

# Financial Results Briefing Report for 1Q, FY2023

CREEMA LTD. (TSE Growth Market: 4017)

July 15, 2022

Creema



**In the fiscal year ended February 2022, the GMV of the handmade marketplace "Creema" hit the record high of 16 billion yen and established a strong position as one of the market's largest platforms in Japan and Asia.**

- Due to the spread of COVID-19, mask-related products and stay-at-home consumption increased exceptionally in the previous fiscal year.
- Excluding mask-related products, GMV grew strongly by 118% YoY in the fiscal year ended February 2022 (104% YoY including mask-related products).
- As a result, this year's GMV hit the record high of 16 billion yen.

**Strong financial results for the fiscal year ended February 2022. Both sales and profits hit record highs.**

- Sales hit a record high of 2,294 million yen, 111% YoY.
- Operating profit hit a record high of 322 million yen, 143% YoY.
- Ordinary profit hit a record high of 363 million yen, 177% YoY.
- Net income hit a record high of 230 million yen, 129% YoY.

**The fiscal year ending February 2023 is positioned as a phase of upfront investment from the perspective of medium-to-long-term growth. We aim to further expand the "Creema economic zone" by large-scale investment in three areas; "strengthening promotions for increasing awareness of markets and services", "expanding and strengthening new services," and "large-scale investment in systems and infrastructure."**

In 1Q of this year, the company is gradually increasing its investment in promotions and new services but has yet to implement them on a large scale.

While offline consumption recovered rapidly from March 2022 as COVID-19 infections partially subsided, E-commerce-related sectors including "Creema" are facing a backlash.

## [Company-wide] 1Q Results

Sales reached 593 million yen, 98% YoY. On the other hand, due to up-front investments for medium-to-long-term growth, costs were up slightly compared to the previous year based on the current term plan and operating profit was 19 million yen, 13% of the same period last year.

### 1Q Results

Unit: million yen	Results	YoY	
Sales	593	98%	Sales down slightly due to results of marketplace and external advertising services described later.
Sales Cost	123	1602%	Increased YoY as part of SG&A was entered into sales cost from this FY due to the new revenue recognition standard.
Gross profit	470	79%	Due to the new revenue recognition standard, part of SG&A was entered into sales cost, so there was no change YoY. However, as growth investment gradually increased, total cost has increased YoY.
SG&A	450	100%	
Operating profit	19	13%	As a result, profits in operating profit and below are lower YoY, as planned.
Ordinary profit	18	13%	
Net income	33	26%	

### (Ref.) Annual earnings forecast progress rate

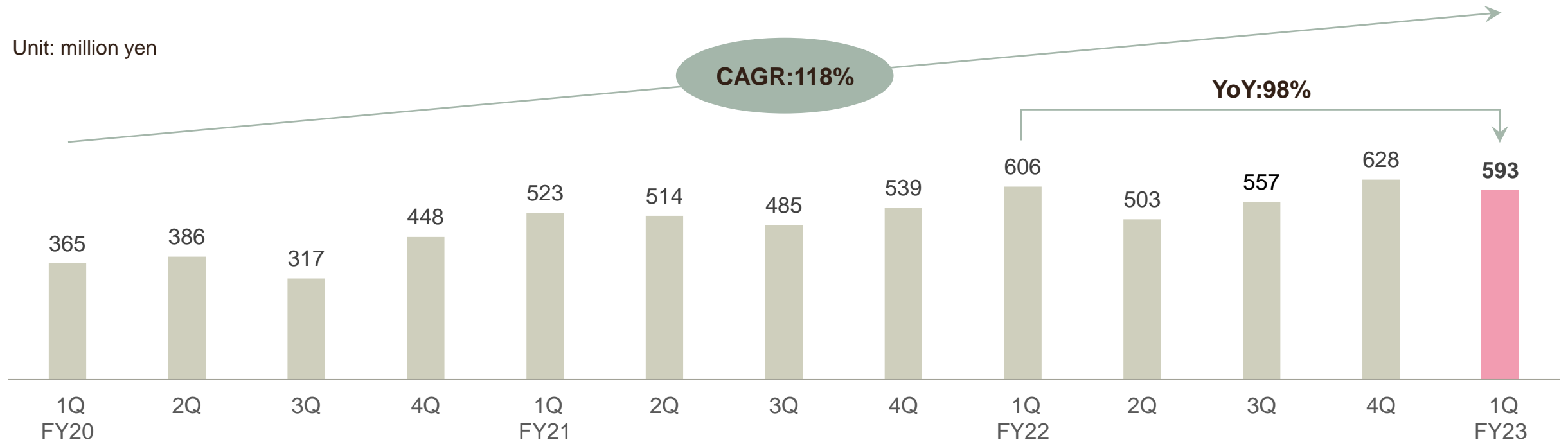
Unit : million yen	Progress rate	Annual Budget	1Q Results
Sales	21%	2,872	593
Operating profit	-%	- 447	19
Net income	-%	- 376	33

In FY23, the initial plan calls for a loss due to large-scale TV commercials and new business development from 2Q.

## [Company-wide] Trends in consolidated sales

With the COVID-19 pandemic under a degree of control, sales growth in the marketplace service was limited to a slight increase, due to the significant decrease in stay-at-home consumption from March, compared to the previous year. Also, there was no delivery of a large external advertising project in 1Q (as planned), unlike in FY22, so 1Q sales were 98% YoY. Moreover, the three-year CAGR from before the pandemic was 118%.

Unit: million yen



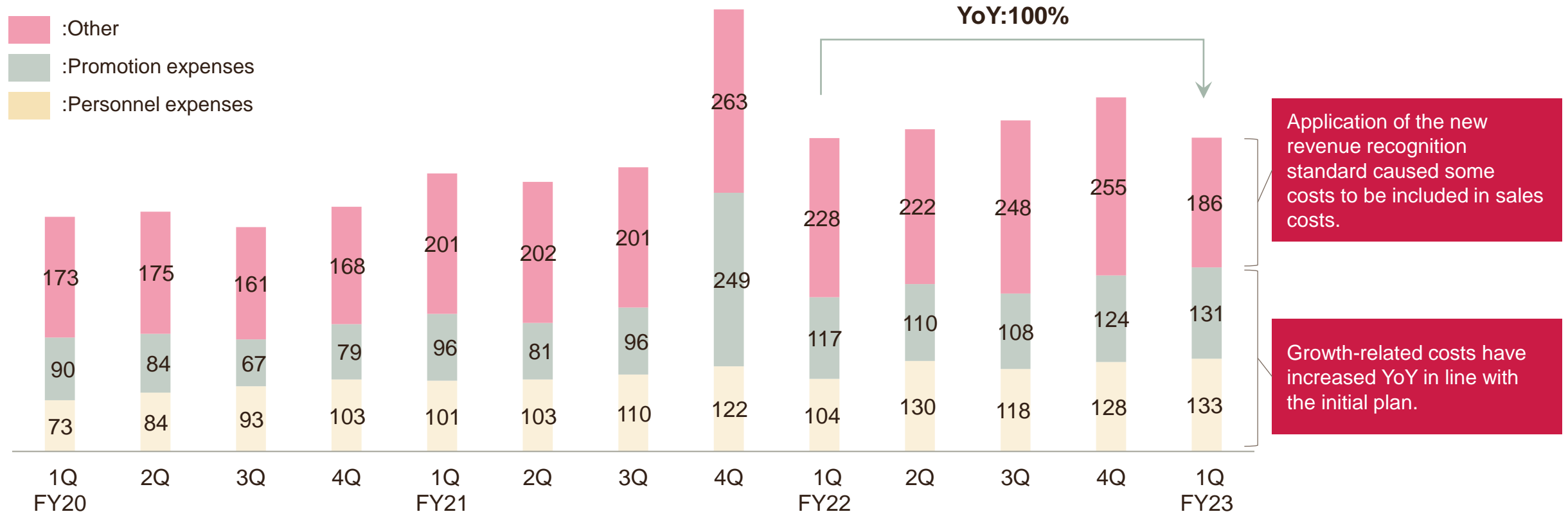
Delivery of a large project in external advertising in FY22.

(1) Marketplace service sales growth was only slightly higher YoY due to a significant decline in stay-at-home consumption.  
(2) No delivery of large-scale projects in external advertising, unlike in FY22 (however, full-year results are as planned).

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

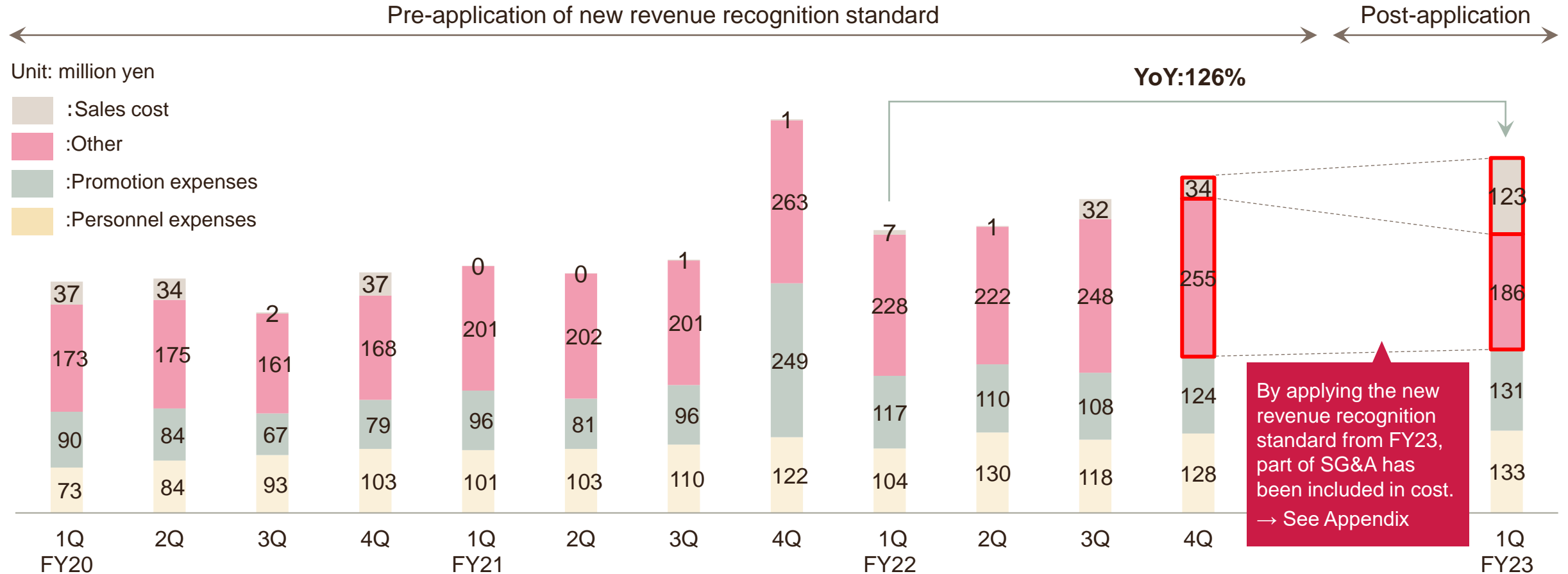
SG&A costs are the same as last year as settlement commissions included in "Other" were transferred to sales costs due to the application of the new revenue recognition standard from this fiscal year. Under the same standard as the previous fiscal year, the total real costs have increased. However, this investment is within the plan of "up-front investment intended for medium-to-long-term growth" mentioned previously.

