(7564)

WORKMAN CO., LTD.

Company Briefing Materials

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1. Company Information

- Management Philosophy
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●Management Philosophy

Evolve for those who ask us to

声のする方に、進化する。

Dream

Capitalize on Customers' Opinions

Purpose

Make New Standards for Functions and Prices

Increase consumer income and contribute to their daily lives

Belief

Promote Focused Management, Data-based Management and Standardization

Create a competitive edge and long-term relationships with stakeholders

●Business Activities

Leveraging WORKMAN's franchise system,

we operate a chain of specialty retail stores offering workwear, athleisure attire, and work-related products.

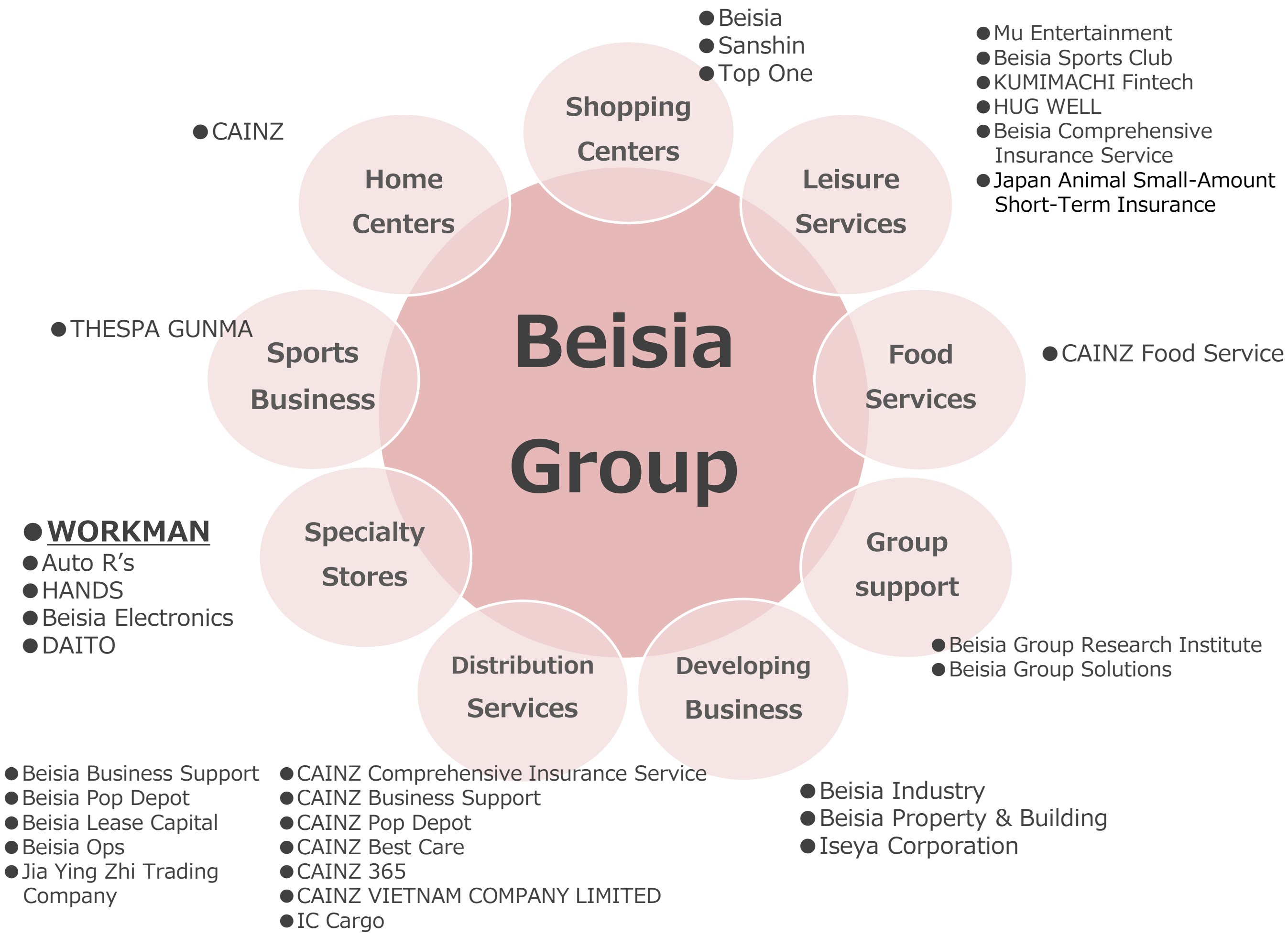
WORKMAN

WORKMAN is the core company of the Beisia Group.

●Overview of the Beisia Group

(as of the end of Feb. 2025)

Number of Companies	34 Sales/Services 16 Distribution Services other 18
Number of Stores	2,169
Store Locations	47 Prefectures
Sales	¥1.1864 trillion



WORKMAN CO., LTD.

Establishment	August 1982
Securities code	7564, STANDARD (Listed in September 1997)
Share capital	¥1,622 million
Net sales	¥209,238 million (Net sales at all chain stores)
Ordinary profit	¥30,567 million
Profit	¥20,618 million
Number of employees	440 (As of March 31, 2026)

President and CEO
Koji Ohuchi

Depending on the location and type of business, two franchise models are adopted: "individual contract" and "corporate contract".

