

DRAFT[®]

Financial Results Presentation Materials for FY2023

February 13, 2024

TSE Growth Securities code: 5070



CONTENTS

01 COMPANY INFORMATION

Company Overview and Business Trends

02 FINANCIAL RESULTS

FY12/23 Results

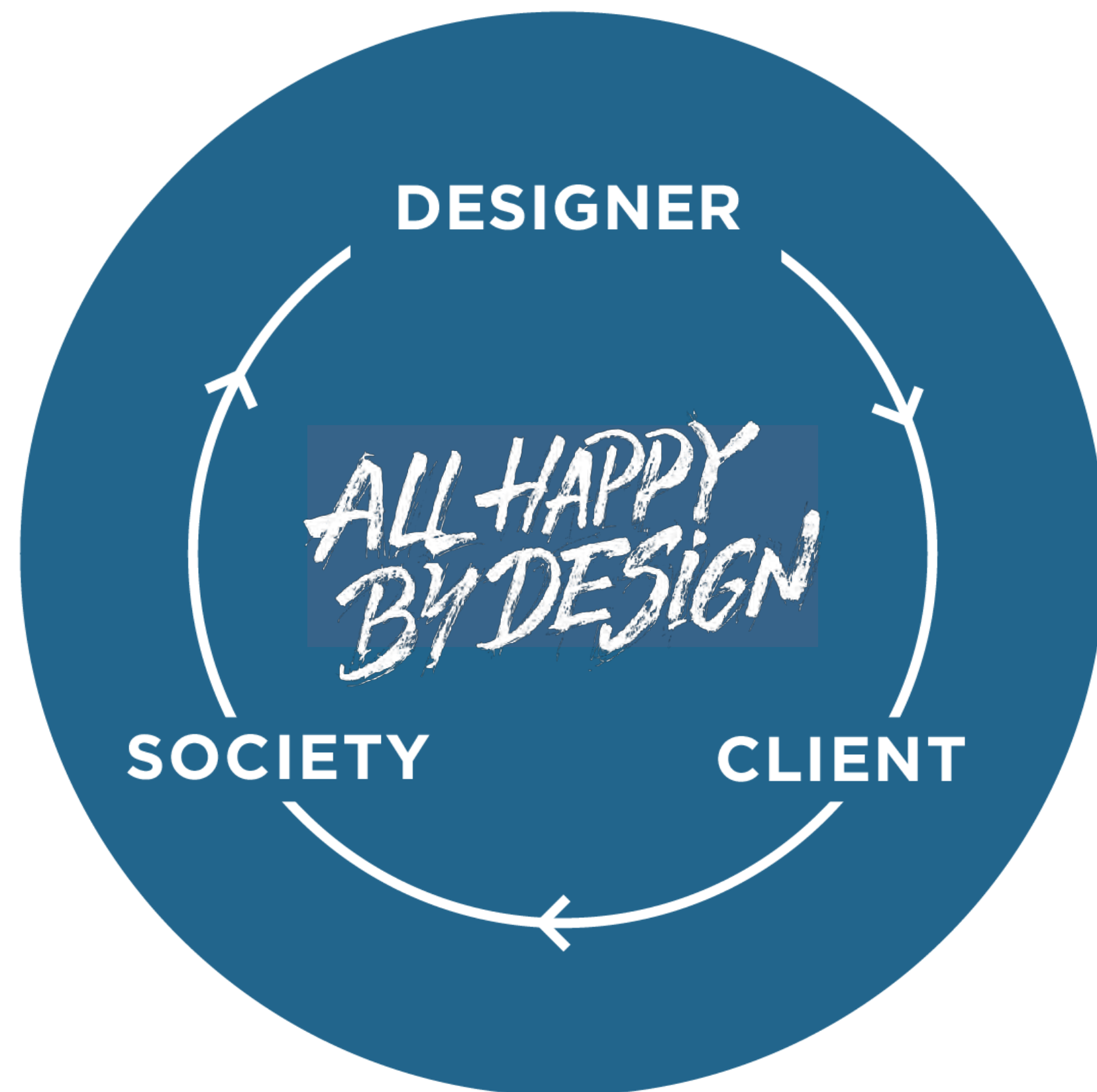
03 FINANCIAL FORECAST

Outlook for Full-Year FY12/24

04 SHAREHOLDER RETURNS

COMPANY INFORMATION

Embracing our corporate philosophy of
“ALL HAPPY BY DESIGN,” we strive to
 contribute to society by creating a happy spiral
 through the power of design.



COMPANY INFORMATION

The DRAFT Group operates as a single segment, with the Design business accounting for 100% of our operations.

We engage in cross-sector activities centered around design, such as interior design, architecture, product design, and branding. Through the power of design, we aim to solve business and societal issues.



