



MISSION

**Make people happy and
the world by accomplishing
our work with love**

VISION

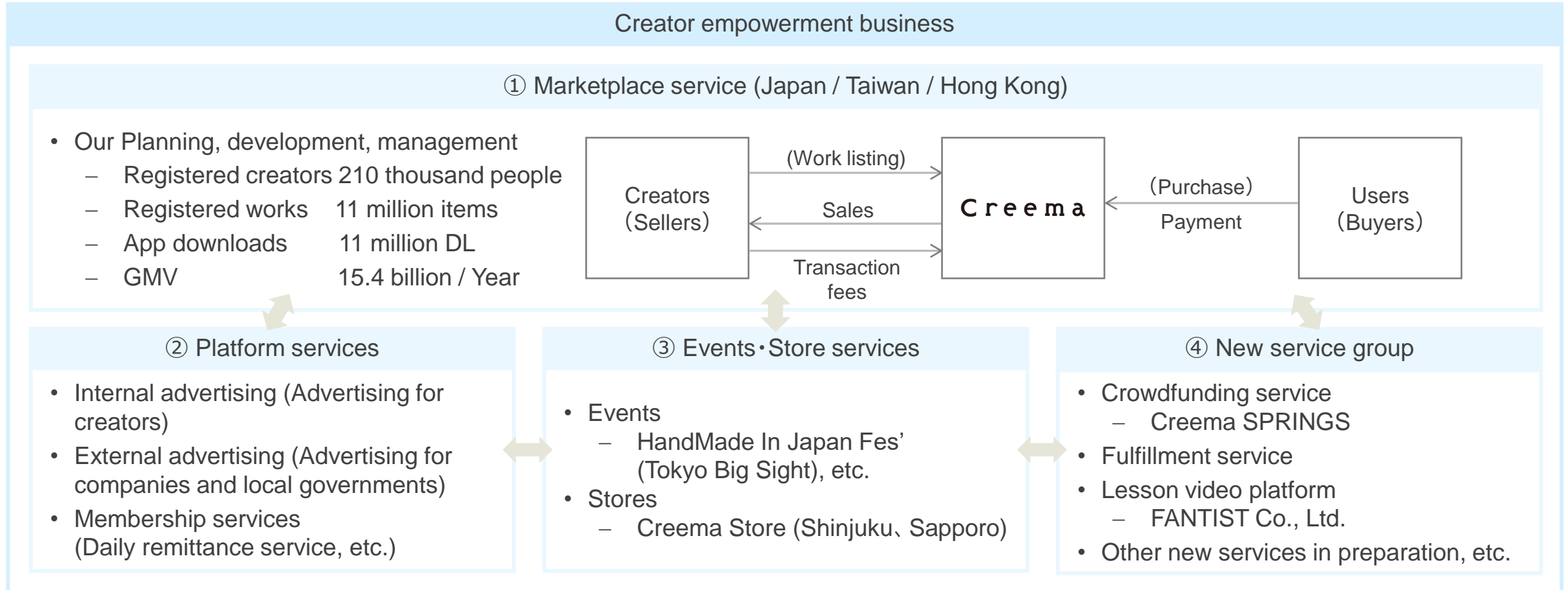
**A new big conglomerate
leading the 21st century**

Corporate Statement

Let's create a huge round era!

Business structure and Creema economic zone

With Japan's largest handmade marketplace "Creema" as the main axis, we are expanding our business into various service areas that support the activities of creators, and we are striving to expand the Creema economic zone where all services are dynamically linked.



1Q, FY2022 Company-wide results



[Company-wide] 1Q Overall Results

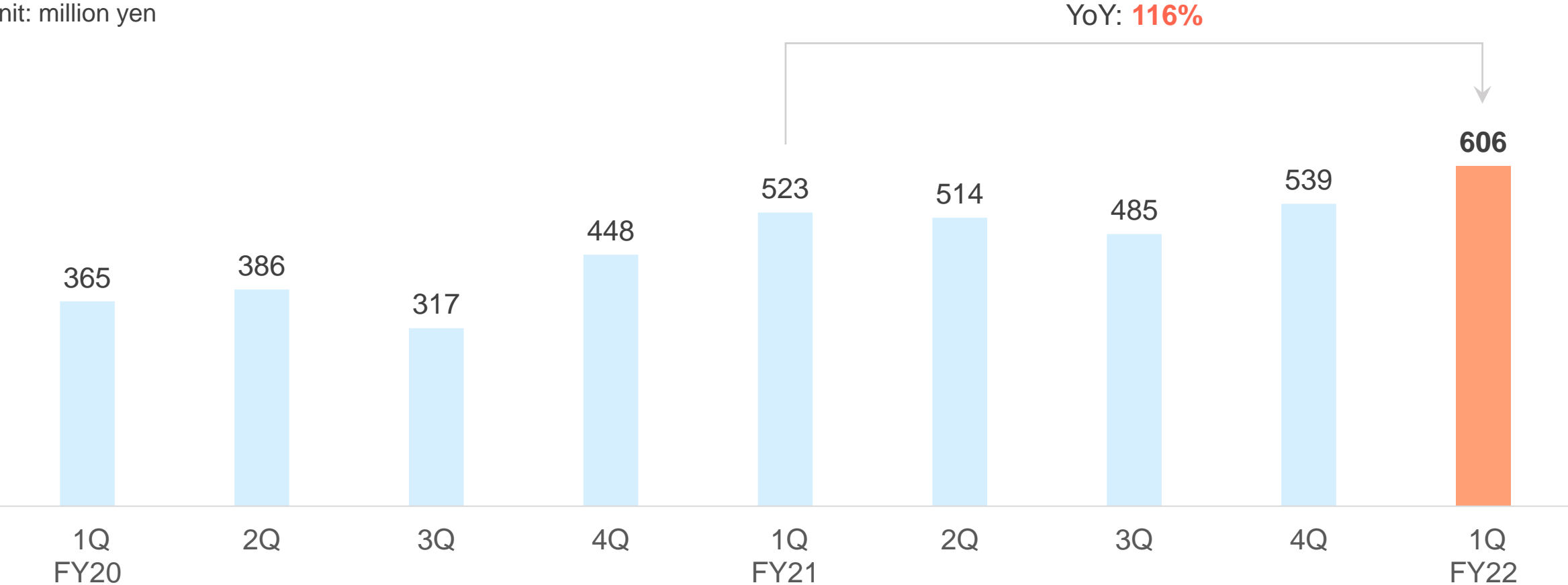
For 1Q results, sales landed at 600 million yen, operating profit at 148 million yen (operating profit margin: 25%), and net income at 129 million yen.

	Consolidated Income Statement			Topics
Unit: million yen	Results	YoY	QoQ	
Sales	606	116%	112%	<ul style="list-style-type: none"> Marketplace and platform services drove sales to increase 116% YoY. Costs were 113% YoY due to business growth, but lower than planned. As a result, operating profit was 121% YoY with continuous high growth. Net income was 107% YoY with a steady trend.
Sales Cost	7	923%	407%	
Gross profit	598	115%	111%	
SG&A	449	113%	71%	
Operating profit	148	121%	+246 million yen	
Ordinary Profit	147	122%	+249 million yen	
Net income	129	107%	+199 million yen	

[Company-wide] Trends in consolidated sales

Sales increased 116% YoY , landing at the highest level ever for quarterly sales.

Unit: million yen

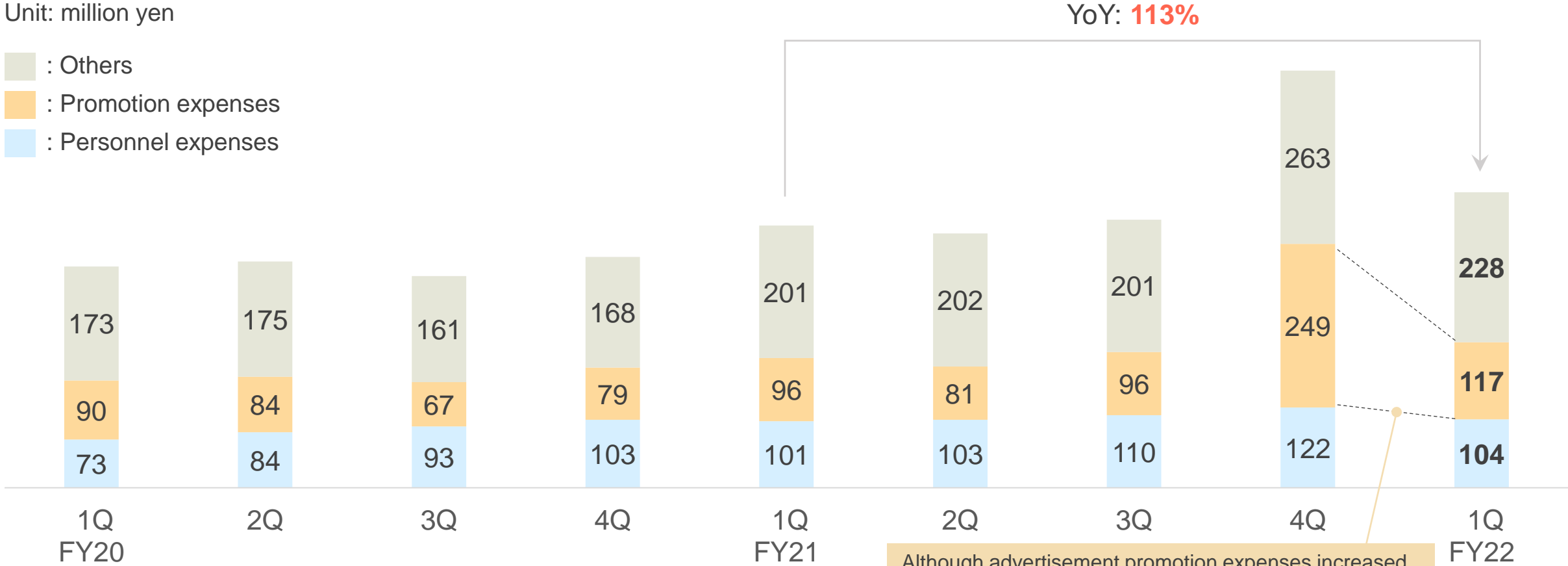


[Company-wide] Changes in consolidated SG & A expenses

Consolidated SG&A expenses were 113% YoY due to an increase in promotion expenses and system-related expenses for business growth and others.

