Cumulative profit related to overseas purchases)



### ● Workman Colors exclusive product ratio



- Progress in the shift to exclusive products through new store openings and the strengthening of men's products
- Aiming for an exclusive product ratio of 75% in FY 3/27



## Promote the Mass Market Product Policy by strengthening the linkage between sales promotions and sales floors

- Integrated product sales strategy

### Strengthening marketing starting from new product showcases



- “Expanding the customer base” and “maximizing sales” through increased brand awareness
- Strategic upfront investment aimed at expanding the future revenue base

- Improving store profitability

### Target

Achieve average annual sales per store of  
**200 million yen**

### Measures

- ✓ **Thorough linkage with sales promotions**  
Strengthen the management system for mass market products to prevent lost sales opportunities
- ✓ **Improve sales efficiency**  
Optimize inventory through the launch of the new demand forecast ordering system
- ✓ **Enhance sales floor presentation capabilities through renovation of existing stores**
  - Plan to renovate 55 stores through business category conversion and 165 stores through renewal renovation
  - Promote repeat customers by improving the customer experience

### Supplementary

- ✓ **Support the "development of staffing systems" that underpin sales growth**  
Aim to improve franchise store profitability through an increase in the gross profit margin

# Plans for the Fiscal Year Ending March 2027



## Aim to increase both revenue and profit for the third consecutive year through significant sales growth driven by the Mass Market Product Policy

### TOPICS

(Millions of yen)	FY 3/2026 Results	YoY (%)	FY 3/2027 Q2 Plan	QoQ (%)	FY 3/2027 Full-year Plan	YoY (%)
<b>Sales at all chain stores</b>	209,234	+14.3	123,785	+21.9	<b>237,970</b>	<b>+13.7</b>
Sales at directly managed stores	24,396	+41.7	11,554	+3.3	<b>22,712</b>	<b>△6.9</b>
Sales at franchise stores	184,837	+11.4	112,231	+24.2	<b>215,258</b>	<b>+16.5</b>
(Same store sales)	—	+9.0	—	+18.3	—	<b>+10.6</b>
<b>Total operating revenue</b>	160,852	+17.5	94,203	+23.7	<b>183,376</b>	<b>+14.0</b>
Cost of sales	99,866	+16.4	58,610	+25.5	<b>114,703</b>	<b>+14.9</b>
Adjusted OP before SG&A	60,986	+19.2	35,593	+21.0	<b>68,673</b>	<b>+12.6</b>
SG&A	31,309	+17.0	17,927	+19.7	<b>36,561</b>	<b>+16.8</b>
<b>Operating profit</b>	29,676	+21.7	17,666	+22.3	<b>32,112</b>	<b>+8.2</b>
<b>Ordinary profit</b>	30,567	+22.7	18,341	+23.3	<b>33,418</b>	<b>+9.3</b>
<b>Net income</b>	20,618	+22.1	11,310	+22.6	<b>22,329</b>	<b>+8.3</b>
EPS	252.64 yen		138.58 yen		<b>273.60 yen</b>	

#### ● Sales at all chain stores

- Growth at existing stores driven by mass market products such as recovery wear is driving company-wide sales (same store sales: 1H +18.3%, 2H +3.2%)
- Sales at all chain stores will see a diminishing new store effect as the store network expands

#### ● Total operating revenue

- Gross profit margin at franchise stores was 37.6% (+1.0 points YoY)  
⇒ Revenue from franchise stores is driving growth due to improved profit margins (+18.8% YoY)
- Product supply and sales at franchise stores: +17.4% YoY, driven by the build-up of inventories of mass market products

#### ● Cost of sales

- Profit related to overseas purchases improved, as worsening conditions such as the weaker yen will be offset by transaction volume
- In line with the promotion of the Mass Market Product Policy, reduction of the number of items and loss on the valuation of products will be recorded

#### ● SG&A

- SG&A expense ratio: 15.4% (+0.4 points YoY)  
Selling cost and freight cost will increase in line with the Mass Market Product Policy
- Labor cost: +10.1%. Regular salary increase: +5.3% \*in response to rising prices
- Selling cost: +54.6%. TV commercials, product showcases, flyers
- Freight cost: +15.8%. External warehouse rent and management costs associated with inventory expansion
- Depreciation: +18.5%. Soaring store construction costs and replacement with new POS systems

