(7564)

WORKMAN

FY 3/2027 Q2 Financial Results Briefing Materials

November 9, 2026

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Briefing Contents

- FY 3/2027 Q2 Financial Results

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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.

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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.

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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

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Briefing Contents

- FY 3/2027 Q2 Financial Results Overview

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Store Openings

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

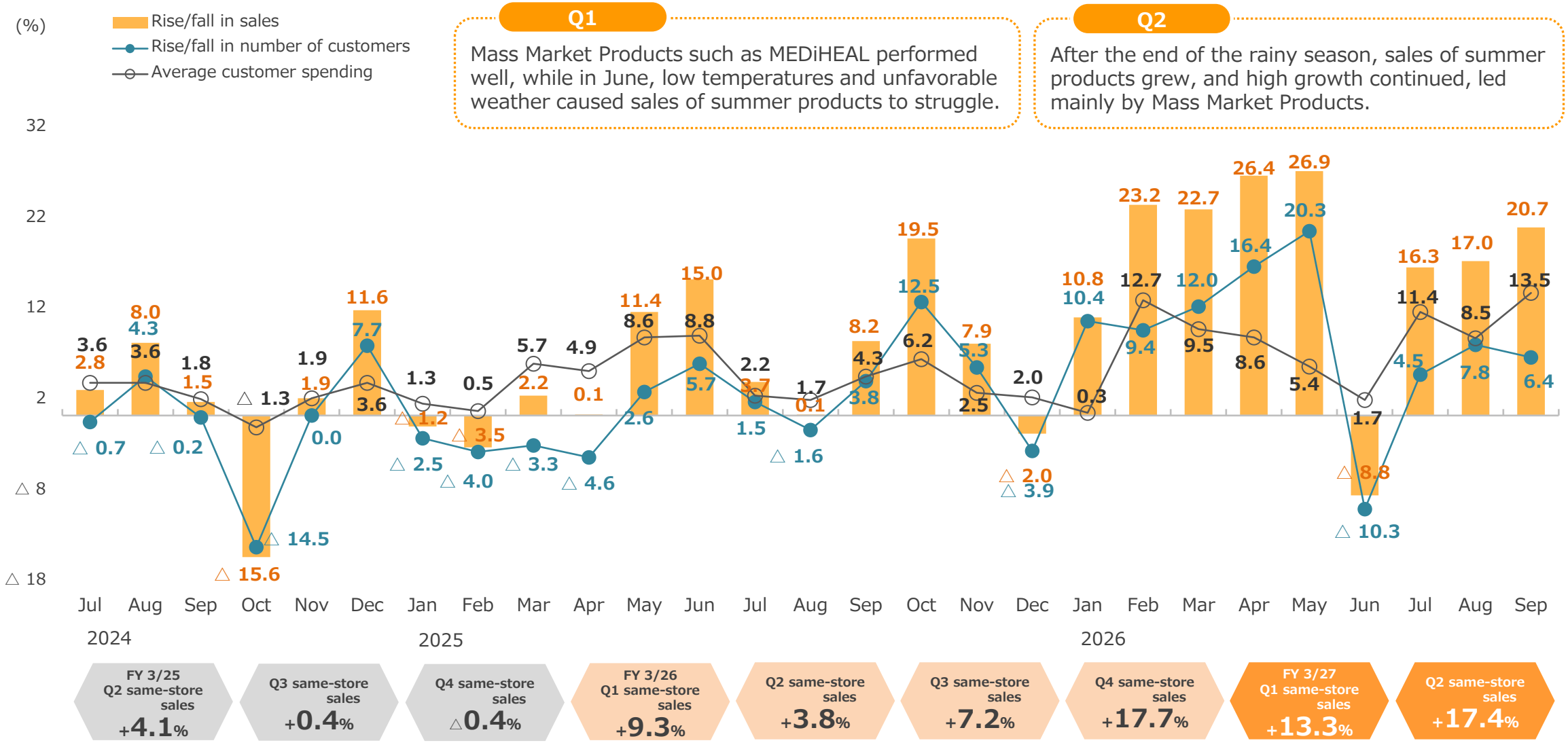
(Number of stores)	End of FY 3/2026	New store openings			S&B※2	Renovation	Closures	End of FY 3/2027 Q2
			Roadside	SC※2				
WORKMAN	255	–	–	–	△2	△17	–	236
WORKMAN Plus	711	3	3	–	2 (4)	16 (18)	△3	729
#ワークマン女子 WORKMAN GIRL	31	–	–	–	–	△9	–	22
Workman Colors	87	17	6	11	–	10 (11)	–	114
WORKMAN Pro	10	–	–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

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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%