Workplace Consultancy



Retail



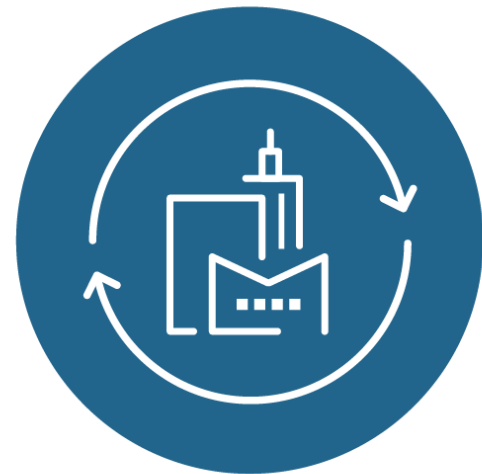
Hospitality



Architecture



Product



Urban Design



A D A S T R I A

Wantedly

GENIEE

KEIO

KDDI
KDDI Web Communications

Coca-Cola

BoConcept

TORIDOLL→

CyberAgent

GA TECHNOLOGIES

JR
JR東日本

JAXA

Sony Music

dip
Labor force solution company

東急不動産

野村不動産

東京建物
TOKYO TATEMOTO

三井不動産
MITSUI FUDOSAN

三菱地所

YAHOO!
JAPAN



Kanematsu

Opened November 2022



Kanematsu

Opened November 2022



01 COMPANY INFORMATION



DRAFT 6

Milan Furniture Fair 2023

April 2023

01 COMPANY INFORMATION



Salone
del Mobile.
Milano

DAFT about.
DRAFT®

DAFT
DR

Milan Furniture Fair 2023

April 2023

DAFT about.
DRAFT®



02

FINANCIAL RESULTS

FY12/23 Results

FY12/23 Financial Highlights, YoY Comparison

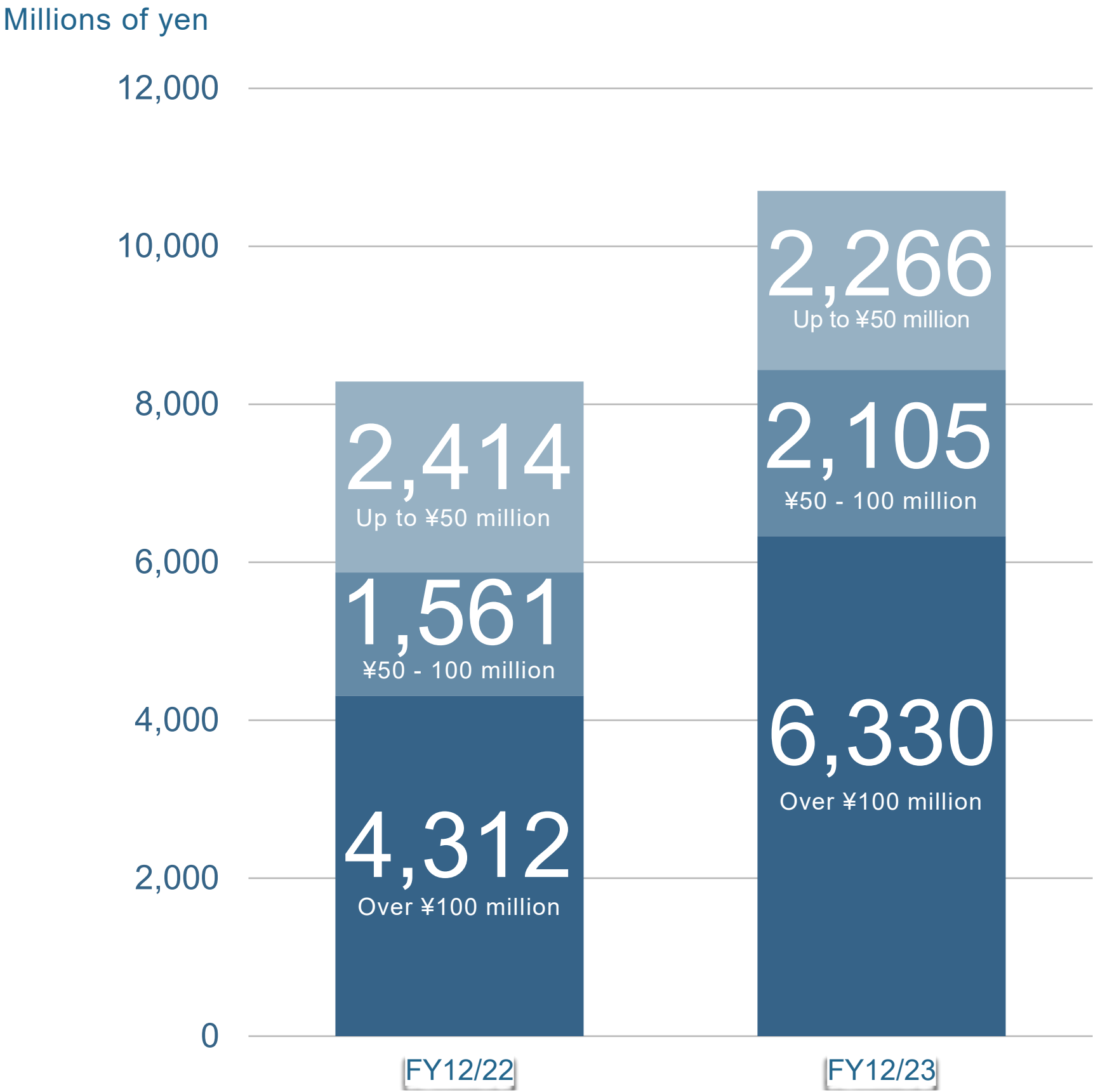
Demand for the designs DRAFT provides has been strengthening further with the upturn in economic activity, causing net sales to rise substantially. At the same time, however, we generated SG&A expenses (an office relocation meant paying double rent, and we incurred costs to exhibit at the Milan Furniture Fair) in the first half. Nonetheless, overall performance was in line with the revised performance forecast, and operating profit, ordinary profit, and profit attributable to owners of parent all saw a substantial increase.