#### ● In summary

- **Full year: Despite a significant increase in revenue, profit growth will be moderate due to strategic investment**
- **Second half: A decline in profit is expected in view of aggressive investment and the high bar set by last year's results**

## ● Basic policy

We regard maintaining 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, 2026

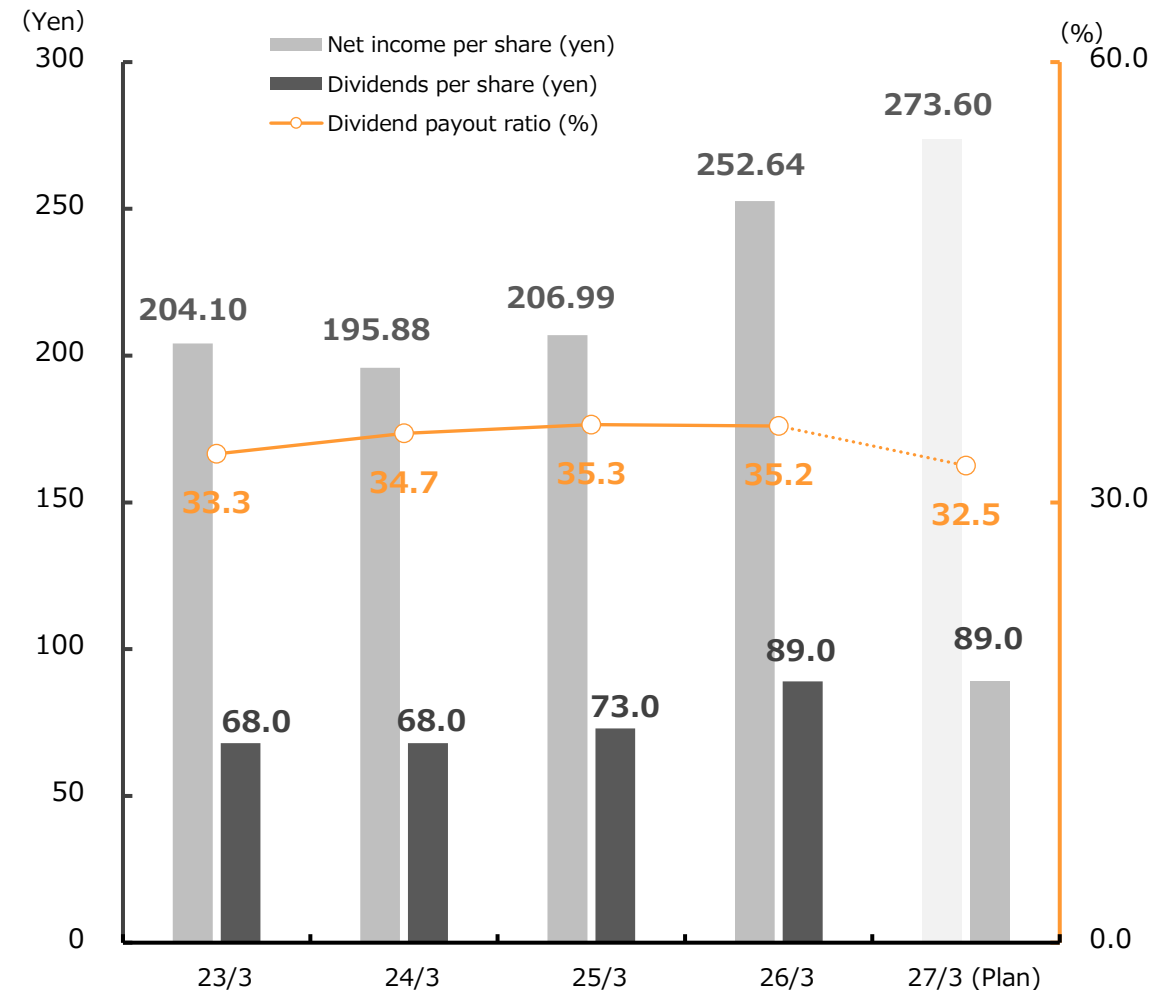
Planned to increase by **16 yen** to **89 yen** from the previous year

