(7564)

WORKMAN

FY 3/2027 Q1 Financial Results Briefing Materials

August 3, 2026

Briefing Contents

Briefing Contents

● FY 3/2027 Q1 Financial Results

Cumulative Income Statement

(Millions of yen)	FY 3/2026 Q1	FY 3/2027 Q1	YoY (%)
Sales at all chain stores	56,947	**67,561**	**+18.6**
Sales to directly managed stores	6,702	**8,028**	**+19.8**
Sales to franchise stores	50,245	**59,532**	**+18.5**
(Same store sales)	–	–	**+13.3**
Total operating revenue	41,560	**51,812**	**+24.7**
Cost of sales	24,939	**30,974**	**+24.2**
Adjusted OP before SG&A	16,620	**20,837**	**+25.4**
SG&A	7,592	**8,806**	**+16.0**
Operating profit	9,028	**12,031**	**+33.3**
Ordinary profit	9,235	**12,431**	**+34.6**
Net income	5,817	**7,792**	**+34.0**
EPS	71.28 yen	**95.48 yen**	

Financial Results Highlights

● **Sales at all chain stores**

・Mass Market Products, led by recovery wear, drove sales.
・Due to the impact of unfavorable weather in June, Q1 sales fell short of the plan (△3.9 points below the plan).

● **Total operating revenue**

・Strengthened profit return to franchise stores, with the gross profit margin at 38.3% (+1.6 points)
⇒Revenue from franchise stores: 13,983 million yen (YoY +24.5%)
・Expanded inventory of Mass Market Products, including MEDiHEAL
⇒Product supply and sales at franchise stores: 29,769 million yen (YoY +26.2%)

● **Cost of sales**

・Profit related to overseas purchases: 3,481 million yen (+24.4% YoY)
(1) Average settlement rate: 144.69 yen (FY 3/26 Q1 148.47 yen)
(2) Direct overseas purchases: ±0.0% (accounts for 47.6% of total purchases)

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

・Revenue from franchise stores: +2,748 million yen
・Gross profit from self-operated stores: +664 million yen
・Profit related to overseas purchases: +682 million yen

● **In summary**

・With both revenue and profit increasing in Q1 for the second consecutive year, a record-high profit was achieved.

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

(Millions of yen)	FY 3/2026 Q1	SG&A ratio (%)	FY 3/2027 Q1	SG&A ratio (%)	Change	YoY (%)
Sales at all chain stores	56,947	–	**67,561**	–	–	+18.6
Labor cost	1,255	2.2	**1,413**	2.1	+158	+12.6
Selling cost	559	1.0	**1,003**	1.5	+443	+79.3
Traveling expenses	122	0.2	**140**	0.2	+17	+14.2
Freight cost	554	1.0	**535**	0.8	△18	△3.3
Rent	1,762	3.1	**1,862**	2.8	+100	+5.7
Supply expenses	332	0.6	**345**	0.5	+12	+3.8
Outsourcing expenses	1,291	2.3	**1,556**	2.3	+265	+20.5
Depreciation	847	1.5	**998**	1.5	+151	+17.9
Other	866	1.5	**950**	1.4	+83	+9.7
Total	7,592	13.3	**8,806**	13.0	+1,214	+16.0

*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: +25.

● **Selling cost**

・Sales promotion flyers: +226 million yen, sales promotion media: +117 million yen
・Product showcases: +62 million yen, TV commercials: +36 million yen

● **Freight cost**

・Increase in rebates offset against SG&A expenses in line with higher domestic purchases, including MEDiHEAL: △693 million yen
(Main breakdown)
*Product freight cost: △221 million yen / Rent: △162 million yen / Outsourcing expenses: △231 million yen

● **Rent**

・Increase in external warehouses due to increased inventory of Mass Market Products: +189 million yen

● **Outsourcing expenses**

・Shopping center (SC) stores operating cost, due to increased sales there: +124 million yen
・New store and renovation operations: +53 million yen
・Distribution center management outsourcing: +225 million yen

● **Depreciation**

・Increase in new store openings and renovations, and soaring construction costs

Balance Sheet

(Millions of yen)	FY 3/2026 Q1	End of FY 3/2026	FY 3/2027 Q1	Change
Current assets	118,774	**138,440**	**137,144**	△1,296
Cash and deposits	79,970	**83,743**	**82,482**	△1,261
Securities	1,997	**–**	**3,099**	+3,099
Accounts receivable - due from FCs	12,907	**14,470**	**17,230**	+2,760
Merchandise	17,632	**29,770**	**22,677**	△7,093
Other	6,267	**10,456**	**11,654**	+1,198
Non-current assets	42,534	**46,816**	**47,379**	+562
Property, plant and equipment	34,013	**38,531**	**39,396**	+865
Intangible assets	1,198	**1,437**	**1,580**	+142
Other investments	7,322	**6,847**	**6,401**	△445
Total assets	161,308	**185,257**	**184,523**	△734
Current liabilities	21,701	**26,454**	**24,763**	△1,691
Non-Current liabilities	5,120	**5,345**	**5,524**	+178
Total liabilities	26,822	**31,800**	**30,287**	△1,512
Total net assets	134,486	**153,456**	**154,235**	+778
Total liabilities and net assets	161,308	**185,257**	**184,523**	△734

Factors of increase/decrease

●Cash and deposits

・Operating CF：+11,469 million yen
・Investing CF：△5,496 million yen
・Financing CF：△7,234 million yen
Free cash flow remained positive. In response to rising interest rates, part of cash on hand was invested in low-risk short-term bonds.

●Accounts receivable - due from FCs

・Inventory of Mass Market Products was expanded, while summer demand was delayed due to weather impact.
⇒Selling price inventory per store: +8.16 million yen

●Merchandise (factors for increase/decrease)

・Distribution center inventories increased significantly YoY.
⇒Inventory levels were raised to prevent lost sales opportunities due to stockouts.
・Summer product inventories temporarily increased due to weather impact.