Full-year results YoY			
(Millions of yen)	FY12/22	FY12/23	YoY
Net sales	8,287	10,702	+29.1%
Operating profit	108	870	+703.3%
Ordinary profit	87	848	+868.6%
Profit attributable to owners of parent	21	516	-

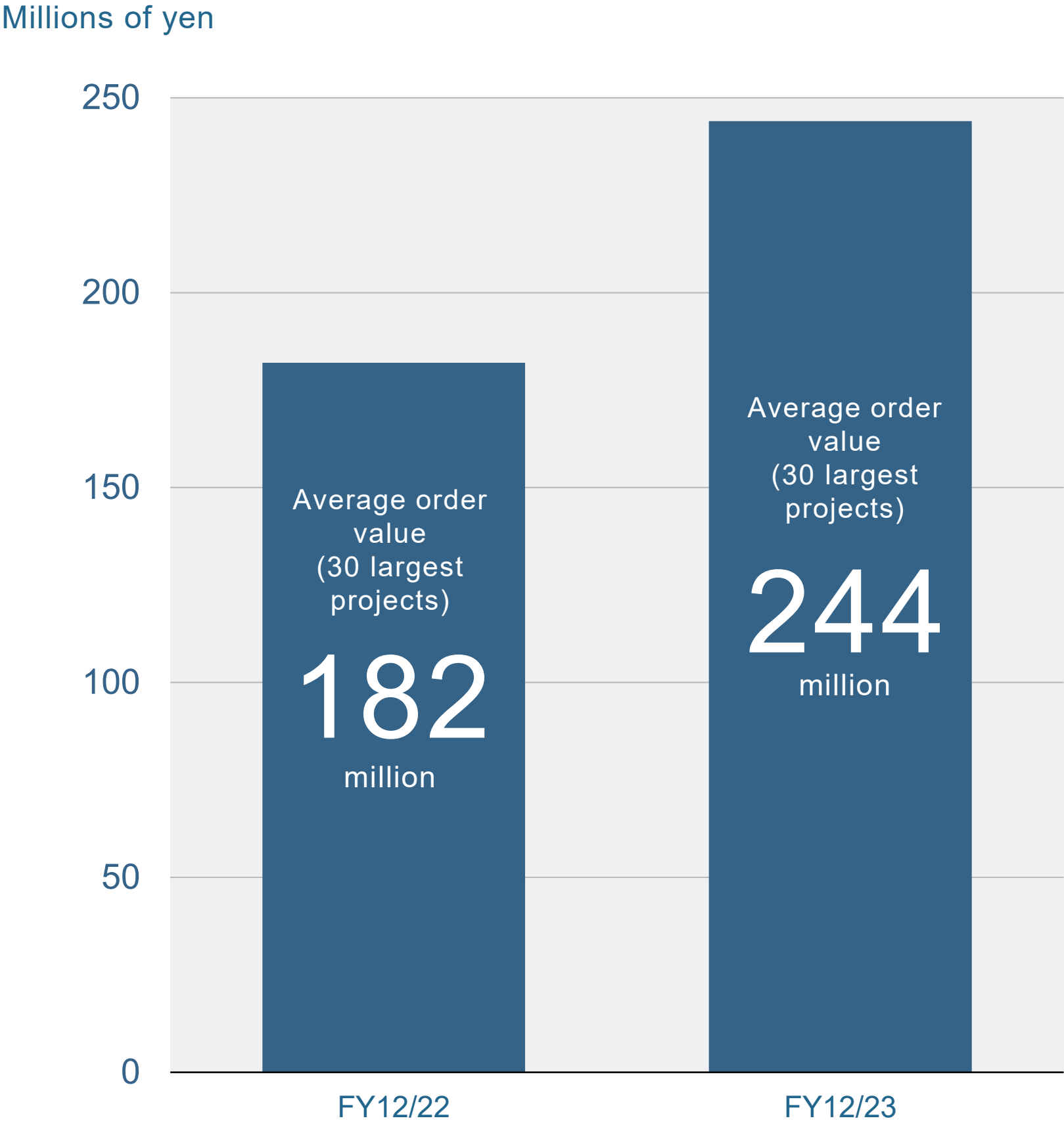
Financial Highlights: Sales by Project Size and Average Project Order Value