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Status of Sales

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

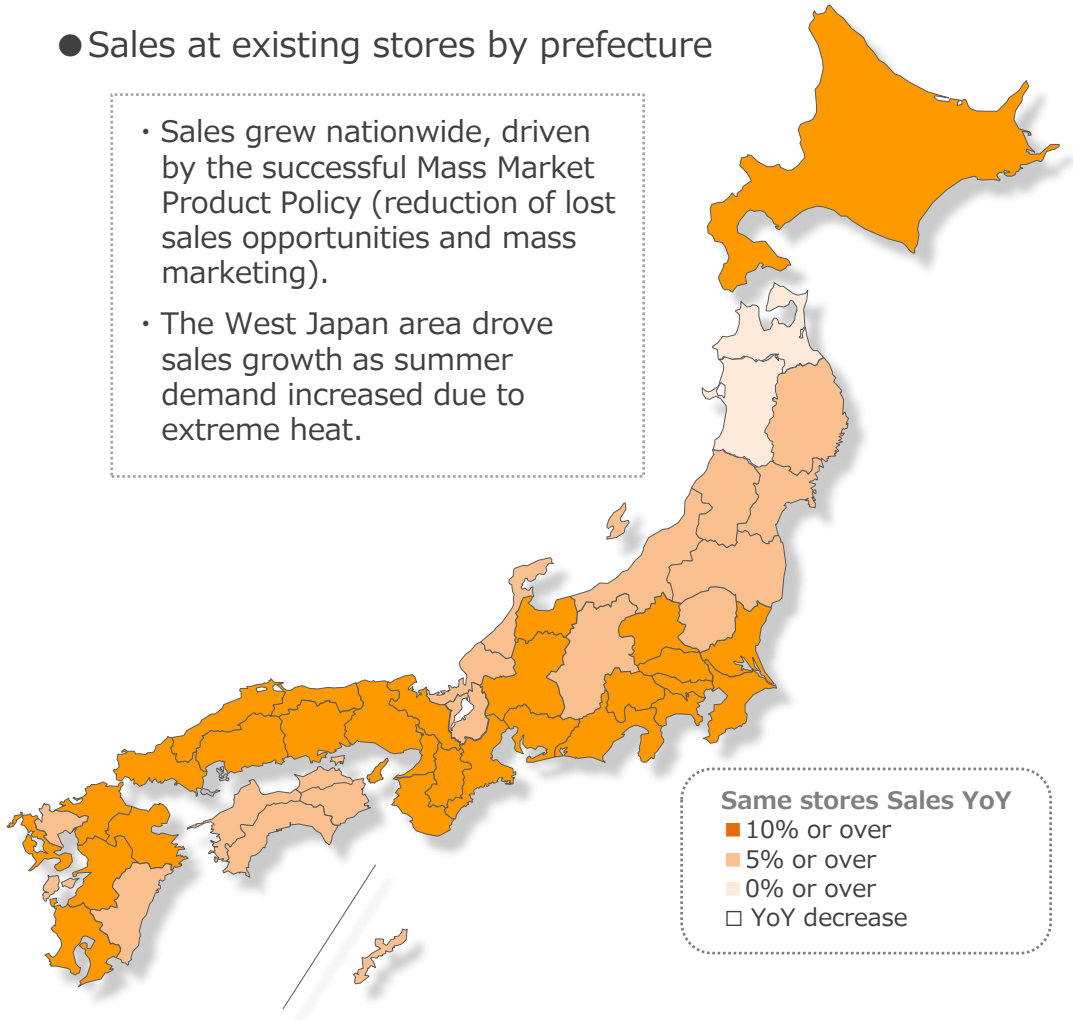
(Monthly basis)

	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.

