

# DRAFT<sup>®</sup>

Financial Results Presentation Materials for FY2023

February 13, 2024

TSE Growth Securities code: 5070



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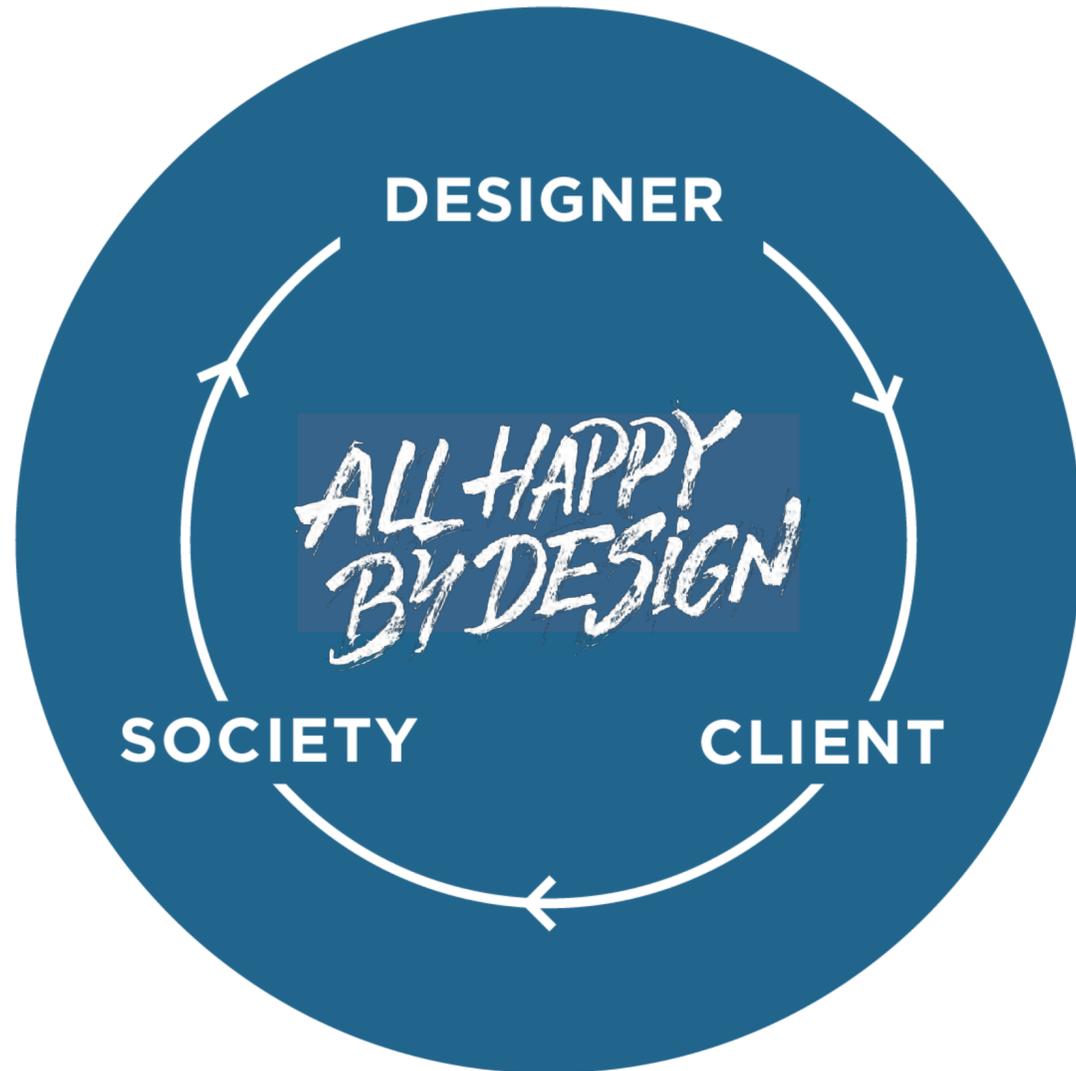
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# COMPANY INFORMATION

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



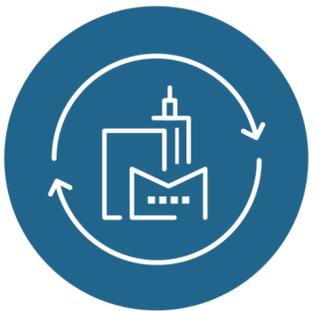
Hospitality



Architecture



Product



Urban Design

A D A S T R I A

W Wantedly

GENIEE

KEIO

KDDI  
KDDI Web Communications

Coca-Cola

BoConcept

TORIDOLL→

CyberAgent.