Sales by project size and average project order value both rose YoY, with individual projects growing larger.

Sales by project size



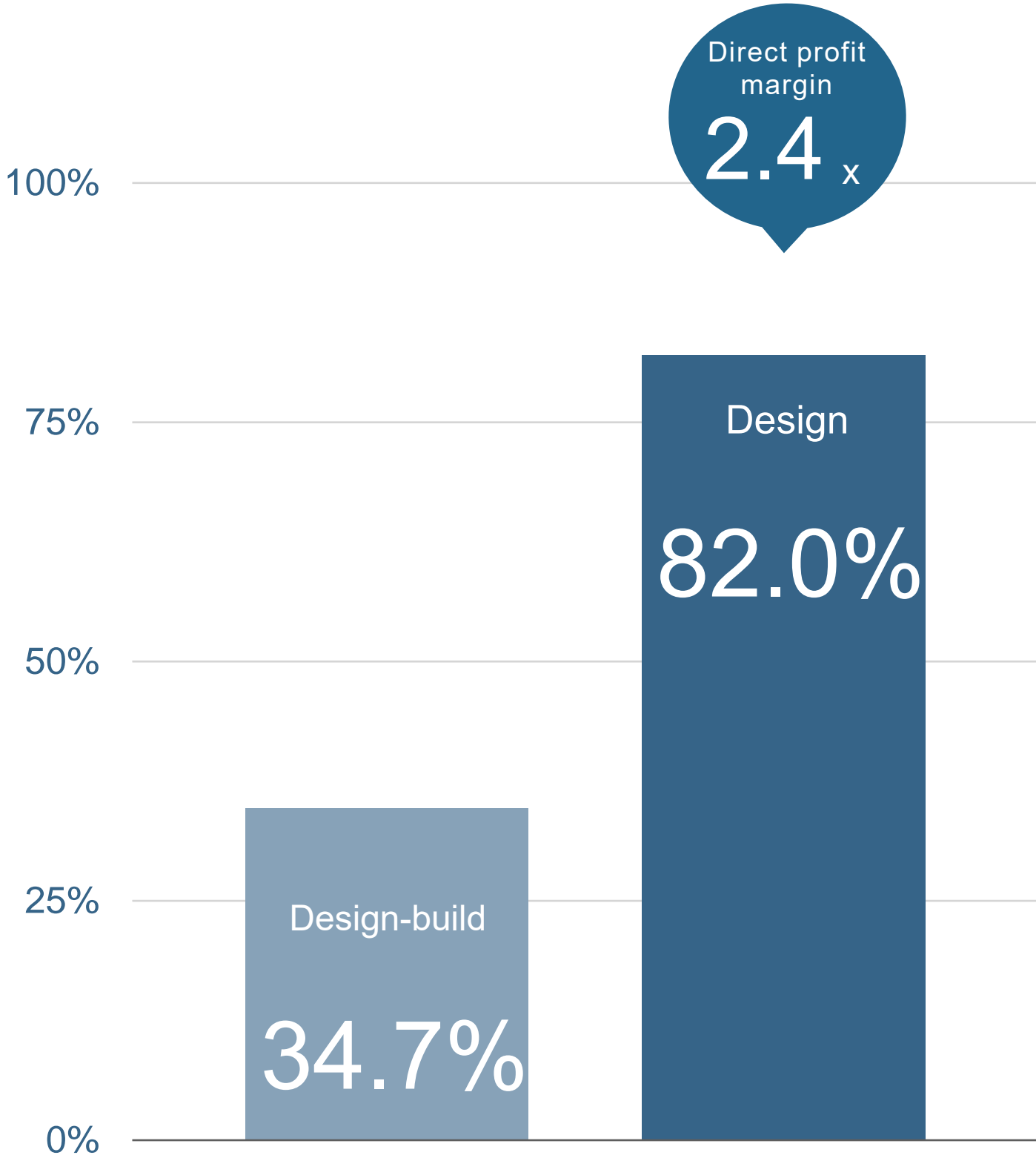
Average project order value (30 largest projects)