Unit: million yen



## [Ref.] Total cost and SG&A transition

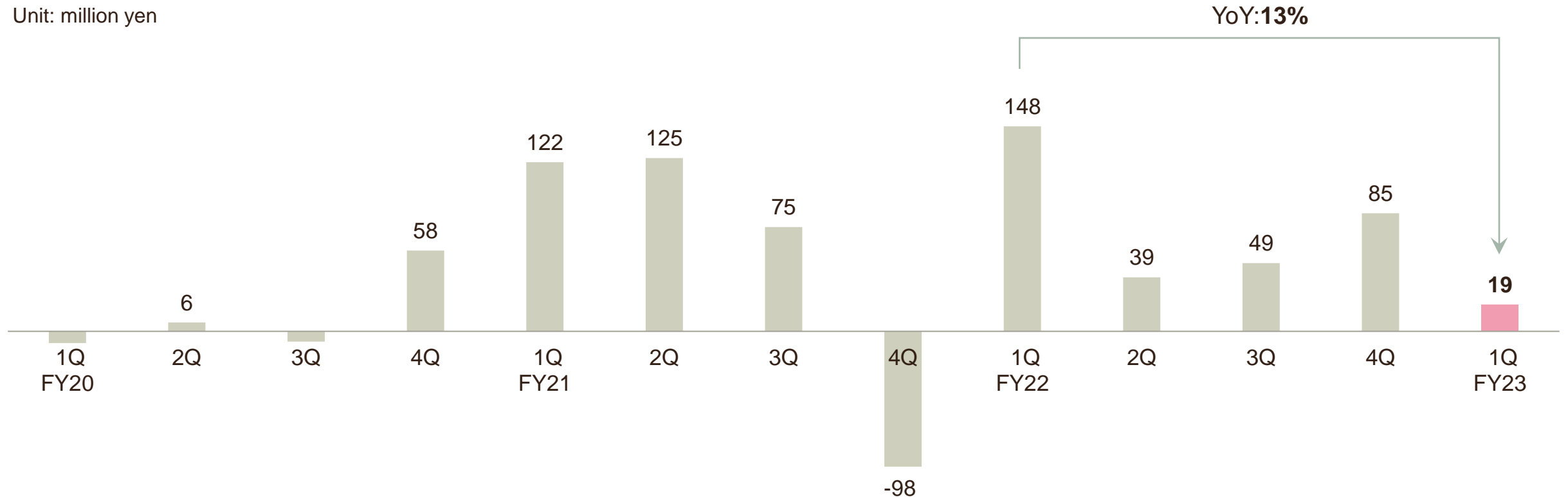
Looking at the total of cost and SG&A, the investment in promotion and development costs (personnel and outsourcing costs) was carried out as planned. As a result, costs increased by 126% YoY.



## [Company-wide] Changes in consolidated operating profit

In sales, although at the same level as the previous year, up-front investment for medium-to-long-term growth as planned at the beginning of the period was carried out. As a result, operating profit in 1Q was 19 million yen, 13% YoY.

Unit: million yen



## [Company-wide] Changes in consolidated ordinary profit

Ordinary profit was almost the same as operating profit because there were no major changes in non-operating profit and expenses.

Unit: million yen

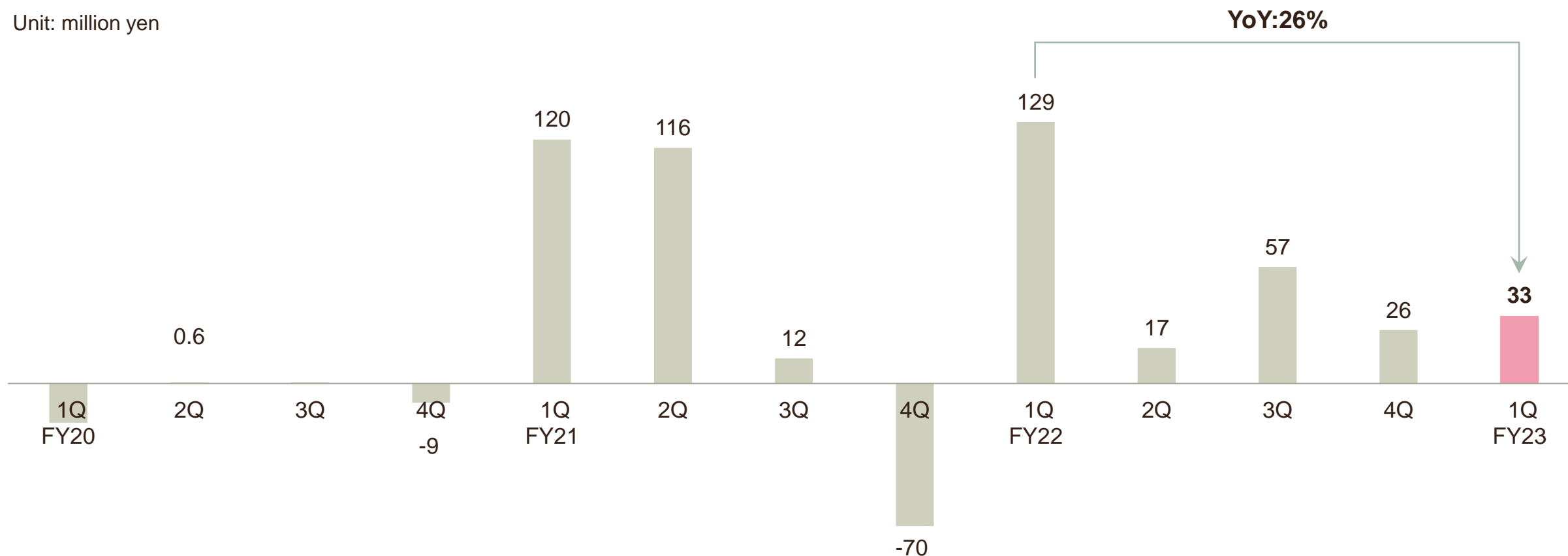




## [Company-wide] Changes in consolidated net income

Net income reached 33 million yen, 26% from the previous year. Net income are higher than ordinary profit because of tax effect accounting.

Unit: million yen



## [Company-wide] Balance sheet status

### The financial base remains stable.

#### Changes in balance sheet

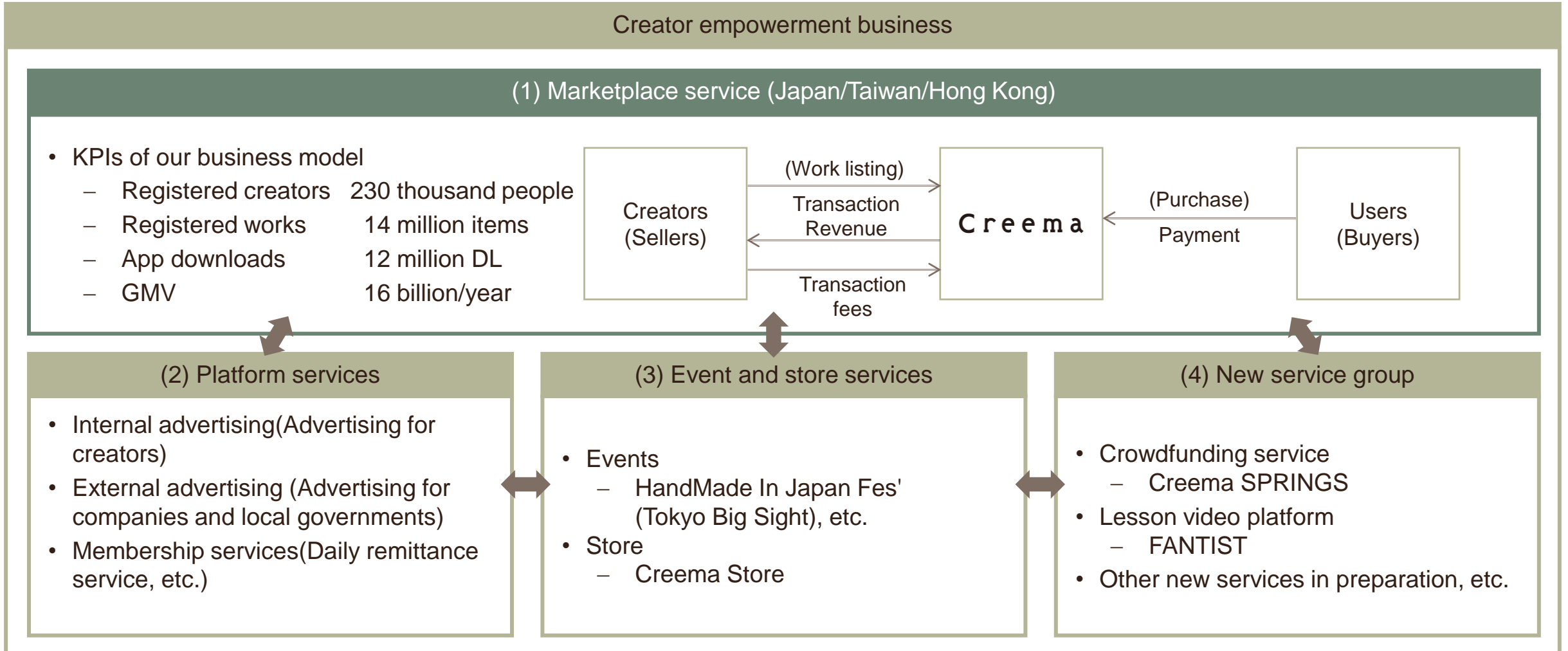
Subject (Unit: Million Yen)	1Q FY2022	1Q FY2023	YoY
Total assets	3,735	3,919	105%
Current assets	3,531	3,603	102%
Cash and cash equivalents	2,924	2,920	100%
Accounts receivable	584	633	108%
Other current assets	22	49	221%
Non-current assets	203	315	155%
Total liabilities	2,524	2,564	102%
Current liabilities	2,227	2,228	100%
Withholdings / Funds payable and amounts due to creators	1,648	1,680	102%
Loans payable within one year	277	184	67%
Other current liabilities	301	363	120%
Non-current liabilities	296	335	113%
Long-term liabilities	286	330	116%
Other non-current liabilities	9	4	50%
Total net assets	1,211	1,354	112%

#### Balance sheet structure as of 1Q of FY23

<p><b>Current assets 3,603</b></p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents 2,920</li> <li>• Accounts receivable 633</li> <li>• Other current assets 49</li> </ul>	<p><b>Current liabilities 2,228</b></p> <ul style="list-style-type: none"> <li>• Withholdings / Funds payable and amounts due to creators 1,680</li> <li>• Loans payable within one year 184</li> <li>• Other current liabilities 363</li> </ul>
	<p>Non-current liabilities 335</p> <ul style="list-style-type: none"> <li>• Long-term liabilities 330</li> <li>• Other non-current liabilities 4</li> </ul>
<p><b>Non-current assets 315</b></p>	<p><b>Net assets 1,354</b></p>

# Business structure and "Creema economic zone"

We are developing a creator empowerment business with Japan's largest handmade marketplace, Creema, as the main axis. From the next slide onward, we will cover the latest trends in each service, starting with the marketplace service.