GA TECHNOLOGIES

JR  
JR東日本

JAXA

SonyMusic

dip  
Labor force solution company

東急不動産

野村不動産

東京建物

三井不動産  
MITSUI FUDOSAN

三菱地所

YAHOO!  
JAPAN



**Kanematsu**

Opened November 2022



KANEMATSU

**Kanematsu**  
Opened November 2022



Milan Furniture Fair 2023

April 2023

01 COMPANY INFORMATION

Salone  
del Mobile.  
Milano



DAFT about.  
**DRAFT**®

DAFT  
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Milan Furniture Fair 2023

April 2023

DAFT about.  
**DRAFT**®



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# FINANCIAL RESULTS

FY12/23 Results

## FY12/23 Financial Highlights, YoY Comparison

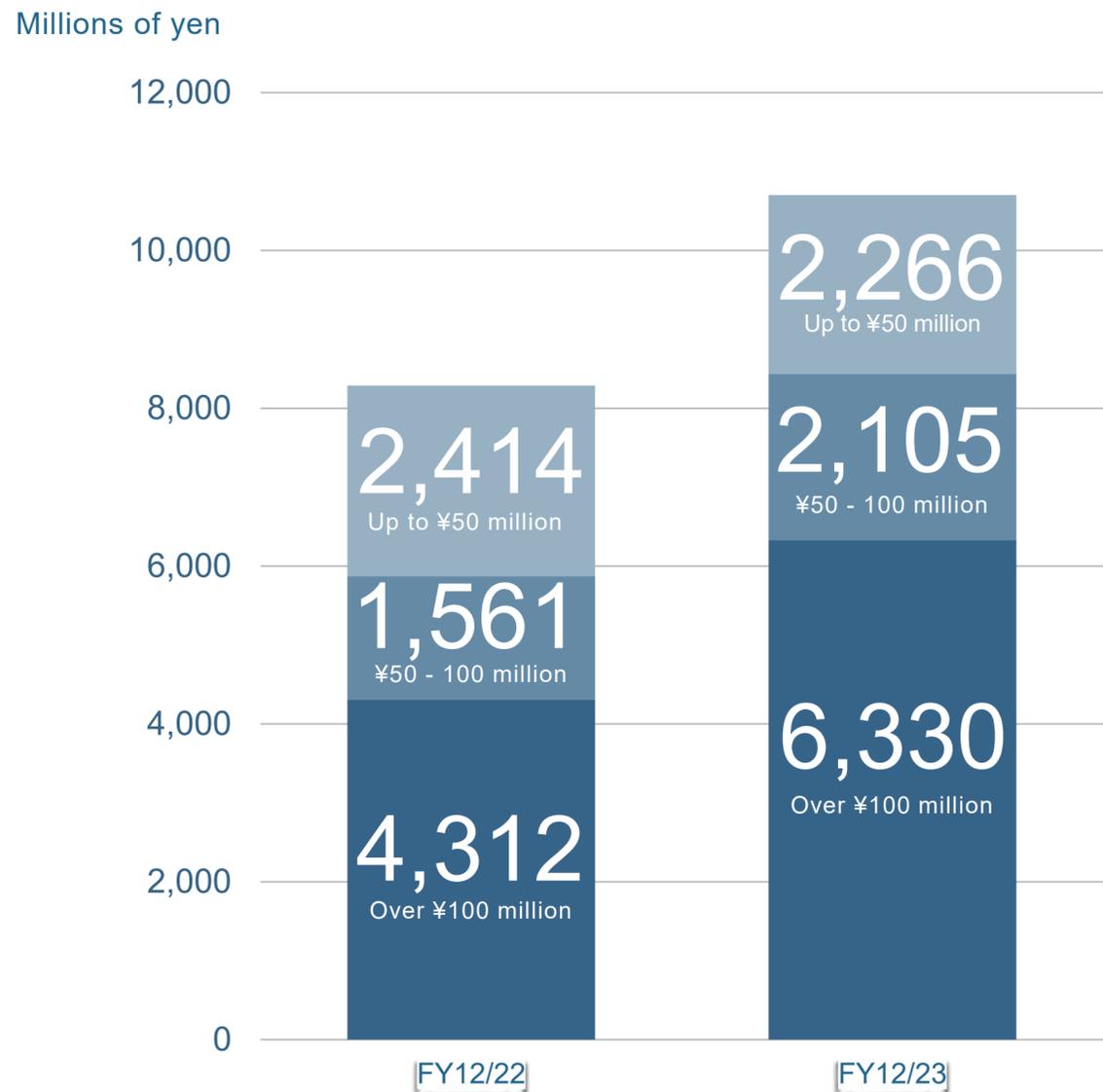
Demand for the designs DRAFT provides has been strengthening further with the upturn in economic activity, causing net sales to rise substantially. At the same time, however, we generated SG&A expenses (an office relocation meant paying double rent, and we incurred costs to exhibit at the Milan Furniture 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	-