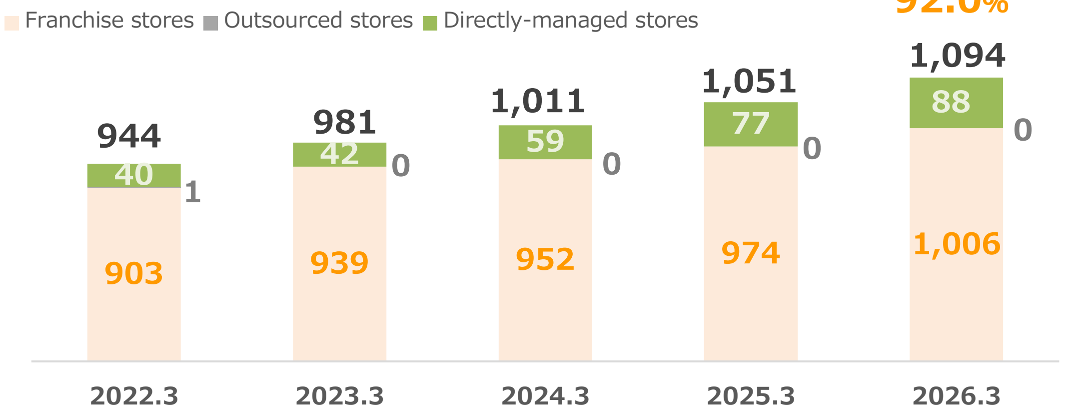
●Franchise agreement model

	Type	Length of contract	Required funds (incl. tax)
Individual	Franchise agreement	3 years	¥1.82 million
	Outsourcing agreement	1 years	¥1.55 million
Corporate	Corporate franchise agreement (Workman Colors stores only)	6 years (Based on the lease agreement)	¥1.82 million

※ Of which, ¥1.0 million is refunded upon contract expiration

●Store management format

FC ratio 92.0%



●Distribution of franchise store gross profit

Cost of sales	Gross profit

STEP.1

・**Store Gross profit margin**
Workman headquarters will maintain approx. 36% of sales

STEP.2

- Member store income amounts to **40**% of gross profit
- HQ royalties amount to **60**% of gross profit

Member store income | Royalties

STEP.3

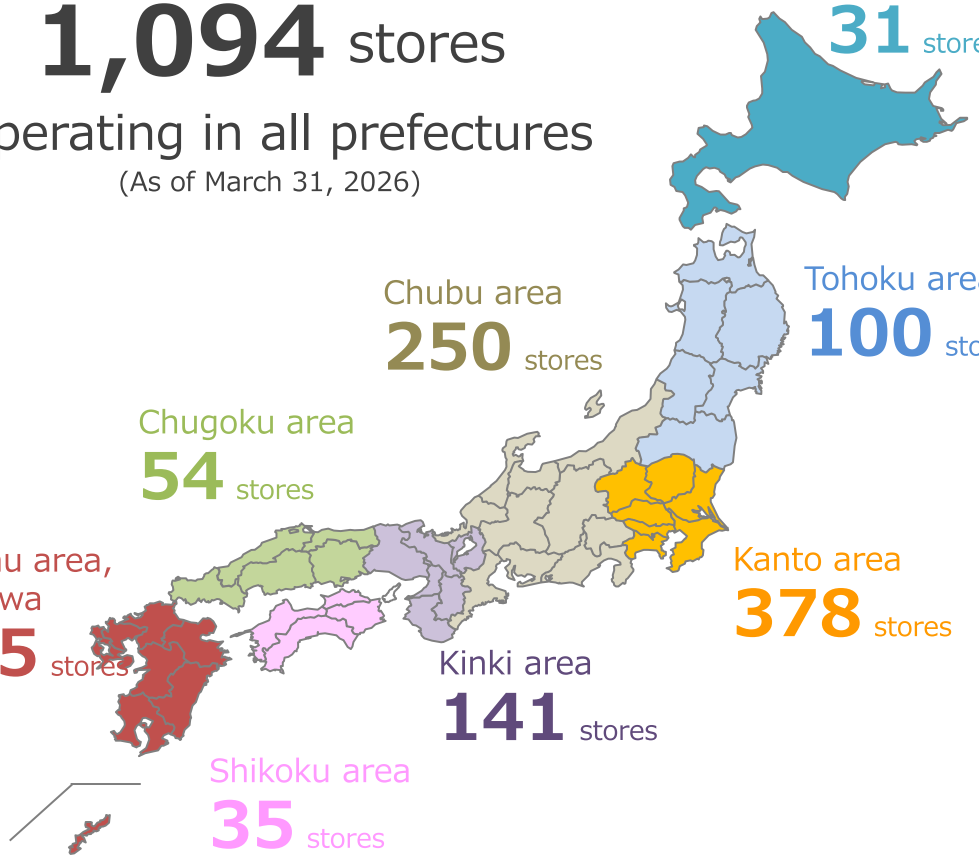
- **Expenses covered by HQ**
- Store rental, equipment and fixtures
- Merchandise shipping costs
- Advertising flyers, TV commercials

HQ expenses | HQ profit

We will promote store dominance and aim to achieve the top market share in each area.

● Store opening status

1,094 stores
operating in all prefectures
(As of March 31, 2026)



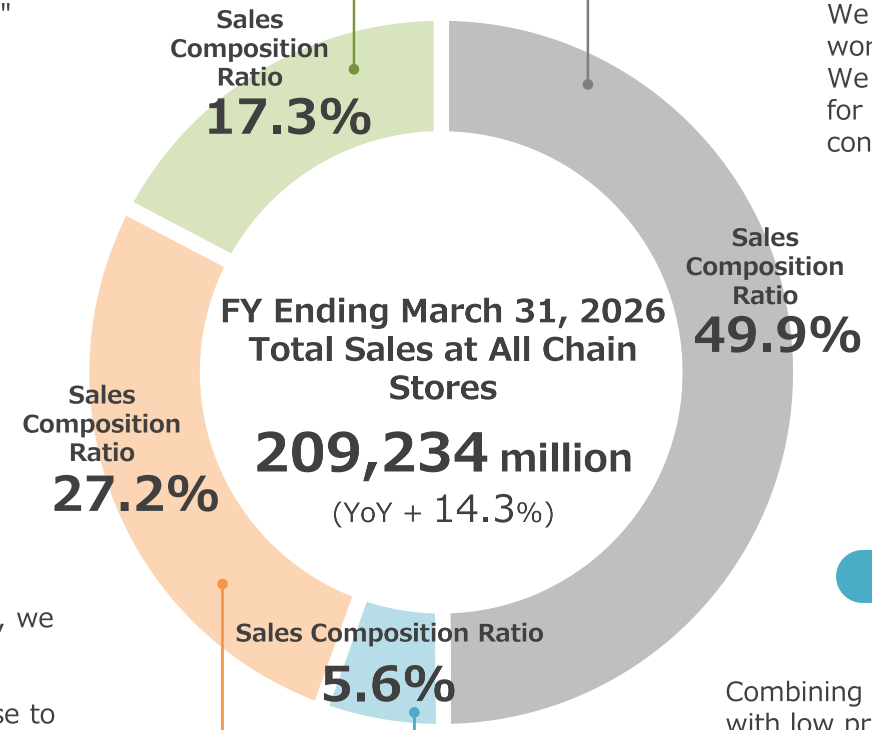
● Store Overview (As of March 31, 2026)