Unit: million yen

- : Others
- : Promotion expenses
- : Personnel expenses

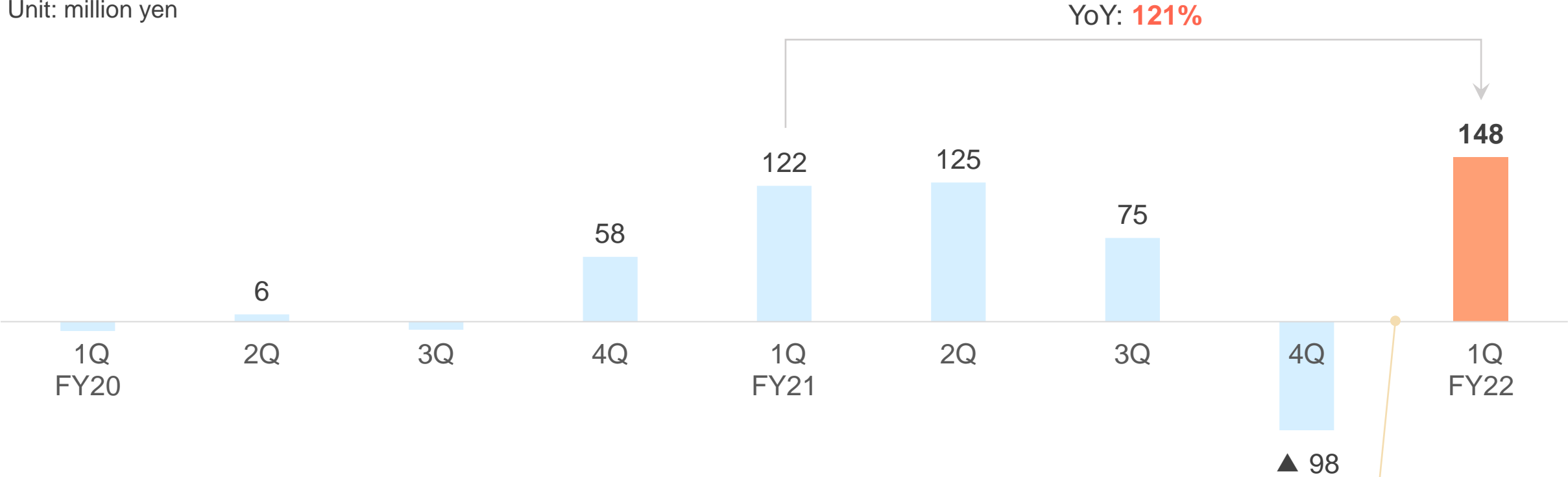


Although advertisement promotion expenses increased in 4Q of FY21 due to TVCM (television advertisement) broadcasting, they decreased significantly QoQ as there were no such advertisements in 1Q of FY22.

[Company-wide] Changes in consolidated operating income

Operating profit was 148 million yen (121% YoY), marking the highest quarterly operating profit ever.

Unit: million yen



Although a deficit was temporarily posted at the end of FY21 due to implementation of strategic large-scale investments, operating profit increased significantly in 1Q of FY22 from steady business growth.

[Company-wide] Balance sheet status

The asset scale remained nearly unchanged from the end of FY21. Goodwill is recorded due to the acquisition of FANTIST Co., Ltd. in April 2021.

Subject (Unit: Million Yen)	1Q 2022	(Ref.) 4Q 2021	(Ref.) QoQ
Current Assets	3,531	3,568	99%
Cash and cash equivalents	2,924	2,885	101%
Accounts receivable	584	644	91%
Fixed assets	203	126	162%
Deferred tax assets	66	63	104%
Security deposits	52	38	135%
Goodwill	49	—	—
Total assets	3,735	3,694	101%
Current Liabilities	2,227	2,313	96%
Withholdings / Funds payable and amounts due to creators	1,648	1,460	113%
Loans repayable within one year	277	266	104%
Fixed liabilities	296	298	99%
Long-term liabilities	286	298	96%
Total liabilities	2,524	2,612	97%
Capital stock	532	532	100%
Capital surplus	532	532	100%
Retained Earnings	146	17	823%
Total net assets	1,211	1,081	112%

FY2022 Performance by major services



[Marketplace] Changes in the GMV of Creema (1/2)

1Q GMV landed at 4.17 billion yen. Since handmade masks temporarily surged due to the impact of COVID-19 in the same period of the previous year, gross merchandise volume (GMV) was slightly lower than that of the previous year. However, GMV excluding masks showed a large growth of 127% YoY.

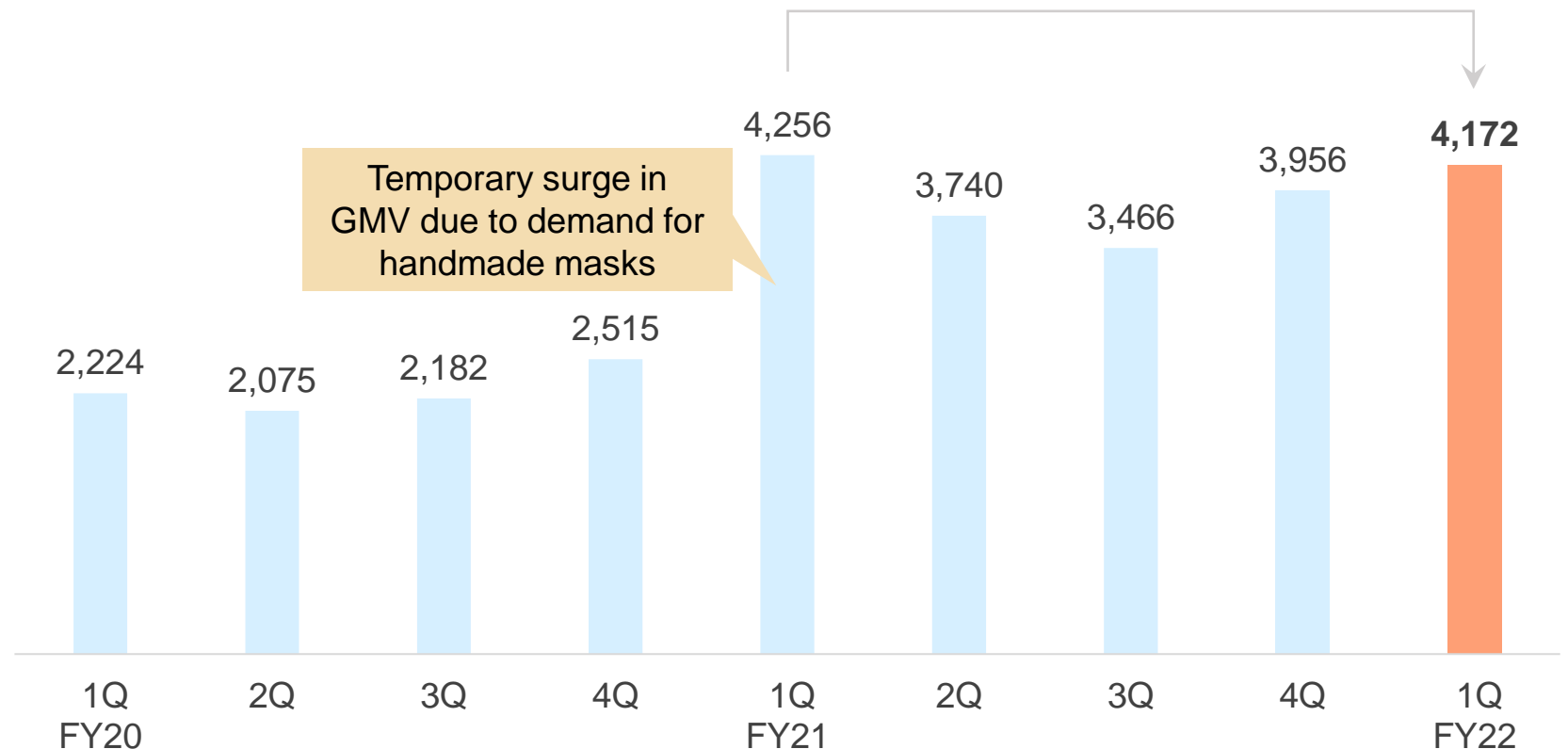
Main initiatives

- Deployment of various merchandising campaign measures that capture trends such as Mother's Day.
- Implementation of a collaboration project with Hello Circus (our Group) organized by entertainer Chiaki (Chiaki Fujimoto) and world-famous fashion designer Keita Maruyama.
- Enhancement of “Creema” products focusing on a better user interface and measures to improve convenience for creators.
- Strengthening of systems and support structure to provide a safer and more secure purchasing experience.

Changes in the GMV of Creema

Unit: million yen

YoY: 98% *GMV excluding masks YoY: 127%



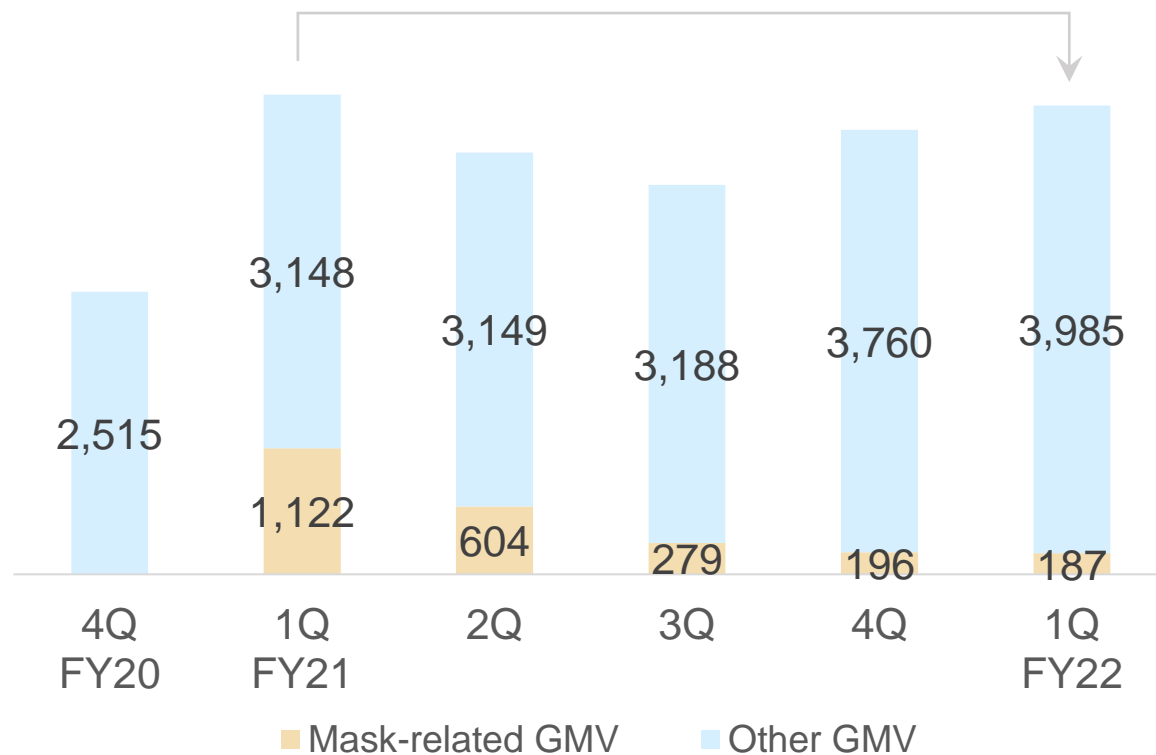
[Marketplace] Changes in the GMV of Creema (2/2)

GMV excluding sales of mask-related products increased 127% YoY. The substantial scale of service continues to grow significantly.