(Millions of Yen)

Factors	Changes FY 3/26 Q1	Changes FY 3/26
・Directly managed/SC stores	+201	+307
・Distribution centers	+5,520	△2,032
・Goods in transit	△638	△5,345

●Rise in tangible fixed assets

・A total of 15 newly built stores: 13 new stores and 2 S&B stores (of which 5 stores are properties owned and built by the company; down 9 stores YoY)
・Land acquisition for the Okayama and Isesaki No. 2 Distribution Centers: +803 million yen

Briefing Contents

- FY 3/2027 Q1 Financial Results Overview

Store Openings

**Store openings and renovations are proceeding in line with the plan.
Workman Colors is strengthening store openings at shopping centers through corporate franchising.**

(Number of stores)	End of FY 3/2026	New store openings			S&B※2	Renovation	Excluding increase /decrease ※3	Closures	End of FY 3/2027 Q1
			Roadside	SC※2					
WORKMAN	255	–	–	–	△2	△17	1	–	237
WORKMAN Plus	711	3	3	–	2	17	△1	–	732
#ワークマン女子 WORKMAN GIRL	31	–	–	–	–	–	–	–	31
Workman Colors	87	10	3	7	–	–	–	–	97
WORKMAN Pro	10	–	–	–	–	–	–	–	10
Total ※1	1,094	13	6	7	(2)	(17)	–	–	1,107

※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.

Monthly Trends and Factors

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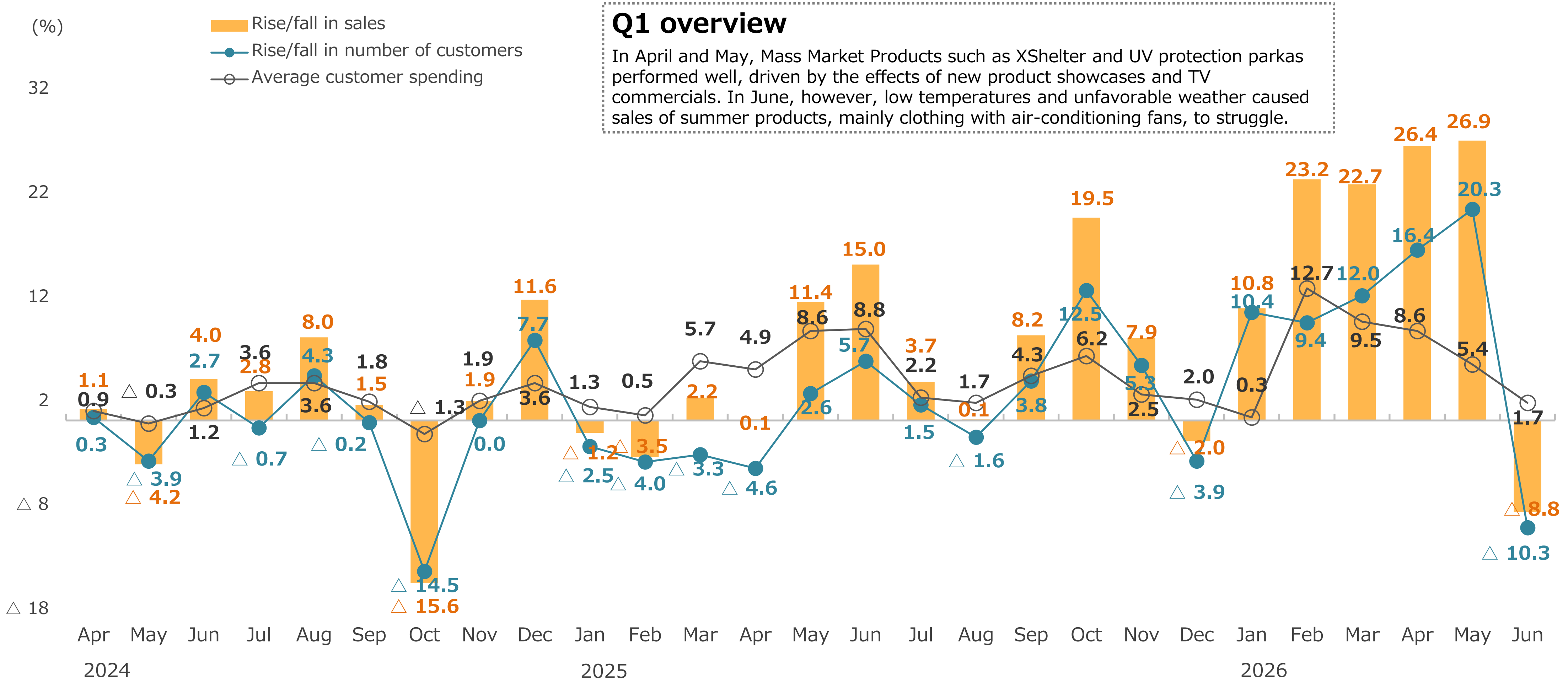
Rise/Fall in Same-Store Sales, Number of Customers, and Average Customer Spending

Q1 overview

In April and May, Mass Market Products such as XShelter and UV protection parkas performed well, driven by the effects of new product showcases and TV commercials. In June, however, low temperatures and unfavorable weather caused sales of summer products, mainly clothing with air-conditioning fans, to struggle.



FY 3/25 Q1 same-store sales	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
+0.6%	+4.1%	+0.4%	△0.4%	+9.3%	+3.8%	+7.2%	+17.7%	+13.3%

Status of Sales

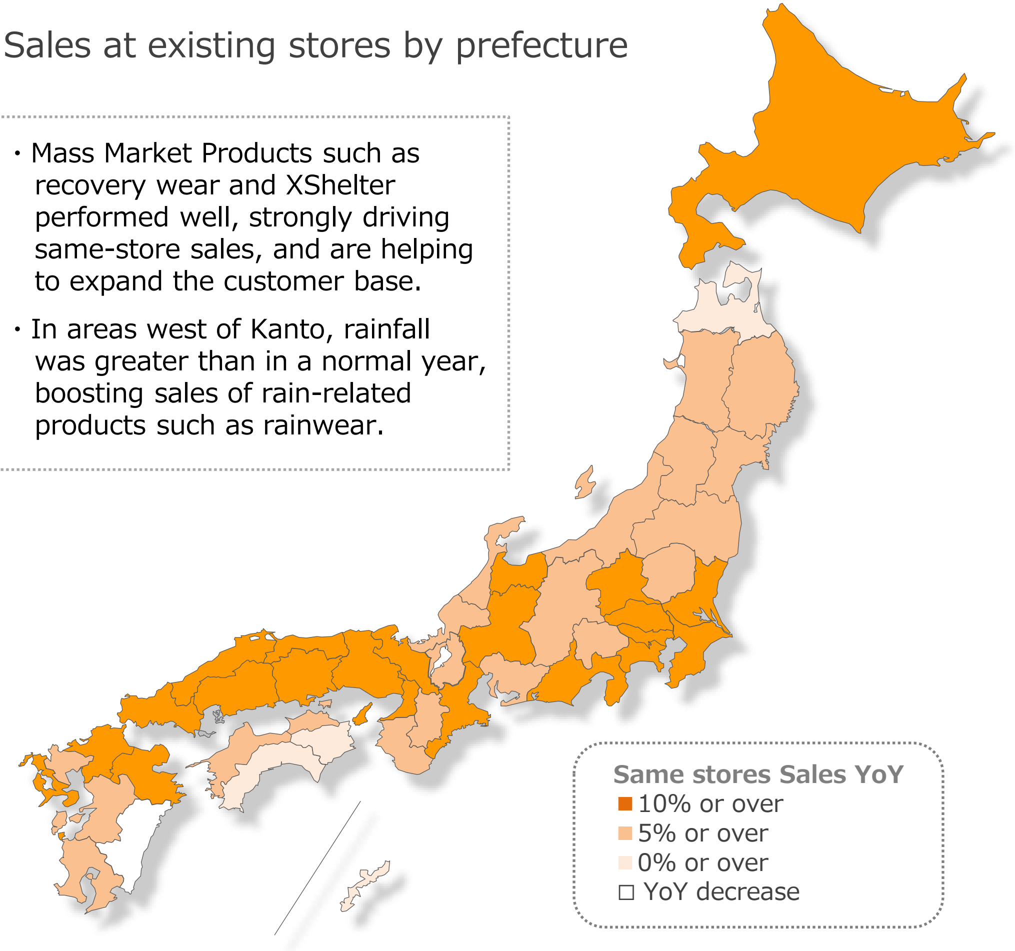
Average customer spending increased due to price revisions from product renewals, as well as multiple and related purchases of Mass Market Products such as MEDiHEAL.