Business Format	Customer base	Location	Standard store (1 tsubo ≈ 3.3 m²)
WORKMAN 255 stores	Work: 80% General: 20%	Roadside	100 tsubo building 10-15 Parking spaces
WORKMAN Pro 10 stores	Work: 80% General: 20%	Roadside	100 tsubo building 10-15 Parking spaces
WORKMAN Plus 712 stores	Work: 60% General: 40%	Roadside	130 tsubo building 20-30 Parking spaces
Workman Colors 117 stores	General: 100%	Roadside Shopping center	150 tsubo building 20-30 Parking spaces

Sales by Business Category

OUTDOOR・SPORTS

Based on the concept of "high functionality x low prices," we offer apparel developed by applying the functionality cultivated through workwear, along with goods that can also be used in everyday life.



WORK

We offer a range of work-related products, including workwear, gloves, and protective footwear, among others. We support safe and comfortable working environments for a wide range of customers across industries including construction, manufacturing, and services.

CASUAL

In response to the growing number of general consumers, we offer casual wear that combines functionality with a basic, everyday style. We have expanded our product lineup to include menswear, womenswear, and kidswear in response to the requests of our customers.

MEDICAL

Combining high functionality with low prices, we have made a full-scale entry into the recovery wear market. By supporting fatigue recovery for a wide range of customers, from professional tradespeople to general consumers, we aim to bring recovery wear to the mass market.

Product Development

The source of our strength lies in the promotion of our EDLP policy and the development of private brand (PB) products.

● EveryDayLowPrice

Point 01 "Peace of mind for customers"
By leveraging our nationwide network of stores, we create an environment where customers can shop at low prices "anytime, anywhere," which in turn enables us to maintain our low-price structure.

Point 02 "No discounted sales"
- Ratio of sales at the stated price: approx. 98%
- Reduction of advertising and other operating costs

Point 03 "Overwhelmingly low prices"
Straightforward production planning allows us to leverage economies of scale in procurement, delivering overwhelmingly low prices.

● Advancing PB product development

Differentiation from competitors through "high functionality x low prices"

Point 01 "Advancing new materials and new functions"
Our proprietary technologies and functions are shared across a wide range of products, allowing us to benefit from economies of scale.

Point 02 "Cost reduction through off-season production“
Functional wear is expected to generate stable demand over multiple years.

Sales results
Sales: **150,130** million yen (up 19.9% YoY)
PB sales ratio: **71.9**% (ratio to sales at all chain stores)

Target

- By offering **"better products at lower prices,"** we aim to build a base of loyal repeat customers.
- We will pursue **"differentiation"** through product development unique to our company, and drive **"expansion of the customer base."**

E-commerce operations helps Franchise stores

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

BOPIS … Buy Online Pick-up In Store

● WORKMAN app

FC's benefits

i. Sales returned to FC stores
ii. Streamlining store operations
iii. Turn store visitors into regular customers

Customer benefits

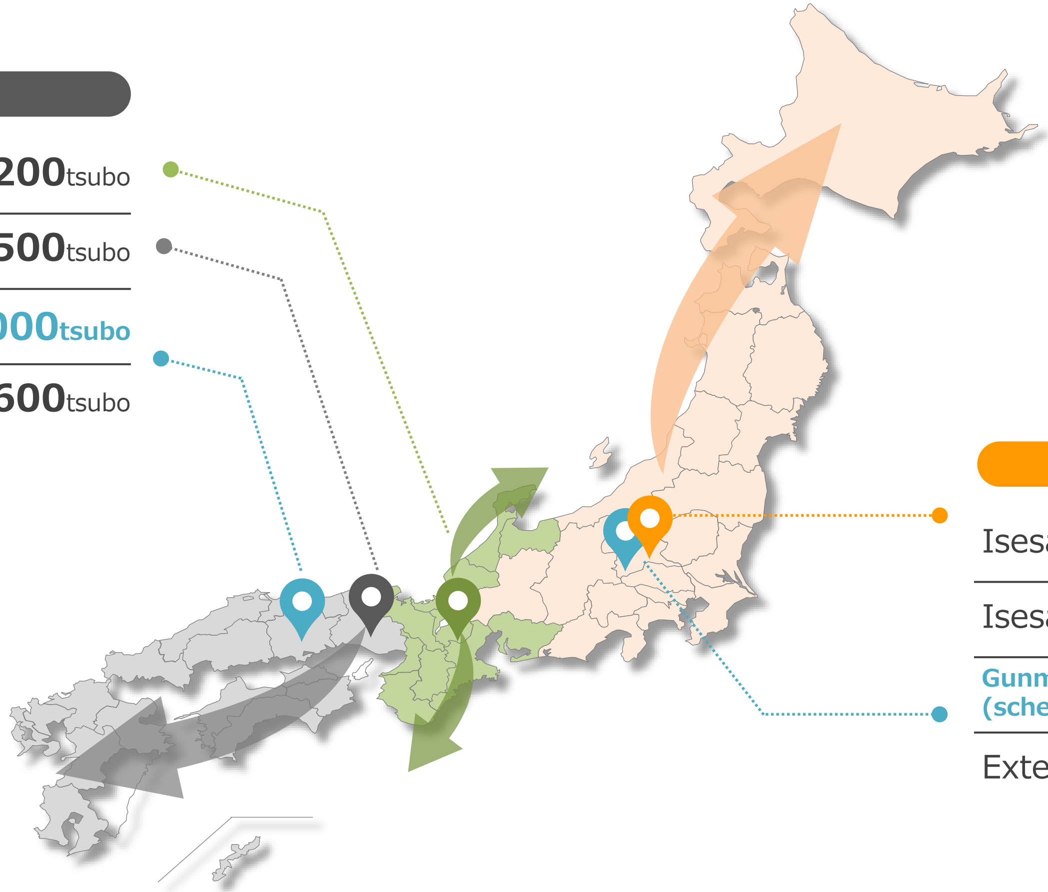
i. Can be picked up at the store in a minimum of 3 hours
ii. Free shipping for store pick up
iii. You can try on and change the size on the spot
iv. Supports corporate name processing