## (1) Marketplace service: Creema GMV trends

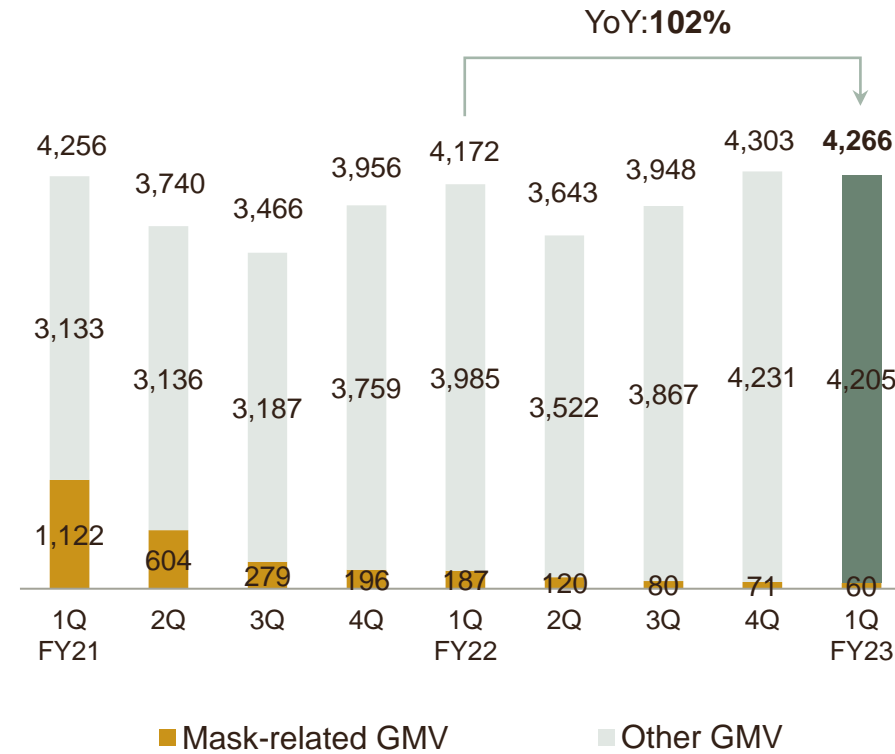
With the COVID-19 pandemic under a degree of control, out-of-home activities resumed in earnest, and stay-at-home demands that had occurred until the previous year decreased significantly from March. As a result, GMV in 1Q rose slightly to 4.2 billion yen, 102% YoY. Excluding the impact of increased demand for mask-related products due to the spread of COVID-19, the GMV growth in 1Q was 106% YoY.

### Main initiatives

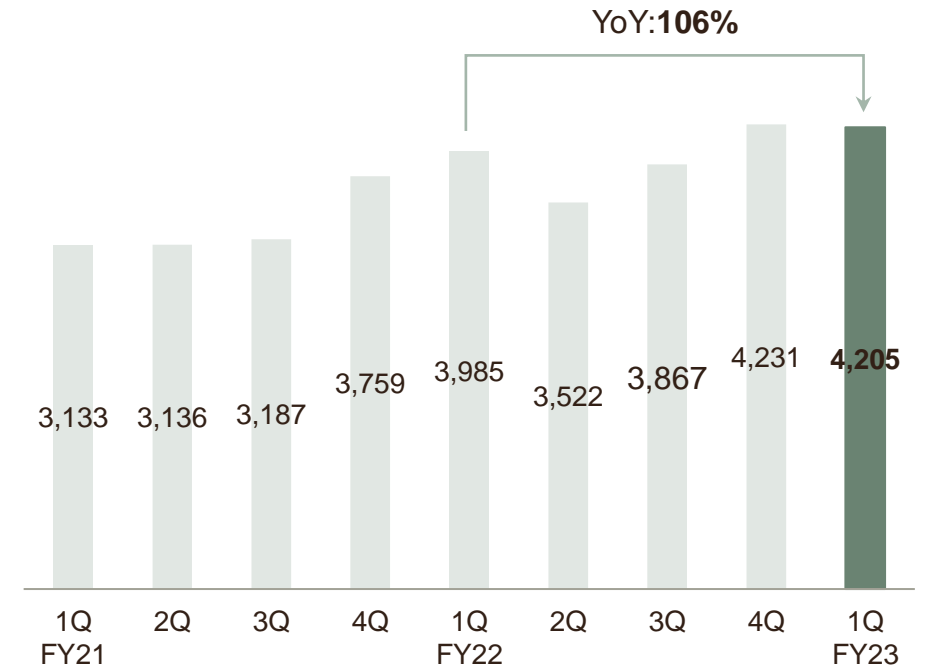
- Various special features, merchandising, and campaign measures are being developed to catch trends such as Mother's Day and Golden Week.
- The "Creema" product was improved with the aim of improving the convenience for users and creators, including the enhancement of optional functions used by creators when exhibiting their works.
- Strengthening of systems and support structure to provide a safer and more secure purchasing experience.

### Creema GMV (overall)

Unit: million yen

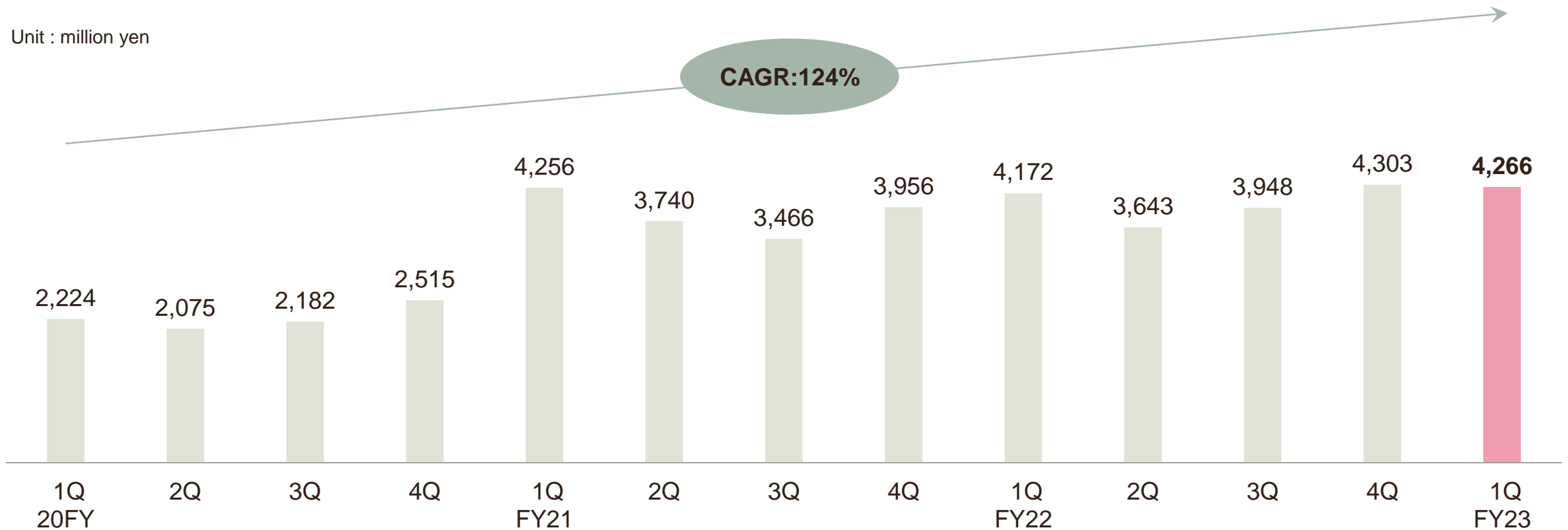


### Creema GMV (excluding mask-related sales)



## (1) Marketplace service: Three-year CAGR of GMV

The three-year CAGR of GMV starting from before the COVID-19 pandemic was 124%, continuing strong growth.

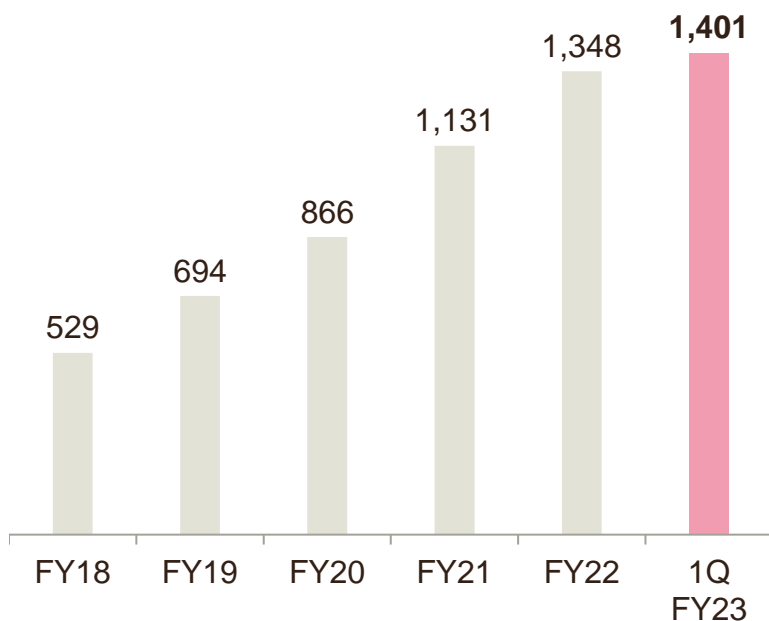


## (1) Marketplace service: Trends in marketplace-related KPIs

Both the number of listings and app downloads have been steady. Transaction unit prices are also steadily rising, hitting new records.