	All chain stores	Existing stores
Net sales	+18.6%	+13.3%
Number of customers	+13.1%	+7.9%
Average number of customers per day	–	※204 (+15)
Average customer spending	3,408 yen (+4.9%)	3,413 yen (+5.0%)
Unit price per item	1,298 yen (+2.9%)	1,297 yen (+2.7%)
Number of items purchased	2.62 items (+2.0%)	2.63 items (+2.2%)

※ 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.

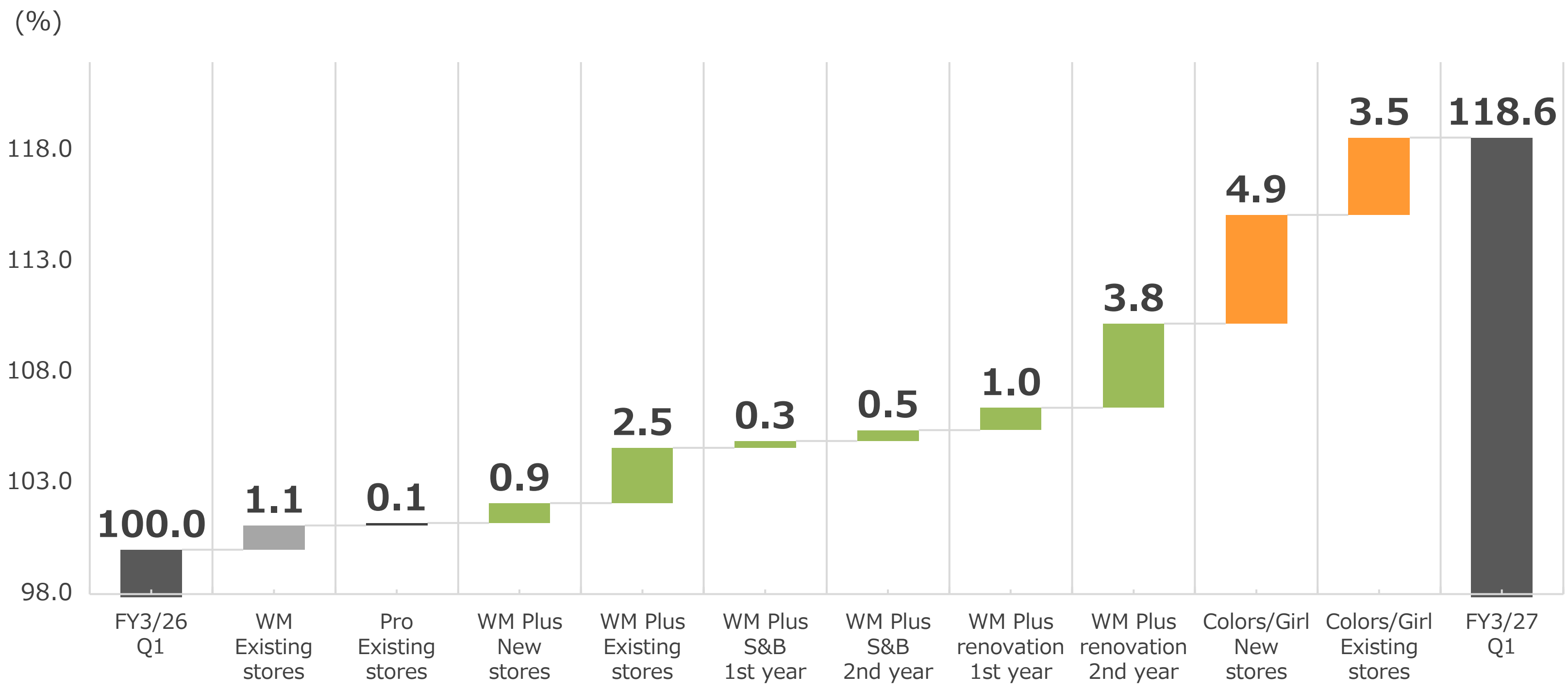
● Sales at existing stores by prefecture

- Mass Market Products such as recovery wear and XShelter performed well, strongly driving same-store sales, and are helping to expand the customer base.
- In areas west of Kanto, rainfall was greater than in a normal year, boosting sales of rain-related products such as rainwear.

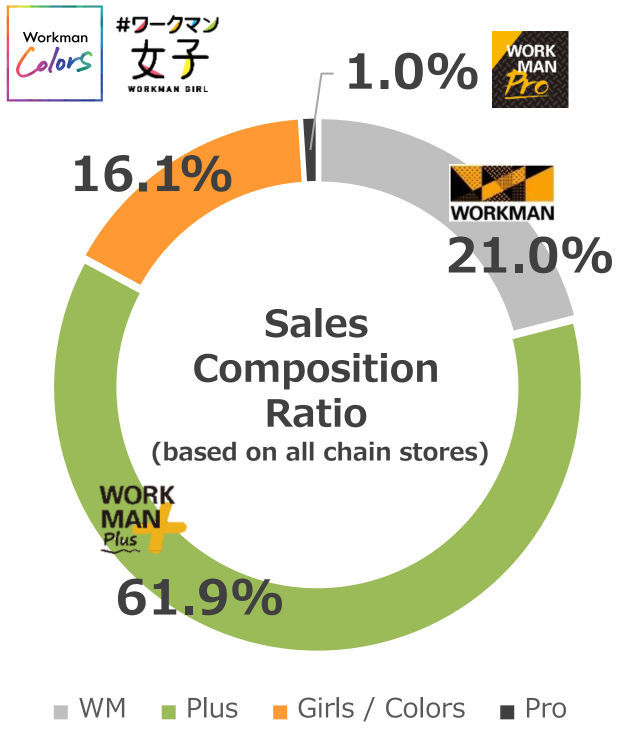


Workman Colors existing stores drove growth.

