October 25, 2024

Company name: DRAFT Inc.
(Code number: 5070, Growth Market of the Tokyo Stock Exchange)
Representative: Masahiko Aranami
Representative Director
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Notice Regarding Revision of Dividend Forecasts (Dividend Increase) and Change in Dividend Policy

DRAFT Inc. (the "Company") hereby announces that it has resolved at the Board of Directors meeting held on October 24, 2024 to revise the dividend forecasts (divided increase) for the fiscal year ending December 31, 2024 and to change the dividend policy.

1. Revision of dividend forecasts

	Annual dividend (yen)		
	2nd quarter-end	Year-end	Total
Previous forecast (announced on February 13, 2024)		6.00	6.00
Revised forecast		7.00	7.00
Actual dividend	0.00		
(Ref.) Dividend for the previous fiscal year ended December 31, 2023	0.00	6.00	6.00

(Reasons for the revision)

By comprehensively taking into account factors such as the Group's consolidated earnings forecast for the fiscal year ending December 31, 2024 and its financing needs for the foreseeable future, the Company revised the year-end dividend forecast for the fiscal year ending December 31, 2024 to ¥7.00 per share.

2. Change in dividend policy

(1) Details of change

[Before change]

For returning profits to shareholders, the Company aims to pay dividends (interim and year-end) with a target payout ratio of 20%, on a consolidated profit attributable to owners of parent basis, while securing retained earnings necessary to invest in future business development and reinforce the management structure.

[After change]

For returning profits to shareholders, the Company aims to increase dividends every fiscal year to the extent possible under a basic policy to maintain progressive dividends (note), while securing retained earnings necessary to invest in future business development and reinforce the management structure.

(Note) A progressive dividend policy is the one under which the Company does not, in principle, reduce dividends but maintains or increases dividends

(2) Reasons for the change

The Company prioritizes a stable return of profits to shareholders and has continued to pay progressive dividends since its listing of shares. As a result of paying progressive dividends regardless of the level of consolidated profit attributable to owners of parent for the past five fiscal years (from the fiscal year ended March 31, 2020 to fiscal year ended December 31, 2023,) the payout ratio has fluctuated in the range of 8.1% and 238.1%.

In light of this situation, the Company has changed its dividend policy to clarify that the Company not only intends to pay dividends consistently regardless of the level of consolidated profit attributable to owners of parent, but also aims to increase dividends.