(7564)

# WORKMAN

## FY 3/2027 Q2 Financial Results Briefing Materials

November 9, 2026

# Briefing Contents


- FY 3/2027 Q2 Financial Results 2
- FY 3/2027 Q2 Financial Results Overview 6
- FY 3/2027 Plans 15


©2026 Workman CO., LTD.

# Briefing Contents

- FY 3/2027 Q2 Financial Results

©2026 Workman CO., LTD.

# Cumulative Income Statement

| (Millions of yen) | FY 3/2026 Q2 | FY 3/2027 Q2 | YoY (%) | FY 3/2027 Q2 Plans | Vs. Plans |
|---|---|---|---|---|---|
| **Sales at all chain stores** | 101,574 | **122,145** | **+20.3** | 123,785 | △1.3 |
| Sales to directly managed stores | 11,184 | **14,161** | **+26.6** | 11,554 | +22.6 |
| Sales to franchise stores | 90,389 | **107,984** | **+19.5** | 112,231 | △3.8 |
| (Same store sales) | – | **–** | **+15.1** | +18.3 | △3.2 |
| **Total operating revenue** | 76,137 | **93,216** | **+22.4** | 94,203 | △1.0 |
| Cost of sales | 46,714 | **56,975** | **+22.0** | 58,610 | △2.8 |
| Adjusted OP before SG&A | 29,423 | **36,240** | **+23.2** | 35,593 | +1.8 |
| SG&A | 14,978 | **17,255** | **+15.2** | 17,927 | △3.7 |
| **Operating profit** | 14,444 | **18,985** | **+31.4** | 17,666 | +7.5 |
| **Ordinary profit** | 14,874 | **19,803** | **+33.1** | 18,341 | +8.0 |
| **Net income** | 9,227 | **12,198** | **+32.2** | 11,310 | +7.9 |
| EPS | 113.06 yen | **149.47 yen** | | 138.58 yen | |

## Financial Results Highlights

### ●Sales at all chain stores

- Mass Market Products such as MEDiHEAL and XShelter drove growth.
- Due to the decline in summer demand caused by low temperatures and unfavorable weather in June, 1st Half sales fell short of the plan (Q2 three-month period: +2.0 points above the plan).

### ●Total operating revenue

- Revenue from franchise stores: 25,217 million yen (YoY +24.3%)
  ⇒Gross profit margin improved to 38.2% (+1.6 points) due to the higher PB ratio
  Average number of franchise stores during the period: +39 stores
- Product supply and sales at franchise stores: 53,780 million yen (YoY +20.6%)

### ●Cost of sales

- Profit related to overseas purchases: 5,161 million yen (△3.7% YoY)
  (1) Average settlement rate: 144.62 yen (FY 3/26 Q2 147.17 yen)
  (2) Direct overseas purchases: △8.1% (accounts for 49.0% of total purchases)
- Cost of sales was curbed by the increase in rebates from domestic purchases

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

- Revenue from franchise stores: +4,926 million yen
- Gross profit from self-operated stores: +1,375 million yen
- Profit related to overseas purchases: △197 million yen

### ● In summary

- With both revenue and profit increasing in Q2 for the second consecutive year, a record-high profit was achieved.

©2026 Workman CO., LTD.

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

| (Millions of yen) | FY 3/2026 Q2 | SG&A ratio (%) | FY 3/2027 Q2 | SG&A ratio (%) | Change | YoY (%) |
|---|---|---|---|---|---|---|
| **Sales at all chain stores** | 101,574 | – | **122,145** | – | – | +20.3 |
| Labor cost | 2,519 | 2.5 | **2,828** | 2.3 | +309 | +12.3 |
| Selling cost | 1,080 | 1.1 | **1,960** | 1.6 | +880 | +81.5 |
| Traveling expenses | 237 | 0.2 | **271** | 0.2 | +34 | +14.4 |
| Freight cost | 1,091 | 1.1 | **972** | 0.8 | △118 | △10.9 |
| Rent | 3,558 | 3.5 | **3,717** | 3.0 | +159 | +4.5 |
| Supply expenses | 652 | 0.6 | **737** | 0.6 | +85 | +13.1 |
| Outsourcing expenses | 2,463 | 2.4 | **2,878** | 2.4 | +414 | +16.8 |
| Depreciation | 1,717 | 1.7 | **2,013** | 1.7 | +296 | +17.2 |
| Other | 1,658 | 1.6 | **1,874** | 1.5 | +215 | +13.0 |
| Total | 14,978 | 14.7 | **17,255** | 14.1 | +2,276 | +15.2 |

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

## Factors of increase/decrease

- **Labor cost**
  - Regular salary increase: +5.3%. Average number of employees during the quarter: +29.
- **Selling cost**
  - TV commercials: +449 million yen, sales promotion flyers: +311 million
  - Sales promotion media and in-store wrapping displays: +157 million yen
- **Freight cost**
  - Increase in rebates offset against SG&A expenses in line with higher domestic purchases, including MEDiHEAL: △1,667 million yen (Main breakdown)
    *Product freight cost: △525 million yen / Rent: △430 million yen / Outsourcing expenses: △512 million yen
- **Rent**
  - External warehouses: +458 million yen
- **Outsourcing expenses**
  - Distribution center management outsourcing: +425 million yen
  - Shopping center (SC) stores operating cost, due to increased sales there: +205 million yen
  - System usage fees, etc.: +188 million yen
  - New store and renovation operations: +61 million yen
- **Depreciation**
  - Persistently high construction costs, introduction of new POS registers, etc.

©2026 Workman CO., LTD.

# Balance Sheet

| (Millions of yen) | FY 3/2026 Q2 | End of FY 3/2026 | FY 3/2027 Q2 | Change |
|---|---|---|---|---|
| **Current assets** | 126,517 | **138,440** | **138,762** | +322 |
| Cash and deposits | 77,816 | **83,743** | **77,459** | △6,283 |
| Securities | 2,999 | **–** | **3,099** | +3,099 |
| Accounts receivable - due from FCs | 13,055 | **14,470** | **16,170** | +1,700 |
| Merchandise | 27,948 | **29,770** | **34,692** | +4,921 |
| Other | 4,697 | **10,456** | **7,340** | △3,115 |
| **Non-current assets** | 43,808 | **46,816** | **51,173** | +4,356 |
| Property, plant and equipment | 35,323 | **38,531** | **40,219** | +1,687 |
| Intangible assets | 1,173 | **1,437** | **1,788** | +351 |
| Other investments | 7,311 | **6,847** | **9,165** | +2,317 |
| **Total assets** | 170,326 | **185,257** | **189,936** | +4,678 |
| **Current liabilities** | 25,688 | **26,454** | **27,977** | +1,522 |
| **Non-Current liabilities** | 5,166 | **5,345** | **5,672** | +326 |
| **Total liabilities** | 30,855 | **31,800** | **33,650** | +1,849 |
| **Total net assets** | 139,471 | **153,456** | **156,285** | +2,828 |
| **Total liabilities and net assets** | 170,326 | **185,257** | **189,936** | +4,678 |

## Factors of increase/decrease

### ● Cash and deposits

- Operating CF : +8,934 million yen
- Investing CF : △7,906 million yen
- Financing CF : △7,311 million yen

Although operating CF was generated, cash and deposits decreased due to outflows for the purchase of short-term bonds, capital investment, etc.