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



	FY3/26 Q1	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 Q1
YoY (%)		+4.6	+9.8	–	+15.6	+52.9	+8.3	+22.2	+10.3	–	+34.0	+18.6
Number of stores		237	10	11	162	7	68	41	443	38	90	1,107



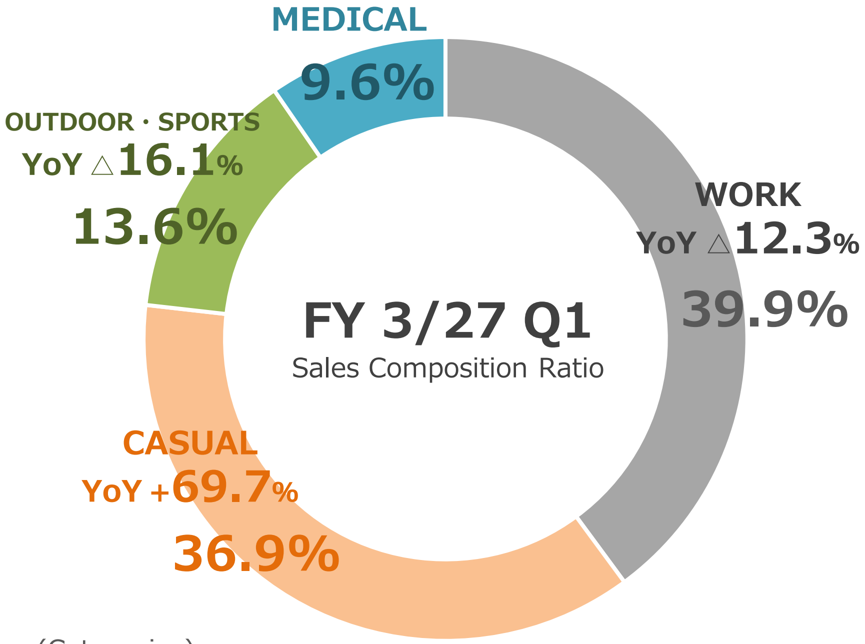
※ Same-store sales are calculated by excluding sales in months of new store openings and post-renovation renewal openings.
※ "WM Plus Existing stores" covers stores newly opened in the Workman Plus format.

Status of Sales (Results by Product)

Due to unfavorable weather, summer products struggled, with clothing with air-conditioning fans in the Work category struggling the most.

● 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 Q1 Sales	FY 3/26 Q1 YoY (%)	FY 3/27 Q1 Sales	FY 3/27 Q1 YoY (%)
Undergarments · Socks Undergarments, socks, hats, towels, etc.	5,794	+10.9	**10,993**	**+89.7**
Casualwear · Sports Sportswear, polo shirts, etc.	10,110	+15.6	**12,962**	**+28.2**
Workwear · Outdoor Workwear, outdoor wear, etc.	16,339	+21.6	**15,439**	**△5.5**
Women's · Uniforms White smocks, office uniforms, etc.	5,585	+26.5	**7,390**	**+32.3**
Footgear Protective footwear, *tabi* stocks, high boots, kitchen shoes, etc.	7,884	+2.4	**8,970**	**+13.8**
Work supplies Work gloves, protective gear, rainwear, etc.	10,967	+6.9	**11,790**	**+7.5**
Other	264	+227.7	**15**	**△94.3**
Total	56,947	+14.2	**67,561**	**+18.6**

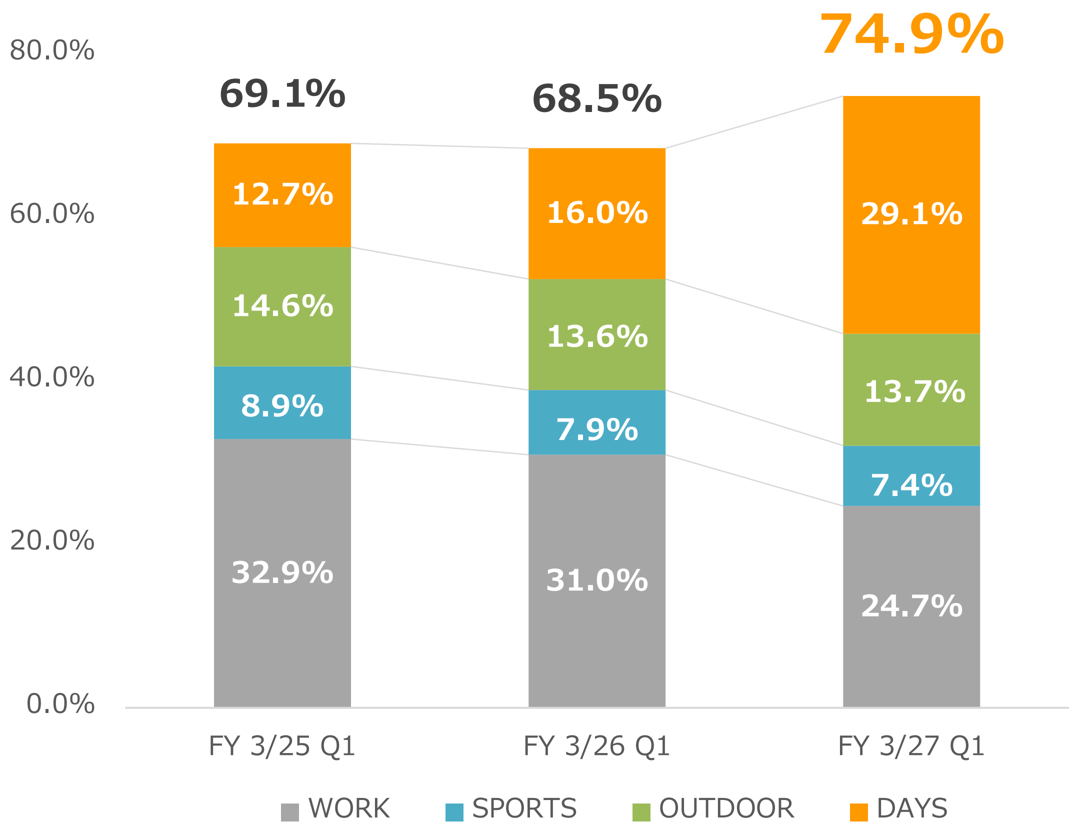
Status of Sales (Sales by Product and Factors)

The promotion of Colors exclusive products and growing demand for recovery wear increased the share of "DAYS."