Creema GMV (overall)

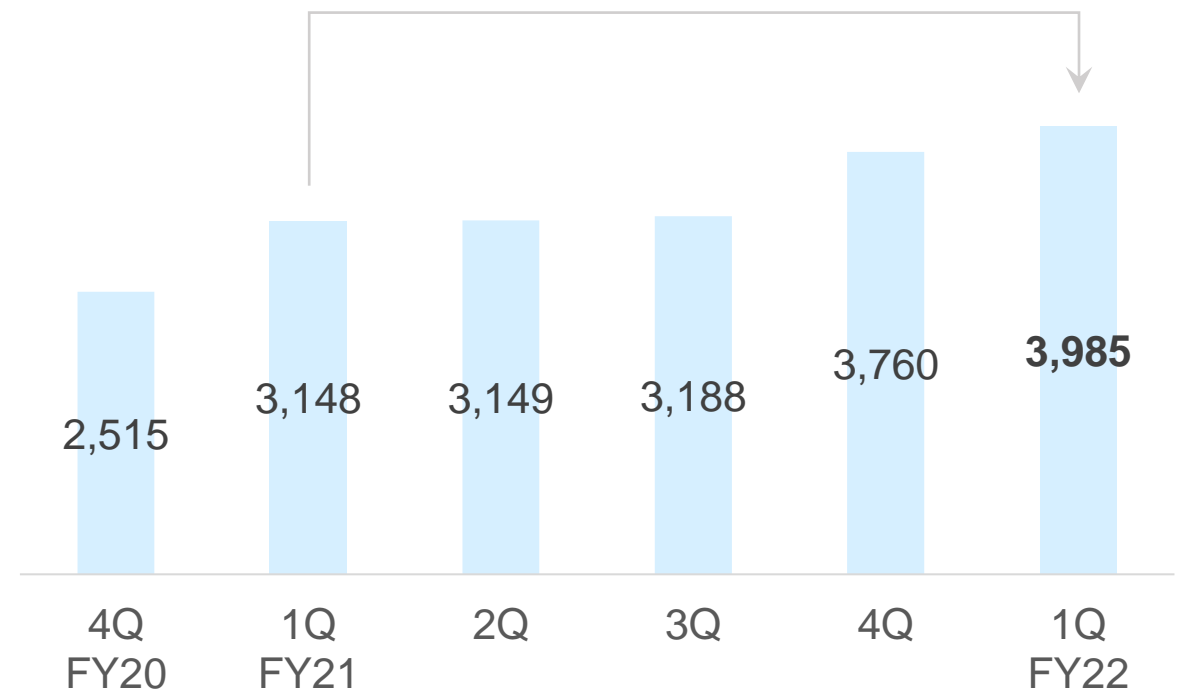
Unit: million yen

GMV (overall) YoY: 98%



Creema GMV (excluding mask-related sales)

GMV (excluding mask-related products) YoY: **127%**

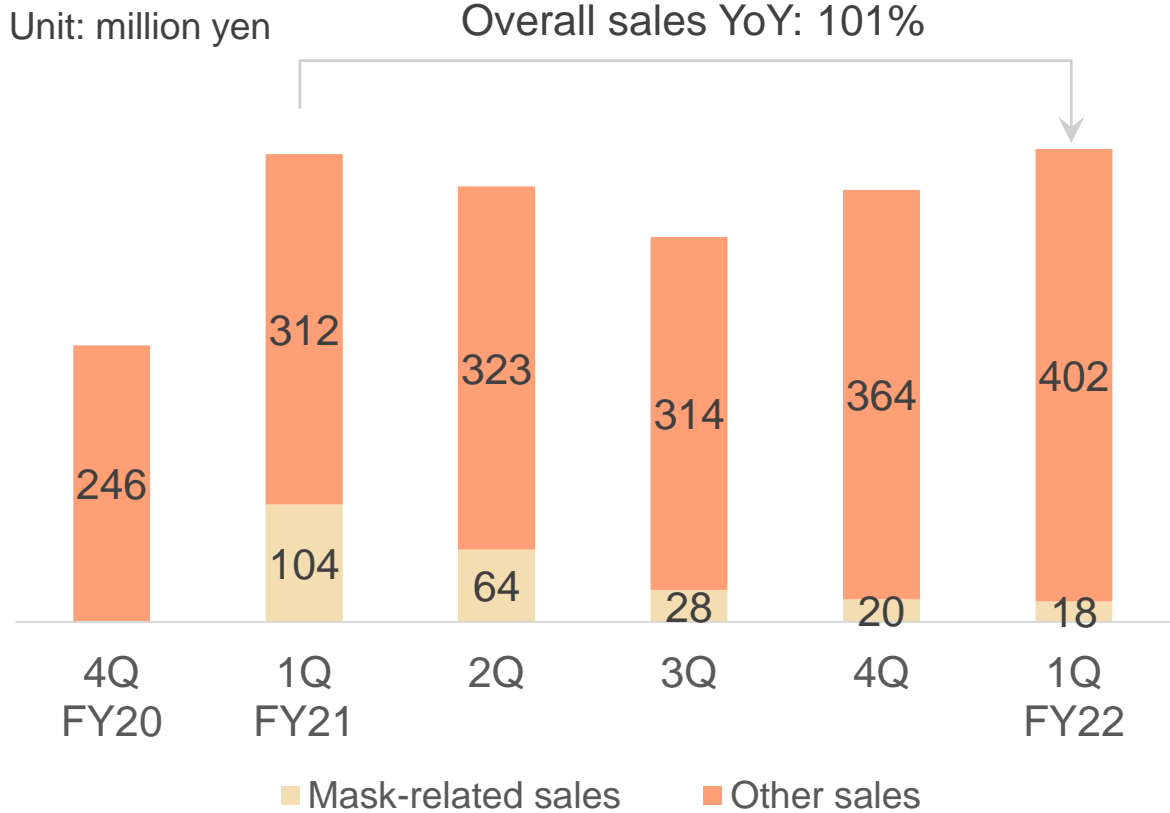


Note: Mask-related GMV refers to the GMV of trading of works that contain the word “mask” in their title. Such works are among those traded during a relevant period under Creema’s categories other than food. In regard to the mask-related GMV disclosed on April 14, since titles of works extracted were those at the point when the disclosed material was prepared and not when works were traded, in some cases, titles have been changed from when traded. By revising the extraction method in detail this time, mask-related GMV showed a total annual increase of approximately 1 million yen in FY21 as compared with that disclosed on April 14.

[Marketplace] Sales trends

Sales landed at 420 million yen (101% YoY). While GMV was slightly below YoY, sales slightly increased YoY. Sales excluding mask-related products were 129% YoY.

Sales of overall marketplace service



Sales of marketplace service excluding mask-related sales



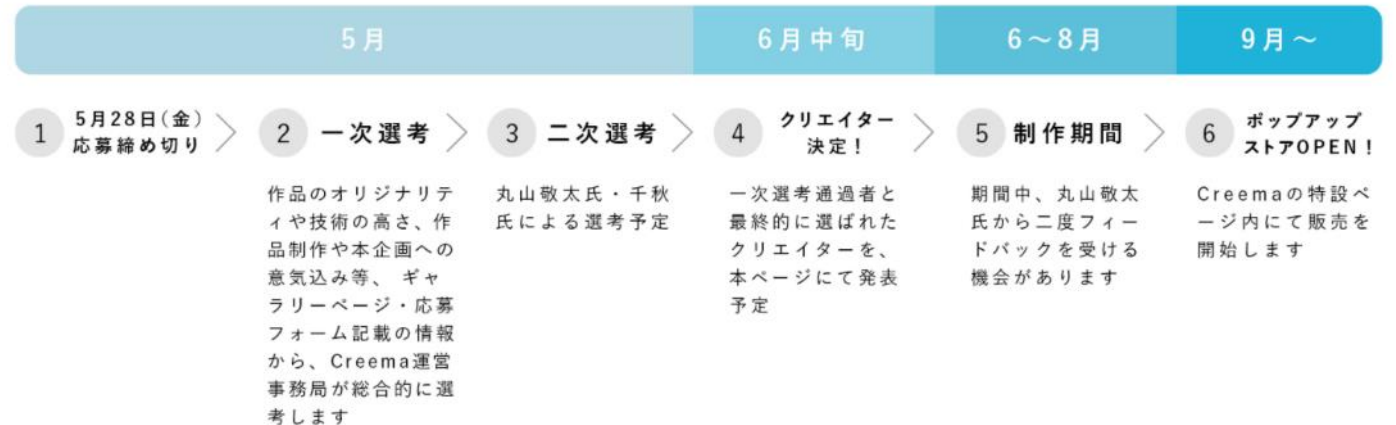
Note: Mask-related sales refers to those associated with sales from trading of works that contain the word “mask” in their title. Such works are among those that completed trade during a relevant period under Creema’s categories other than food.

[Ref.] Creema x Hello Circus Star Creator Discovery Project

“Creema × Hello Circus Star Creator Discovery Project,” a collaboration project between Hello Circus (our Group) organized by entertainer Chiaki (Chiaki Fujimoto) and world-famous fashion designer Keita Murayama was launched.



- Four creators to be chosen from a public prize contest will be asked to create three to five types of collaboration works with fashion designer Keita Maruyama.
- Finished works will be sold exclusively at a specially set-up pop-up store to be opened on Creema in September. Original works by Keita Maruyama and Chiaki are also planned to be extensively sold at this pop-up store.