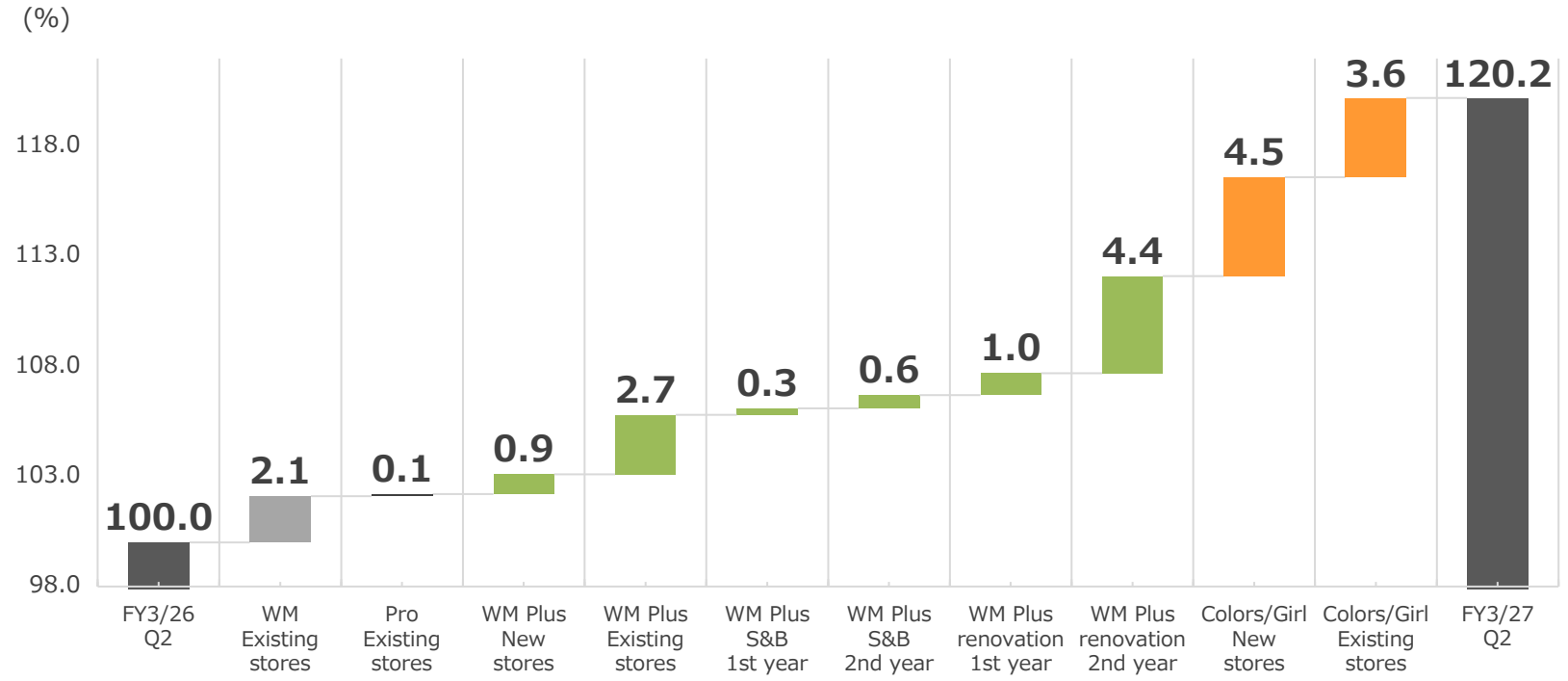


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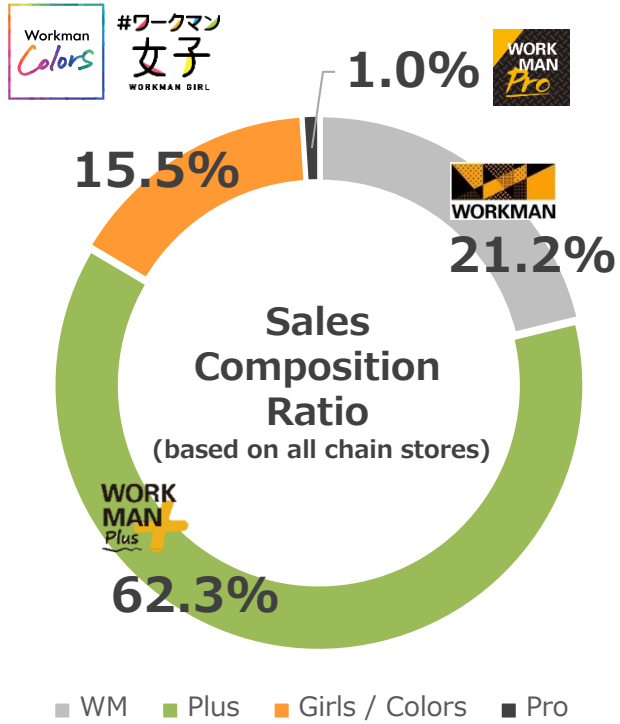
Sales by Business Category

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.