● Sales results by brand

(Millions of yen)	Number of items (YoY)	Sales value (YoY)	Share (%)
Workman WORK	413 (△5.9%)	16,694 (△5.0%)	33.0
Workman SPORTS	125 (△4.6%)	4,983 (+11.7%)	9.8
Workman OUTDOOR	172 (△36.5%)	9,290 (+20.2%)	18.4
Workman DAYS	761 (+43.0%)	19,649 (+116.5%)	38.8
Total for PB products	**1,471 (+7.1%)**	**50,618 (+30.3%)**	**100.0**

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



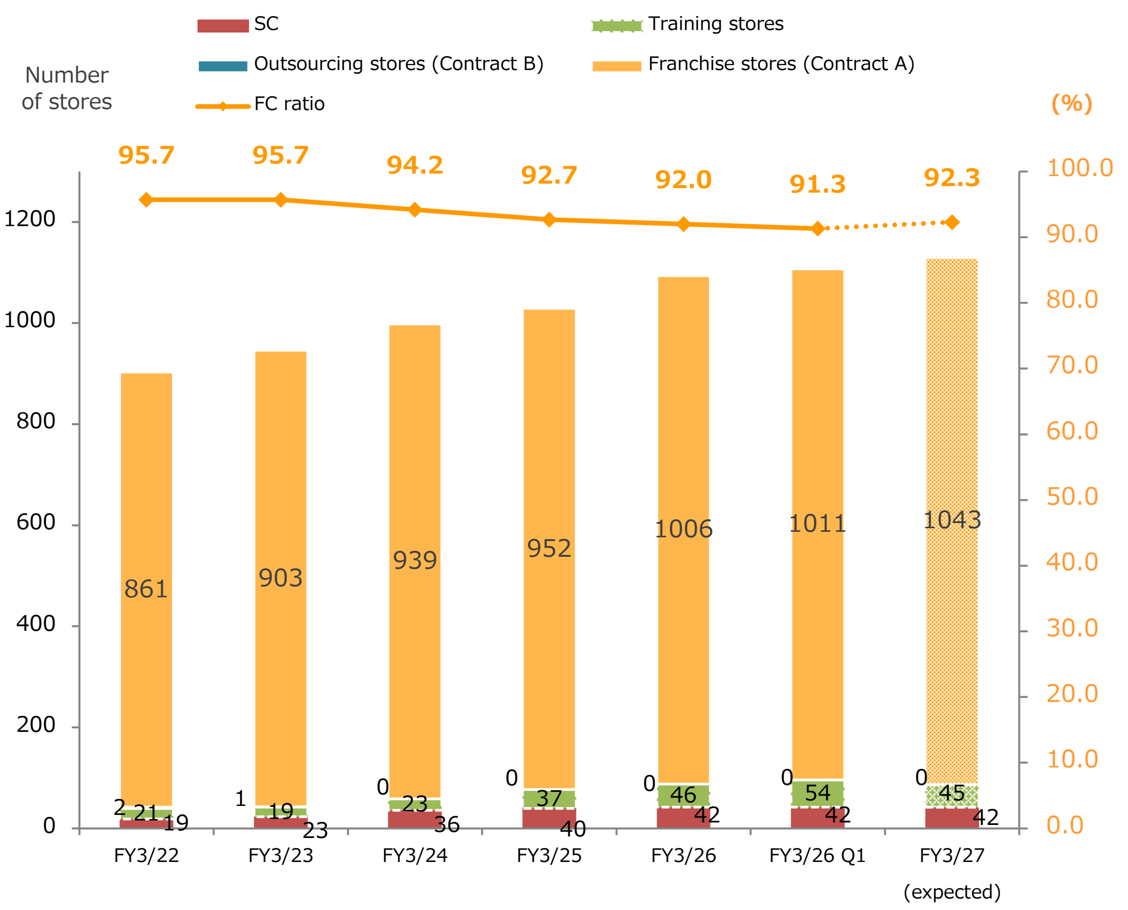
Format of Store Operations

Although the FC ratio declined slightly, it remained at a high level, supported by the steady progress of corporate franchising.

● Format of Store Operations for FY 3/26 Q1

Format of Store Operations		End-March 2026	Up	Down	End-June 2026
FC	Individual proprietor franchise stores	1,000	14	16	998
FC	Corporate franchise stores	6	7	–	13
Directly managed	Outsourcing stores	–	–	–	–
Directly managed	Training stores	46	17	9	54
Directly managed	Shopping center (SC) and outsourced stores	42	–	–	42
Total		1,094	38	25	1,107