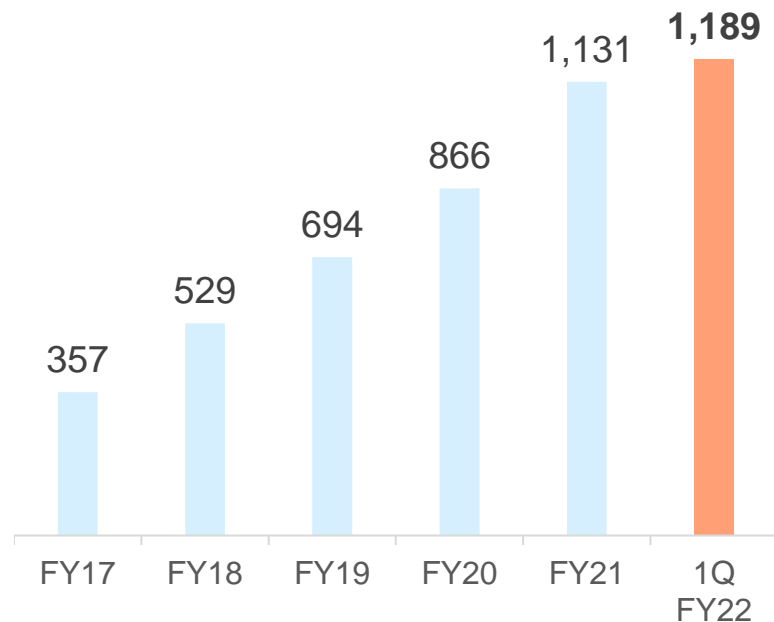


[Ref.] Trends in marketplace-related KPIs

Both the number of listings and the number of app downloads have been steady. While the transaction unit price fell temporarily due to a sharp increase in low unit-price mask-related sales in FY21, the transaction unit price is returning to its steady level in FY22 with the significant decrease in mask-related sales.

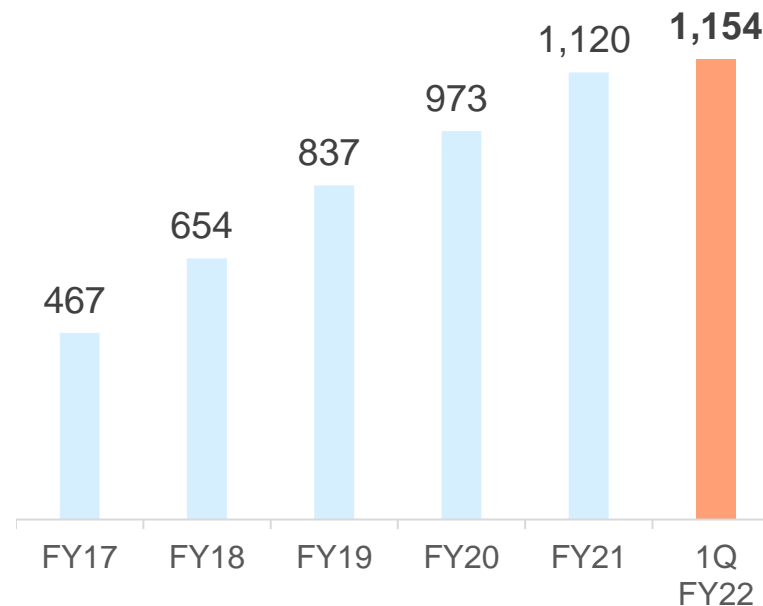
Number of listings

Unit: 10,000



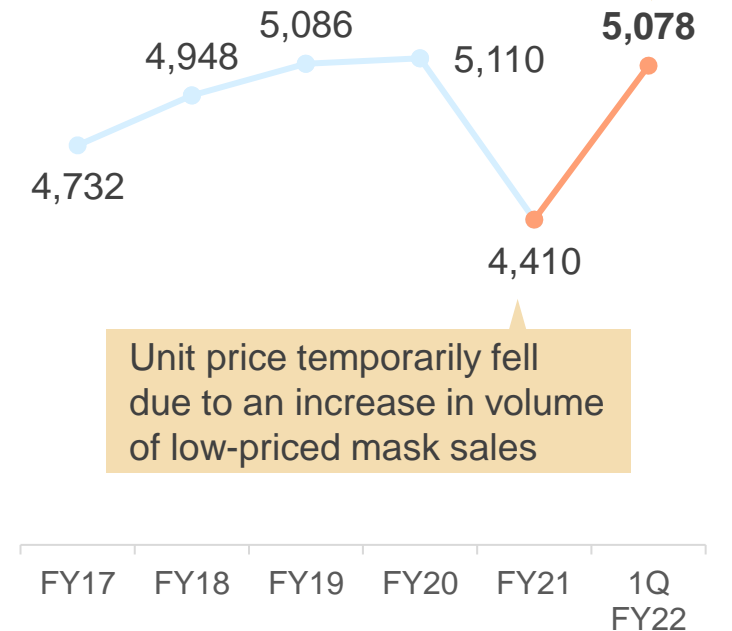
App DL

Unit: 10,000



Average transaction unit price (Japan)

Unit: Yen



[Platform] Main initiatives and sales trends

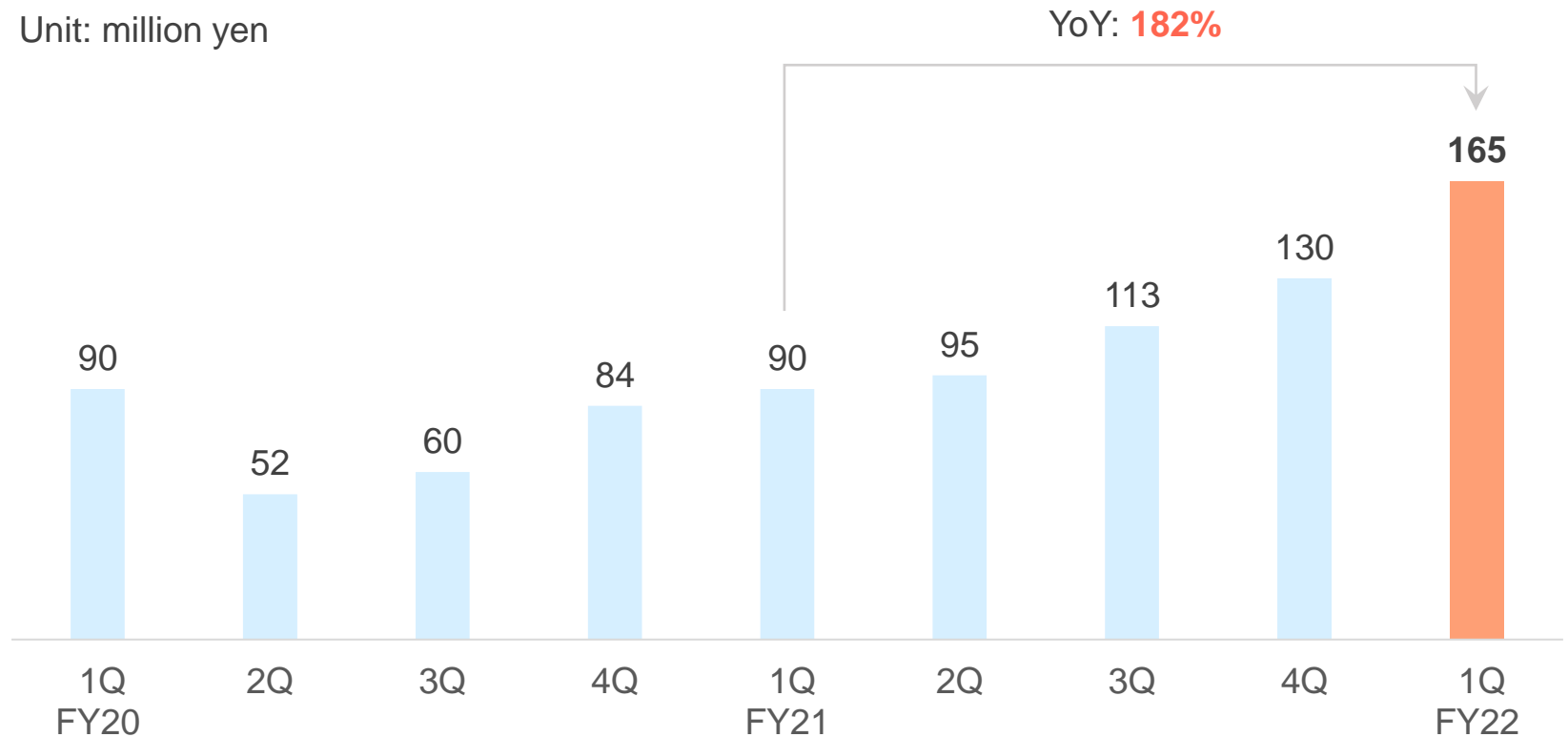
In addition to the significant acceleration of orders and deliveries of items in external advertising (advertising for companies and local governments), users of internal advertising (advertising for creators) continued to be steady. As a result, sales of the platform service increased to 182% YoY, and landed at 165 million yen.

Main initiatives

- In external advertising(advertising for companies and local governments), collaboration projects with major manufacturers and various companies as well as support in a digital shift in the traditional craft industry continued, and orders/deliveries of local government PR projects accelerated.
- In internal advertising (advertising for creators), initiatives continued to be taken in various campaigns, additions of functions, etc. to promote the use of advertising services.

Sales trends (million yen)

Unit: million yen



[Events & stores] Main initiatives and sales trends

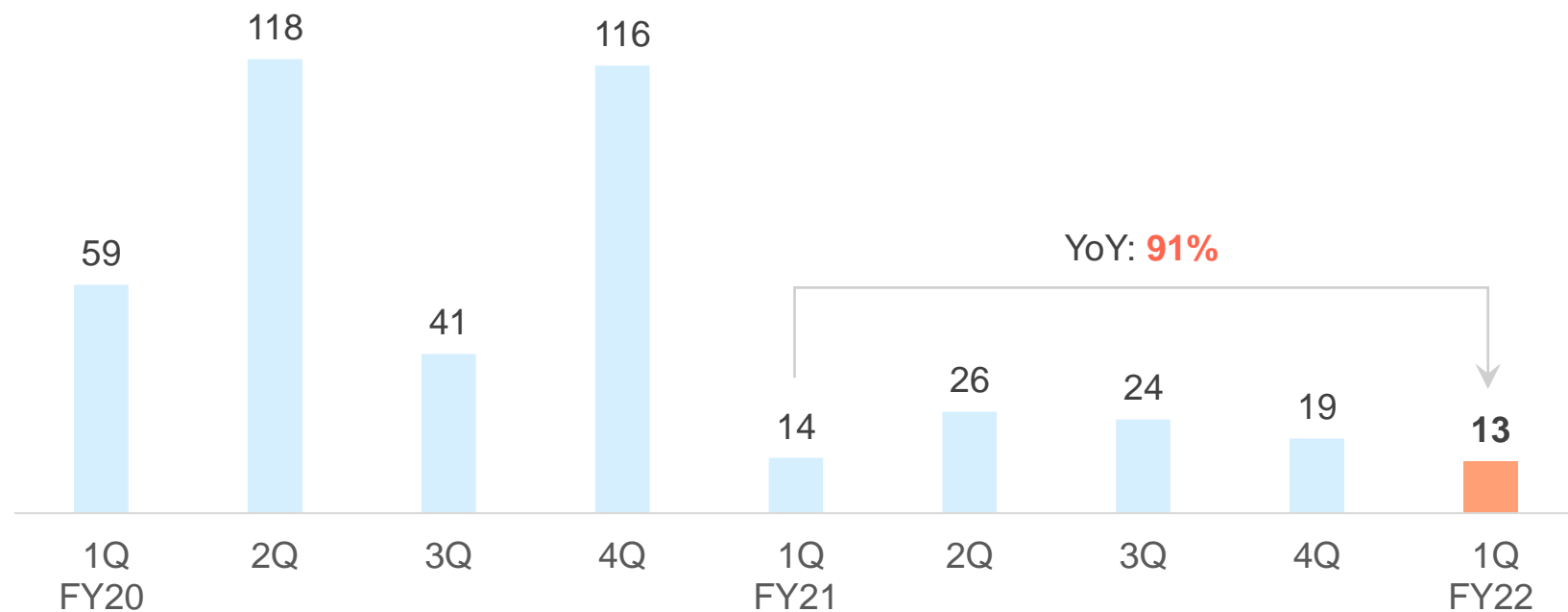
No events were held in 1Q. As for stores, in addition to the limitation on the number of operating days and hours due to the declaration of a state of emergency, etc., a two-store-base operation system was taken, three stores less than the previous fiscal year. As a result, sales landed 91% YoY.