### ● Accounts receivable - due from FCs

- Expanded inventory of Mass Market Products and increased carry-over of summer products
  (Average inventory at retail value per franchise store: +6.25 million yen)

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

- DC inventories were built up, mainly for Mass Market Products, to prevent lost sales opportunities in the autumn/winter sales season.

| Factors (Millions of Yen) | Changes FY 3/26 Q2 | Changes FY 3/26 |
|---|---|---|
| ・Directly managed/SC stores | +28 | +230 |
| ・Distribution centers | +7,877 | +4,994 |
| ・Goods in transit | △1,142 | △272 |

### ● Rise in tangible fixed assets

- Land acquisition for the Okayama and Isesaki No. 2 Distribution Centers: +803 million yen
- A total of 24 newly built stores: 20 new stores and 4 S&B stores (of which 12 stores are properties owned and built by the company; down 9 stores YoY)

### ● Investment and other assets

- Capital contribution to the Taiwan Subsidiary: 1,048 million yen

©2026 Workman CO., LTD.

# Briefing Contents

- FY 3/2027 Q2 Financial Results Overview

©2026 Workman CO., LTD.

# Store Openings

## Workman Colors is expanding its store network as store openings and renovations get into full swing.

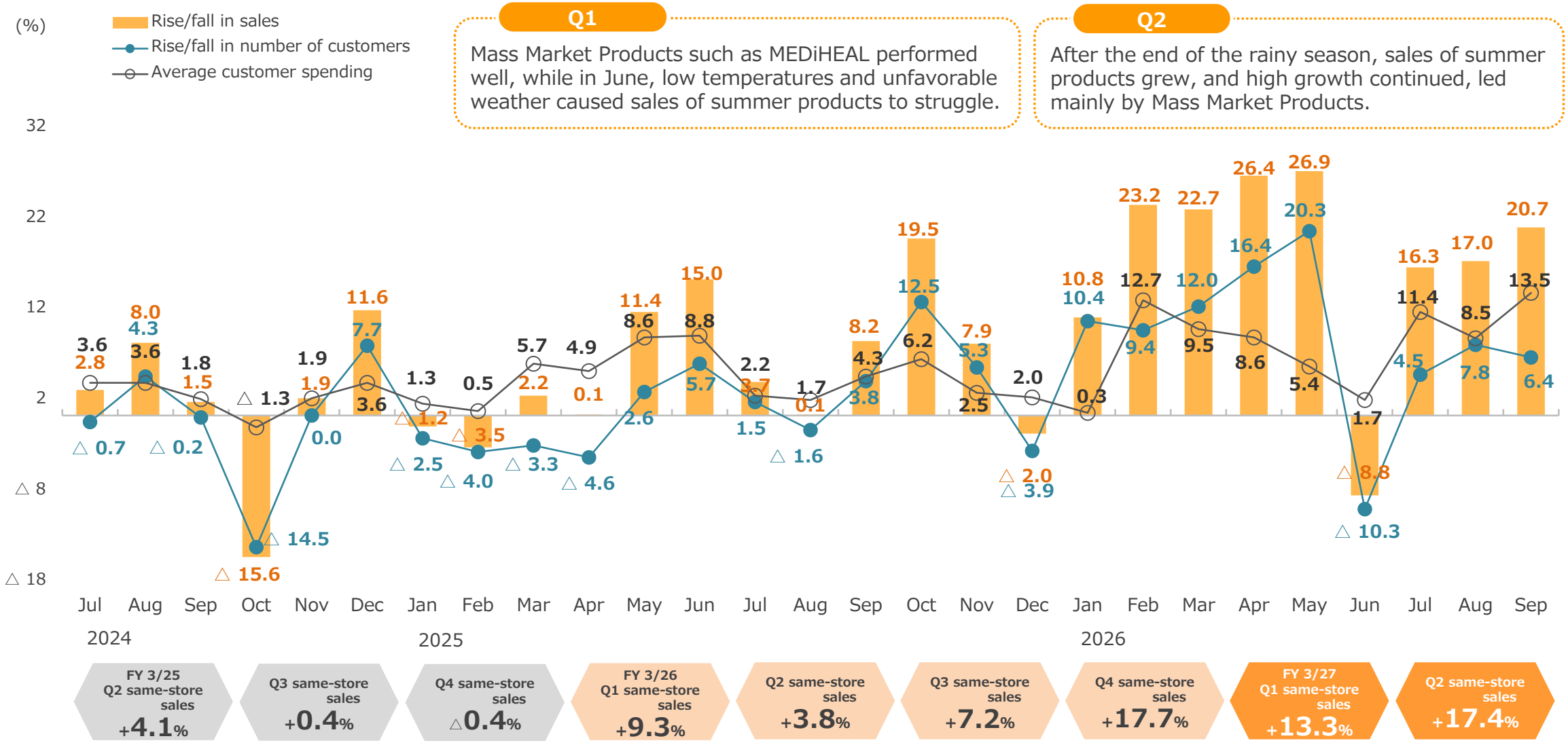
| (Number of stores) | End of FY 3/2026 | New store openings | | | S&B※2 | Renovation | Closures | End of FY 3/2027 Q2 |
|---|---|---|---|---|---|---|---|---|
| | | | Roadside | SC※2 | | | | |
| WORKMAN | 255 | – | – | – | △2 | △17 | – | 236 |
| WORKMAN Plus | 711 | 3 | 3 | – | 2<br>(4) | 16<br>(18) | △3 | 729 |
| #ワークマン女子 WORKMAN GIRL | 31 | – | – | – | – | △9 | – | 22 |
| Workman Colors | 87 | 17 | 6 | 11 | – | 10<br>(11) | – | 114 |
| WORKMAN Pro | 10 | – | – | – | – | – | – | 10 |
| Total ※1 | 1,094 | 20 | 9 | 11 | (4) | (29) | △3 | 1,111 |

*1. Figures in parentheses show the number of cases implemented and are excluded from the change in the number of stores.
*2. SC: Shopping centers S&B: Scrap and Build

©2026 Workman CO., LTD.

# Monthly Trends and Factors

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




**Q1**

Mass Market Products such as MEDiHEAL performed well, while in June, low temperatures and unfavorable weather caused sales of summer products to struggle.

**Q2**

After the end of the rainy season, sales of summer products grew, and high growth continued, led mainly by Mass Market Products.

| FY 3/25 Q2 same-store sales | Q3 same-store sales | Q4 same-store sales | FY 3/26 Q1 same-store sales | Q2 same-store sales | Q3 same-store sales | Q4 same-store sales | FY 3/27 Q1 same-store sales | Q2 same-store sales |
|---|---|---|---|---|---|---|---|---|
| +4.1% | +0.4% | △0.4% | +9.3% | +3.8% | +7.2% | +17.7% | +13.3% | +17.4% |

©2026 Workman CO., LTD.