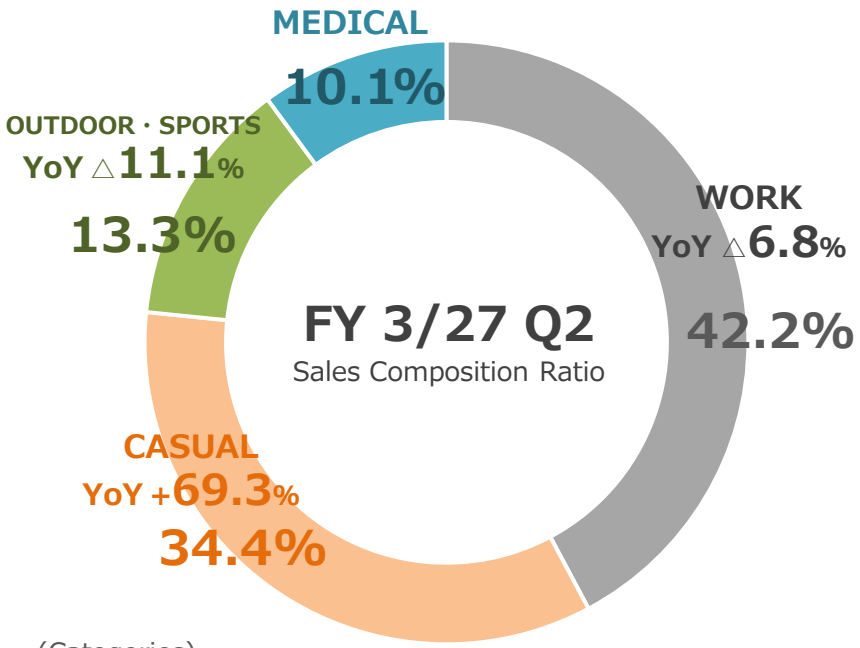
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Status of Sales (Results by Product)

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**

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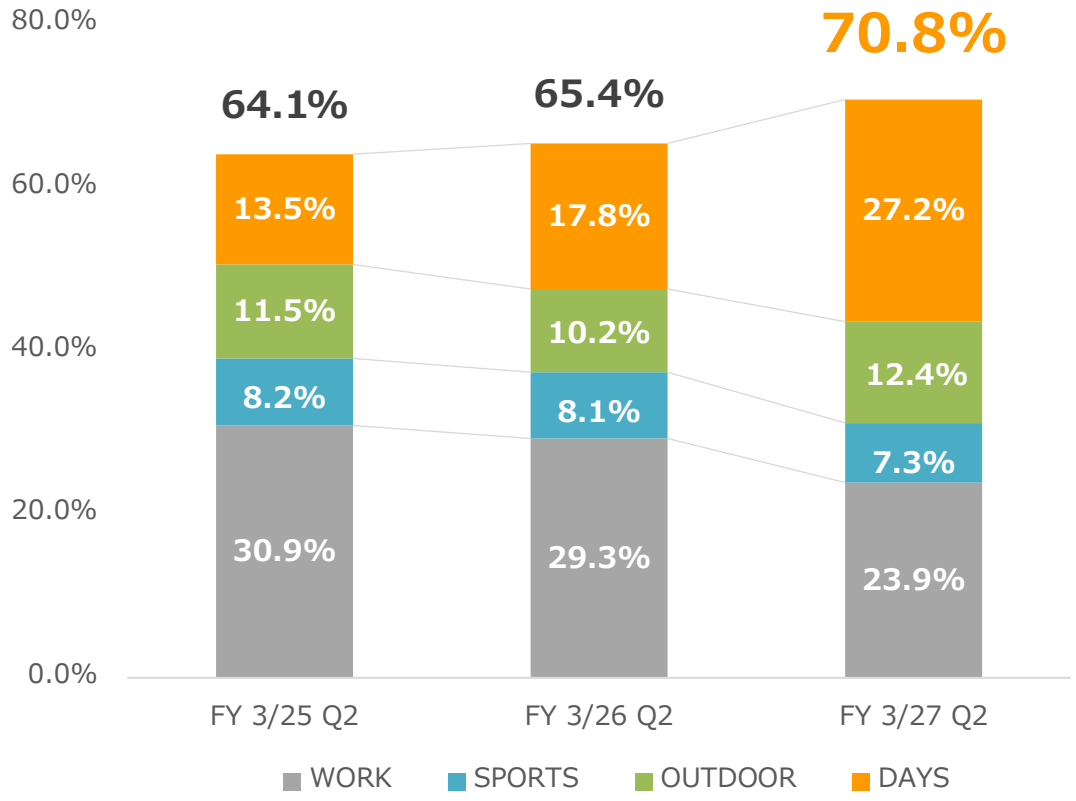
Status of Sales (Sales by Product and Factors)

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)