Main initiatives

- Although large-scale events have been held in 1Q every year, due to the impact of COVID-19, they again were not held in FY22 as in the previous year. They are scheduled to be held in 3Q (September).
- Store performance fell below that of the previous fiscal year. This was due to the limitation on the number of operating days and hours from the continued declaration of a state of emergency/priority preventive measures, in addition to the two-store-base system that was three less than the number in the same period of the previous year.

Sales trends (million yen)

Unit: million yen



[Ref.] New service group

In addition to the crowdfunding, lesson video platform, and fulfillment services previously started, we intend to successively add new services in the future to promote the construction of the Creema economic zone while increasing value provided to creators and users.

Services released to date

Crowdfunding



Lesson video platform, etc.



Services to be released in the future

Introduction of other new services



Utilizing the huge membership base of "Creema" who support the activities of creators, we operate a platform where creators can raise funds.

We entered into the EdTech via M&A with FANTIST Co., Ltd, providing creator's lesson video platform, and started offering fulfillment service from photo-taking to shipping.

Development and examination of various new services with high synergy with Creema is underway.



FY2022 Forecast

Medium-term management policy

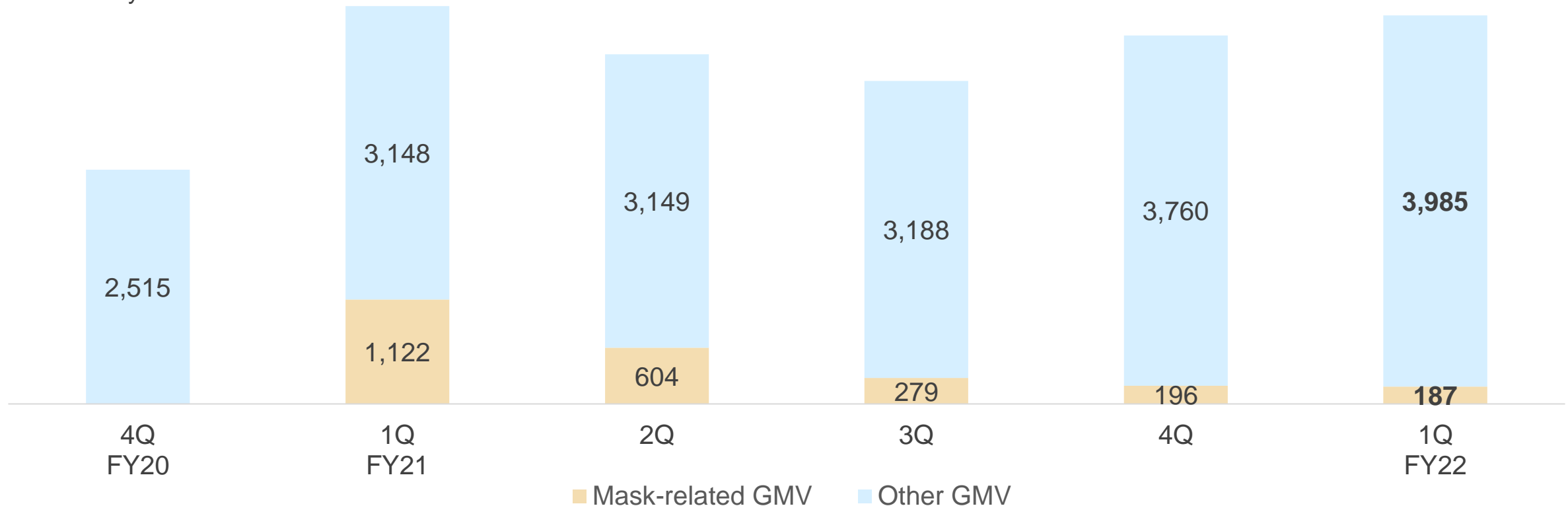
In FY22, in order to achieve growth of existing sectors and by the addition of new services, we will utilize the platform base expanded and strengthened in FY21 and the current financial basis.

Company-wide		<ul style="list-style-type: none">Utilizing the platform which was significantly enhanced in FY21, realize further growth of existing businesses, and expand our new service group and make strategic investments for non-consecutive growth in the medium to long term.In FY22, we aim for sales of 2.4 billion yen (YoY: 119%) and operating income of 315 million yen (YoY: 140%).
By Service	Market place	<ul style="list-style-type: none">Polishing the system and products of our main service “Creema”.Polishing various merchandising and campaign measures.Driving overall growth in the Creema economic zone by strengthening a collaboration with Hello Circus, crowdfunding and other services.
	Platform	<ul style="list-style-type: none">In Internal advertising (advertising for creators), we plan to evolve into a more valuable advertising service by continuing function development and campaign measures.In External advertising (advertising for companies and local governments), we are strengthening proposals centered on our own online advertising products such as tie-up advertorials and creator collaboration projects.In addition, we will focus on the online seminar service and others in which creators can play an even more active role.
	Events・Stores	<ul style="list-style-type: none">Partially resume large-scale events, such as 「HandMade In Japan Fes'」 & 「Creema Craft Party」.Rebuild the "Creema Stores" by strengthening merchandising considering changes in consumption and trends.
	New service group	<ul style="list-style-type: none">Full-scale expansion of various new services started from FY21, focusing on crowdfundingDevelopment of new services centered on areas that have synergies with our platform (including M&A)

Growth of Creema GMV (1/2)

Due to the impact of the COVID-19, the GMV of mask-related products has increased significantly since March 2020, but as of the end of FY21, the ratio to the GMV was small. While the ratio further declined in 1Q of FY22, other product GMV grew steadily.

Unit: million yen



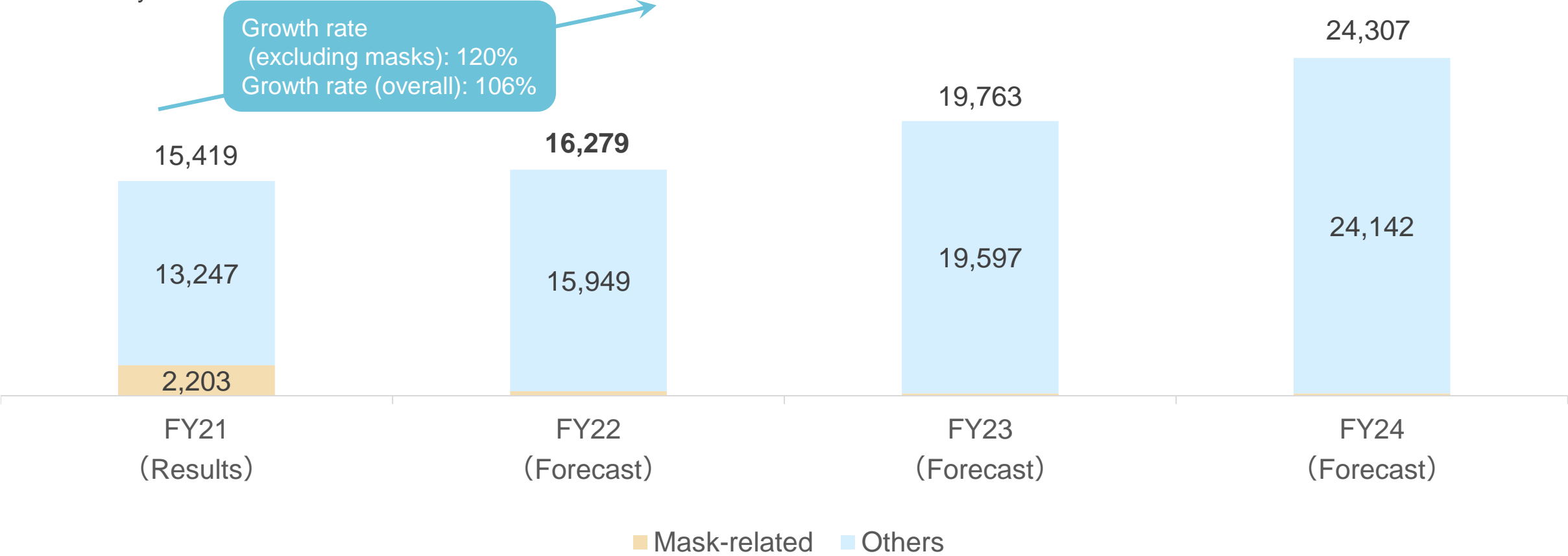
Note: Mask-related GMV refers to the GMV of trading of works that contain the word “mask” in their title. Such works are among those traded during a relevant period under Creema’s categories other than food. In regard to the mask-related GMV disclosed on April 14, since titles of works extracted were those at the point when the disclosed material was prepared and not when works were traded, in some cases, titles have been changed from when traded. By revising the extraction method in detail this time, mask-related GMV showed a total annual increase of approximately 1 million yen in FY21 as compared with that disclosed on April 14.

Growth of Creema GMV (2/2)

After FY22, it is anticipated that the mask-related demand, which increased sharply the previous year, will settle down. We are aiming for a GMV of 16.2 billion yen, which is up 120% YoY excluding mask sales.