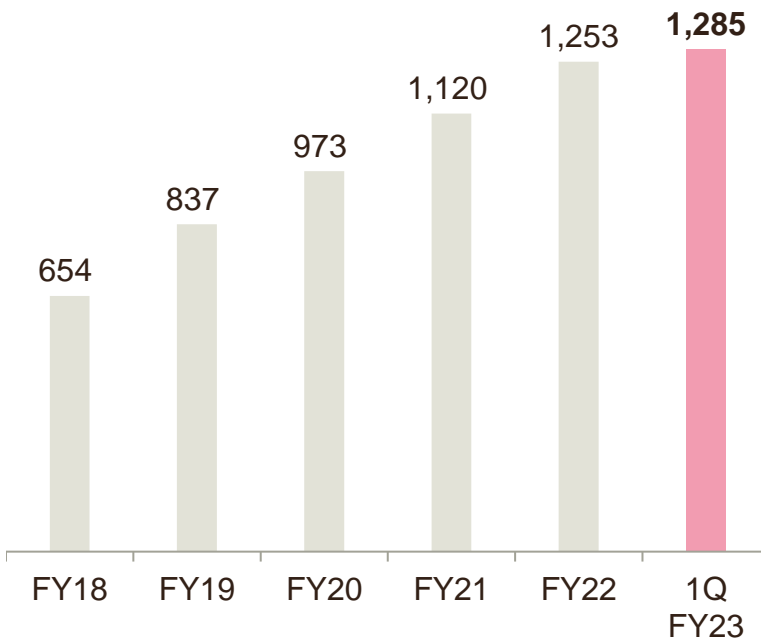
### Number of listings

Unit: ten thousand



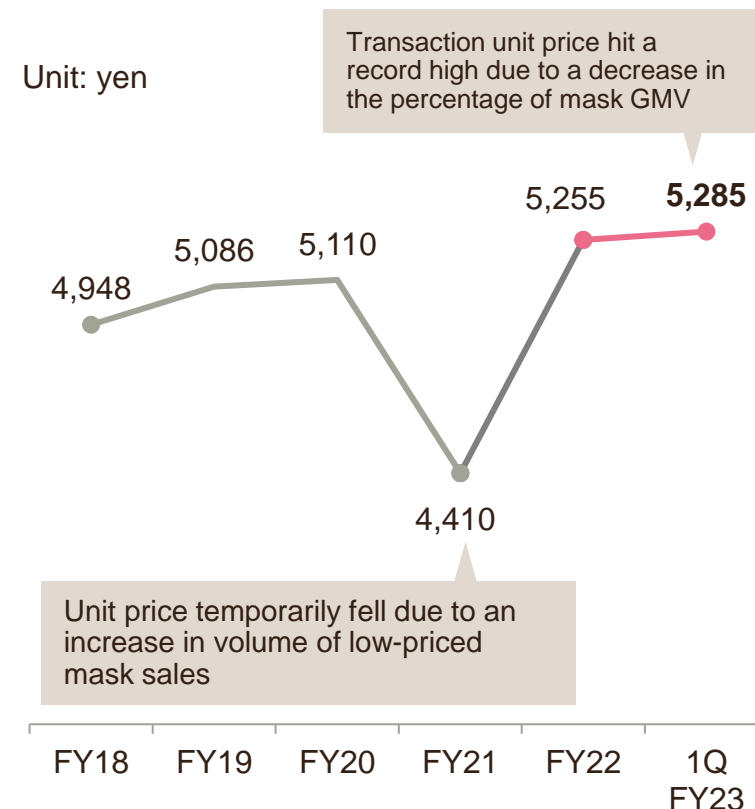
### App DL

Unit: ten thousand



### Average transaction unit price (Japan)

Unit: yen



## [Ref.] Example measures for users

By developing various special features that capture trends such as Mother's Day and Golden Week, we are focusing on sharing the diverse and deep charm of creators' works with users.

### Mother's Day

By introducing products available on Creema and making suggestions related to Mother's Day gift needs, we help users convey their feelings to their mothers.



### Golden Week

We implemented points measures as well as showcasing Creema items perfect for activities that can be enjoyed during Golden Week.



## [Ref.] Example of product modification (setting inventory for each product type)

By allowing creators to set their inventory for each of their products, it has become easier for creators to set product variations, such as size and color, and to set inventory for each product. At the same time, it has also improved product searchability for buyers.



¥2,000 残り[11点] 1人購入

種類 (必須)

選択してください

選択してください

- Sサイズ (10点)
- Mサイズ (0点)
- Lサイズ (1点)

3つのオプションがあります

カートに入れる 1



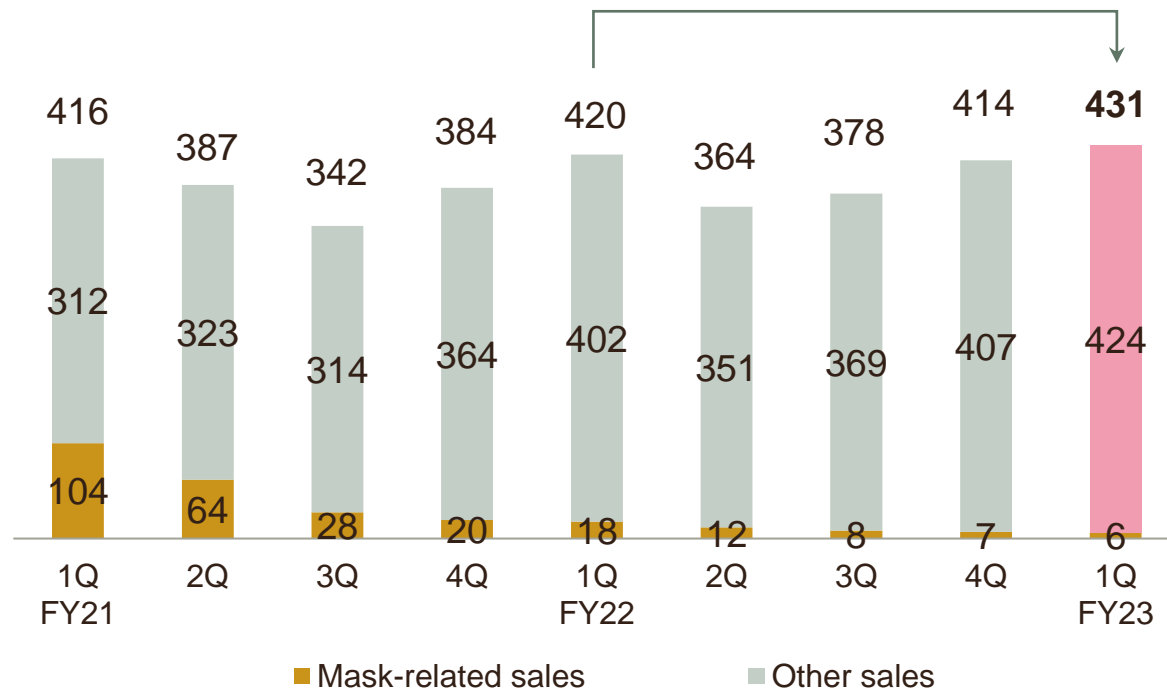
## (1) Marketplace: Sales trends

Sales in the marketplace service were 431 million yen, 102% YoY. Excluding the impact of increased demand for mask-related products due to the spread of COVID-19, sales grew 106% YoY in 1Q.