● Number of Stores by Format of Operations



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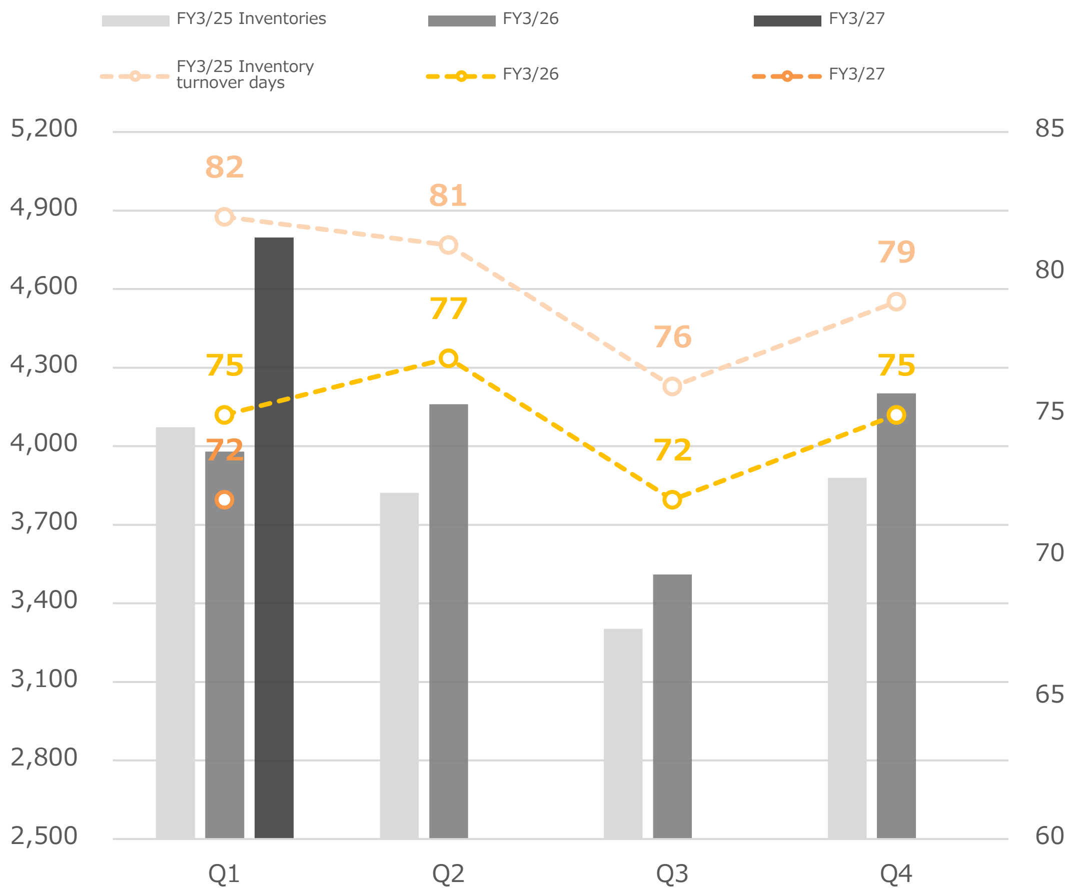
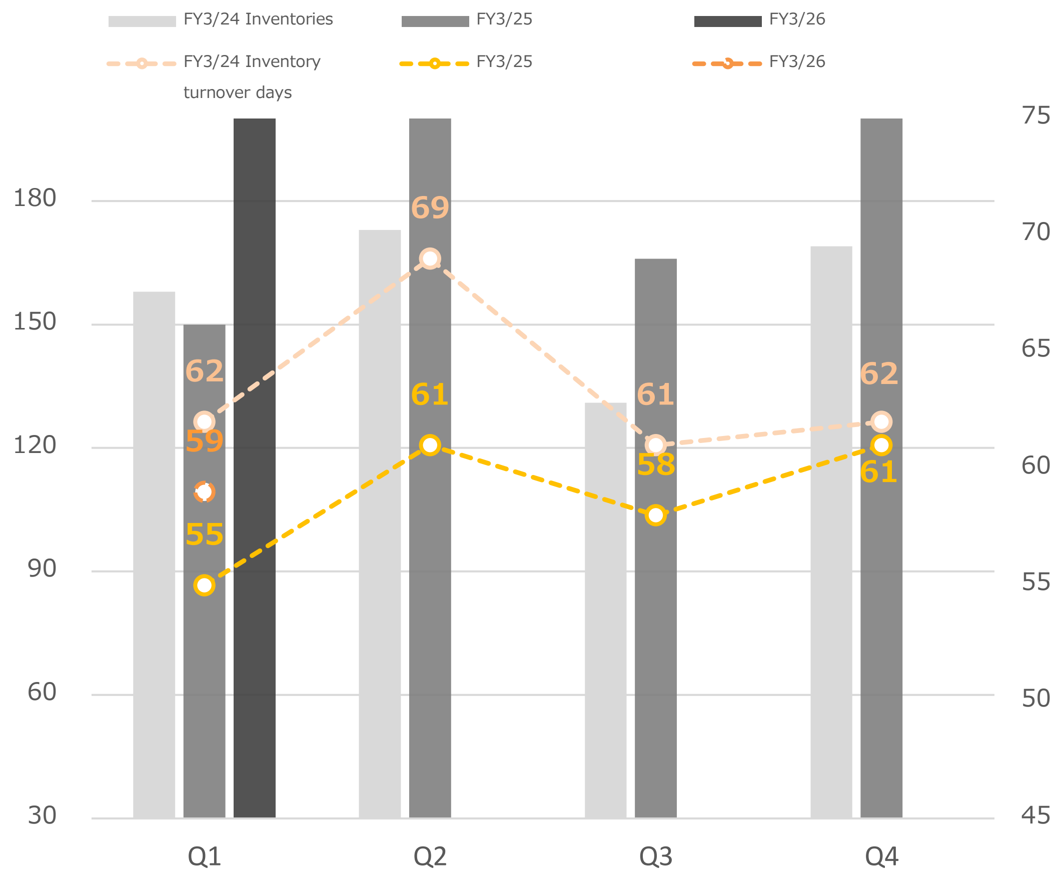
Inventory levels rose due to the delay in summer demand and the Mass Market Product Policy.

●Selling price inventories per store



●DC inventories / delivery cost ratio



Briefing Contents

● FY 3/2027 Plans

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

Store Opening Plans

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The full-year plan remains unchanged, and Workman Colors aims to expand the customer base by strengthening store openings at shopping centers (SC).

(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

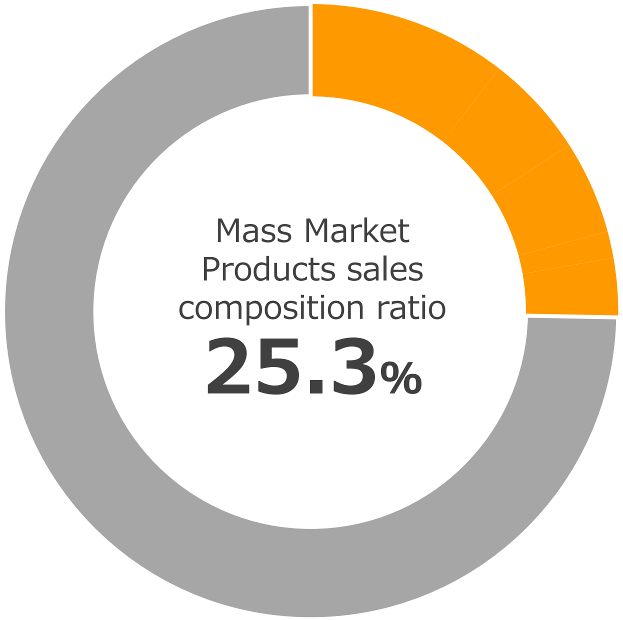
These are the plans as of this moment. They may be altered in the future.
※1. The Total column shows the number of operating stores, with figures in parentheses excluded from the Total.
※2. SC: Shopping centers S&B: Scrap and Build
※3. This column shows the number of stores that operated as Workman Plus in the past but became subject to S&B or were renovated during the period under review.