# Status of Sales

## Higher unit prices resulting from enhanced added value, together with effective sales promotions, drove sales growth.

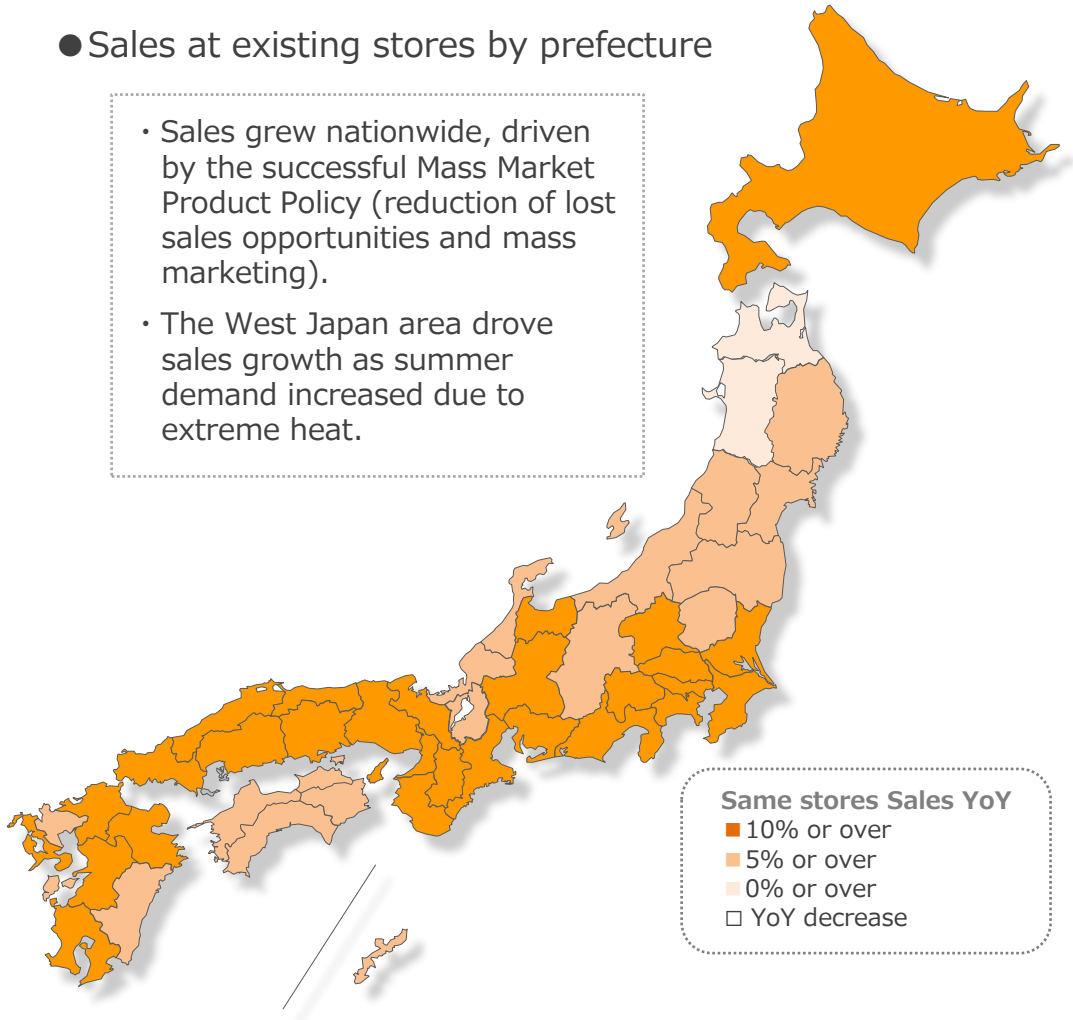
**(Monthly basis)**

| | All chain stores | Existing stores |
|---|---|---|
| **Net sales** | +20.2% | +15.1% |
| **Number of customers** | +11.9% | +6.9% |
| **Average number of customers per day** | – | ※187 (+13) |
| **Average customer spending** | 3,374 yen (+7.5%) | 3,381 yen (+7.6%) |
| **Unit price per item** | 1,313 yen (+5.5%) | 1,311 yen (+5.3%) |
| **Number of items purchased** | 2.56 items (+2.1%) | 2.57 items (+2.3%) |

* 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 at existing stores by prefecture

- Sales grew nationwide, driven by the successful Mass Market Product Policy (reduction of lost sales opportunities and mass marketing).
- The West Japan area drove sales growth as summer demand increased due to extreme heat.

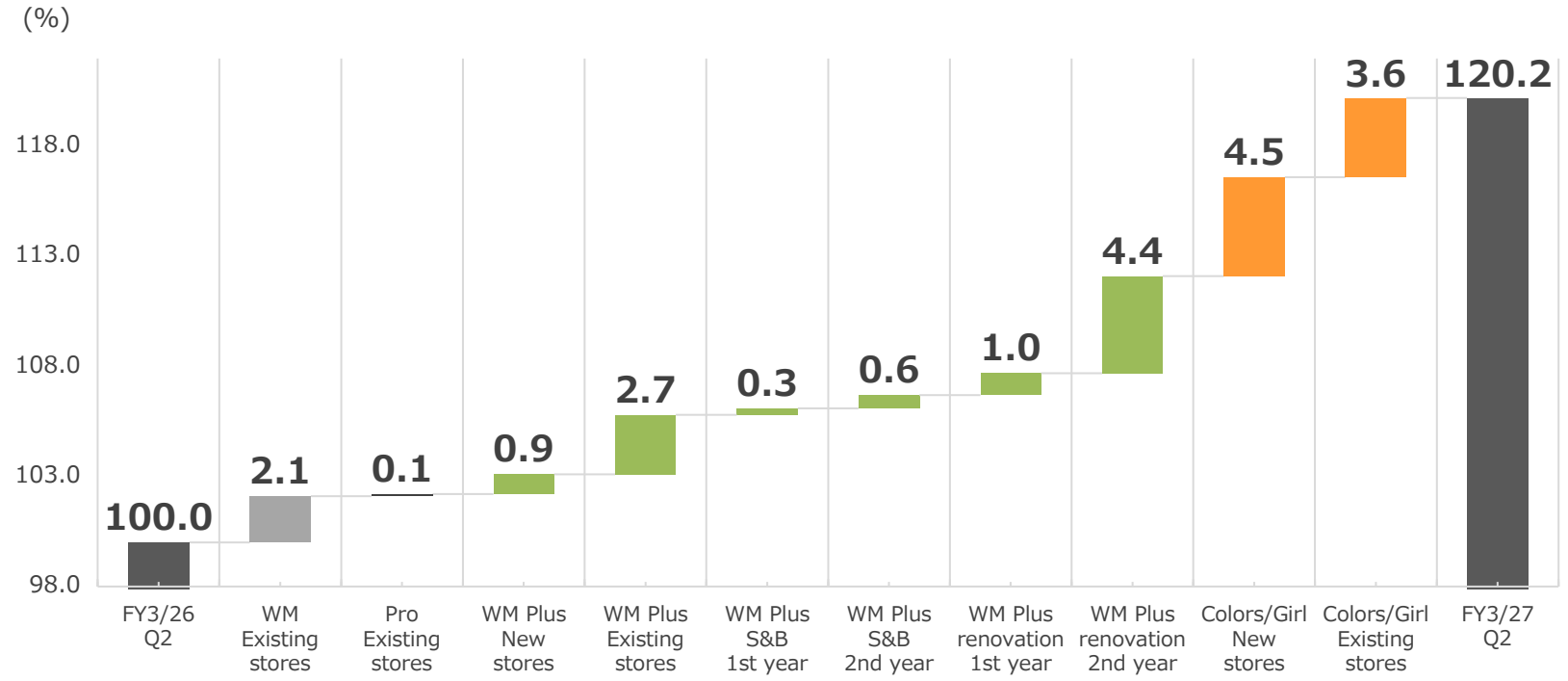



©2026 Workman CO., LTD.