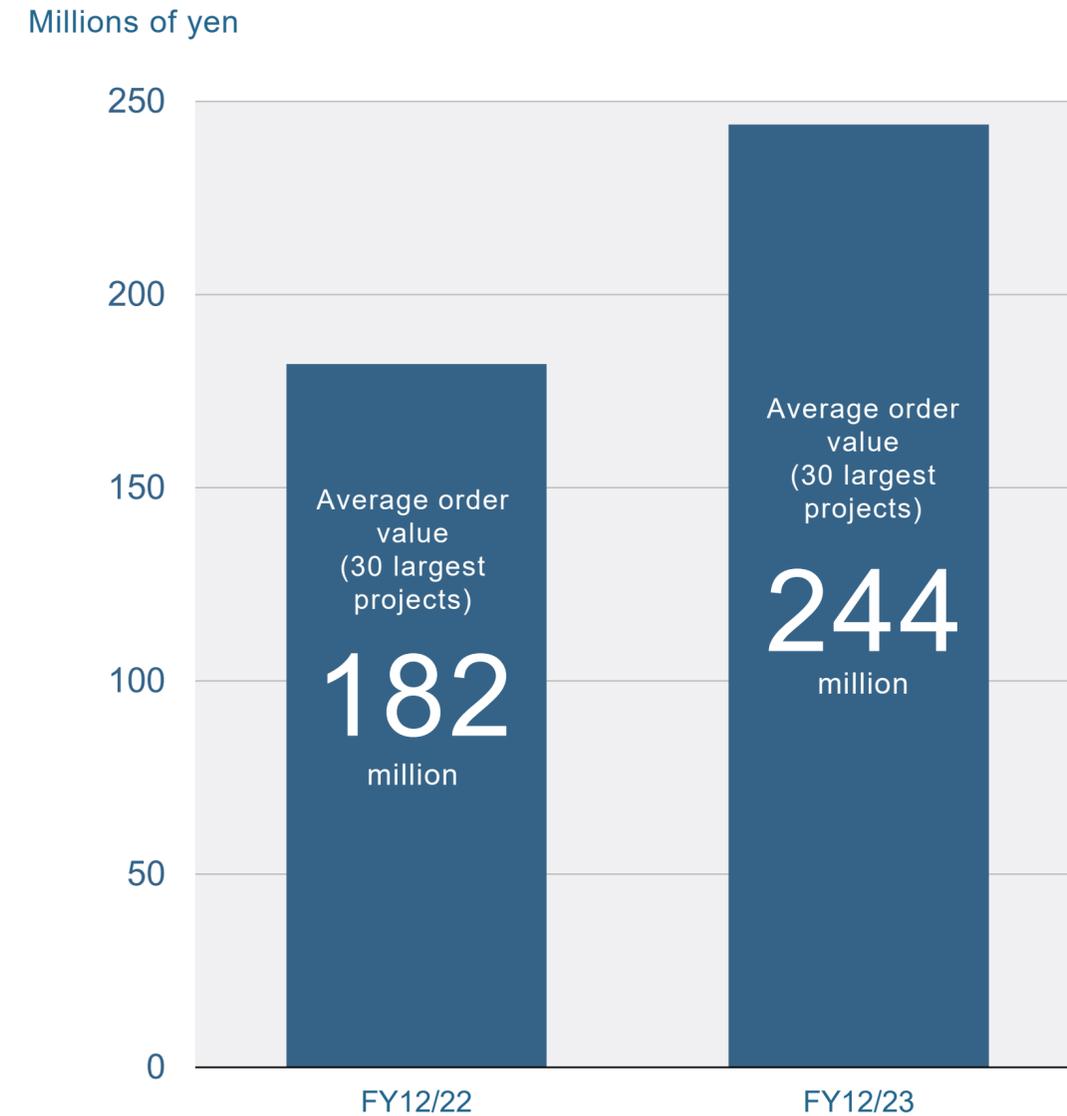
## Financial Highlights: Sales by Project Size and Average Project Order Value