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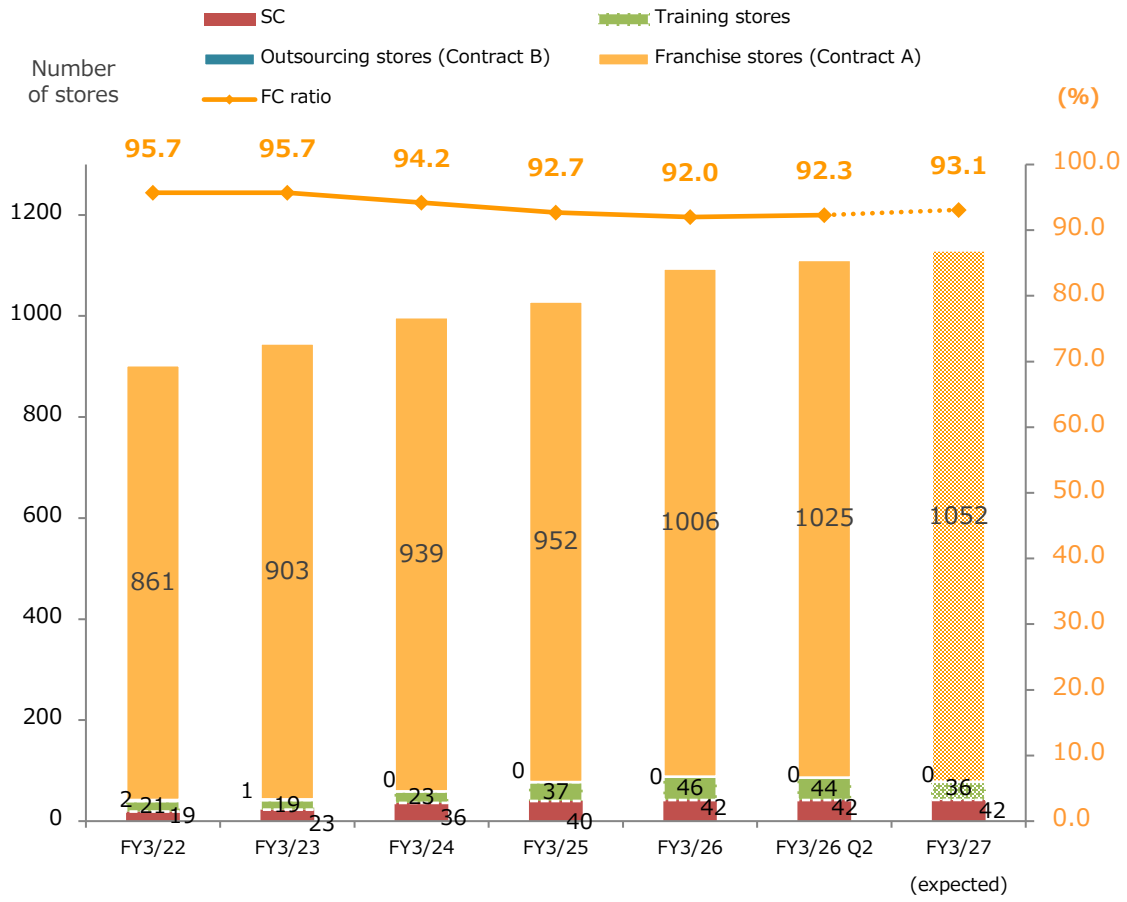
Format of Store Operations