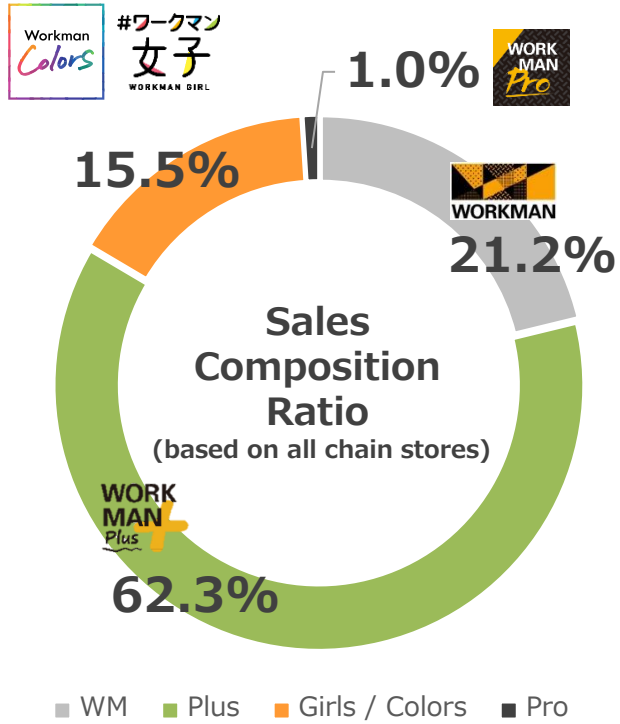
# Sales by Business Category

## High growth is being maintained in all business categories, with Workman Colors existing stores in particular driving growth.

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




| | FY3/26 Q2 | WM Existing stores | Pro Existing stores | WM Plus New stores | WM Plus Existing stores | WM Plus S&B 1st year | WM Plus S&B 2nd year | WM Plus renovation 1st year | WM Plus renovation 2nd year | Colors/Girl New stores | Colors/Girl Existing stores | FY3/27 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| YoY (%) | | +9.1 | +9.2 | – | +16.5 | +52.6 | +9.4 | +24.0 | +11.6 | – | +36.0 | +20.2 |
| Number of stores | | 236 | 10 | 11 | 160 | 7 | 68 | 42 | 441 | 43 | 93 | 1,111 |




*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.

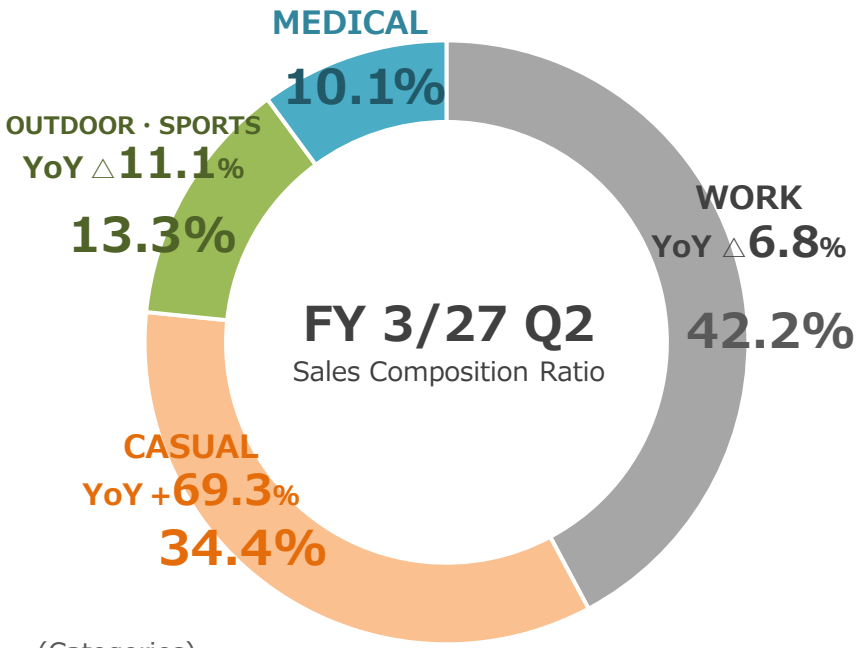
©2026 Workman CO., LTD.

# Status of Sales (Results by Product)

## Recovery wear and casual wear (menswear and womenswear) performed well.

● 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 3/26 Q2 Sales | FY 3/26 Q2 YoY (%) | FY 3/27 Q2 Sales | FY 3/27 Q2 YoY (%) |
|---|---|---|---|---|
| **Undergarments・Socks** Undergarments, socks, hats, towels, etc. | 11,219 | +16.5 | **19,415** | **+73.0** |
| **Casualwear・Sports** Sportswear, polo shirts, etc. | 18,575 | +28.1 | **22,668** | **+22.0** |
| **Workwear・Outdoor** Workwear, outdoor wear, etc. | 30,366 | +12.2 | **31,206** | **+2.8** |
| **Women's・Uniforms** White smocks, office uniforms, etc. | 8,406 | +17.0 | **11,469** | **+36.4** |
| **Footgear** Protective footwear, *tabi* stocks, high boots, kitchen shoes, etc. | 14,185 | △0.4 | **16,548** | **+16.7** |
| **Work supplies** Work gloves, protective gear, rainwear, etc. | 18,839 | +1.9 | **20,798** | **+10.4** |
| **Other** | △18 | – | **37** | **–** |
| **Total** | 101,574 | +11.4 | **122,145** | **+20.3** |

©2026 Workman CO., LTD.