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

Sales by project size



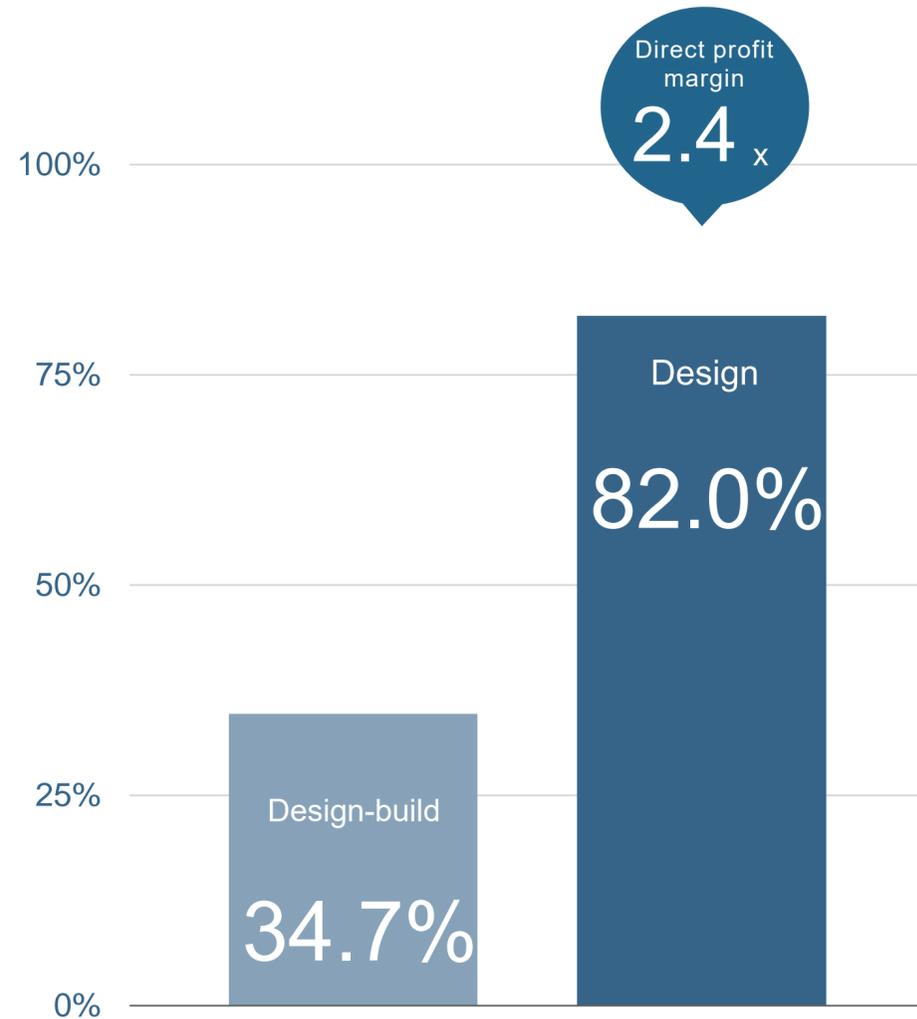
Average project order value (30 largest projects)