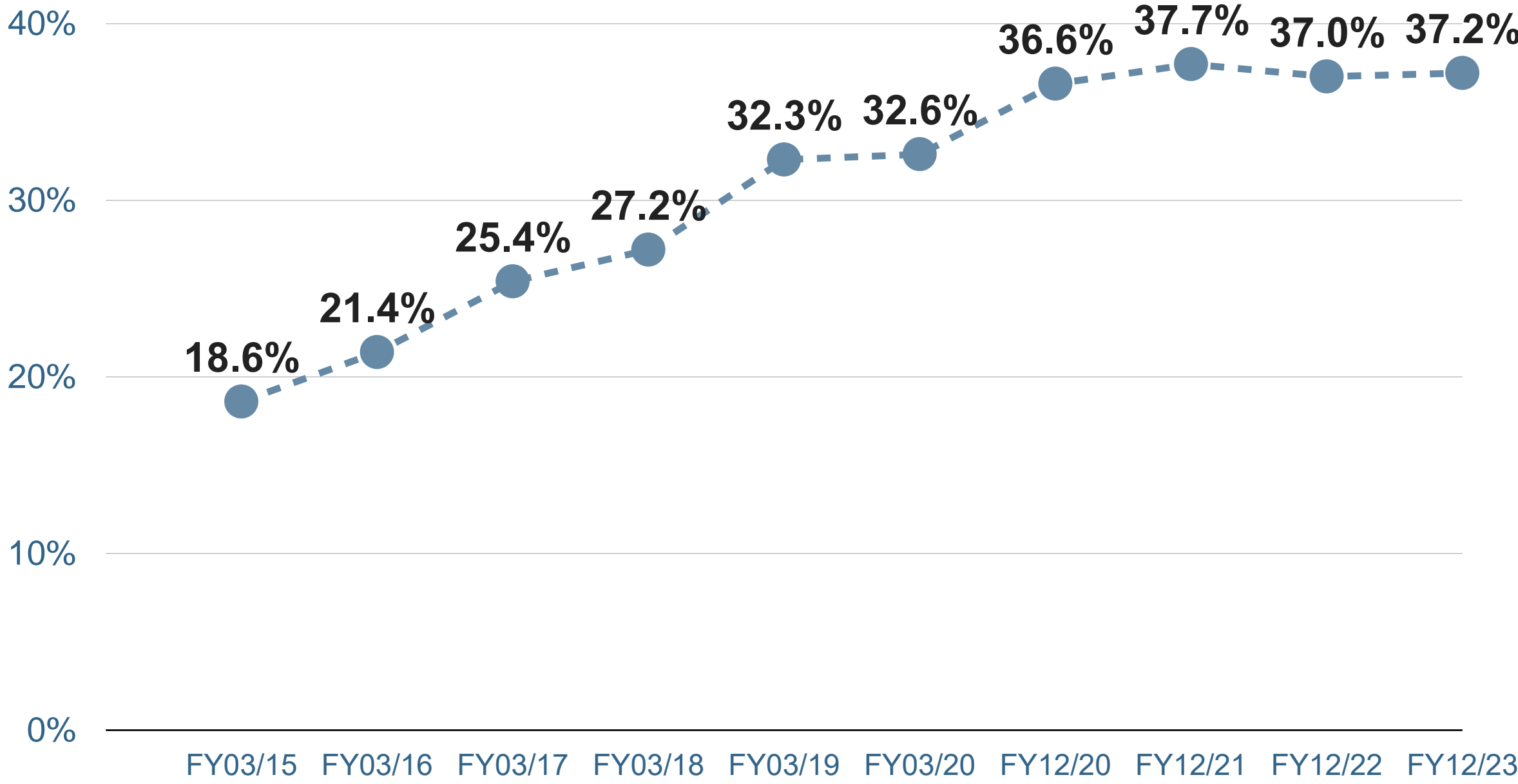
Financial Highlights: Direct Profit Margin

Highly profitable architectural design projects grew larger. As a result, the direct profit margin was steady, and the direct profit margin on design-build projects was also steady.