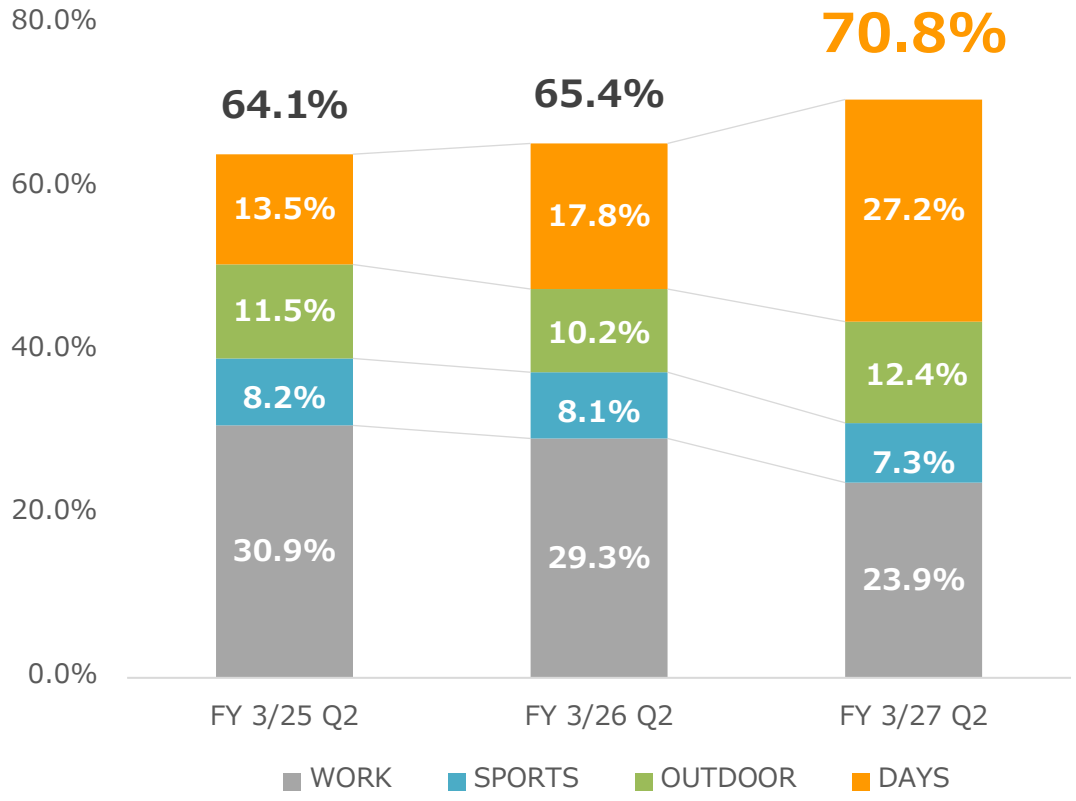
# Status of Sales (Sales by Product and Factors)

**High sales growth was achieved while curbing the increase in the number of PB items.**

● Sales results by brand

| (Millions of yen) | Number of items (YoY) | Sales value (YoY) | Share (%) |
|---|---|---|---|
| Workman WORK | 490 (△8.2%) | 29,154 (△2.1%) | 33.7 |
| Workman SPORTS | 149 (△9.1%) | 8,919 (+7.9%) | 10.3 |
| Workman OUTDOOR | 230 (△25.6%) | 15,188 (+46.9%) | 17.6 |
| Workman DAYS | 1,047 (+27.5%) | 33,178 (+83.5%) | 38.4 |
| Total for PB products | **1,916 (+4.8%)** | **86,440 ( +30.0%)** | **100.0** |

● Changes in the PB ratio
(The ratio to sales at all chain stores)




©2026 Workman CO., LTD.

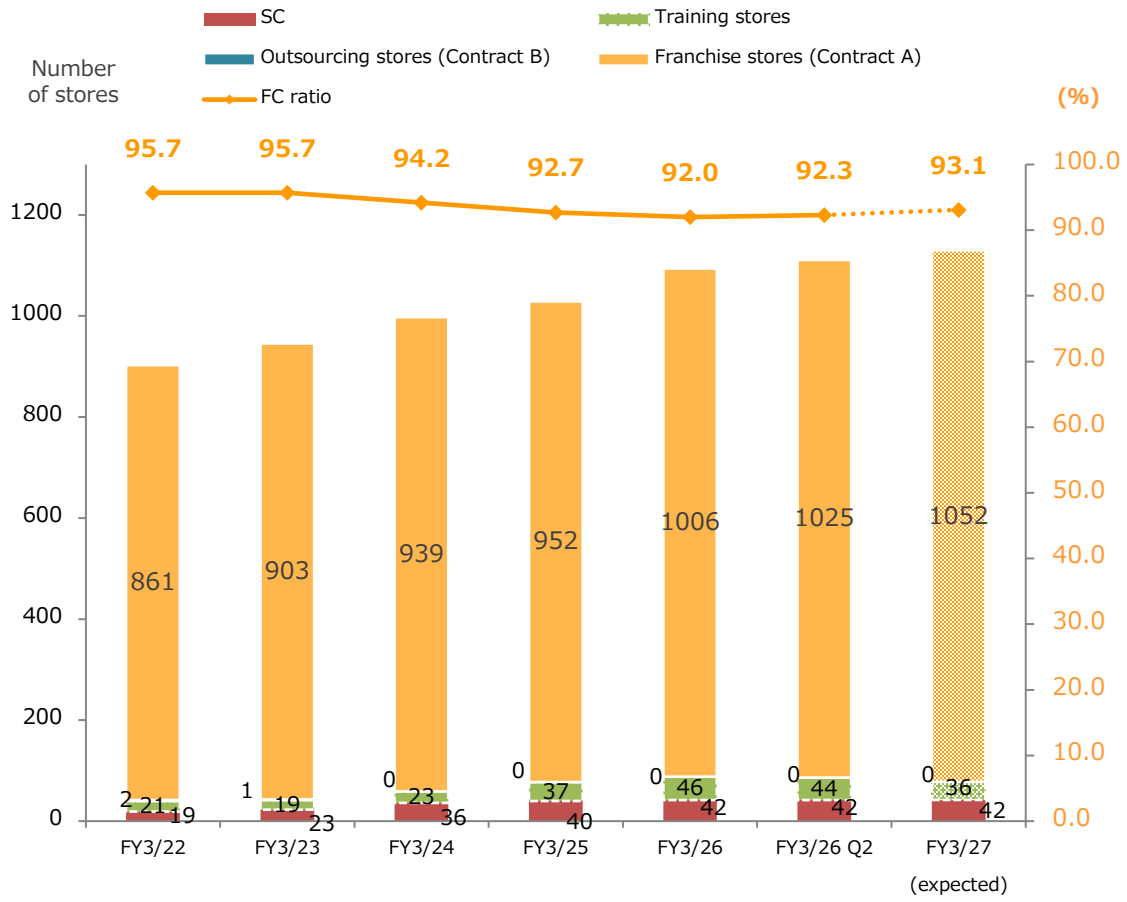
# Format of Store Operations

## Corporate franchising is progressing steadily, and the ratio of franchise stores has begun to trend upward.

● Format of Store Operations for FY 3/26 Q2

| Format of Store Operations | | End-March 2026 | Up | Down | End-Sep. 2026 |
|---|---|---|---|---|---|
| FC | Individual proprietor franchise stores | 1,000 | 28 | 21 | 1,007 |
| | Corporate franchise stores | 6 | 12 | – | 18 |
| Directly managed | Outsourcing stores | – | – | – | – |
| | Training stores | 46 | 22 | 24 | 44 |
| | Shopping center (SC) and outsourced stores | 42 | – | – | 42 |
| | **Total** | 1,094 | 62 | 45 | 1,111 |