Unit: million yen

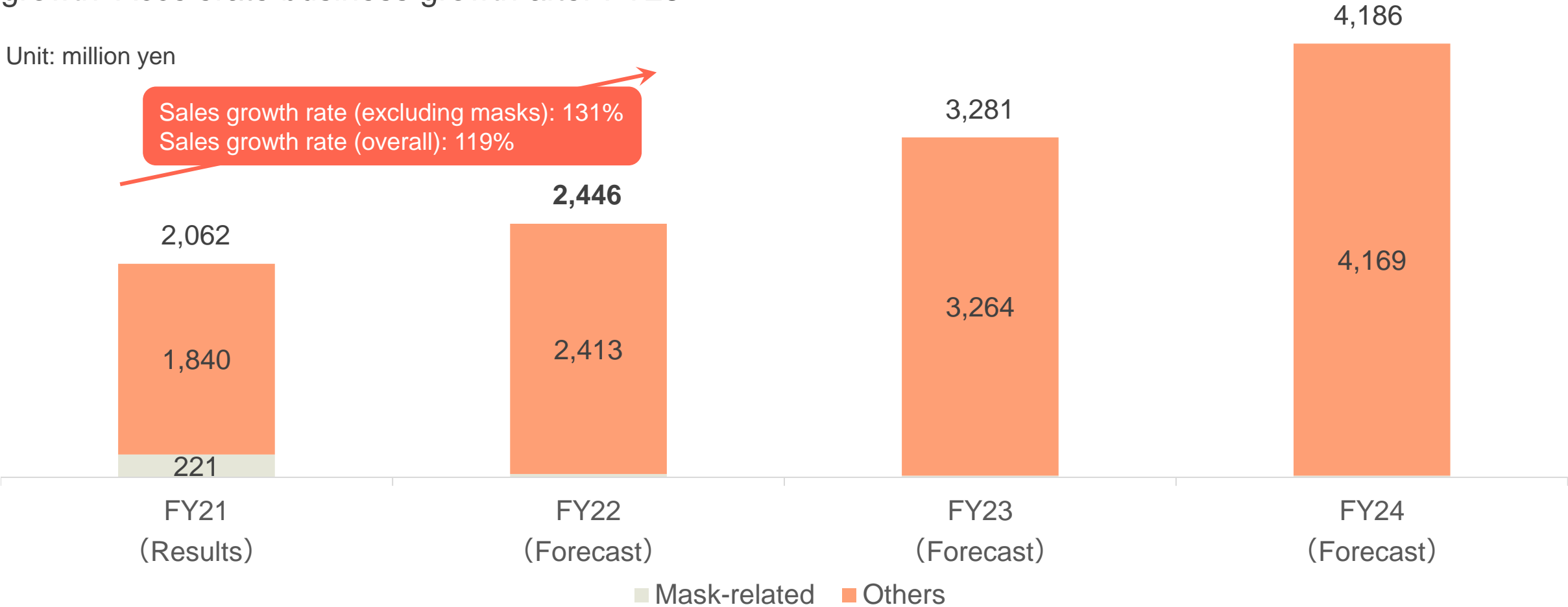
Growth rate (excluding masks): 120%
Growth rate (overall): 106%



Sales growth image

In FY22, we plan to launch several new businesses with the aim of expanding existing businesses based on the management base strengthened by FY21, realizing the vision, and achieving non-consecutive growth. Accelerate business growth after FY23.

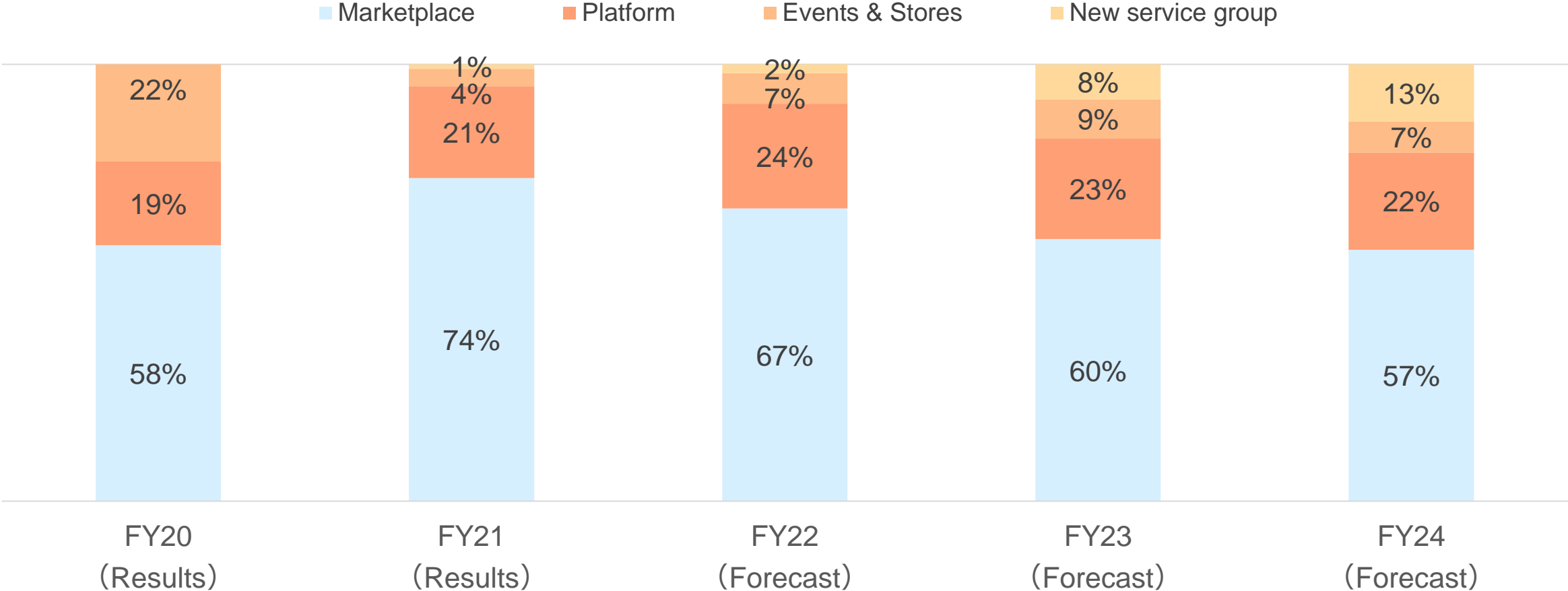
Unit: million yen



Note: Mask-related sales refers to company-wide sales associated with sales from trading of works that contain the word “mask” in their title. Such works are among those that completed trade during a relevant period under Creema’s categories other than food.

[Ref.] Forecast of changes in sales composition by service

Due to the impact of the COVID-19, event & stores services shrank significantly in FY21, while the proportion of marketplace service increased. After FY22, our service ratio is expected to be gradually balanced back to normal, and the new service group will be progressively growing.



FY22 company-wide earnings forecast

In order to further empower creators, FY22 aims to achieve sales of 2.4 billion yen, operating income of 315 million yen, and net income of 293 million yen by expanding the Creema economic zone where various services are dynamically linked.

Company-wide earnings forecast

Unit: million yen	(Ref.) FY21	FY22	YoY
Sales	2,062	2,446	119%
Sales cost	5	88	1689%
Gross profit	2,057	2,357	115%
SG&A	1,831	2,042	112%
Operating profit	226	315	140%
Ordinary profit	204	307	150%
Net income	178	293	164%

FY22 Sales Forecast by Major Services

Unit: million yen	
Marketplace	1,628 YoY: 106% <small>*(Ref.)YoY without mask sales: 121%</small>
Platform	590 YoY: 137%
Events & Stores	171 YoY: 200%
New service group	55 YoY: 382%

Earnings progress

Progress regarding the earnings forecast continues to be favorable for all key indicators. Although the progress rate of operating profit was extremely high as a portion of the budget was strategically not used in 1Q, the full-year plan remains unchanged.

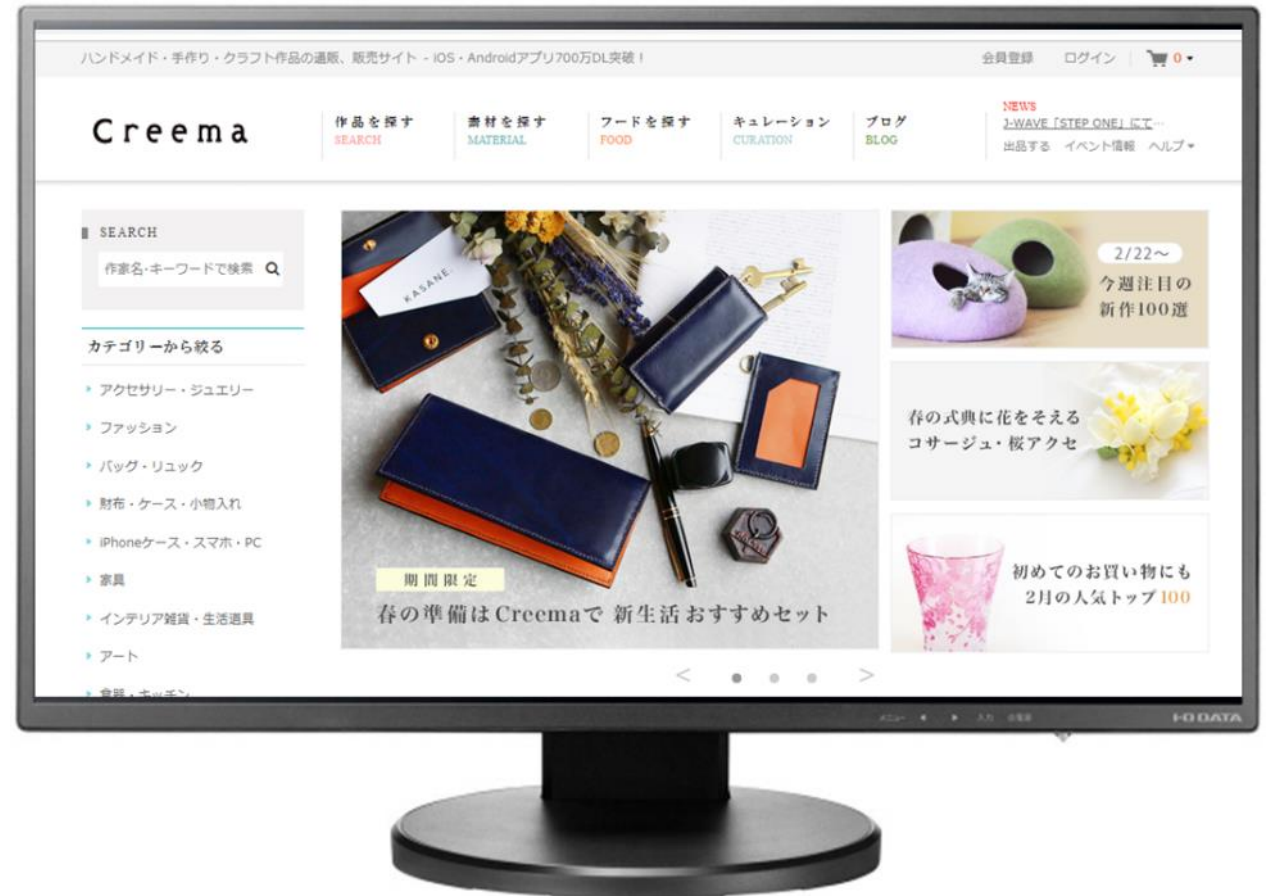
Key financial indicators	Progress as of 1Q against full-year earnings forecast (million yen)		Topics
GMV	Full-year earnings forecast	16,279	<ul style="list-style-type: none"> At the 1Q stage, both GMV and sales progressed in line with the earnings forecast. Operating profit temporarily saw a favorable variance due to a decision made not to strategically use a portion of the budget. We, however, intend to leave the plan for operating profit as it is since the budget is scheduled to be used as planned on a full-year basis.
	1Q results	4,172	
⇒ Progress rate (as of 1Q): 26%			
Sales	Full-year earnings forecast	2,446	
	1Q results	606	
⇒ Progress rate (as of 1Q): 25%			
Operating profit	Full-year earnings forecast	315	
	1Q results	148	
⇒ Progress rate (as of 1Q): 47%			

Appendix



① Marketplace service (Japan / Taiwan / Hong Kong)

At "Creema," which acts as the core of the Creema economic zone, 11 million works produced by 210 thousand creators are listed. The GMV of FY21 exceeded 15.4 billion yen, and we have established a position as one of the largest global handmade marketplaces in Japan and Asia.