Direct profit margin by project type (FY12/23)



Direct profit margin

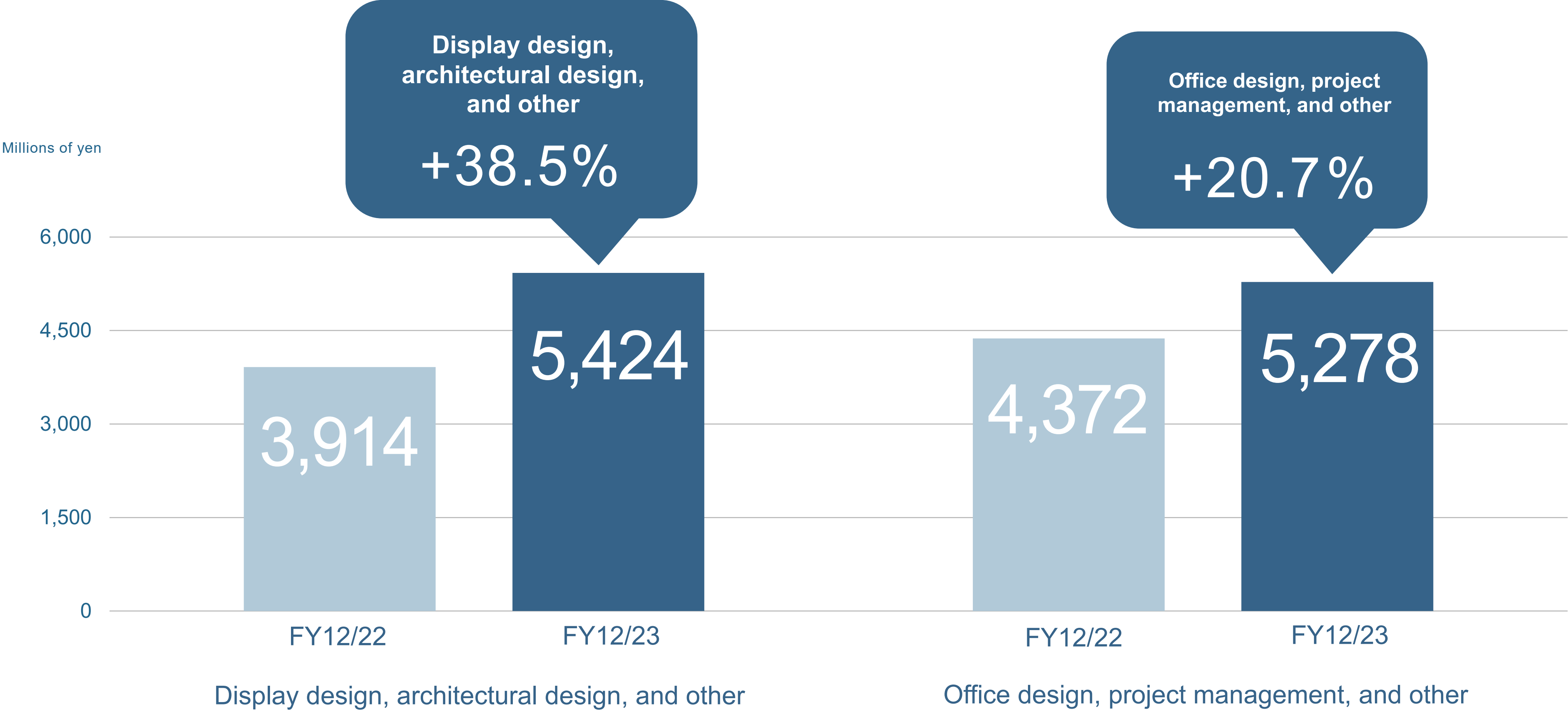


Notes: The figures above are based on management accounting by the Company. For management accounting purposes, the direct profit margin is calculated by subtracting direct outsourcing costs and material costs from net sales. The figures above do not include the net sales and profits of the brand design business operated by former SATISONE Co., Ltd., which was acquired by DRAFT, and the operation of Record.

Financial Highlights: Sales by Category

DRAFT’s business further diversified across multiple areas as the display design, architectural design, and other category grew significantly, exceeding the office design, project management, and other category.

* Effective from the current fiscal year, the Company has reclassified its businesses into the “display design, architectural design, and other” and “office design, project management, and other” categories.



