

August 14, 2023

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, 2023 (January 1, 2023–June 30, 2023) diverged from the earnings forecast released on February 14, 2023 as below.

### 1. Difference between the forecast and actual results for the six months ended June 30, 2023 (January 1–June 30, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	Millions of yen 3,800	Millions of yen (287)	Millions of yen (294)	Millions of yen (294)	Yen (29.28)
Actual results (B)	3,905	(96)	(112)	(112)	(11.21)
Difference (B–A)	105	190	181	181	18.07
Change (%)	2.8	–	–	–	–
(Ref.) Results for the first six month of the fiscal year ended December 31, 2022	3,103	(100)	(113)	(99)	(9.93)

## 2. Reasons for difference

Net sales for the first six months of the fiscal year ending December 31, 2023 exceeded the forecast, due to faster-than-expected growth in the project stock, which was already at a high level at the start of the year, on the back of strong inquiries. Net sales were also supported by early sales booking for an increasing number of projects with the adoption of the new revenue recognition standard and against a backdrop of an expansion in long-term projects. Meanwhile, SG&A expenses were largely in line with plan, despite having been on a sharp uptrend since the previous fiscal year. As a result, while the Company posted an operating loss in the six-month period under review, the loss was substantially narrower than initially projected. Ordinary loss and loss attributable to owners of parent were also substantially narrower than initial projections.