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

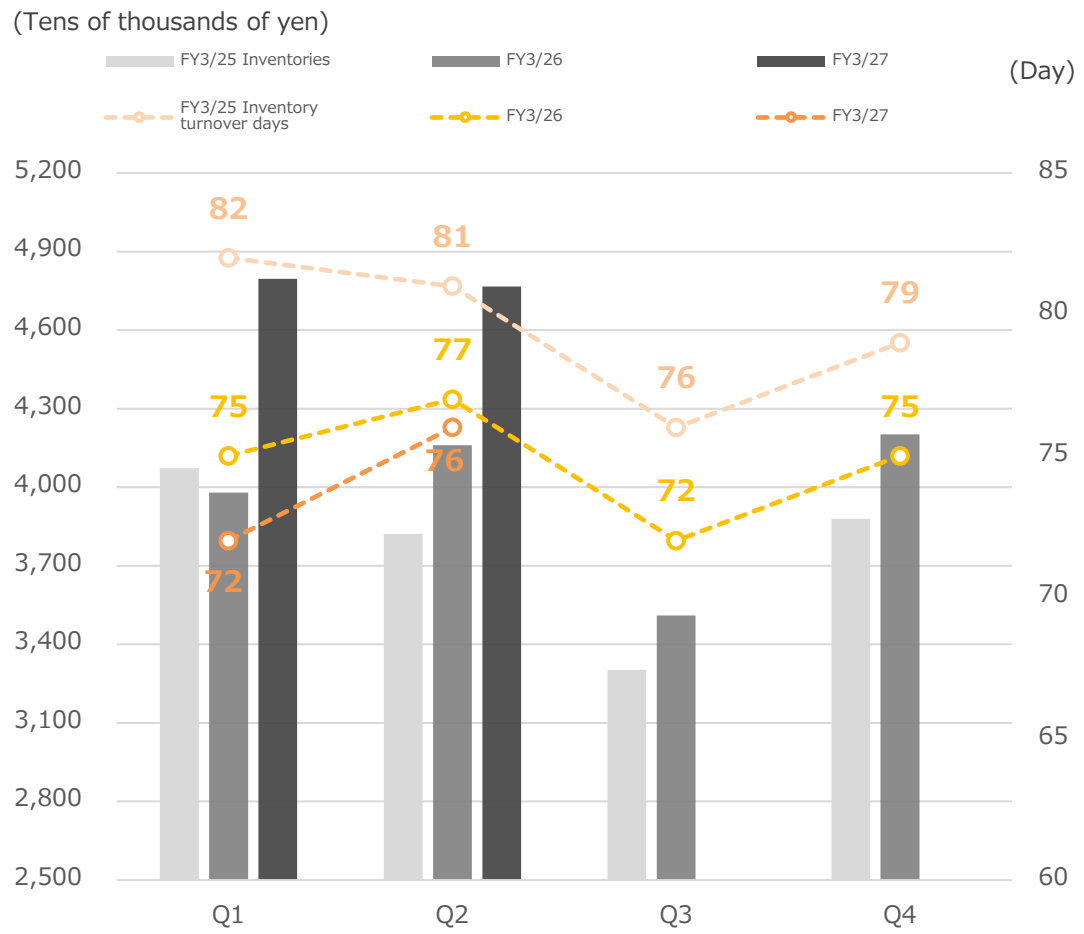


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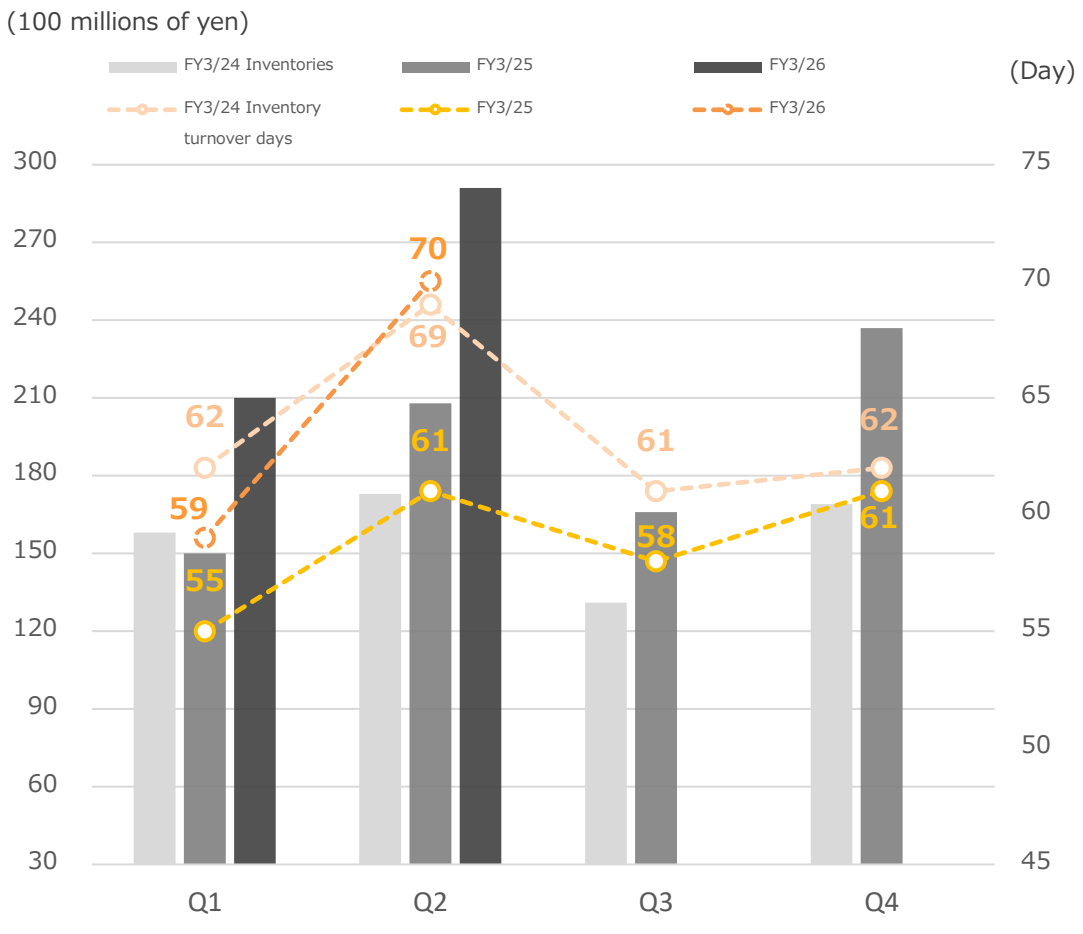
Inventories (Logistics Cost)