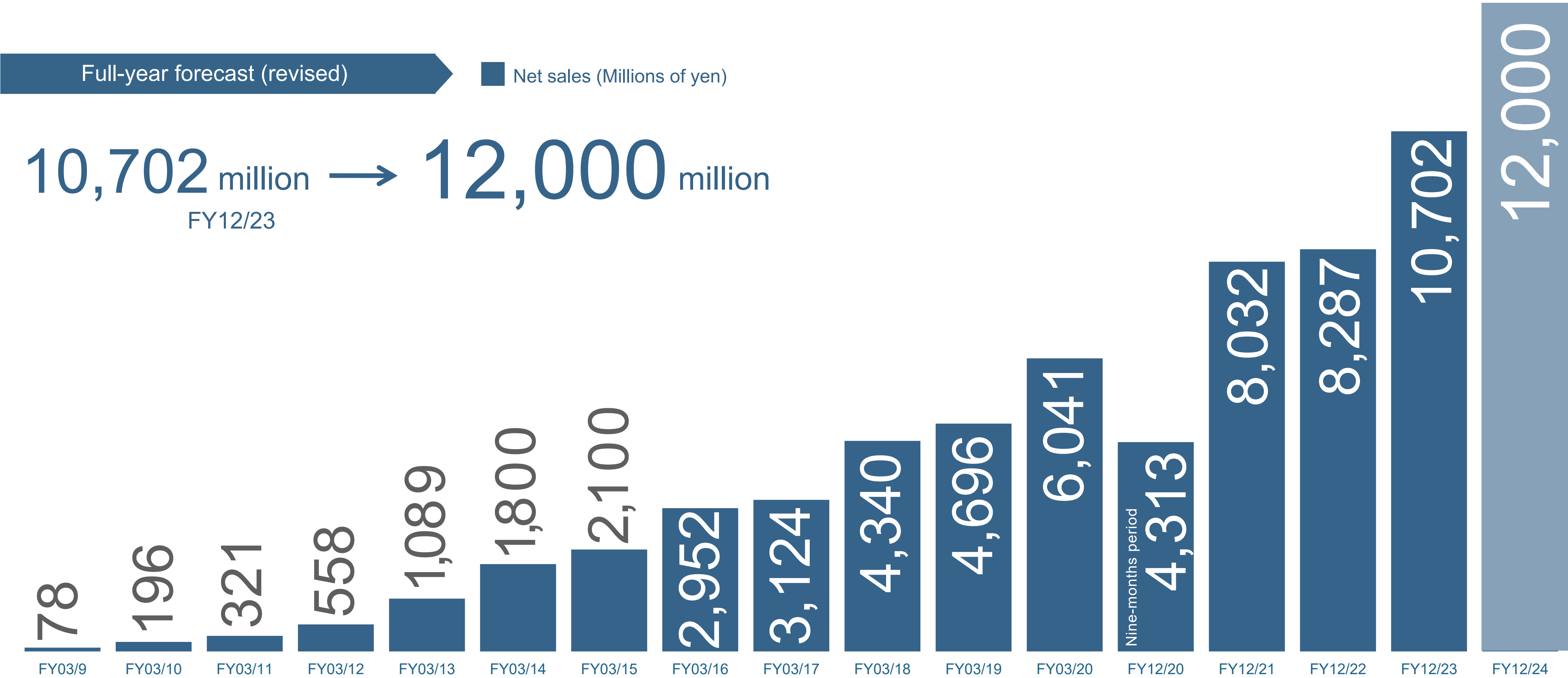
03

FINANCIAL FORECAST

Outlook for Full-Year FY12/24

■ Outlook for Full-Year FY12/24

We forecast steady performance growth based on the cycle of three types of project: regular, proposal, and leading.