Establishing a stable supply system anchored by three distribution center locations

- Orders placed by stores are delivered before opening time **two days later**.
- In line with the growth in sales, we **plan to construct two additional** company-owned distribution centers by 2029.

West Japan area

Shiga DC (Owned)	**7,200**tsubo
Kobe DC (External)	**13,500**tsubo
Okayama DC (Owned) (scheduled for completion in 2028)	**22,000**tsubo
External warehouse	**9,600**tsubo



East Japan area

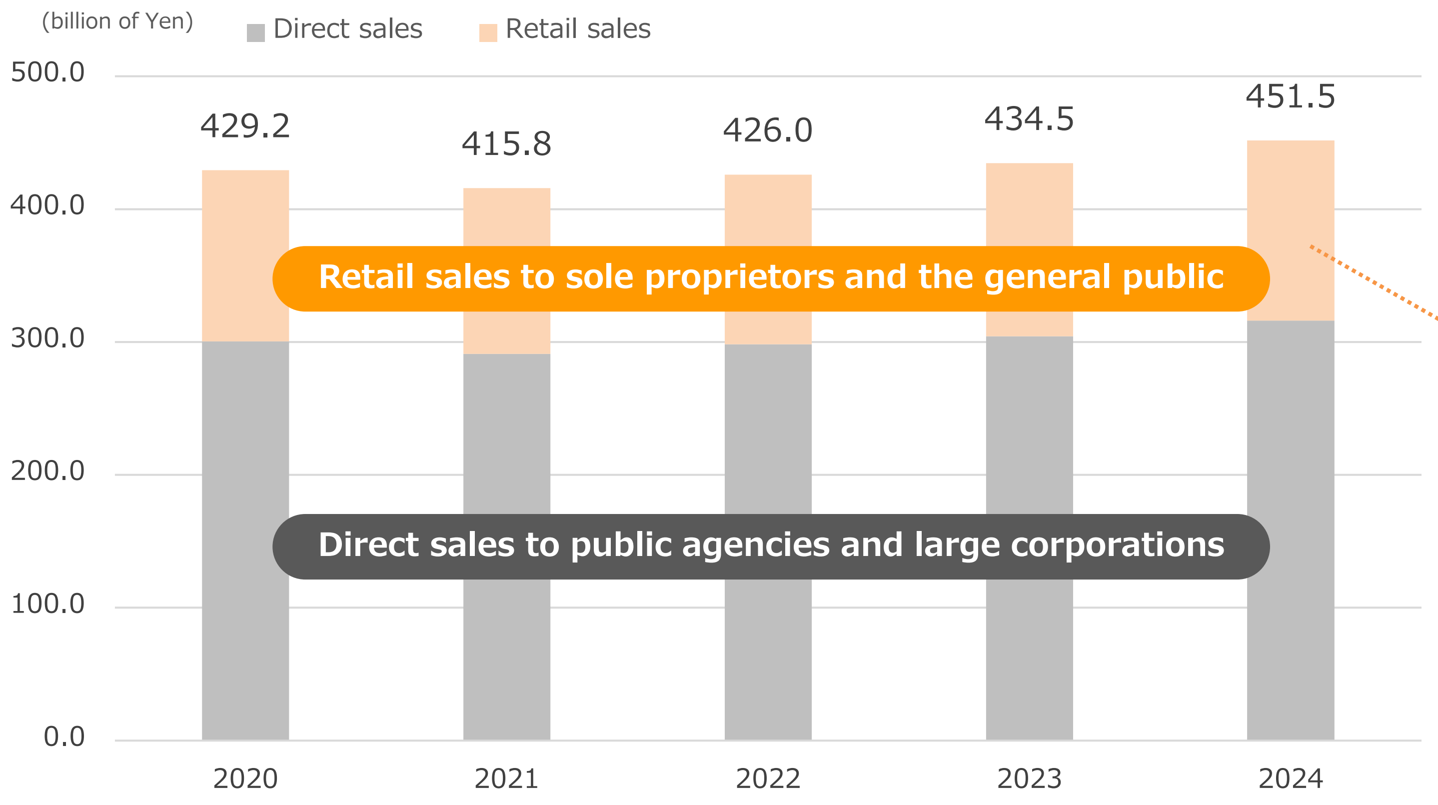
Isesaki DC (Owned)	**16,670**tsubo
Isesaki warehouse (Owned)	**6,480**tsubo
Gunma DC (Owned) (scheduled for completion in 2029)	**25,000**tsubo
External warehouse	**11,000**tsubo