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

● Selling price inventories per store



● DC inventories / delivery cost ratio



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Briefing Contents

- FY 3/2027 Plans

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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

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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

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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

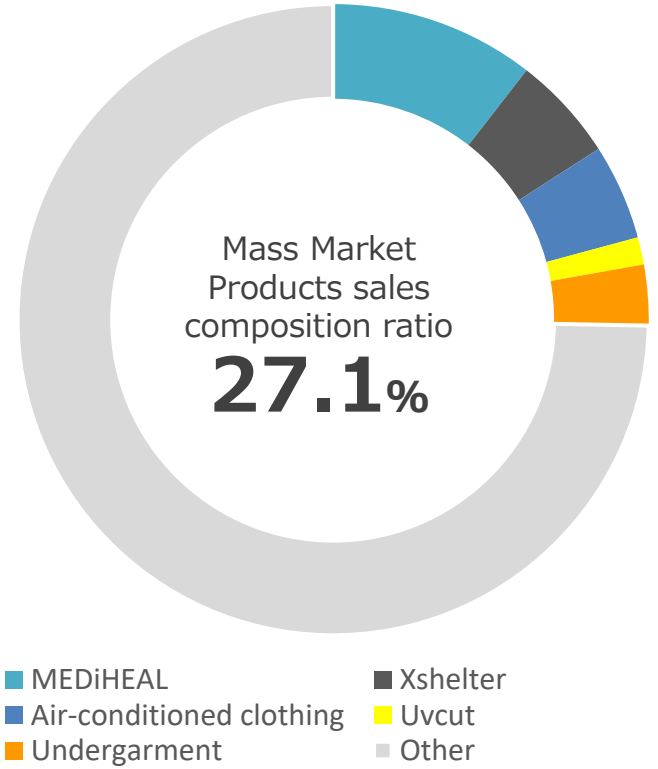
Functional undergarments

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

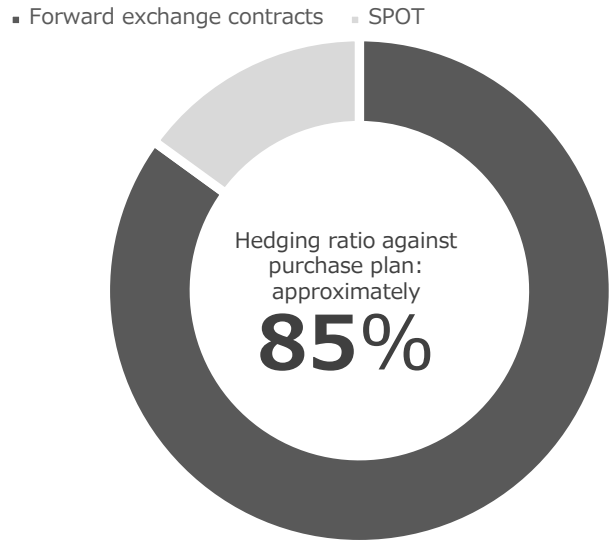


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Product Development

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)**

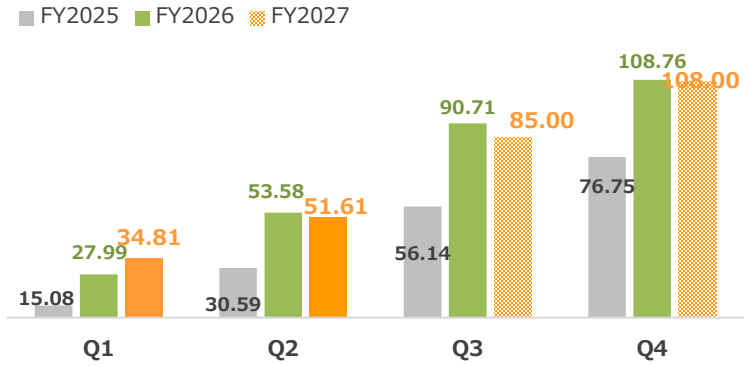
FY 3/28	Locked-in % / Rate		SPOT Rate	Assumed rate (previous year)
1st Half	Approx. 80%	152 yen	–	–

