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## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending December 31, 2025 (Japanese GAAP)

May 13, 2025

Company name: DRAFT Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 5070  
 URL: <https://ir.draft.co.jp/en/>  
 Representative: Masahiko Aranami, Representative Director  
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 Scheduled date to commence dividend payments: –  
 Availability of supplementary briefing materials on financial results: Yes  
 Schedule of briefing session on financial results: No

(Amounts of less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)

#### (1) Consolidated operating results

(Percentage figures indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	1,395	(49.8)	(329)	–	(334)	–	(222)	–
March 31, 2024	2,777	74.6	302	–	289	–	185	–

Note: Comprehensive income: Three months ended March 31, 2025: ¥(223) million (–%)  
 Three months ended March 31, 2024: ¥ 193 million (–%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	(22.10)	–
March 31, 2024	18.42	18.35

Note: Diluted earnings per share for the first three months of the fiscal year ended December 31, 2025 is not shown in the above table despite the existence of potential shares as the Company posted a basic loss per share for the period.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	6,035	3,726	61.4
December 31, 2024	6,458	4,070	62.7

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of March 31, 2025: ¥3,708 million

As of December 31, 2024: ¥4,052 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2024	Yen —	Yen 0.00	Yen —	Yen 12.00	Yen 12.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (forecast)		0.00	—	14.00	14.00

Note: Changes in dividend forecast subsequent to most recent announcement: No

## 3. Consolidated financial results forecast for the fiscal year ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentage figures indicate year-on-year changes)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent		Basic earnings (loss) per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	4,600	(31.2)	(260)	—	(285)	—	(296)	—	(29.47)
Full year	13,300	8.3	1,150	12.4	1,110	9.1	670	3.7	66.71

Note: Changes in financial results forecast subsequent to most recent announcement: No

### Notes

(1) Changes in major subsidiaries during the three months ended March 31, 2025: No

Newly added: — subsidiaries (Company name) —

Excluded: — subsidiaries (Company name) —

(2) Application of special accounting treatment in preparing the interim consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to amendment of accounting standards, etc.: No

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatement: No

(4) Number of issued shares (common stock)

1) Number of issued shares at the end of the period (including treasury stock)

March 31, 2025: 10,043,600 shares

December 31, 2024: 10,043,600 shares

2) Number of treasury stock at the end of the period

March 31, 2025: — shares

December 31, 2024: — shares

3) Average number of shares outstanding for the period

Three months ended March 31, 2025: 10,043,600 shares

Three months ended March 31, 2024: 10,043,303 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

\* Explanation regarding proper use of financial results forecast, and other notes

Forward-looking statements in this document, including outlook on future performance, are based on currently available information and certain assumptions that the Company regards as reasonable, and the Company does not in any way guarantee their achievement.

Actual results may differ substantially from the projections herein depending on various factors. Please refer to “1. Qualitative information concerning the quarterly results, (3) Explanation of consolidated financial results forecast and other forward-looking information” on page 2 of the attached materials for the assumptions used in forecasting financial results and precautions regarding the use of the financial results forecast.

# 1. Qualitative information concerning the quarterly results

## (1) Explanation of business results

In the first three months of the fiscal year ending December 31, 2025 (the “period under review”), the Japanese economy was on a moderate recovery trend, supported by ongoing improvements in employment and income conditions, despite uncertainties surrounding rising prices and the U.S. policy developments.

The DRAFT Group operates across various disciplines such as interior, architecture, product, and branding under the common thread of “designing,” and for this reason, we do not belong to any specific market. In the display (space designing) market, which is the closest to our field, remained generally firm, reflecting economic trends. Boosted by strong demand for new value creation in spatial design through the power of design, including interior and architectural design, the business environment surrounding the Group during the period under review was favorable.

Against this backdrop, the Group has pressed on with the design business, positioning as its basic policy the “project type strategy,” which seeks to cycle monetization and value creation. The strategy under which our projects are classified into the three categories of “regular projects (Note 1),” “proposal projects (Note 2),” and “leading projects (Note 3)” is our initiative to create a cycle of business expansion through the synergy effects between the three types of projects with varying traits. Taiju Yamashita Design and Architecture, established as an independent organization within the Company and scheduled to be incorporated in May 2025, primarily takes on the role of proposing new design values to society and creating new business formats. It seeks to achieve commercialization in the form of leading projects and proposal projects. The recognition, expertise, and results gained in the leading and proposal projects are then passed on to the regular projects, becoming a part of the new norm in our regular operations, thereby bolstering the Group’s earnings base and enabling business expansion.

While these initiatives have driven steady growth across the entire business, the long-standing challenge of quarterly sales fluctuations remains unresolved. Net sales for the period under review amounted to ¥1,395 million. Although this exceeded our target, year-on-year sales were down 49.8%, due to exceptionally strong sales in the same period of the previous fiscal year. Gross profit came in at ¥382 million (-58.2% year on year) due to lower sales and a decrease in high-margin design projects compared to the same period of the previous fiscal year. Meanwhile, SG&A expenses increased to ¥711 million (+16.1% year on year), mainly due to higher personnel costs resulting from an increase in headcount and salary raises. As a result, the Company recorded an operating loss of ¥329 million, down ¥631 million from the same period of the previous fiscal year. Ordinary profit, reflecting non-operating income and non-operating expenses including interest payments and foreign exchange losses, declined by ¥624 million year on year, resulting in a loss of ¥334 million. Profit attributable to owners of parent decreased by ¥407 million year on year, resulting in a loss of ¥222 million.

### \* Terminology

- Notes
1. Regular projects are order-driven projects that begin with a request from the client side. They form the Group’s earnings base and include its office design, which is highly evaluated by customers.
  2. Proposal projects, positioned between regular projects and leading projects, are those which the Group plans, proposes, and at times invests in upfront. In these projects, we intend to realize an earnings model different from that of order-based projects.
  3. Leading projects are challenging projects we take on through large-scale architectural and design competitions. They represent our initiative to cultivate new design domains and enhance the Group’s design skills and brand value.

## **(2) Explanation of financial position**

### **(Assets)**

Total assets as of March 31, 2025 were down ¥423 million from December 31, 2024 to ¥6,035 million. This change was attributable mainly to decreases of ¥945 million in cash and deposits and ¥715 million in accounts receivable-trade and contract assets, partially offset by increases of ¥772 million in real estate for sale in process, ¥430 million in prepaid expenses, and ¥100 million in deferred tax assets.

### **(Liabilities)**

Total liabilities as of March 31, 2025 were down ¥79 million from December 31, 2024 to ¥2,308 million. This change was primarily due to decreases of ¥236 million in accounts payable-trade, ¥251 million in income taxes payable, ¥116 million in accrued consumption taxes, and ¥49 million in long-term borrowings, partially offset by an increase of ¥583 million in short-term borrowings.

### **(Net assets)**

Total net assets as of March 31, 2025 were down ¥343 million from December 31, 2024 to ¥3,726 million. This change was primarily due to the recording of ¥222 million in loss attributable to owners of parent and dividend payment of ¥120 million.

## **(3) Explanation of consolidated financial results forecast and other forward-looking information**

No changes have been made to the consolidated earnings forecast for the first half and full year of the fiscal year ending December 31, 2025 disclosed in the “Consolidated Financial Results for the Fiscal Year Ended December 31, 2024” announced on February 14, 2025.