2.　Domestic Market Share

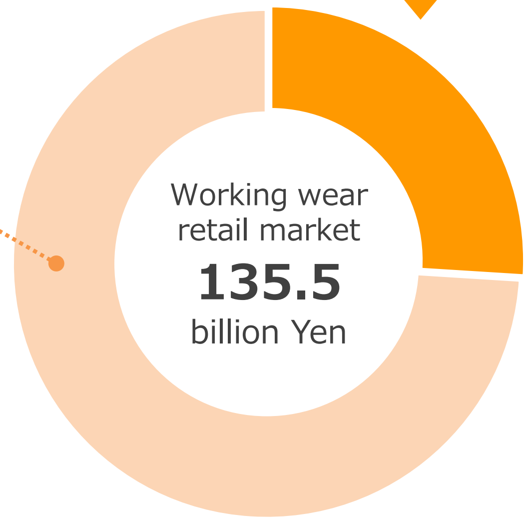
- Workwear Market
- Apparel Market Map

Top share of Japan's retail market for workwear

●Trends in the workwear market



WORKMAN's sales of workwear amount to ¥55.1 billion for a 40.7% share of the retail market

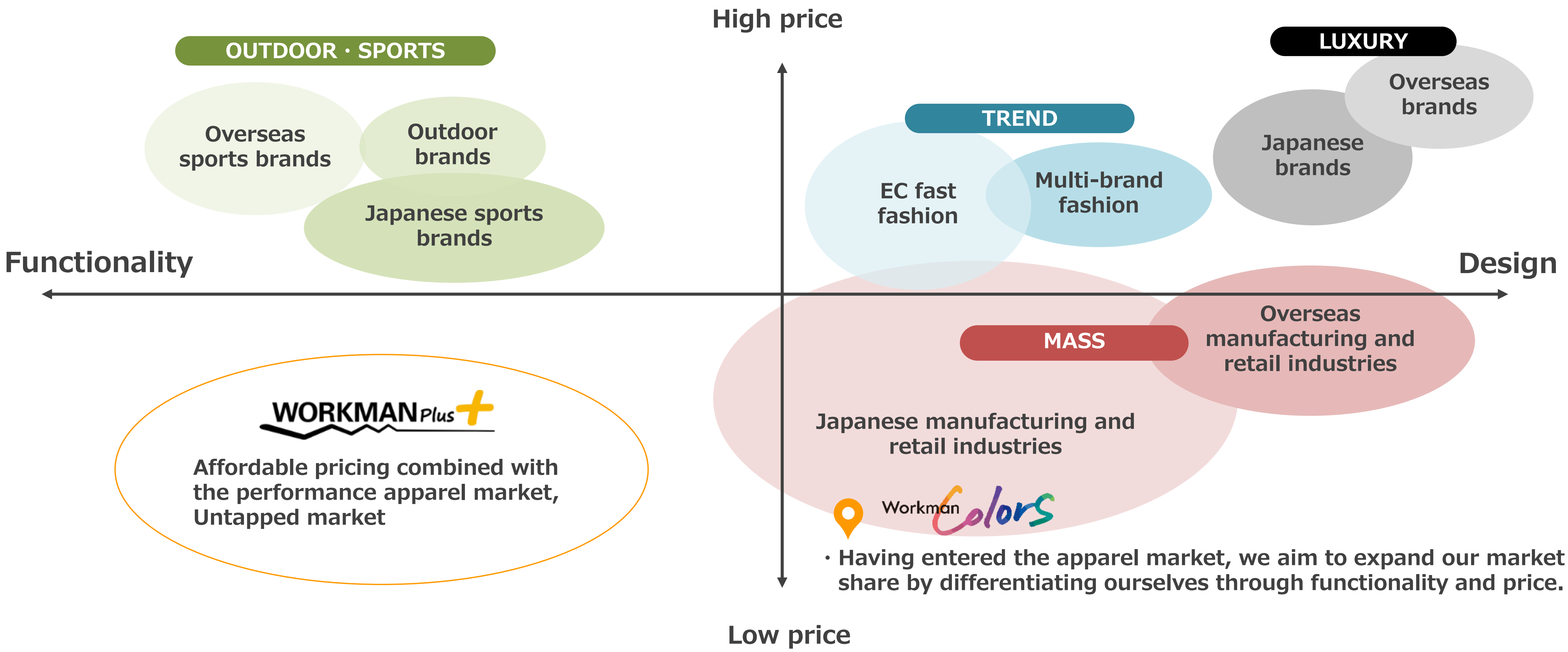


Notes:
1. Figures calculated on the basis of retail value
2. Source: Calculations and preparation by WORKMAN based on "Uniform Market 2025," published by Yano Research Institute Ltd.

Apparel Market Map

Domestic apparel market: approx. 8.3 trillion yen. Aiming for sustainable growth by carving out a unique market position.

*Market size: based on research by Yano Research Institute, FY2024



・Having entered the apparel market, we aim to expand our market share by differentiating ourselves through functionality and price.

3. Growth Strategy

- Store Openings
- Product Development
- Sales Strategy
- Shareholder Return

Plans for FY Ending March 31, 2027

● 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

Mass Market Product Policy

WORKMAN

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

Current challenges and strategic shift

Challenges

- **Stockouts of best-selling products**
  (decline in customer satisfaction)
- **Increase in management costs and complexity of store operations due to excessive number of items**
  (decline in franchise store engagement)

Shift

- **Firm confidence in functionality and price**
  (creation of unmatched value)
- **Concentrate resources such as inventory, sales promotions, and sales floors on key products**
  (developing overwhelmingly strong flagship products)

Mass Market Product Policy

FY 3/26 Spring/Summer key products

① **MEDiHEAL**	Low-priced recovery wear
② **Xshelter**	Original high-functionality materials that significantly reduce the impact of external environments such as insulation and extreme heat
③ **UV protection**	Responding to changes in demand associated with climate change
④ **Clothing with air-conditioning fan(s) Peltier vest**	Expanding sales channels to the general market while centering on professional demand
⑤ **Functional undergarments**	Pursuing cost performance and creating motivation for frequent store visits

Capital investment

Supply chain	Expansion of production bases and external warehouses
Mass marketing	TV commercials, flyers, etc.
Nationally standardized sales floors	Introduction of a new commendation system
Optimization of the product lineup	Reducing number of SKUs