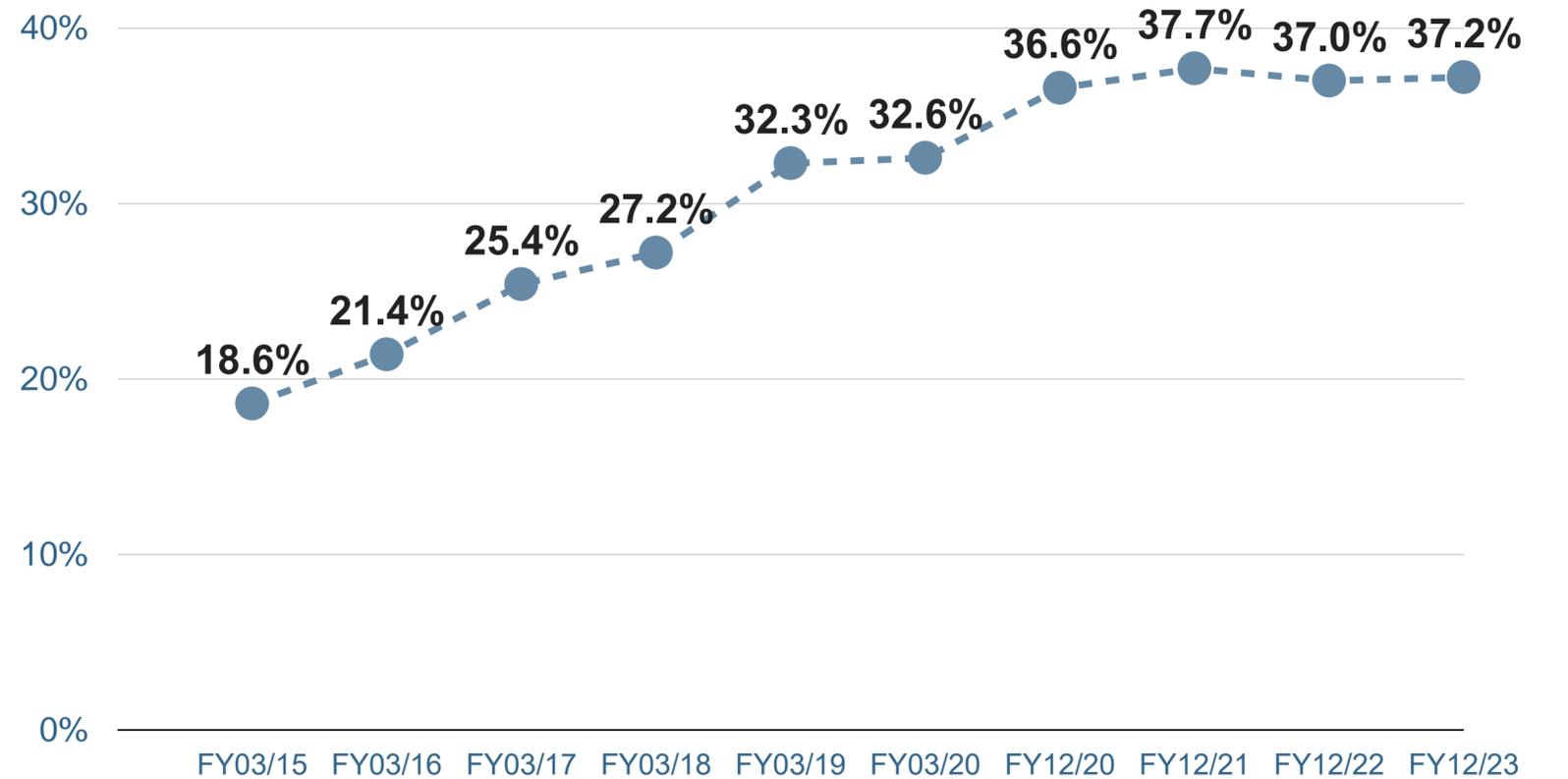
## Financial Highlights: Direct Profit Margin