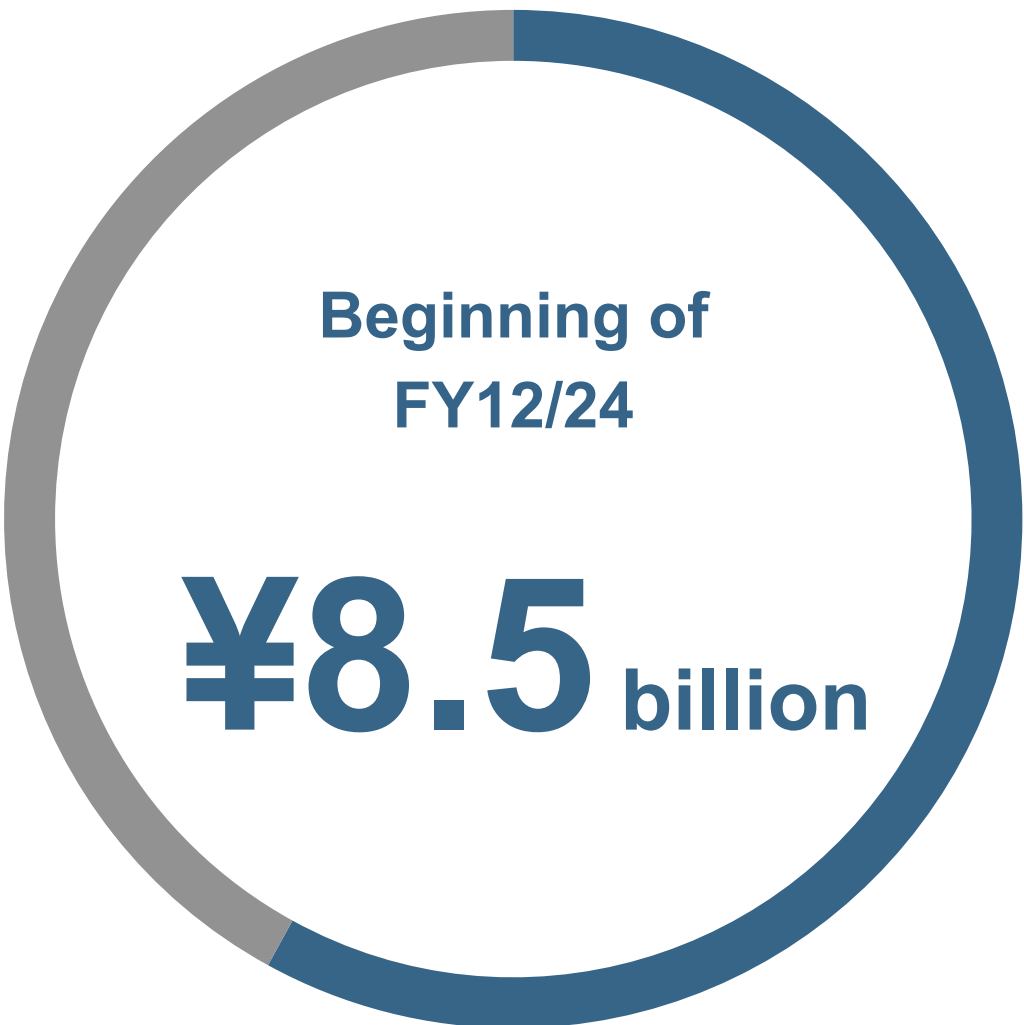


Note: The results prior to FY03/17 reflect parent figures.

Outlook for Full-Year FY12/24 Stock & Forecast

Project stock at the beginning of FY12/24 sharply increased to ¥8.5 billion, up 47% YoY.
Average weekly inquiries and the acquisition rate are also strong, and we forecast steady performance growth.

Project stock (as of beginning of fiscal year)



Forecasts (initial)

Average weekly inquiries Initial

¥170 million

Forecast **¥170** million

Acquisition rate Initial

70%

Forecast **70**%

*The Group prepares its full-year net sales target by comprehensively considering the status of “project stock” and “forecasts” and other factors.
The concept of “project stock” and “forecasts” is described in the “01: Business Overview” section of the Medium-Term Management Plan 2024-2026. **DRAFT** 16

■ Outlook for Full-Year FY12/23

DRAFT will continue to invest in growth, such as expanding personnel expenses to enhance value creation and strengthening global branding centered on the “DAFT about DRAFT” lifestyle brand, while maintaining stable management of SG&A expenses.

Full-year forecast

(Millions of yen)	FY12/24 forecast (announced on February 13)	FY12/23 results (previous fiscal year)	YoY change	
Net sales	12,000	10,702	+1,297	+12.1%
Operating profit	980	870	+109	+12.6%
Ordinary profit	960	848	+111	+13.2%
Profit attributable to owners of parent	580	516	+63	+12.3%

Hibiya Central Building Renovation



Hibiya Central Building Renovation



UMITO Amami Oshima Shiroura



A modern office lounge area with large floor-to-ceiling windows on the left, offering a view of a city skyline. Two large, potted green plants stand near the windows. In the foreground, two round, upholstered armchairs in a brownish-grey fabric are positioned on a light-colored wooden floor. Between them is a small, round, black metal side table with a glass top, holding a small blue and white striped vase. To the right, a dark wood door with a glass panel featuring vertical blinds is set into a wall of large, grey stone tiles. A modern, cylindrical wall sconce is mounted on the wall next to the door. The overall atmosphere is bright and professional.

04 SHAREHOLDER RETURNS

Shareholder Return Policy

We will continue to return profits to shareholders while retaining funds for growth.

Dividend forecast	Profit attributable to owners of parent	Earnings per share	Dividend per share (year-end)	Payout ratio
FY12/23 (plan)	¥516 _{million}	¥51.41	¥6.0	11.7%
FY12/24 (forecast)	¥580 _{million}	¥57.75	¥6.0	10.4%

Shareholder benefits	Shareholders with 100 shares or more	DRAFT-designed QUO gift card worth ¥1,000
	Shareholders with 1,000 shares or more	DRAFT-designed QUO gift card worth ¥2,000

DRAFT[®]