Targets

KPI

Aim for each key product to account for
10% of sales at all chain stores

- **Establish a brand of high functionality x low prices**
- **Improve profit margins through high-volume production of individual items**
- **Expand the potential for store openings**
  (improve profitability at small-scale stores)
- **Lay the groundwork for overseas expansion**

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						
WORKMAN	255	–	–	–	△10	△50	5	–	200	1,100
WORKMAN Plus	711	6	6	–	10	51	△5	△4	769	
#ワークマン女子 WORKMAN GIRL	31	–	–	–	–	△5	–	–	26	400
Workman Colors	87	34	11	23	–	4	–	–	125	
WORKMAN Pro	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)

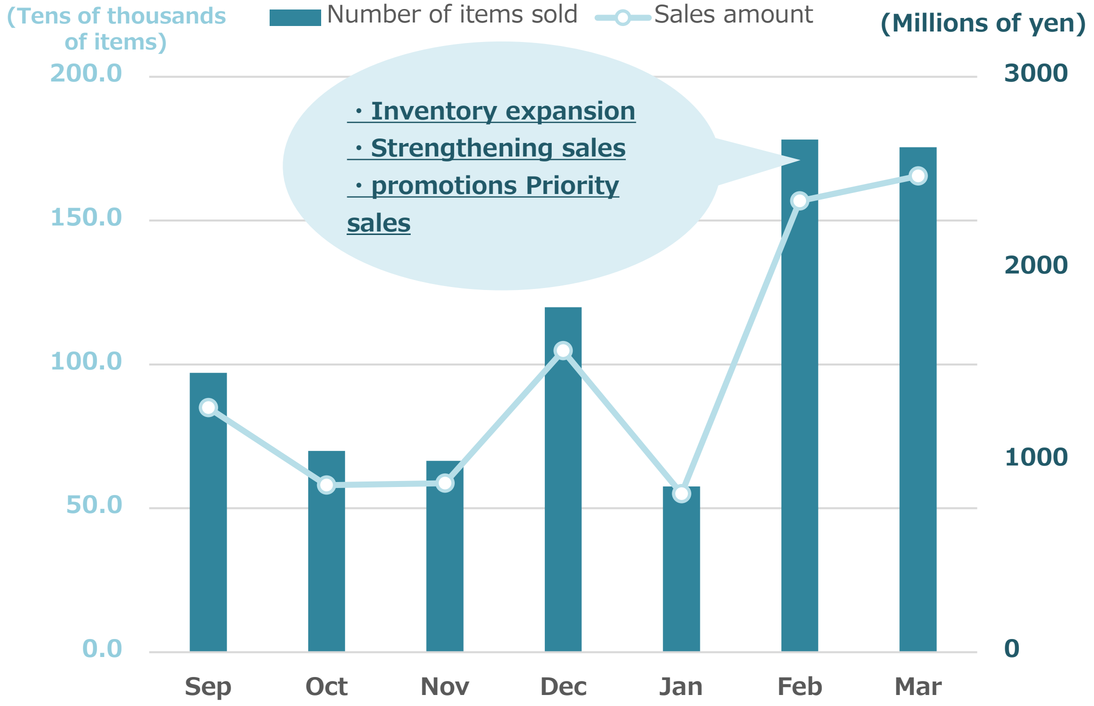
Despite increasing production, stockouts of some products continue due to demand exceeding expectations

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

About **684** million items

Approximately **115** billion yen

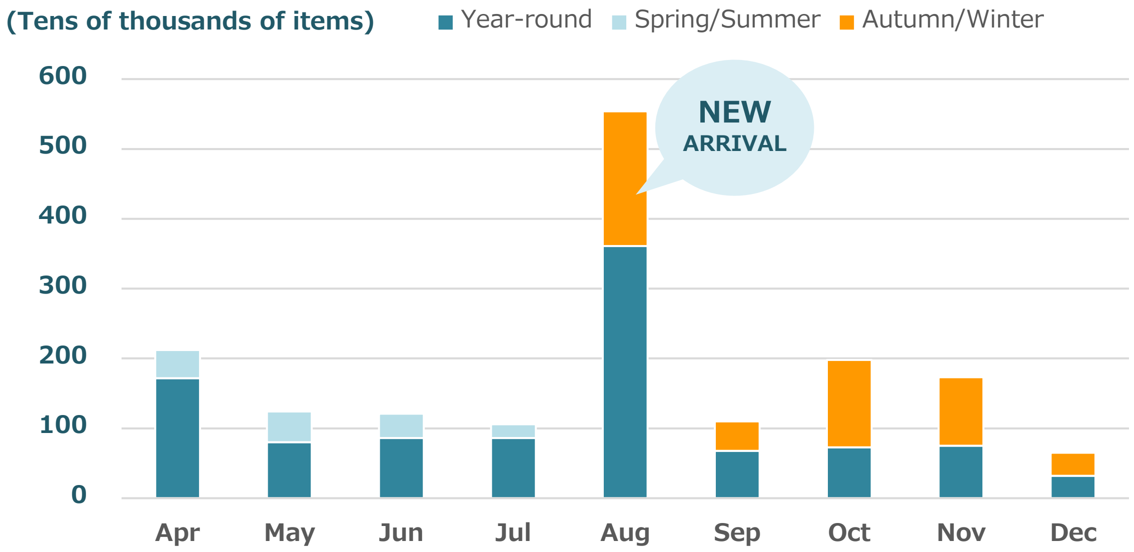
(Sales trends)



●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**

(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

(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)
Full Year	**Approx. 80%**	**147 yen**	**150 yen (148.06 yen)**

