

August 12, 2022

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Company name: DRAFT Inc.
 (Code number: 5070, Growth market
 of the Tokyo Stock Exchange)

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 Director

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Notice of Difference between Earnings Forecast and Actual Results

DRAFT Inc. hereby announces that the actual results for the first six months of the fiscal year ending December 31, 2022 (January 1, 2022–June 30, 2022) diverged from the earnings forecast released on May 12, 2022 as below.

1. Difference between the forecast and actual results for the six months ended June 30, 2022 (January 1–June 30, 2022)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	Millions of yen 4,500	Millions of yen 275	Millions of yen 270	Millions of yen 170	Yen 16.94
Actual results (B)	3,103	(100)	(113)	(99)	(9.93)
Difference (B–A)	(1,396)	(375)	(383)	(269)	(26.87)
Change (%)	(31.0)	–	–	–	–
(Ref.) Results for the six months ended June 30, 2021	3,551	458	460	282	30.59

2. Reasons for difference

In the first six months of the fiscal year under review, net sales came in below projections despite strong inquiries that exceeded expectations, due to sluggish orders for projects whose completion dates fell in the six-month period under review. For this reason, sales for most projects for which the DRAFT Group has won orders are expected to be booked in the second half of the fiscal year under review or later. At the operating profit level, the Group recorded a loss due to an increase in expenses aimed at growth, including for increased personnel and the launch of activities for new lifestyle brand DAFT about DRAFT.

As a result, net sales, operating profit, ordinary profit, and profit attributable to owners of parent fell below the forecast.