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

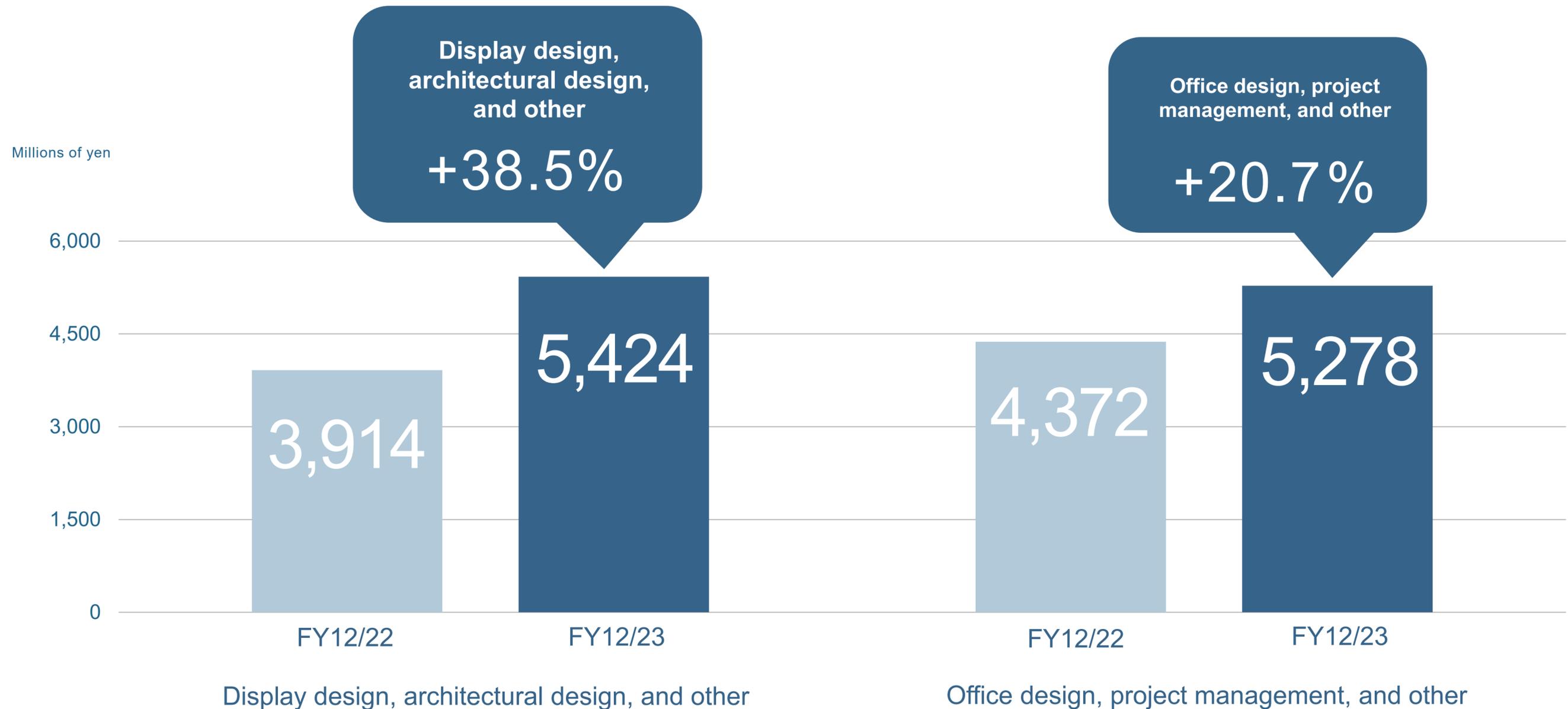


Notes: The figures above are based on management accounting by the Company. For management accounting purposes, the direct profit margin is calculated by subtracting direct outsourcing costs and material costs from net sales. The figures above do not include the net sales and profits of the brand design 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.