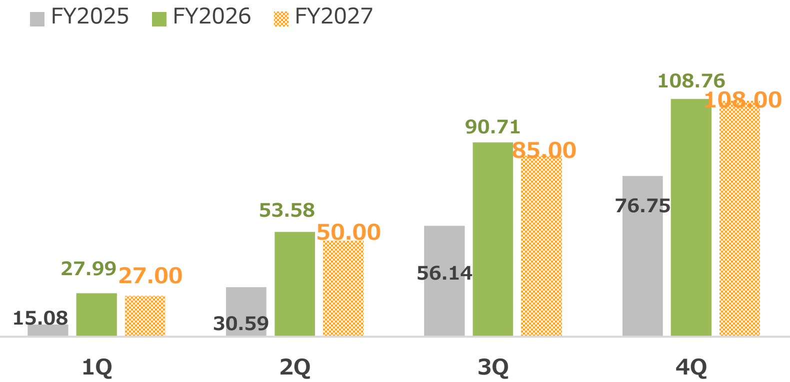
*Closely analyzing the impact on raw material prices and logistics networks due to heightened tensions in the Middle East

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

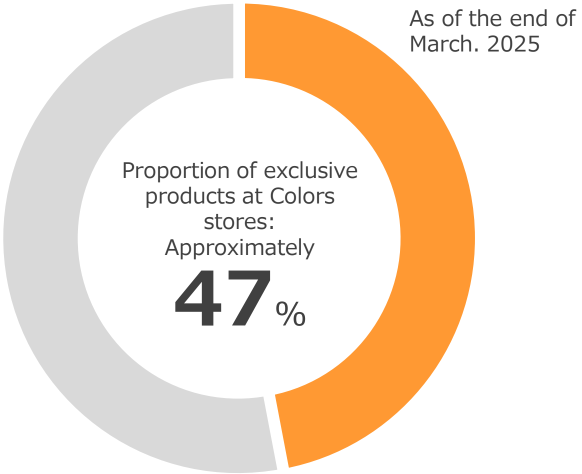
2027 Spring/Summer
・Concerns are growing over cost increases, etc.
・Measures will be taken while closely monitoring future developments

● 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

Sales Strategy

WORKMAN

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

Products

✓ **Secure sufficient inventory in line with sales promotion plans**

Build up inventories of key products **(<u>increase in freight cost</u>)**

Sales promotions

✓ **Marketing investment to drive top-line growth**

Maximize customer interactions through multi-faceted initiatives such as TV commercials, flyers, the app, social media, in-store wrapping displays, etc. **(<u>increase in selling cost</u>)**

Sales floors

✓ **Develop priority sales floors that convey product value**

<u>Establish a new commendation system</u> for renovation implementation to enhance sales capabilities

- **"Expanding the customer base" and "maximizing sales" through increased brand awareness**
- **<u>Strategic upfront investment aimed at expanding the future revenue base</u>**

● 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

WORKMAN

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

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

Summary of Progress on the Medium-Term Growth Vision 2030

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

Action items	Results	Challenges
1. Reinforce workwear Evolve high-spec models, EDLP (processing trade)	・The high added-value strategy has been successful High-functionality models that meet professional needs and new products combining high functionality with low prices have performed well	・Delays in new product development in the shopping goods category such as gloves, tools, and shoes
2. Respond to climate change Countermeasures for extreme heat and warm winters, strengthening of year-round products	・Captured demand for heat stroke countermeasures, contributing to an increase in sales ・Expanded sales and improved inventory efficiency by optimizing the timing of introduction of winter products ・Development of high-functionality materials such as XShelter has progressed	・Lost sales opportunities due to early stockouts of products such as Peltier vests and heat-resistant XShelter items
3. Accelerate Workman Colors store openings Diversification of store operation formats	・Expanded the area for store openings through progress in corporate franchising ・Achieved the annual store opening plan	・Roadside store openings are facing difficulties due to a slowdown in the recruitment of individual franchise stores ・Resolving cannibalization with existing stores (promoting the shift to exclusive products)
4. Workman Colors exclusive product development Comfortable everyday clothing, QR (quick response) production	・Expanded support from the general public by strengthening casualwear ・Same store sales turned positive YoY	・Differentiation between business categories has not yet been achieved; product development will continue to be pursued aggressively ・Disposal inventory has increased; reviewing sales methods is under consideration
5. Expand daily items Indoor apparel and supplies re-purposing work functions	・Created a new market for low-priced recovery wear with "MEDiHEAL," promoting the expansion of the customer base ・Diversification of marketing drove sales	・Chronic stockouts persist; efforts to strengthen the supply system have commenced