Sales in the marketplace service

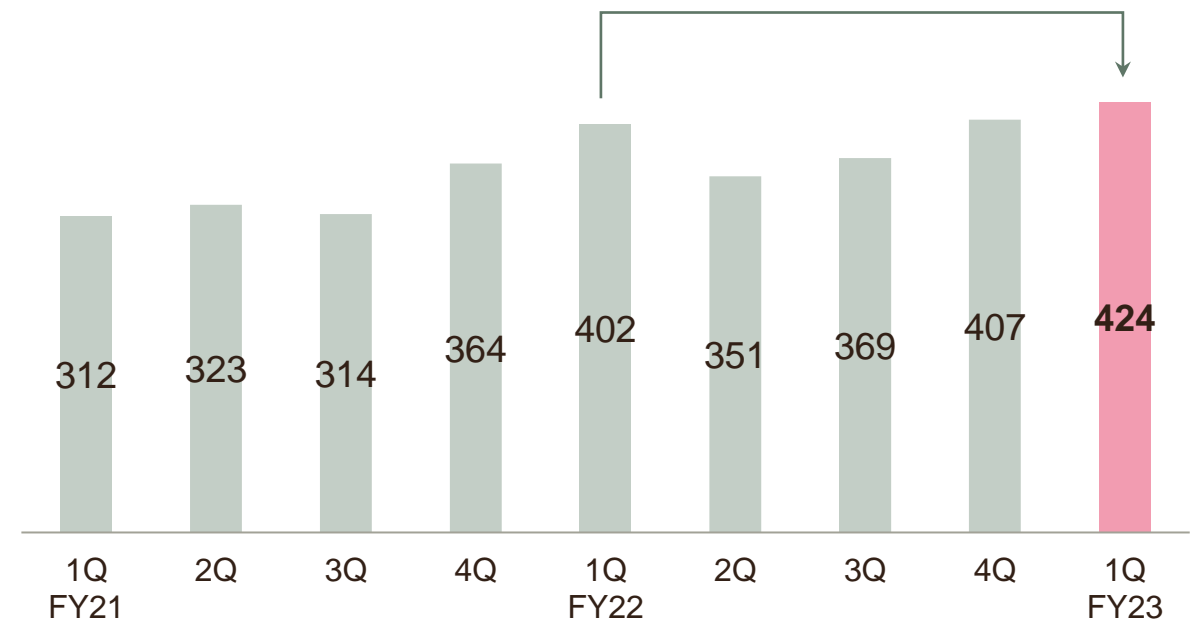
Unit : million yen

YoY:102%



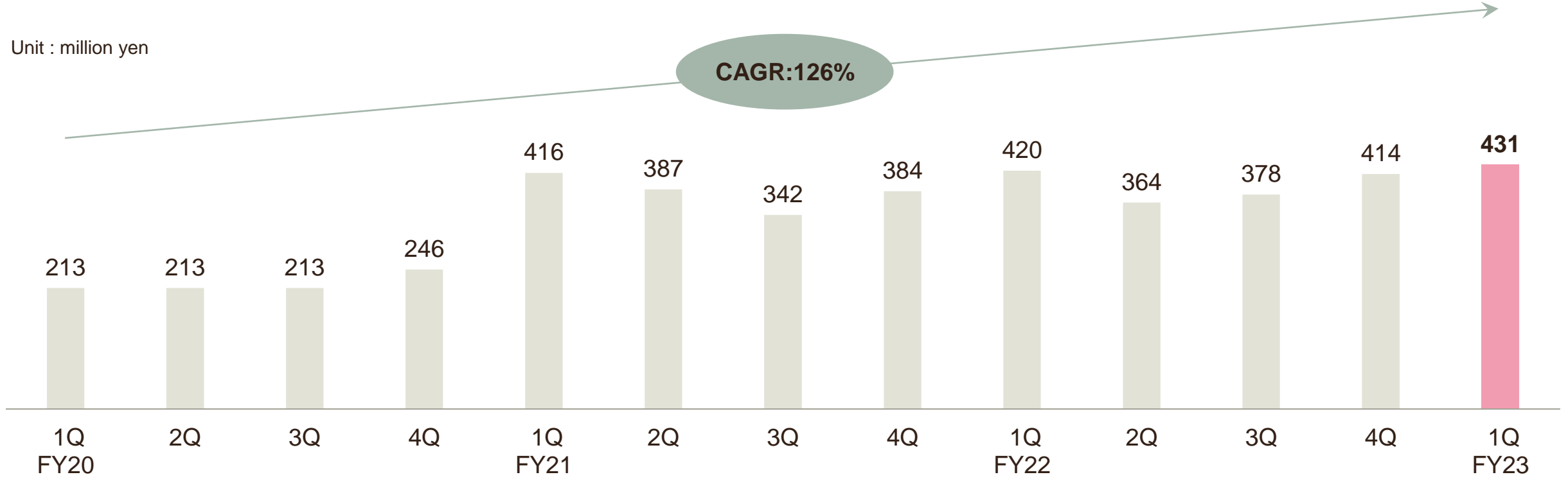
Sales excluding mask-related sales

YoY:106%



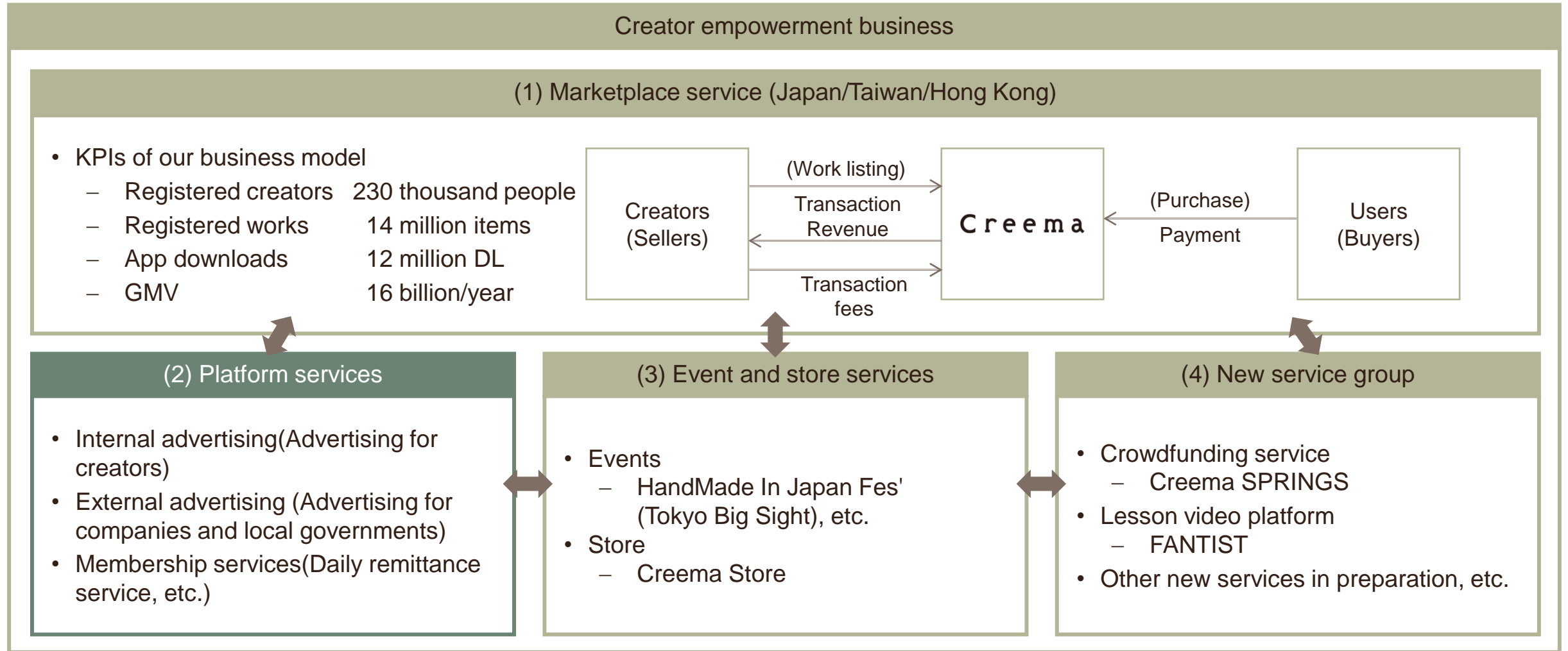
## (1) Marketplace: 3-year CAGR of sales

The three-year CAGR of Sales starting from before the COVID-19 pandemic was 126%, continuing strong growth.



# Reposted: Business structure and "Creema economic zone"

Recent trends in platform services are covered from the next slide onward.



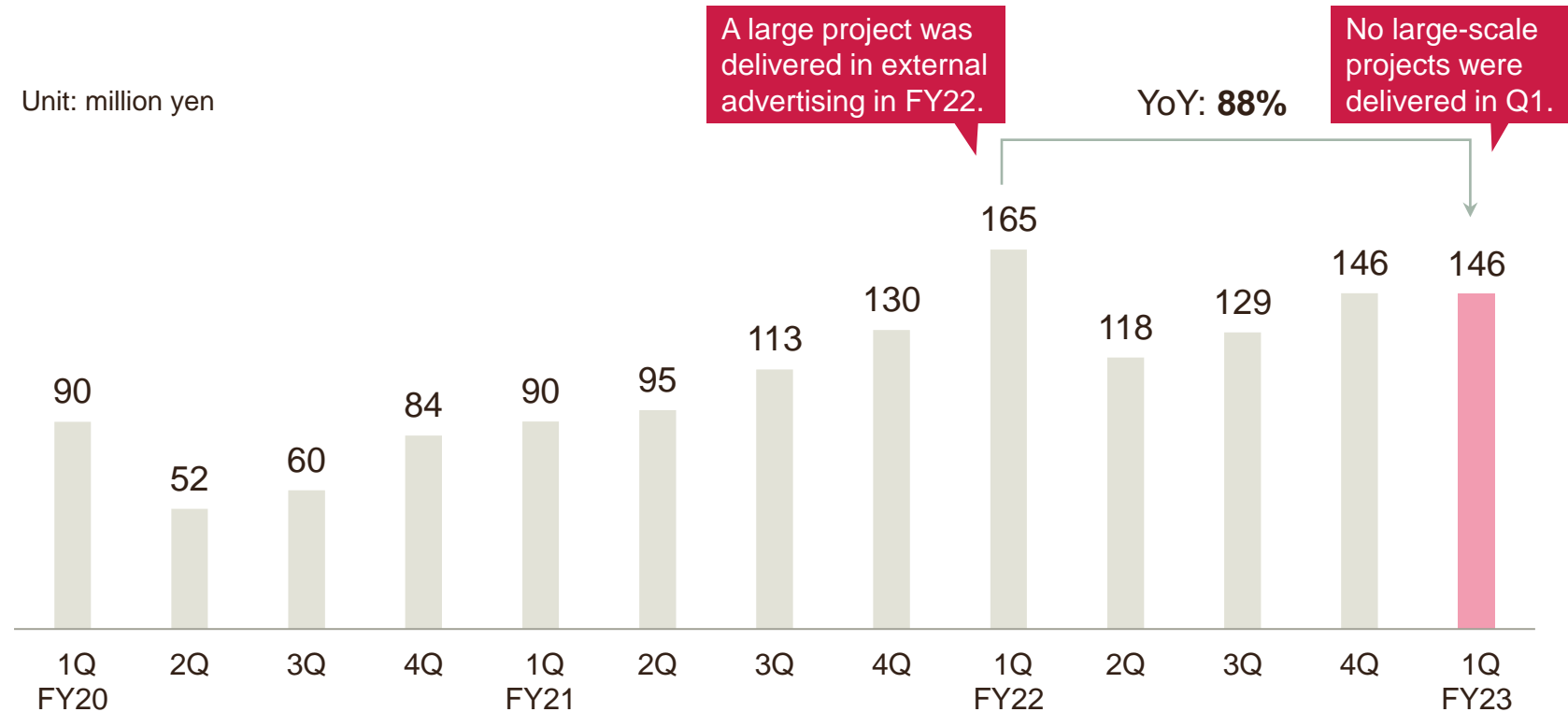
## (2) Platform services: Main initiatives and sales trends

Although the number of users of internal advertising was steady, there was no delivery of large-scale advertisement projects in external advertising as there was in the same period last year (however, this is as planned). As a result, sales of the platform service was 146 million yen in 1Q, 88% YoY.

### Main initiatives

- In external advertising, collaboration projects with a variety of companies including major commercial facilities, as well as orders and deliveries for PR projects by local governments, etc. were carried out smoothly.
  - ✓ However, there was a decrease compared to the previous year due to the delivery of large-scale projects in the same period of the previous year.
- In internal advertising, various campaign measures were developed to promote the use of advertisement services, and an operation support file function was released to further improve the effectiveness of advertisements.

### Sales trends

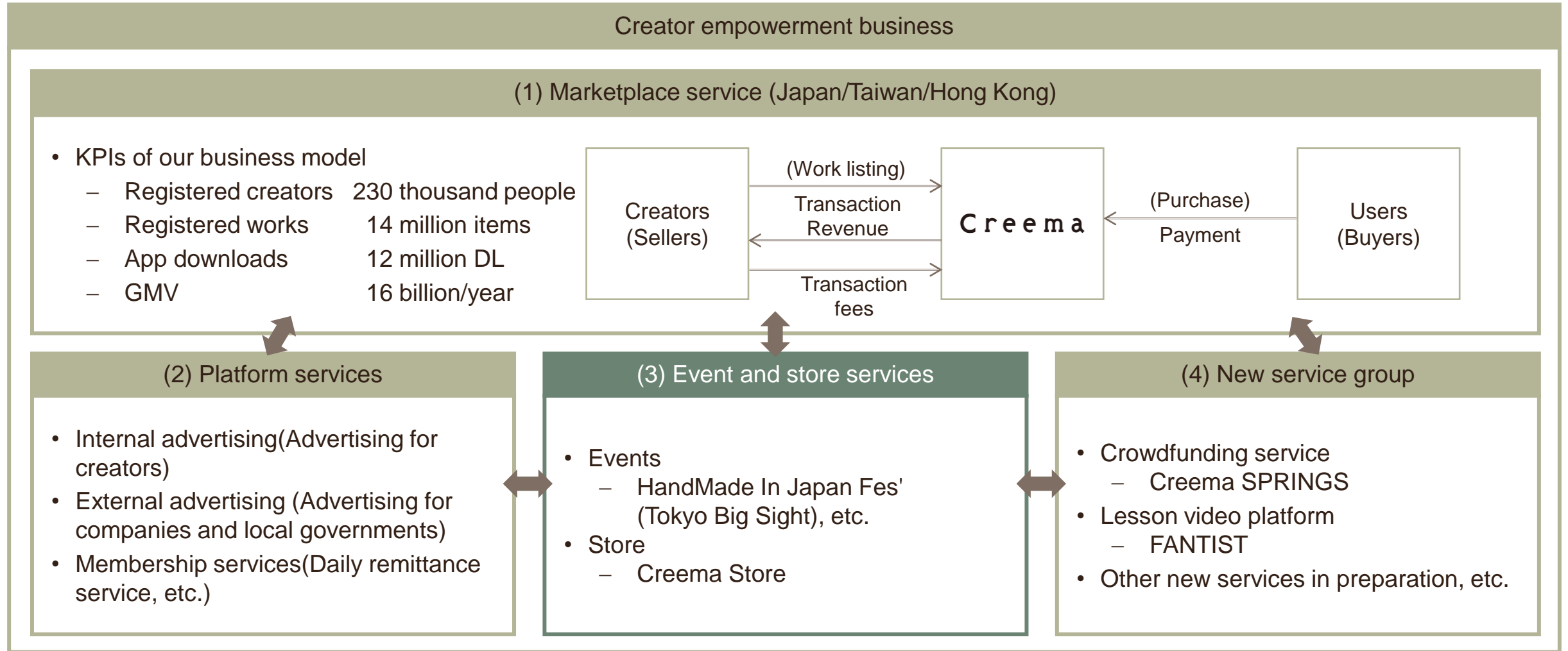


We support efforts to expand sales channels for traditional crafts and local products in Fukushima Prefecture, which has many unique, traditional crafts and local products including Izugahara Washi, which was used as paper by the Aizu clan, Aizu lacquerware, cotton, and Akabeko.



# Reposted: Business structure and "Creema economic zone"

Recent trends in the event and store services are covered from the next slide onward.