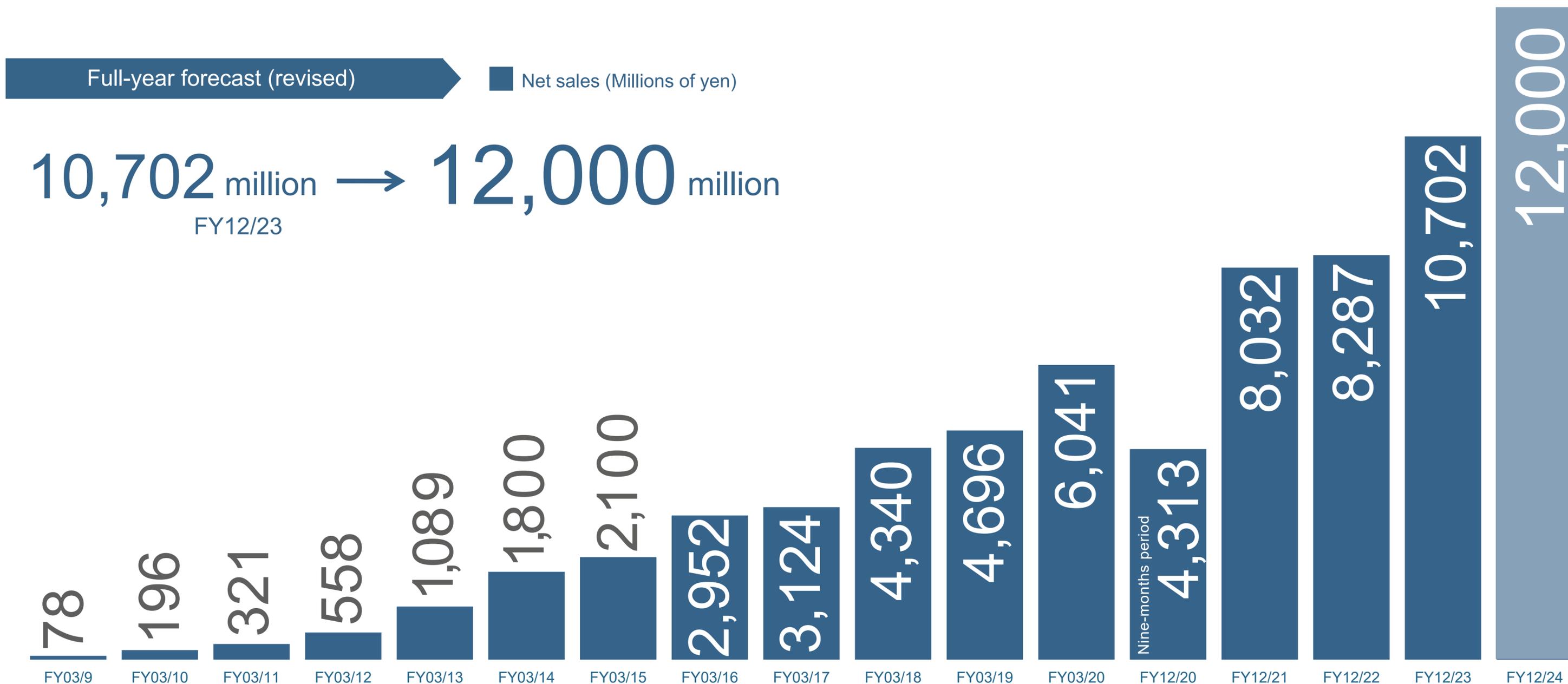
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# FINANCIAL FORECAST

Outlook for Full-Year FY12/24

Outlook for Full-Year FY12/24

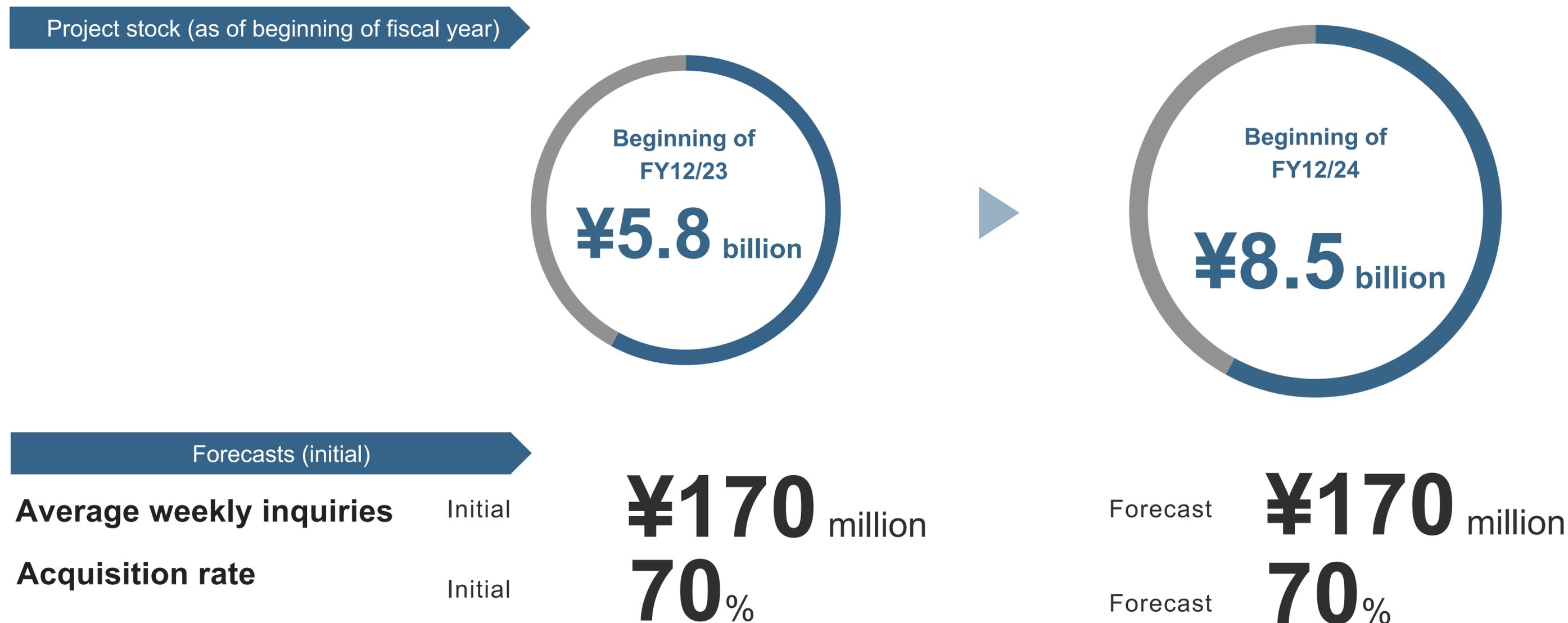
We forecast steady performance growth based on the cycle of three types of project: regular, proposal, and leading.