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

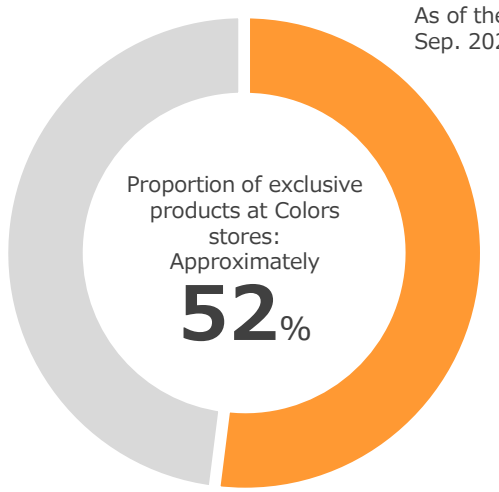
●Progress in profit related to overseas purchases



(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.



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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**

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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.

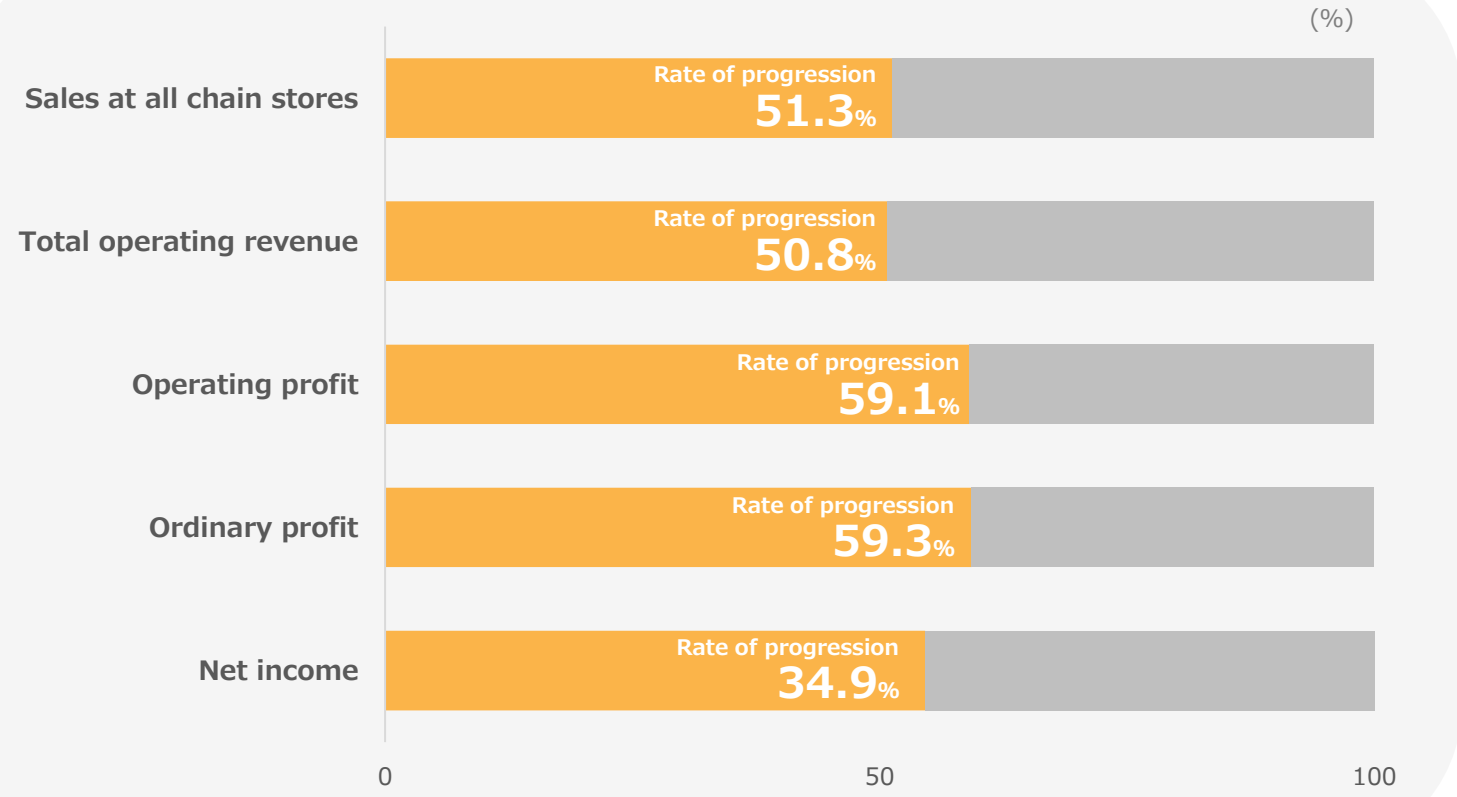
Sales at all chain stores
237,970 Million yen YoY +13.7%

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%



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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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