### (3) Event and store services: Main initiatives and sales trends

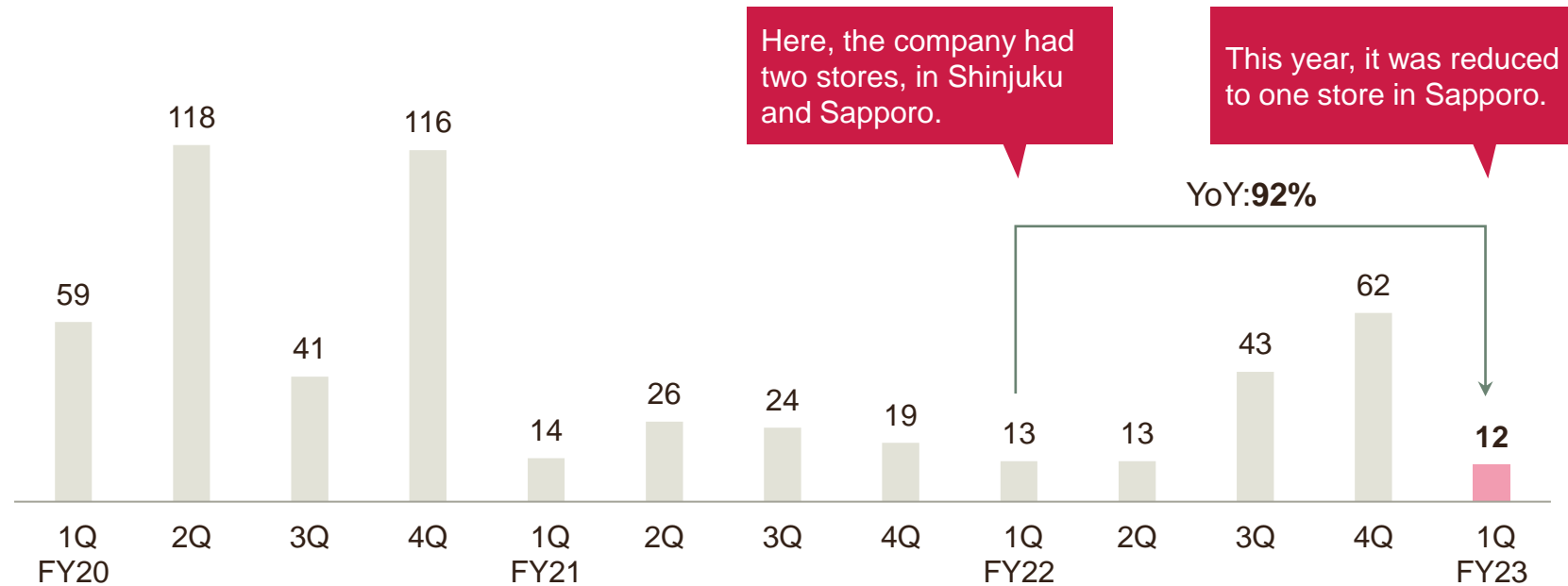
Along with a reduction of COVID-19 infections, a recovery trend was seen in the store service which was weak in the previous fiscal year. However, due to the operation of one fewer store than last year, 1Q sales were 12 million yen, 92% YoY. No major events were held in 1Q.

#### Main initiatives

- With the COVID-19 pandemic under control, the store area, which was sluggish in the previous fiscal year, is recovering.
- Currently, there is only one store, "Creema Store Sapporo", but it continues to grow steadily by implementing various merchandising measures based on trends and improving customer service skills.
- No major events were held in 1Q, and the first event is scheduled for July 23 and 24, 2022.

#### Sales trends

Unit: million yen



"Handmade In Japan Fes 2022" is scheduled At Tokyo Big Sight on July 23 and 24, which is 2Q of FY2023. Compared to the event held during the pre-emergency measures in January this year, we expect visitor numbers to increase significantly.



The graphic features a central white area with a blue border. At the top left, a small photo shows a crowd at a previous event. The main title "HandMade In Japan Fes 2022" is in large black font. Below it is a shield-shaped logo with "H I M" over "J". The dates "2022.07.23 (sat) → 24 (sun)" and the location "東京ビッグサイト 西1・2ホール 11:00-19:00" are at the bottom. The graphic is decorated with various handcrafted items in circular frames: a watch, a blue ceramic lamp, a vase with flowers, a stool, and jars of jam.

# HandMade In Japan Fes 2022



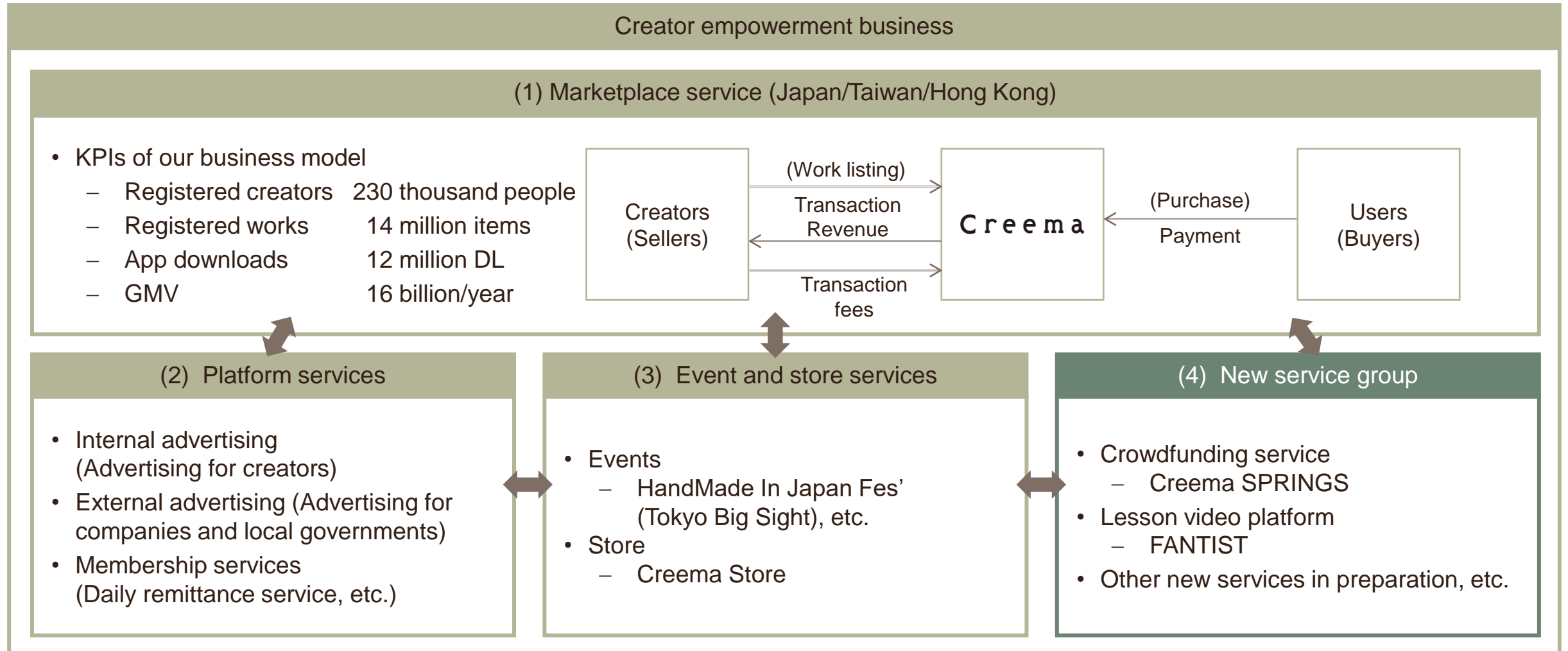
2022.07.23 (sat) → 24 (sun)  
東京ビッグサイト 西1・2ホール 11:00-19:00





# Reposted: Business structure and “Creema economic zone”

Recent trends in the new service group are covered from the next slide onward.



#### (4) New service group: "Creema SPRINGS" & "FANTIST"

In the new service group, In the new service group, various projects have been drafted for the crowdfunding service "Creema SPRINGS" as in the previous year, many of which have achieved the target amount of support. Also, in the lesson video platform "FANTIST", the number of lesson videos has exceeded 1,500 and is growing steadily.

Crowdfunding: Creema SPRINGS



The crowdfunding service "Creema SPRINGS" is expanding its diverse and attractive projects while linking its customer base with the handmade marketplace "Creema".

Lesson video platform: FANTIST



"FANTIST" is a lesson video platform offering lesson videos focused on arts, handicrafts and beauty. There are over 1,500 videos, and now offers course videos provided by creators as well as the FANTIST official course developed independently by FANTIST Co., Ltd..

**FY23 growth strategy**



## Creema's challenges for further growth

Now when both the GMV of Creema and the financial performance of the entire company have reached record highs, two strategic challenges for further growth will be increasing awareness of the handmade marketplace market and Creema and strengthening the Creema economic zone by creating new services.

### Current condition

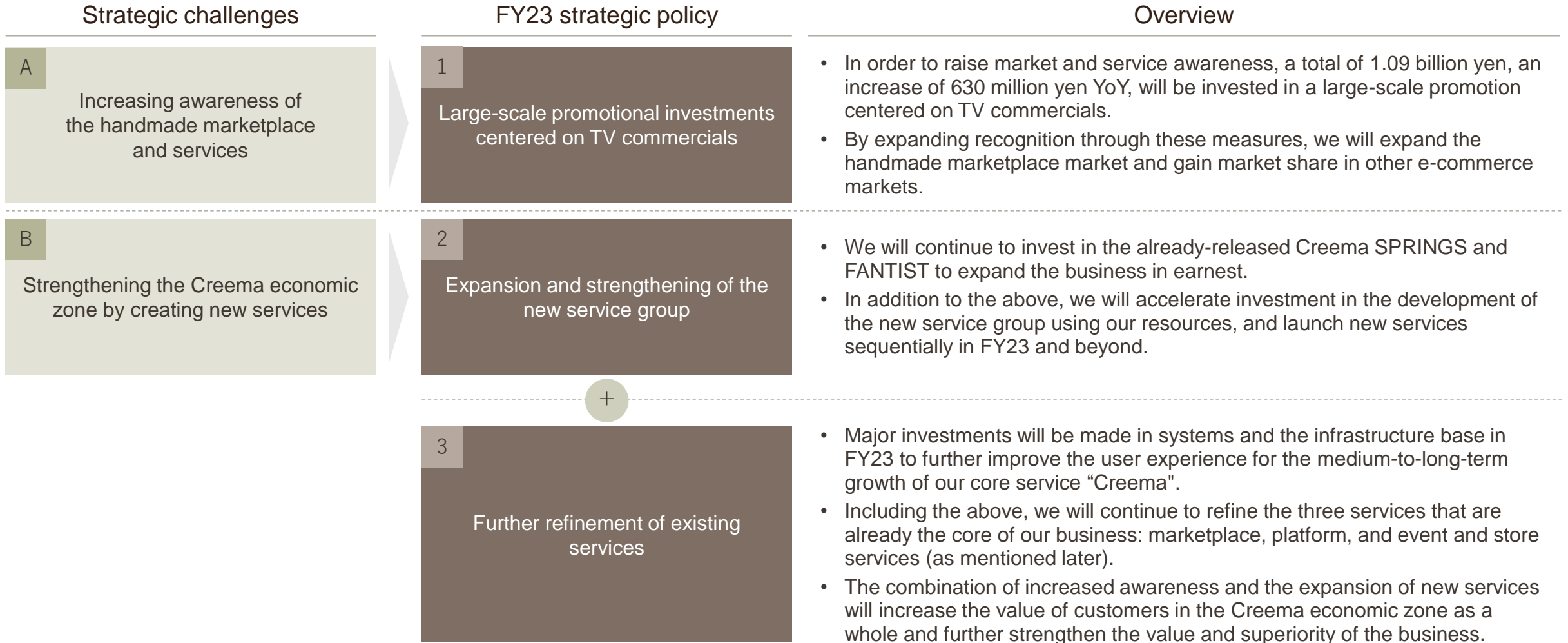
- Since the company's foundation, we have led the market as a pioneer of the industry with our core service Creema, Japan's first online handmade marketplace.
- In the FY22, the GMV of Creema exceeded 16 billion yen, a record high, further strengthening its position in the domestic market.
- In addition, a variety of other services that support creators' activities have also grown, and both sales and profits have reached record highs.