[Ref.] Various work categories that are handled by Creema

At "Creema", you can purchase original works of various genres, from fashion items, interior art, and food.



② Platform services

Utilizing the “Creema” user base, communicability, and platform, we provide such platform services as Internal advertising (advertising for creators) that allows them to publicize their work and advertising for External advertising (companies and local governments). This way we promote multi-layering of business.

Internal advertising (Advertising for creators)

An advertising service that allows creators to place advertisements on "Creema" and post their own works on our website and app.



External advertising (Advertising for companies and local governments)

PR service for companies

We have developed a diverse advertising menu, such as advertorials that introduce attractive products and services of client companies as "reading material" and collaboration projects in which creators create products of client companies.



Regional revitalization

Utilizing the user and platform infrastructure of "Creema", such as DX support for the traditional craft industry, local products PR, and production of promotional events to showcase the attractiveness of local cities, we are developing PR services in the area of regional revitalization.



③ Events, Stores, Services (1/2) - Events

Various handmade craft events are held all over Japan, including "HandMade In Japan Fes' (Tokyo Big Sight)", one of the largest festivals of creators in Japan, which mobilizes 50,000 visitors per event.

HandMade In Japan Fes'

- Held at Tokyo Big Sight, since 2013.
- Established a position as one of the largest festivals for creators in Japan.
 - Exhibitors: about 3,000 people
 - Visitors: about 50,000 people



Creema Craft Party

- Held at INTEX Osaka, since 2014.
- Established a position as one of the largest craft events in western Japan.
 - Exhibitors: about 1,500 people
 - Visitors: about 13,000 people



Marunouchi Street Market

- The craft market "Marunouchi Street Market by Creema" is regularly held on Marunouchi Nakadori.



Note: The number of exhibitors and visitors for each event is the result of the most recently held event. In 2020, it was not held due to the influence of COVID-19.

[Ref.] Photos and sceneries from HandMade In Japan Fes'



③ Events, Stores, Services (2/2) - Stores

The editorial shops "Creema Store", which sell the works of creators registered in "Creema", are open in Shinjuku and Sapporo.

Creema Store (LUMINE Shinjuku 2)



Creema Store (Sapporo Stellar Place)



④ New service group - Crowdfunding service, etc.

We plan to develop various new services that respond to the challenges and thoughts of creators. As a first step, in the previous fiscal year we launched “Creema SPRINGS,” a crowdfunding service that allows creators to raise funds for projects they want to realize.

みんなで作ろう新しいアートの輪“つながるピース(PEACE×PIECE)”プロジェクト

9/15迄
NEXT GOAL
挑戦中!!

▶ 再生

アートでつながる
新しい体験をしてみませんか?

アーティスト 坂東工

集まっている金額
¥1,612,500 (目標 ¥550,000)

目標達成率 293%

購入数 233

残り時間 終了しました

Success

お気に入り追加する

このプロジェクトは実行確約型です。

Twitter 埋め込み

俳優・アーティストとして活動する坂東工が祈りをこめ制作したアート「謳歌」このアート作品を使って、つながるピースなプロジェクトに挑戦します！ブロックチェーンを使った新たなアートの仕組みを取り入れ、アートマーケットをもっと活性化させたい！社会貢献にも発展させていくプロジェクトです。

ハレクタニの思い～九谷焼の彩りで、生活をほっこり幸せに～

リターン
追加しました

集まっている金額
¥776,800 (目標 ¥300,000)

目標達成率 258%

購入数 108

残り時間 終了しました

Success

お気に入り追加する

このプロジェクトは実行確約型です。

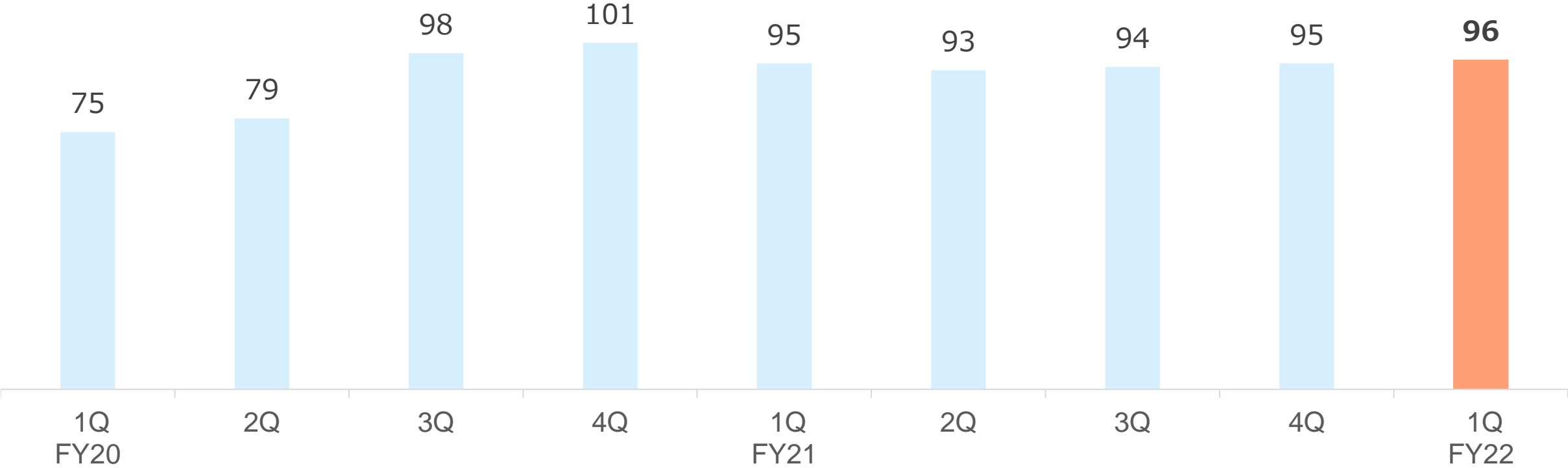
Twitter 埋め込み

伝統的な九谷焼を、もっと現代の生活に馴染むものに。そんな思いではじまった『ハレクタニ』の思いと器を紹介します。みなさまの生活が彩りある器で晴れやかになりますように。

Changes in the number of employees (including part-time employees)

There has been no significant change in the number of employees in the past year.

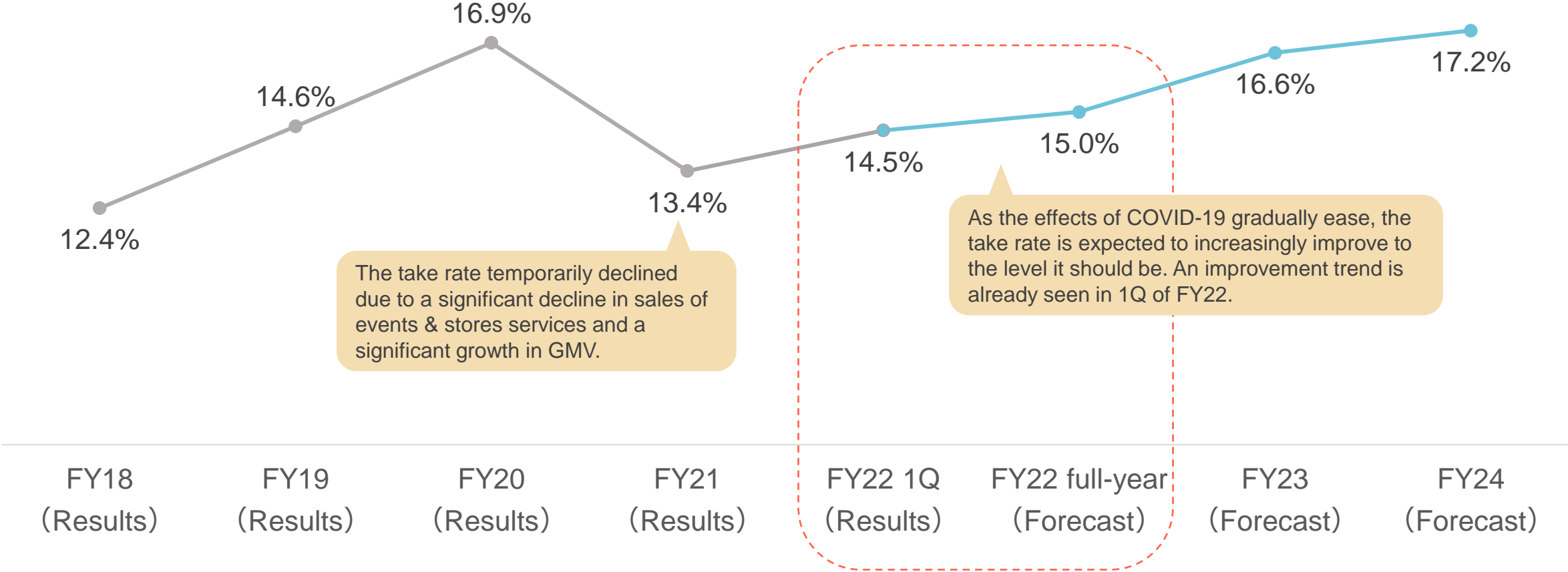
Unit: people



Note: Employees are the total of regular employees, contract employees, and part-time employees, excluding executives.

Take rate trends

In FY21, GMV increased due to the spread of COVID-19, but the sales of events & stores services fell sharply, resulting in a significant decrease in take rate. After FY22, the events & stores will gradually recover and our new service group will be created, so the take rate is expected to improve again. An improvement trend is already seen in 1Q of FY22.