● Number of Stores by Format of Operations

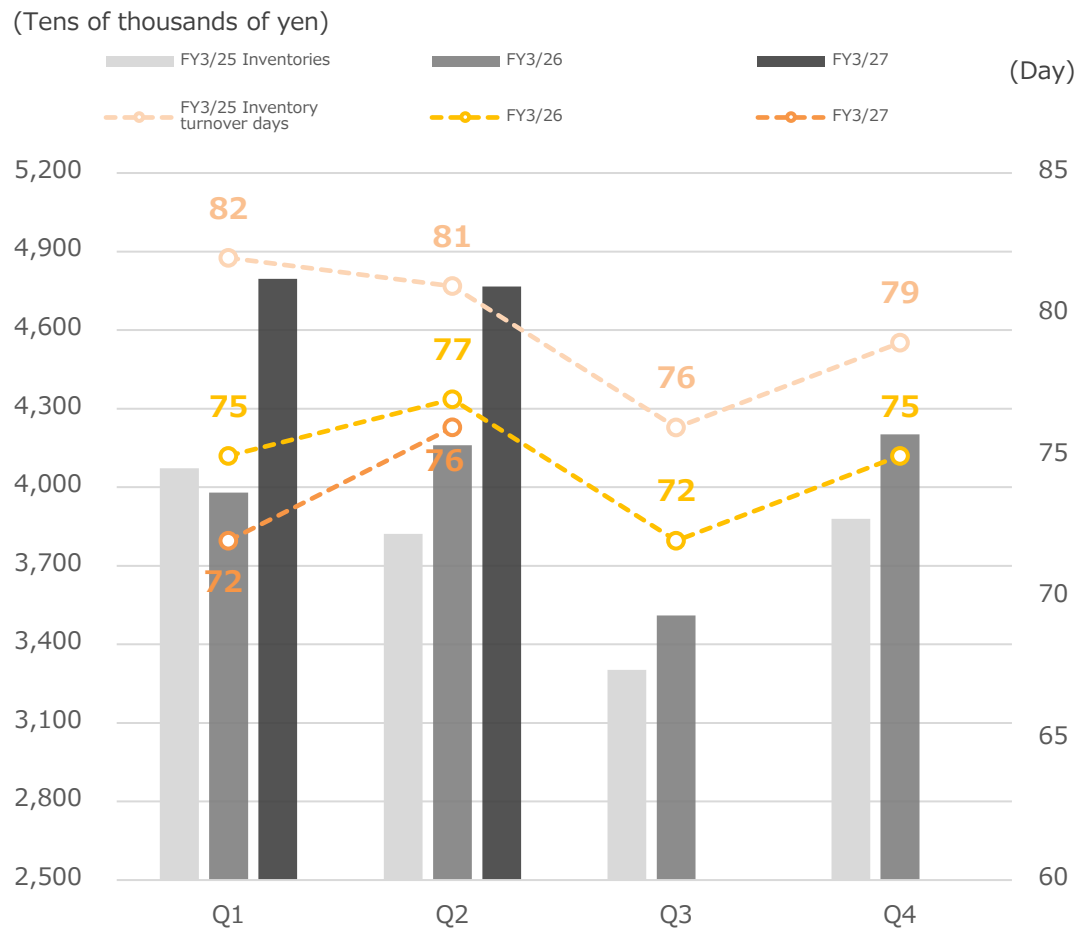



©2026 Workman CO., LTD.

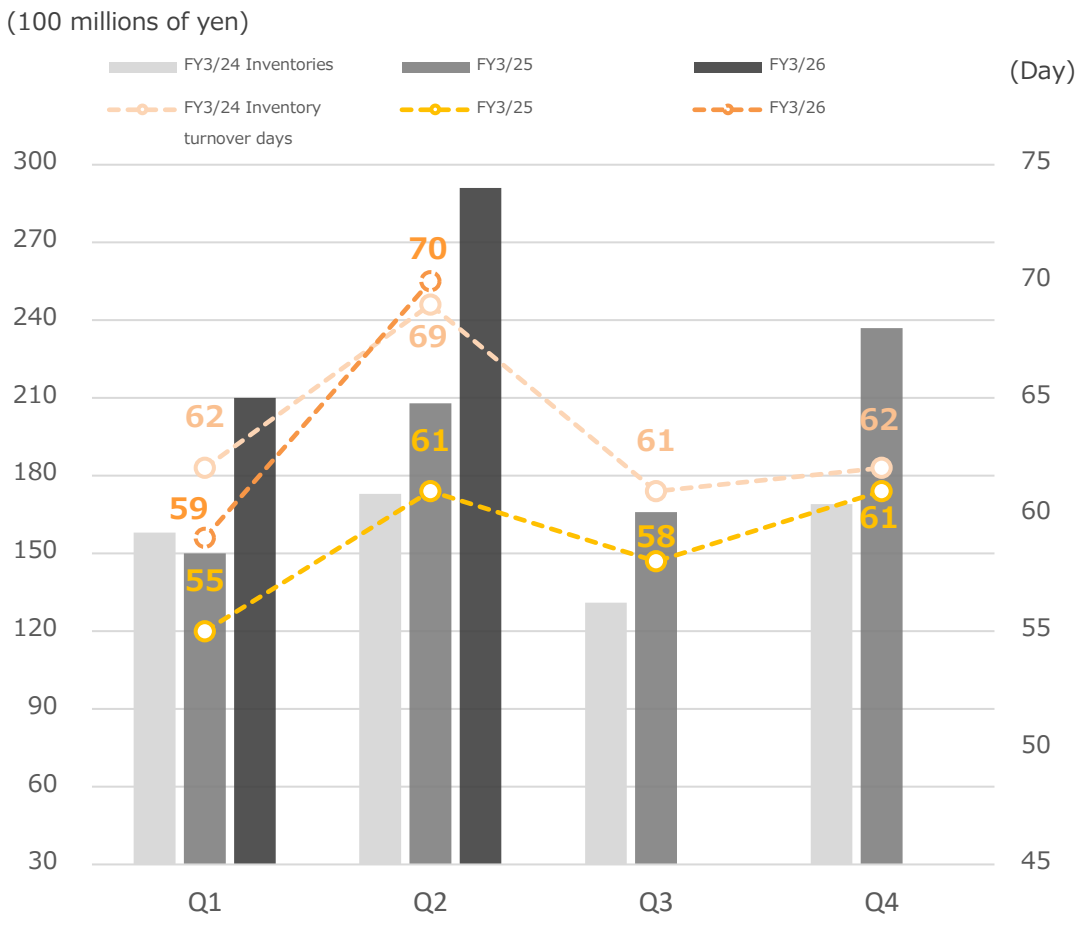
# Inventories (Logistics Cost)

## Inventory levels were strategically raised in line with the Mass Market Product Policy.

● Selling price inventories per store




● DC inventories / delivery cost ratio




©2026 Workman CO., LTD.

# Briefing Contents

- FY 3/2027 Plans

©2026 Workman CO., LTD.

# 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

●Establish a wholly owned subsidiary for overseas expansion

### 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

©2026 Workman CO., LTD.