- Fiscal year ended March 31, 2027

Expect to keep at **89 yen**

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

Changes in net income and dividends per share








## The announcement of the vision has reformed internal awareness and enhanced the ability to execute strategies

Action items	Results	Challenges
<p><b>1. Reinforce workwear</b> Evolve high-spec models, EDLP (processing trade)</p>	<ul style="list-style-type: none"> <li>• The high added-value strategy has been successful</li> <li>• High-functionality models that meet professional needs and new products combining high functionality with low prices have performed well</li> </ul>	<ul style="list-style-type: none"> <li>• Delays in new product development in the shopping goods category such as gloves, tools, and shoes</li> </ul>
<p><b>2. Respond to climate change</b> Countermeasures for extreme heat and warm winters, strengthening of year-round products</p>	<ul style="list-style-type: none"> <li>• Captured demand for heat stroke countermeasures, contributing to an increase in sales</li> <li>• Expanded sales and improved inventory efficiency by optimizing the timing of introduction of winter products</li> <li>• Development of high-functionality materials such as XShelter has progressed</li> </ul>	<ul style="list-style-type: none"> <li>• Lost sales opportunities due to early stockouts of products such as Peltier vests and heat-resistant XShelter items</li> </ul>
<p><b>3. Accelerate Workman Colors store openings</b> Diversification of store operation formats</p>	<ul style="list-style-type: none"> <li>• Expanded the area for store openings through progress in corporate franchising</li> <li>• Achieved the annual store opening plan</li> </ul>	<ul style="list-style-type: none"> <li>• Roadside store openings are facing difficulties due to a slowdown in the recruitment of individual franchise stores</li> <li>• Resolving cannibalization with existing stores (promoting the shift to exclusive products)</li> </ul>
<p><b>4. Workman Colors exclusive product development</b> Comfortable everyday clothing, QR (quick response) production</p>	<ul style="list-style-type: none"> <li>• Expanded support from the general public by strengthening casualwear</li> <li>• Same store sales turned positive YoY</li> </ul>	<ul style="list-style-type: none"> <li>• Differentiation between business categories has not yet been achieved; product development will continue to be pursued aggressively</li> <li>• Disposal inventory has increased; reviewing sales methods is under consideration</li> </ul>
<p><b>5. Expand daily items</b> Indoor apparel and supplies re-purposing work functions</p>	<ul style="list-style-type: none"> <li>• Created a new market for low-priced recovery wear with "MEDiHEAL," promoting the expansion of the customer base</li> <li>• Diversification of marketing drove sales</li> </ul>	<ul style="list-style-type: none"> <li>• Chronic stockouts persist; efforts to strengthen the supply system have commenced</li> </ul>

**Progress in the first year significantly exceeded the plan; an update to the growth vision is planned during this fiscal year**

## Visualized Scope 3 emissions; considering the promotion of decarbonization management

	Materiality	Policy	Initiative Results
01.	<b>Sustainable product development</b> 	We respect the labor environment and basic human rights, and supply safe and secure products.	<ul style="list-style-type: none"> <li>● Sustainable products: 222 items; 11,500 million yen</li> <li>● Product disposal rate: 1.29% (improvement of 0.28% YoY)</li> </ul>
02.	<b>Contribution to the global environment</b> 	We strive to reduce environmental impact throughout our supply chain and achieve a sustainable business model.	<ul style="list-style-type: none"> <li>● Disclosure based on the TCFD Recommendations ⇒Disclosed the results of scenario analysis and Scope 3 calculations</li> <li>● Started pilot tests in multiple regions aimed at expanding the number of environmentally-friendly stores</li> </ul>
03.	<b>Satisfaction of FC stores / employees</b> 	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"> <li>● Maintained the high contract renewal rate of 96.2% of franchise stores</li> <li>● Increased the ratio of women in chief and manager positions from 10.7% to 9.5%</li> <li>● Increased the ratio of male employees taking childcare leave from 57.1% to 73.3%</li> </ul>
04.	<b>Contribution to society</b> 	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"> <li>● Subsidized school club activities, etc., through the Beisia 21st Century Foundation</li> </ul>
05.	<b>Governance</b> 	We aim to be an honest company that is trusted by our stakeholders and local communities.	<ul style="list-style-type: none"> <li>● Changes in top management Strengthening the structure for promoting the Medium-Term Growth Vision</li> </ul>



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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.
  - 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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