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.



\*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.

## ■ 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.**

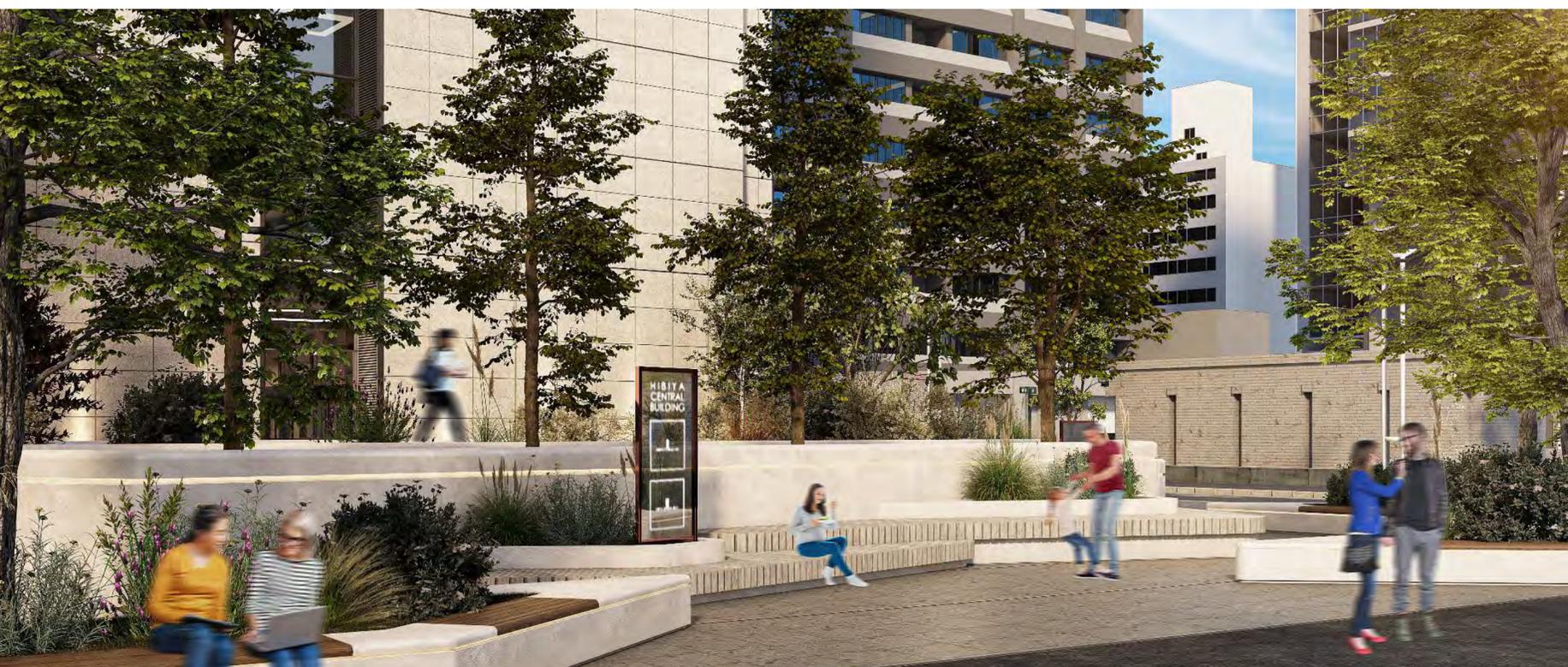
### Full-year forecast

(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



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# 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**

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