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

Shareholder Return

● 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

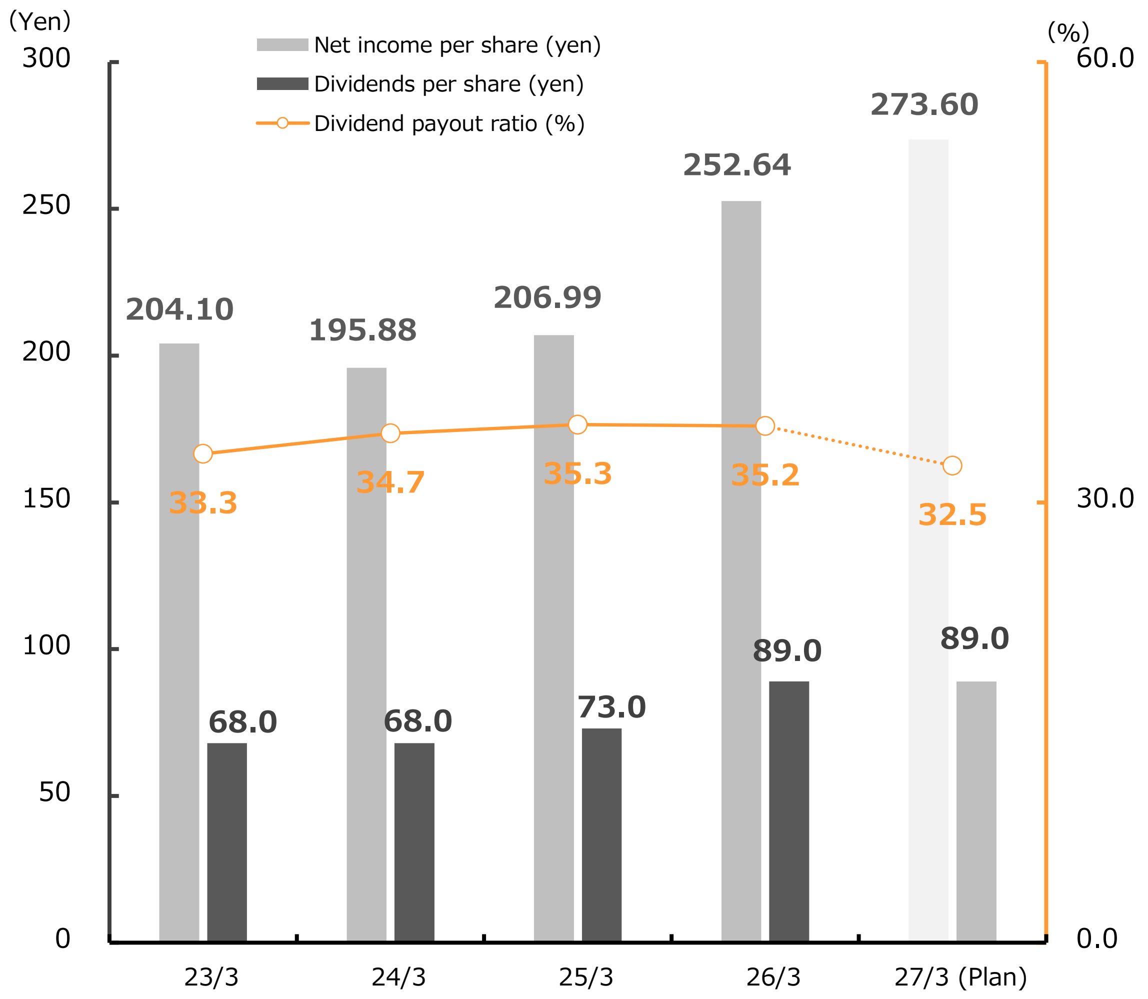
Planned to increase by **16 yen** to **89 yen** from the previous year

・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



4. Other Information

- ●Balance Sheet
- ●Sustainability
- ●History

Performance Data (Balance Sheet)

(Millions of yen)

	Item	As of March 31, 2025	As of March 31, 2026	Change
Assets	Current assets	121,066	**138,440**	+17,374
	Cash and deposits	80,381	**83,743**	+3,362
	Accounts receivable - due from franchised stores	12,594	**14,470**	+1,875
	Merchandise	24,084	**29,770**	+5,685
	Other	4,005	**10,456**	+6,451
	Non-current assets	41,164	**46,816**	+5,651
	Property, plant and equipment	32,814	**38,531**	+5,716
	Intangible assets	1,090	**1,437**	+347
	Other investments	7,259	**6,847**	△412
Total assets		162,231	**185,257**	+23,026
Liabilities	Current liabilities	22,145	**26,454**	+4,309
	Non-current liabilities	4,783	**5,345**	+562
Total liabilities		26,928	**31,800**	+4,871
Total net assets		135,302	**153,456**	+18,154
Total liabilities and net assets		162,231	**185,257**	+23,026

WORKMAN

Visualized Scope 3 emissions; considering the promotion of decarbonization management

Materiality	Policy	Initiative Results
01. **Sustainable product development**	We respect the labor environment and basic human rights, and supply safe and secure products.	● Sustainable products: 222 items; 11,500 million yen ● Product disposal rate: 1.29% (improvement of 0.28% YoY)
02. **Contribution to the global environment**	We strive to reduce environmental impact throughout our supply chain and achieve a sustainable business model.	● Disclosure based on the TCFD Recommendations ⇒Disclosed the results of scenario analysis and Scope 3 calculations ● Started pilot tests in multiple regions aimed at expanding the number of environmentally-friendly stores
03. **Satisfaction of FC stores / employees**	We will work to increase the engagement by our franchise stores and employees, create an environment where they feel motivated, and build an organization where they can take actions that produce results.	● Maintained the high contract renewal rate of 96.2% of franchise stores ● Increased the ratio of women in chief and manager positions from 10.7% to 9.5% ● Increased the ratio of male employees taking childcare leave from 57.1% to 73.3%
04. **Contribution to society**	As a member of society, we will actively engage in efforts to contribute to society such as disaster relief, environmental conservation, and educational and cultural activities.	● Subsidized school club activities, etc., through the Beisia 21st Century Foundation
05. **Governance**	We aim to be an honest company that is trusted by our stakeholders and local communities.	● Changes in top management Strengthening the structure for promoting the Medium-Term Growth Vision

History

1980 Opened “WORKMAN, a store for professionals” store No. 1

1982 Established WORKMAN CO., LTD.

1988 Opened WORKMAN’s 100th store

1997 Shares registered on over-the-counter market of the Japan Securities Dealers Association

2010 Started development of private brand products

2013 Listed on the Tokyo Stock Exchange JASDAQ Standard market

2014 Launched medium-term business transformation vision

2018 Opened WORKMAN Plus store No. 1

2019 Opened WORKMAN Girls store No. 1 (now Workman Colors)

2023 Reached 1,000 operating stores.

WORKMAN store No. 1

Until 2013

From 2014 onward

WORKMAN Plus

Workman Colors

- We have prepared this document solely for the purpose of facilitating understanding of WORKMAN, and not for the purpose of soliciting investment in the Company. As such, investors are advised to make investment decisions at their own discretion.
- Whereas every effort has been made to ensure the accuracy of this document, we make no guarantees regarding the completeness thereof. Accordingly, WORKMAN bears no responsibility whatsoever for any losses or damages arising in relation to information contained herein.
- Financial results forecasts, business plans and other forms of forward-looking statements contained herein have been prepared based on information available to WORKMAN as of the date on which this document was prepared. However, please be aware that actual financial results may vary greatly from the forward-looking statements herein as a result of substantial changes that may occur with respect to the business environment.

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