### Strategic challenges for further growth

- We recognize that two strategic challenges for our future growth are increasing awareness of the handmade market/services and strengthening the Creema economic zone by creating new services.
  - **A Increasing awareness of the handmade market/services**
    - ✓ According to our recent survey, the market awareness of the handmade marketplace is far below that of fashion e-commerce websites, flea market apps, etc.
    - ✓ Creema itself is only about 55% as well-known in Japan as its major handmade marketplace peers.
    - ✓ Despite this, Creema's GMV is one of the largest handmade marketplaces in Japan.
    - ✓ To put it another way, if market and service awareness improve, we can realize our huge growth potential.
  - **B Strengthening the Creema economic zone by creating new services**
    - ✓ We offer a wide range of services, from an online marketplace to advertising, the event and store services, and the lesson video platform.
    - ✓ We have linked a variety of services organically to enhance the convenience of the Creema economic zone as a whole and to establish the value and superiority of the business.
    - ✓ In order to achieve non-continuous growth in the future, it is necessary to continue to create new services by utilizing our abundant strategic assets.

## FY23 strategic policy

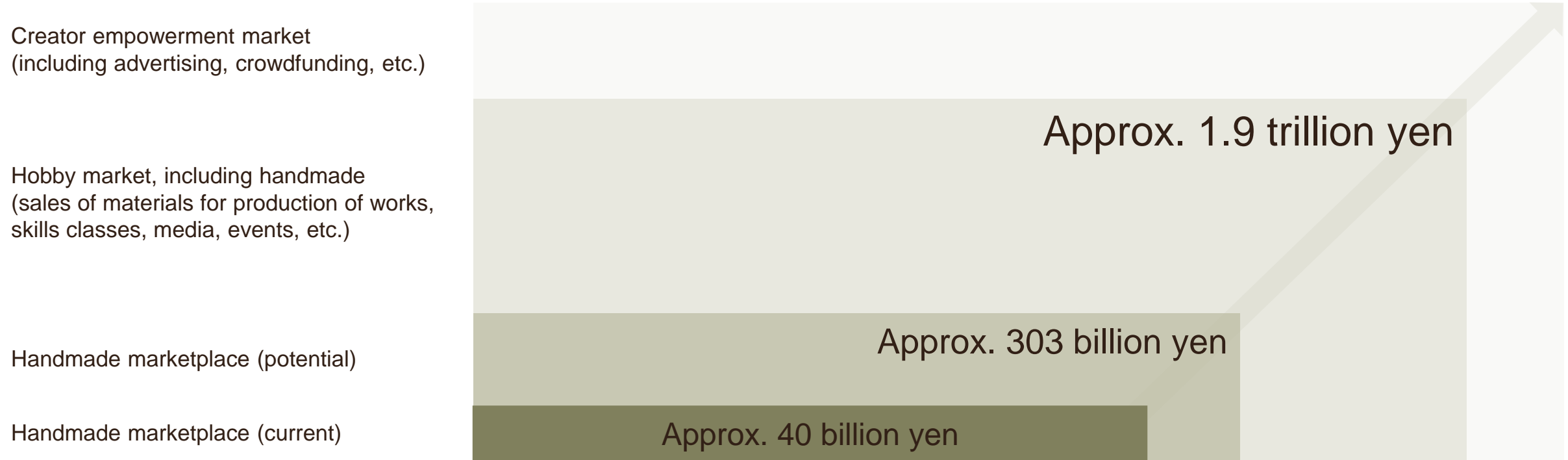
In order to respond to strategic challenges, we aim to further expand the Creema economic zone by simultaneously implementing the further refinement of existing businesses, while focusing on both large-scale promotional investments centered on TV commercials and the expansion and strengthening of the new service group.



## 1 Large-scale promotional investments centered on TV commercials - TAM

The current market size of the domestic handmade marketplace is 40 billion yen. The potential market size is estimated to be about 303 billion yen, so it still seems feasible to expand. It is also possible to capture a wide range of peripheral markets such as handmade materials, related media, and lesson fields.

### Domestic creator empowerment market



Note: The creator empowerment market consists of business groups that provide necessary functions and services to achieve a society in which talented people in all genres, not only handmade creators, can play an active role. The market size of the handmade marketplace (current) is calculated based on the GMV of Creema and minne from January to December 2021, assuming that the combined GMV share thereof is 80% of the total. As the value of the market size of the handmade marketplace reported in the Hobby White Paper 2018 published by the Hobby Association of Japan approximates the total GMV of Creema and minne, these two services are considered to account for the majority of the market. However, since there are similar types of multiple businesses, we conservatively assume that the total GMV of these two services is 80% of the market. The market size of the handmade marketplace (potential) is calculated by multiplying the GMV per person of Etsy, a global handmade marketplace founded in 2005 (calculated by the U.S. population of 332 million divided by the GMV of \$6.95 billion in the U.S. in 2021) and the population of Japan. The figure was 303 billion yen (assuming \$1 = 115 yen). The TAM is larger than that disclosed at the time of listing, but this is because the GMV scale of domestic businesses and Etsy has grown significantly in response to the spread of COVID-19, supported by mask-related demand and stay-at-home consumption, and the growth rate of the entire handmade marketplace market has increased as a result. The market size of the hobby market, including handmade products, was taken from the Hobby White Paper 2019.

Source: GMO Pepabo financial materials, Etsy financial materials, Hobby White Paper 2018 and 2019

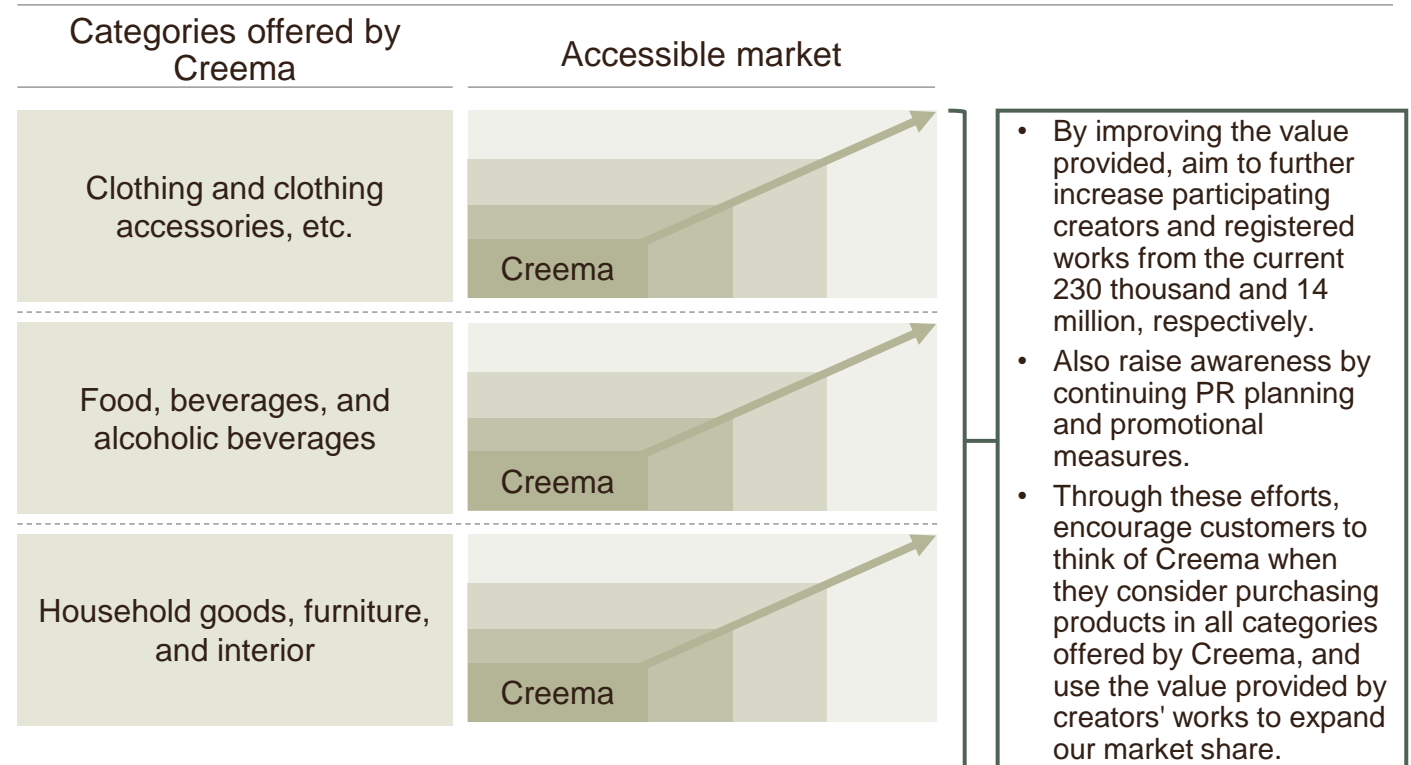
# 1 Large-scale promotional investments centered on TV commercials - TAM expansion

The superior design, rarity, and originality of the creators' works give Creema a competitive advantage, and if Creema owns a category of work, it can access all categories and markets, including fashion e-commerce, interior, and e-commerce for sundries, etc., and may gain market share.

Creema user type classification

User type	Features
Handmade lovers	<ul style="list-style-type: none"> <li>Users who like to purchase creators' works</li> <li>Purchase various works from multiple creators</li> </ul>
Fan bases of specific creators	<ul style="list-style-type: none"> <li>Prefer the style of a specific creator, and continuously purchase works from several creators</li> </ul>
Neutral layer	<ul style="list-style-type: none"> <li>Purchased a creator's work because it was the best product after checking various shops</li> <li>The deciding factors behind purchasing are qualities found in creators' works but not mass-produced products, such as excellent design, rarity, and originality</li> </ul> <p>→ <b>These features mean that Creema is not limited to the handmade market, but can access a wider range of markets and categories</b></p>

Concept image of market expansibility of creators' works



In order to maximize the market potential of creators' works, it is necessary to expand the awareness of the handmade marketplace Creema, and we believe that large-scale promotional investments, including mass advertising centered on TV commercials, are essential.

## 1 Large-scale promotional investments centered on TV commercials - large investments to expand TAM

By making large-scale promotional investments centered on TV commercials, the company aims to expand the handmade marketplace market itself and increase the service awareness of Creema, thereby further capturing peripheral markets by leveraging the high customer value and expanded awareness of creators' works.