# Store Opening Plans

**Store opening and renovation plans have been slightly revised, and Workman Colors aims to expand the customer base by strengthening store openings at shopping centers.**

| (Number of stores) | End of FY 3/2026 | Openings set for FY 3/27 | | | S&B※2 | Renovation | Closures | End of FY 3/2027 | Medium/ longer-term goals |
|---|---|---|---|---|---|---|---|---|---|
| | | | Roadside | SC※2 | | | | | |
| WORKMAN | 255 | – | – | – | △5 | △55 | – | 195 | 1,100 |
| WORKMAN Plus | 711 | 7 | 7 | – | 5 (10) | 54 (56) | △5 | 772 | |
| #ワークマン女子 WORKMAN GIRL | 31 | – | – | – | – | △9 | – | 22 | 400 |
| Workman Colors | 87 | 34 | 10 | 24 | – | 10 (11) | – | 131 | |
| WORKMAN Pro | 10 | – | – | – | – | – | – | 10 | – |
| Total※1 | 1,094 | 41 | 17 | 24 | (10) | (67) | △5 | 1,130 | 1,500 |

These are the plans as of this moment. They may be altered in the future.
*1. Figures in parentheses show the number of projects carried out and are not included in the increase/decrease in the number of stores.
*2. SC: Shopping centers S&B: Scrap and Build

©2026 Workman CO., LTD.

# Mass Market Product Policy

**“High functionality x low prices” is gaining renewed recognition in the general apparel market, and we will also actively expand our offerings in the autumn/winter sales season.**

## ●Outlook for 2026 AW Mass Market Products

### MEDiHEAL

Sales results for January to October 2026:
**13.62** million items, **21.5** billion yen

**Maintained AW sales growth, but adjusted production due to below-plan performance**

- Intensifying competition in low-priced recovery wear
- Aim to expand our share in line with market growth

### Xshelter

Overcome **“temperature differentials”** with our original insulation technology, and develop it into a signature product group for the company

**2026 AW production plan: 4 million items / 14 billion yen**

- Developed the year-round product "Σ“ (sigma) to expand the range of wearing occasions
- Developed "Ω" (omega) with enhanced insulation performance to respond to both warm winters and extreme winters

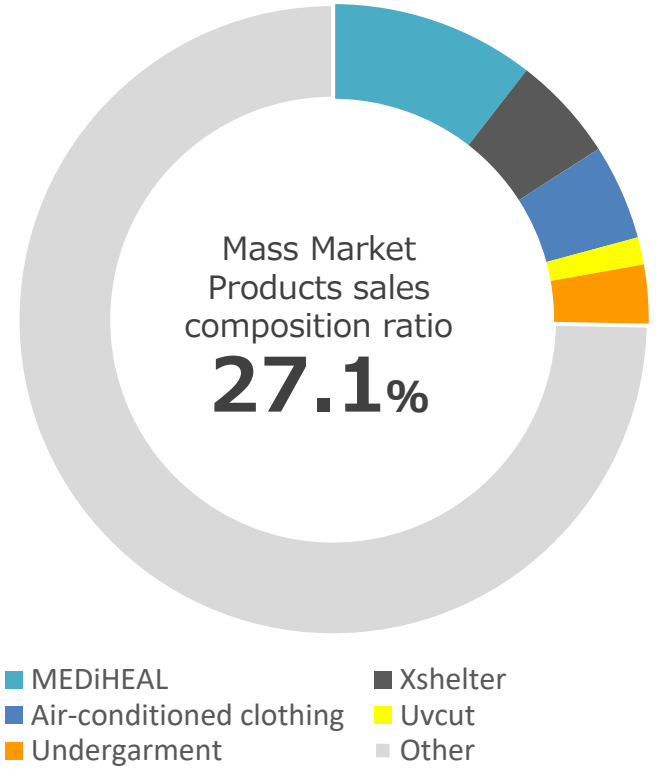
### Functional undergarments

Build a competitive advantage in **materials, functionality, and price**, and establish a **“market position”** through stronger sales promotions

**The fiscal first year of a full-scale production ramp-up toward mass market penetration**

- Sales of merino wool undergarments, made from natural materials, have grown significantly every year. We aim to promote its penetration into everyday life.
- Appeal to cost performance with “Shin Hotto Suru Inner,” our new warming undergarment line

## ●Composition Ratio of Sales at All Chain Stores

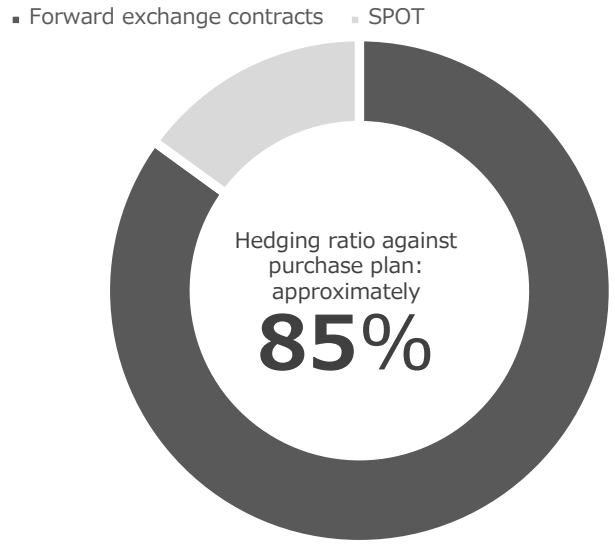



©2026 Workman CO., LTD.

# Product Development

## Promoting the building of a foundation to reduce risk and expand profits.

### ●Forward exchange contracts




| FY 3/27 | Locked-in % / Rate | | SPOT Rate | Assumed rate (previous year) |
|---|---|---|---|---|
| 1st Half | Approx. 85% | 144 yen | 160 yen | 147 yen (147 yen) |
| 2nd Half | Approx. 85% | 151 yen | 160 yen | 153 yen (149 yen) |
| **Full Year** | **Approx. 85%** | **148 yen** | **160 yen** | **150 yen (148 yen)** |

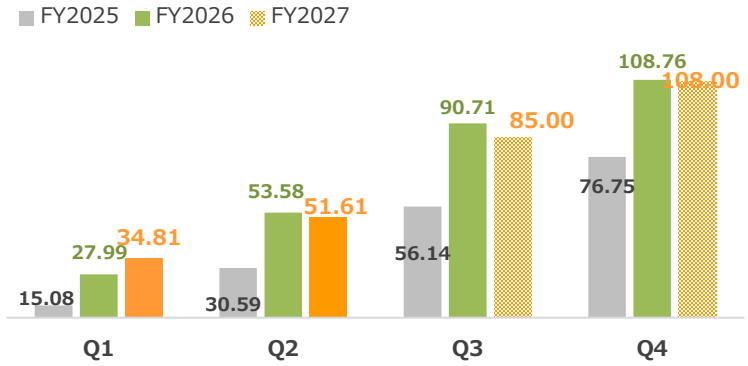
| FY 3/28 | Locked-in % / Rate | | SPOT Rate | Assumed rate (previous year) |
|---|---|---|---|---|
| 1st Half | Approx. 80% | 152 yen | – | – |

*The locked-in % for FY 3/28 is calculated based on provisional figures.