Mass Market Product Policy

Make the most of our unique value of high functionality x low prices to create new markets.

Product	Progress	Comments
MEDIHEAL	On track	・Details are explained on the next page.
XShelter	On track	・The extreme heat product showcase was successful, and sales have remained strong since the early part of the season. ・Some products experienced lost sales opportunities due to stockouts.
WindCore **(Clothing with air-conditioning fan(s), Peltier vest)**	Delayed	・Sales got off to a slow start due to weather impact. ・From Q2 onward, sales will be strengthened in line with rising temperatures to work through inventory.
UVCUT **(UV protection wear)**	Mostly sold out	・Popular models sold out early. ・Production volumes will be reviewed for the next fiscal year.
シン・呼吸するインナー **(Functional undergarments)**	On track	・Despite the impact of the weather, stable sales were maintained. ・The product lineup will continue to be strengthened.

● Composition Ratio of Sales at All Chain Stores



✓ **By delving deeper into our unique functionality, we will differentiate our products and cultivate a group of products that will become a pillar of profitability.**

Product Development (MEDiHEAL)

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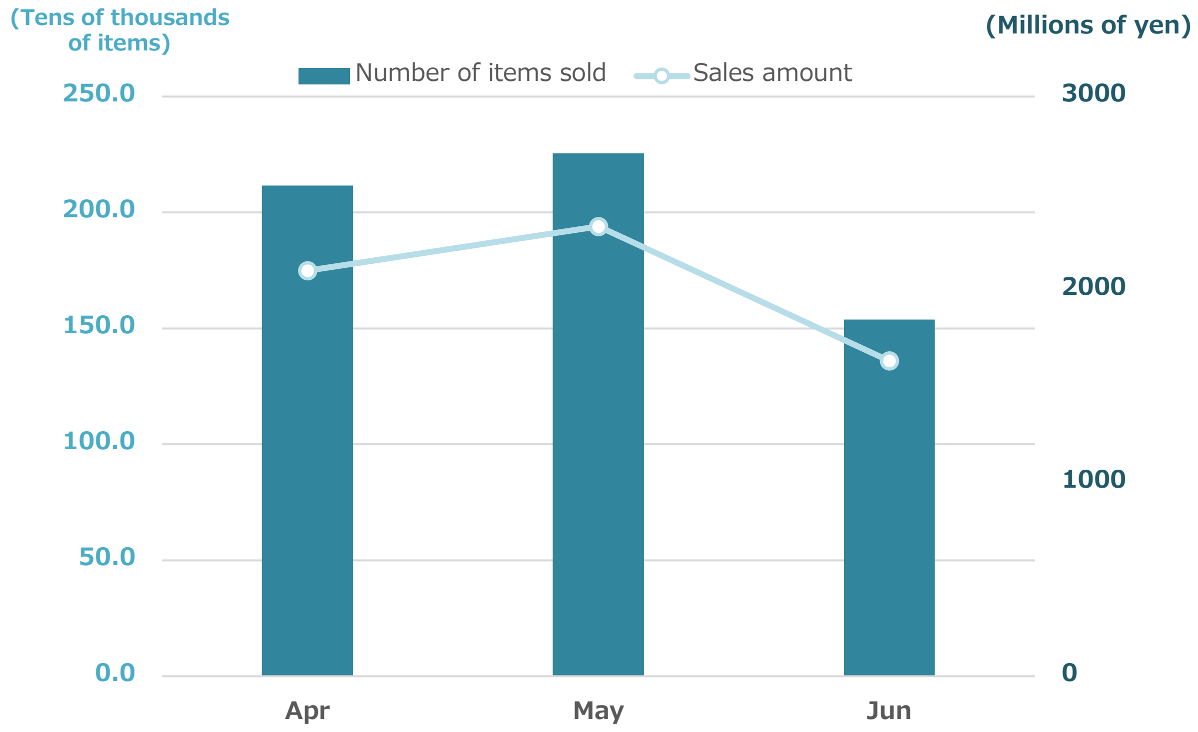
Summer products have performed well and inventory is steadily being reduced.
Efforts are currently underway for the next season.

● Cumulative sales for the series (April – June 2026)

About 504 million items Approximately 71 billion yen



● Outlook

Challenges

- ✓ Prevent stockouts (review seasonal demand forecasting)
- ✓ Build a supply chain that responds to demand
- ✓ Assess supply and demand, and take countermeasures

Targets

- ✓ Expand the lineup to cover a wider range of everyday situations
- ✓ Pursue fatigue recovery and comfort
- ✓ Commoditize year-round products as everyday consumables

New Arrival

Temperature regulation function
A levelled-up model to be introduced

MEDiHEAL COSMOS Outlast

Other items will be unveiled at the autumn/winter new product showcase on **9.8** (Tue).

Product Development

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Promoting efforts to reduce risk in product procurement and secure profits.

● Forward exchange contracts

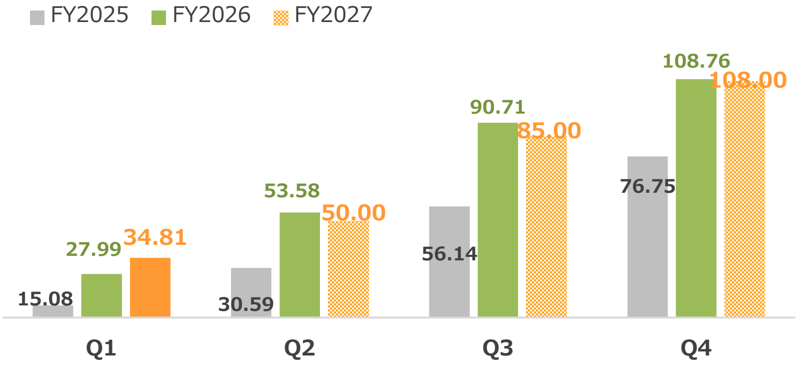
(FY ending March 2027 Plan)

Term	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）**

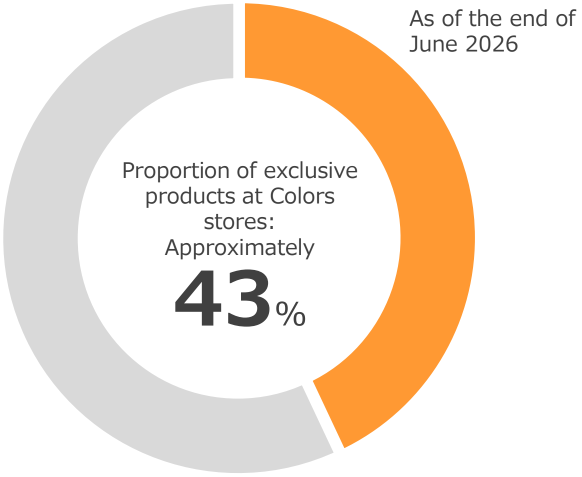
*To avoid downside risk to next fiscal year's results, the company is systematically arranging forward exchange contracts.