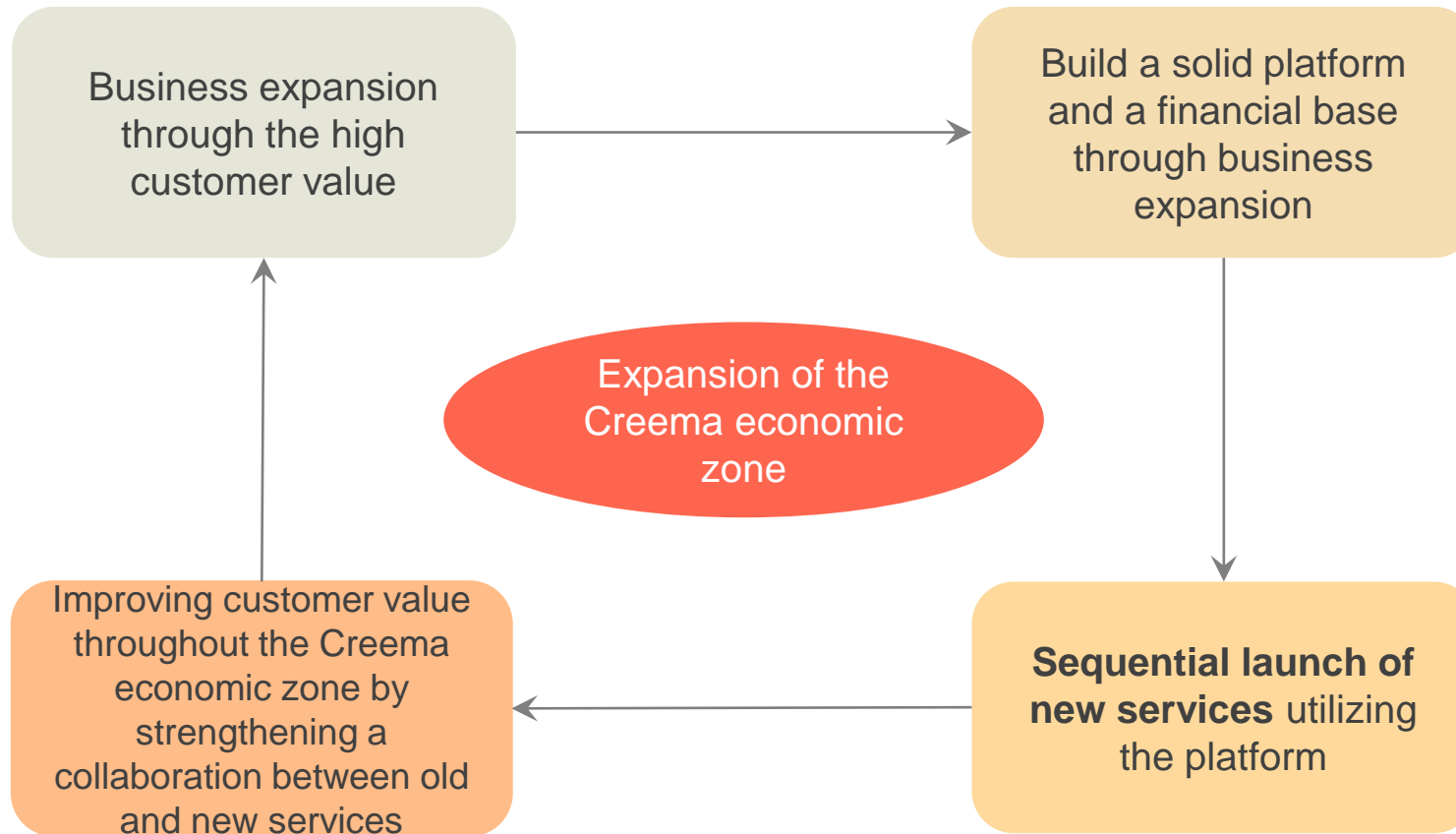


Note: The take rate is calculated using the GMV of the marketplace as the denominator and the sales of all services as the numerator.

Investment policy for new services

Development of new services will proceed from areas synergistic with the platform built through the creator empowerment business. After that, the competitive advantage will be further strengthened by the cooperation between old and new services, and the Creema economic zone will be expanded.

Creema economic zone expansion process



Creema platform infrastructure and new businesses

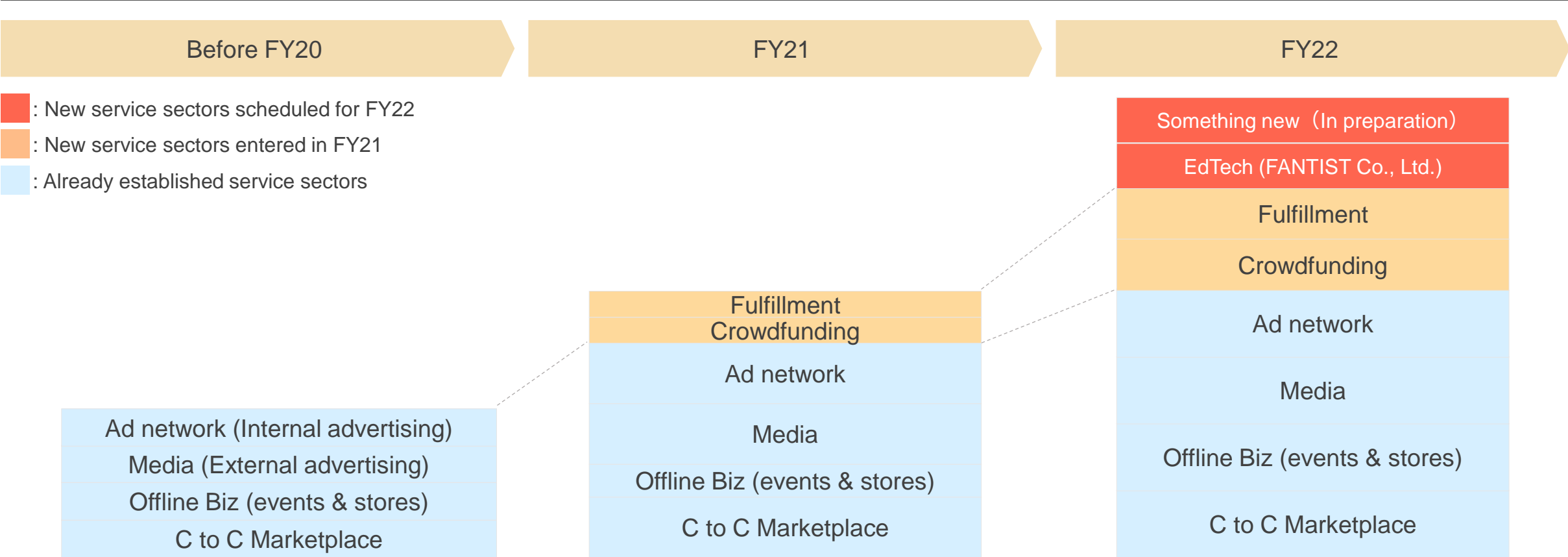
- ① Creator base centered on professionals and semi-professionals
- ② A huge user base of over 20-30 million visits per month, mainly by women in their 20s to 40s
- ③ A website / app as a medium with transmission power and community base that goes beyond "just an EC website" (the total number of followers on social media is about 900,000)
- ④ Business development ability that has created various services by utilizing the platform

Utilizing a highly original platform, we will actively develop new services in other areas while focusing on areas related to creator activity support.

Expansion of new services

Steadily expand the service areas by utilizing the platform. We acquired FANTIST Co., Ltd. in 1Q of FY22 to be fully prepared to enter into the EdTech domain in FY22.

Service area expansion

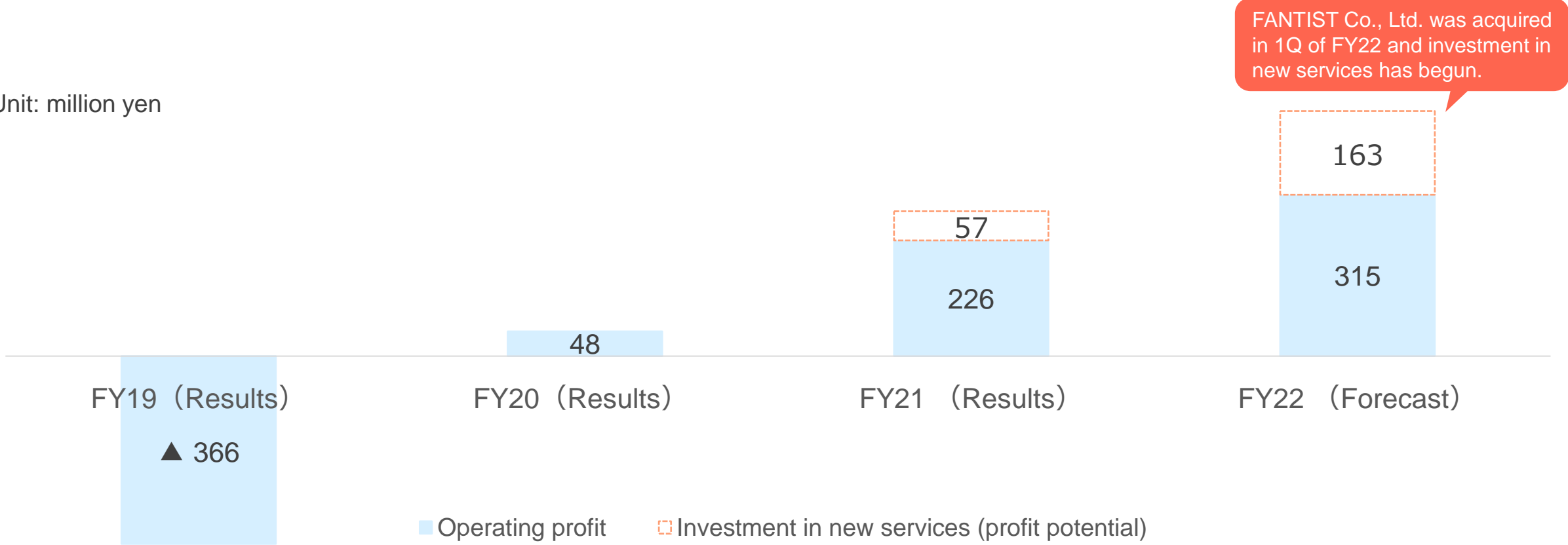


Investment in new services

Aiming for operating income of 140% YoY, while accelerating strategic investment in the new service group in FY22 to further accelerate growth. FANTIST Co., Ltd. was acquired in 1Q of FY22 and investment in new services has begun.

Trends in operating profit

Unit: million yen



Creema CREEMA LTD.

The Company's plans, business outlooks, strategies, etc. contained in this material are based on the Company's management decisions obtained from the information available as of the date of the announcement. It is just a forecast for the future, and there are various risks such as "intensifying price competition in the market", "fluctuations in trends in economic activities surrounding the business environment", "fluctuations in exchange rates", "significant fluctuations in market prices in the capital markets", etc. Please note that the actual business performance may differ due to uncertainties mentioned above.

< Contact information >

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