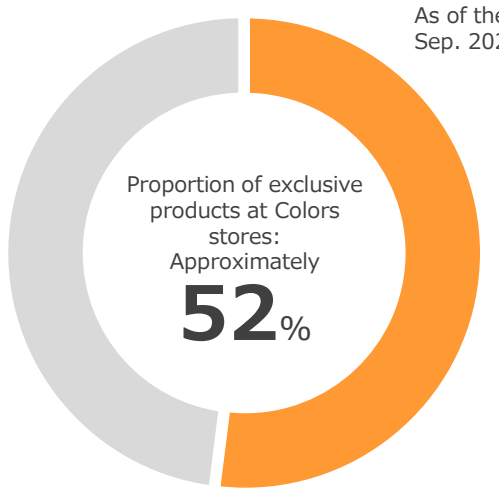
### ●Progress in profit related to overseas purchases




**(Cumulative profit related to overseas purchases)**




### ●Workman Colors exclusive product ratio




・Product development will be strengthened in line with the expansion of the Workman Colors store network.



©2026 Workman CO., LTD.

# Sales Strategy

## Maximize sales through multifaceted promotions starting from new product showcases.

**Trigger**

### New Product Showcases




**Generate buzz through concentrated information dissemination via media and social media**

**(1) MEDiHEAL & Colors Showcase**
TV: 17 programs, print/web: 411 media outlets

**(2) XShelter & Undergarments Showcase**
TV: 10 programs, print/web: 151 media outlets

**Ripple effect**

**Action 01** **TV Commercials (Raising awareness)**

- Concentrate investment on Mass Market Products with clearly defined seasonality and themes to improve investment effectiveness




**Action 02** **Sales Promotion Flyers (Encouraging store visits)**

- Rolled out monthly through December 2026
- Optimize print, online, and other advertising media to improve outreach efficiency




**Action 03** **Social Media (Spreading information and building a fan base)**

- Strengthen information dissemination through influencers and official social media accounts
- Expand digital channels, including our own app




**Action 04** **Sales Floor Development (Driving actual sales)**

- Rebuild VMD to standardize sales floors
- Improve customer-drawing power by introducing in-store wrapping displays, etc.



**Targets**

**GOAL**

### Maximize Sales

**Achieve targets and further improve business performance through the effects of an all-round approach**

- **Expand the customer base**
- **Cultivate repeat customers**
- **Improve customer satisfaction**

©2026 Workman CO., LTD.

# Plans for the Fiscal Year Ending March 2027

**Profit is progressing smoothly, and the full-year earnings forecast remains unchanged, taking into account factors such as cost increases in the 2nd Half.**

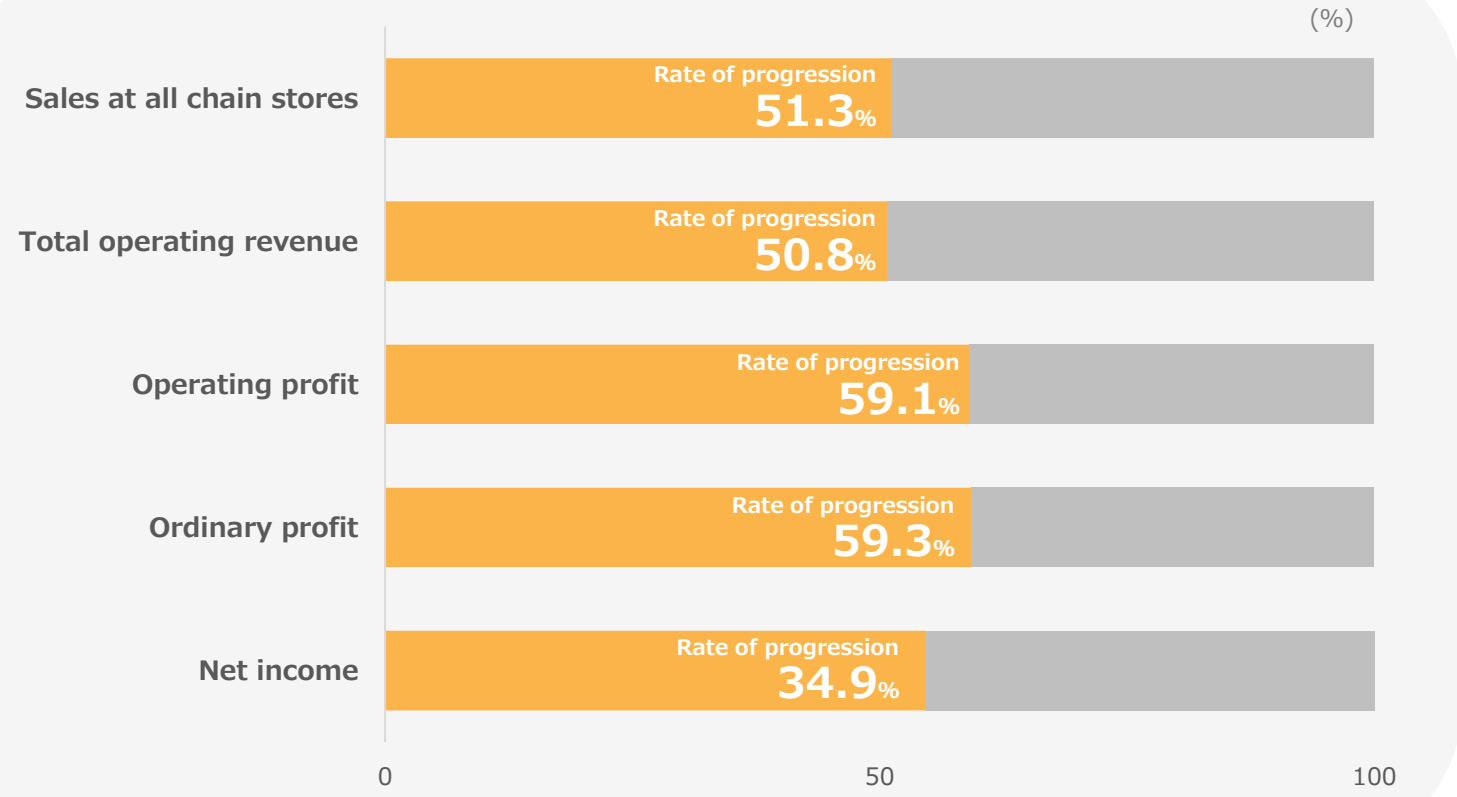
**Sales at all chain stores**
237,970 Million yen YoY +13.7%

**Total operating revenue**
183,376 Million yen YoY +14.0%

**Operating profit**
32,112 Million yen YoY +8.2%

**Ordinary profit**
33,418 Million yen YoY +9.3%

**Net income**
22,329 Million yen YoY +8.3%




©2026 Workman CO., LTD.

■ 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.


Workman CO., LTD.

Securities code: 7564 (STANDARD)

Contact Information: IR Group, Finance Division
TEL : +813-3847-8190
E-mail : wm_seibi@workman.co.jp
https : //www.workman.co.jp/