● Progress in profit related to overseas purchases

(Cumulative profit related to overseas purchases)



● Workman Colors exclusive product ratio



・Although the ratio declined due to an increase in common products such as recovery wear and undergarments, development will continue to be strengthened.

Workman Colors

Marketing strategy to promote the Mass Market Product Policy

New Product Showcases

- ✓ Hold events with clearly defined themes

September: "Colors & MEDiHEAL“
October: "XShelter & Undergarments"

Use events as a starting point to stimulate seasonal sales demand.

Flyer Placements

- ✓ For 2026 autumn/winter, rollouts are planned monthly from September through December.
- ✓ Optimize flyer inserts and web advertising by region to improve outreach efficiency.

Taking climate change into account, stabilize sales during the periods between seasons.

TV Commercials

- ✓ Concentrate investment to align with the launch timing of new Mass Market Products.
- ✓ Narrow down target areas and time slots to air commercials effectively and improve investment efficiency.

Promote expansion of the customer base through the appeal of Mass Market Products.

Social Media / Apps

- ✓ Roll out special feature pages within the app in conjunction with product showcases.
- ✓ In addition to influencers, strengthen posting through official accounts.

Secure digital customer pathways to increase customer visits to stores.

Establishment of Taiwan Subsidiary

Promote global expansion through the establishment of an overseas subsidiary.
Future business plans, including store openings, will be announced once details are finalized.

Resolution on Establishing Taiwan Subsidiary

- At the Board of Directors meeting held on August 3, a resolution was passed to establish a wholly owned overseas local subsidiary.
- We will develop the chain store business to expand the market for "high functionality, low price" products, which have gained strong support in Japan, and to build a further foundation for growth.

Operating Format: Directly Managed

- Direct management is planned in order to quickly establish the brand image in the local market.
- The robust profit model built through our domestic business will be applied and optimized in the global market as well.

Basic Information on the Taiwan Subsidiary

Name	台灣哇酷曼股份有限公司 (planned)
Location	Taipei
Chairman	Koji Ouchi
Capital	NT$200 million (approximately 1 billion yen)
Date of Establishment	Scheduled for September 2026

Plans for the Fiscal Year Ending March 2027

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Although sales progress has been delayed due to the postponement of summer demand, the full-year earnings forecast remains unchanged.

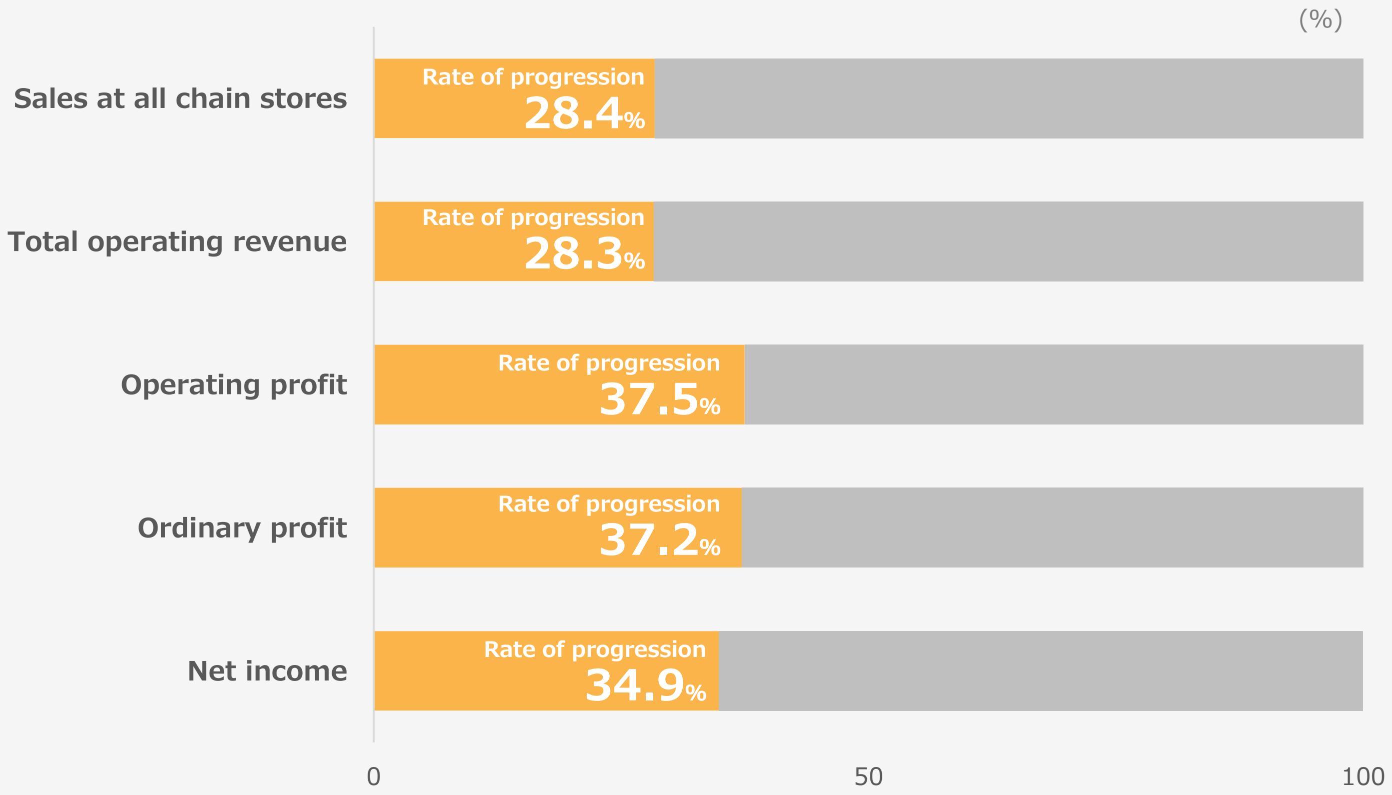
Sales at all chain stores
237,970 Million yen YoY +13.7%

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%



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Workman CO., LTD.

Securities code: 7564 (STANDARD)

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