### Large-scale promotions centered on TV commercials

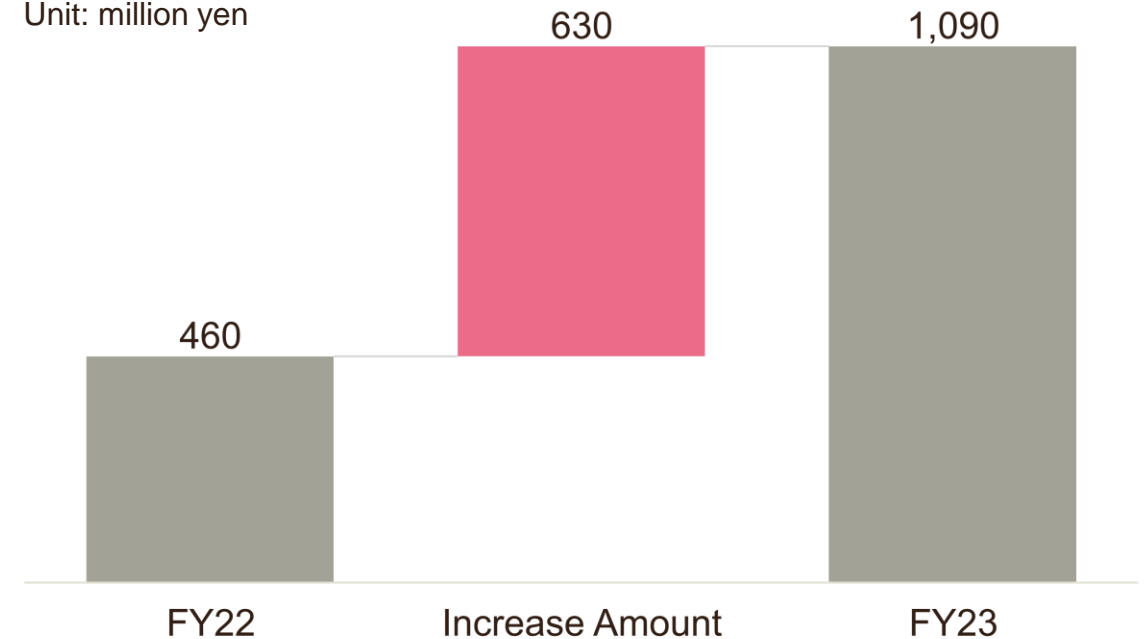
- High quality works that are produced by professional and semi-professional creators have an appeal beyond handmade lovers.
- We intend to expand the handmade marketplace market and our market share in other peripheral markets by investing heavily in advertising centered on TV commercials.



### Increase in promotion expenses

- The company plans to spend a total of 1.09 billion yen, mainly on TV commercials, by increasing promotion expenses by 630 million YoY. This major investment will further accelerate the growth of the business.

Unit: million yen

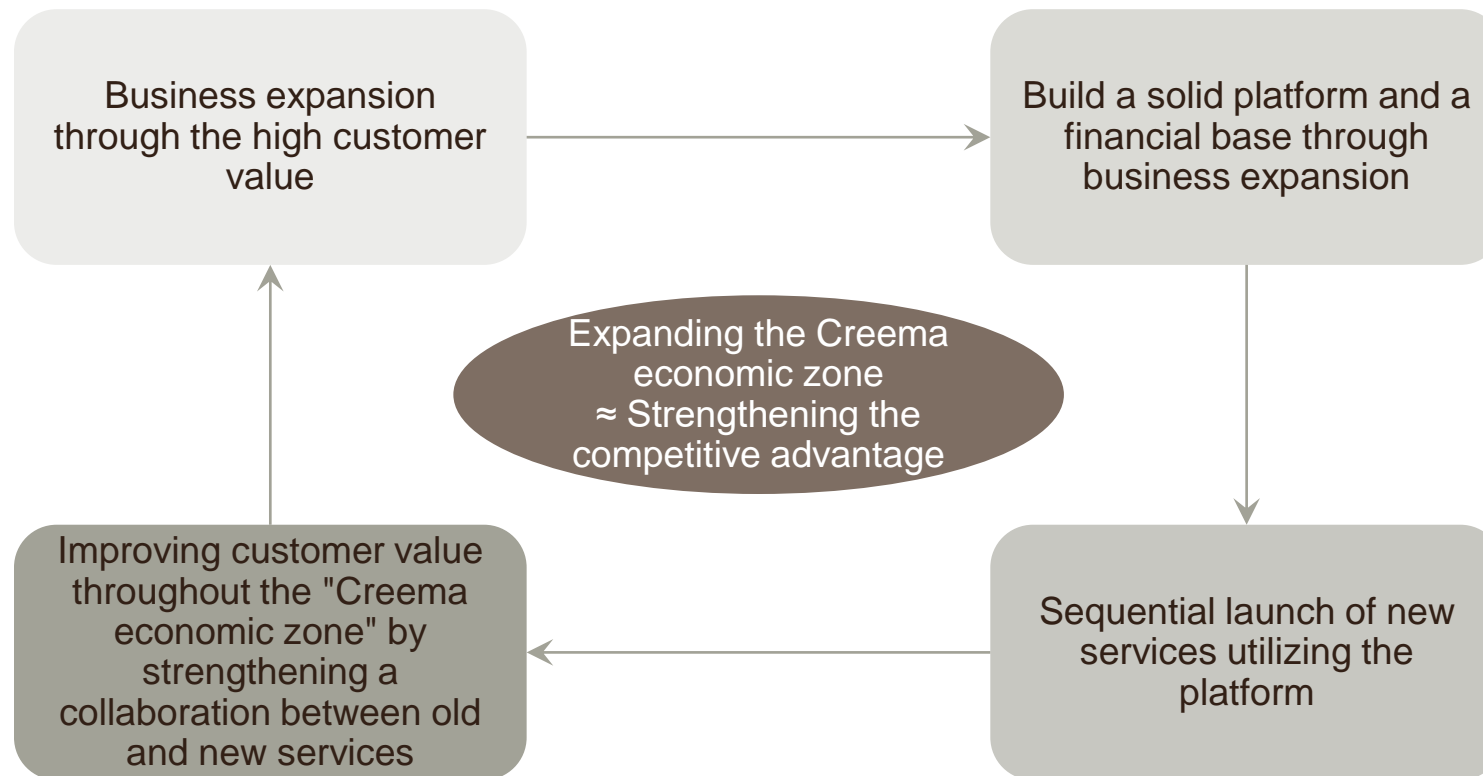




## 2 Expansion and strengthening of the new service group - Investment policy for new services

In parallel with the promotion strengthening, we 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 services

- 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"
- 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.

## 2 Expansion and strengthening of the new service group - Strengthening policy

While strengthening the already-released crowdfunding service Creema SPRINGS and the lesson video platform FANTIST, preparations will be made to utilize our assets in creating the new service group sequentially in FY23 and beyond.

### Strengthening already-released new services

#### Crowdfunding: Creema SPRINGS



- Strengthen the sales structure to ensure a stable supply of high-quality projects on the platform.
- In addition, we will flexibly make use of Creema to expand the number of users in order to ensure funding for the project owners.

#### Lesson video platform:FANTIST



- At the end of 2021, we began offering course lesson videos that systematically teach users the necessary skills.
- We will continue to expand the number of one-off and course lesson videos, and aim to achieve a platform that attracts the most creative lesson videos in Japan.

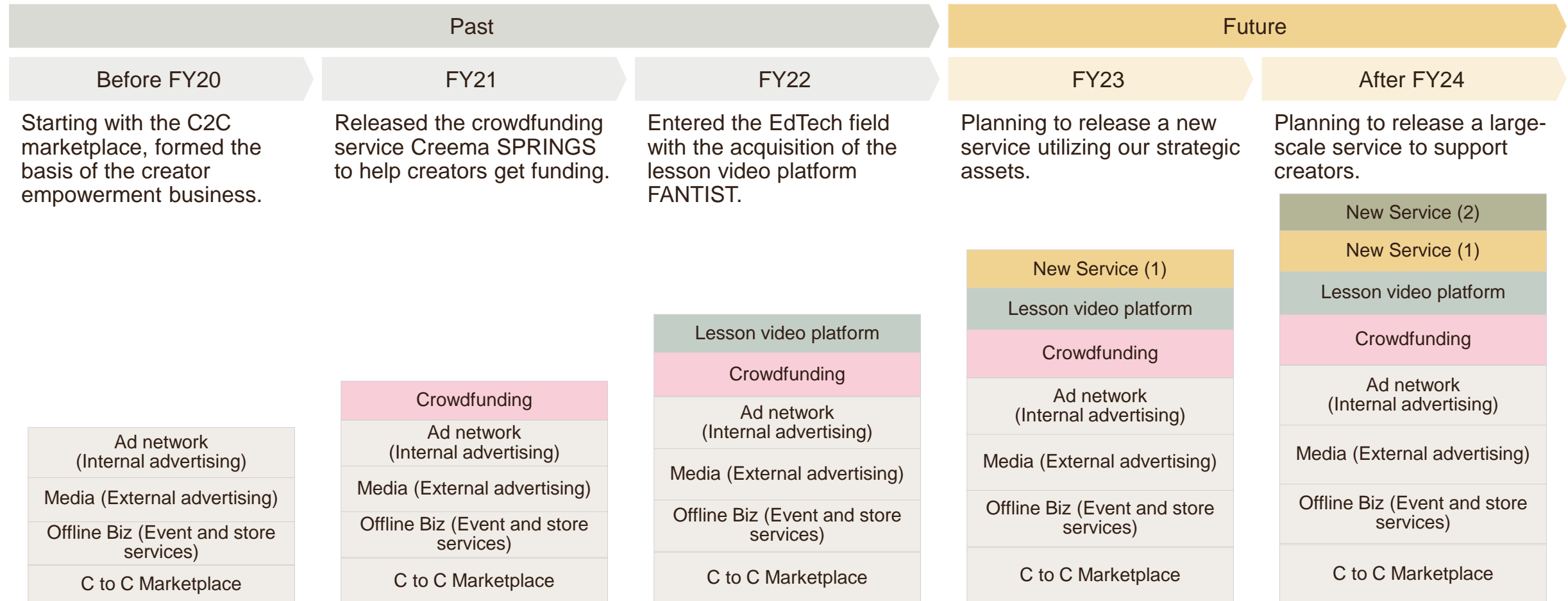
### Further creation of new services



- Development and examination of various new services with high synergy with Creema is underway.
- We will continue to invest in launching new services sequentially in FY23 and beyond.

## 2 Expansion and strengthening of the new service group - Concept image of enhancement

In FY22, we made our much-awaited entry into the EdTech field. In FY23 and beyond, at least one new service will be released in each fiscal year, and the value of the Creema economic zone as a whole will be enhanced through the introduction of multi-layer services.



### 3 Further refinement of existing services

While focusing on the aforementioned large-scale promotional investments centered on TV commercials and the expansion and strengthening of the new service group, we will also invest in large-scale systems and infrastructure to further improve the user experience, and aim for further growth by refining services in the three existing fields.

#### Marketplace service



- Increase awareness and strengthen the user base through large promotions, including the aforementioned TV commercials.
- Maximize user satisfaction through product refinement, including improved search functions and UI.
- Implement large-scale system and infrastructure investments to ensure stable service operations and improve user experience over the medium to long term.

#### Platform services



- For external advertising, we will strengthen receiving orders for projects to revitalize regional economies, which continue to grow year by year, and for collaboration projects that only we can implement.
- For internal advertising, we will achieve further growth by expanding the number of users and improving the effectiveness through refining the UI and logic.

#### Event and store services



- For the store service, we will rebuild Creema Store Sapporo in light of the easing of the COVID-19 pandemic.
- For events, this year's HandMade In Japan Fes' and Creema YAMABIKO FES will be returned to their normal scale. At the same time, we will continue to stimulate excitement in the Japanese creative scene with a view to launching more new events.



**FY23 earnings forecasts**

## Summary of FY23 earnings forecast

We aim to achieve FY23 sales of 2.8 billion yen, which is 125% YoY. In line with the implementation of large-scale strategic investments, all profit items below the operating profit for the next fiscal year will be temporarily in the red. Through the large-scale growth investments, we hope to gain a foothold in further growth in the future.

### Company-wide earnings forecasts

Unit: million yen	(Ref.) FY22	FY23	YoY
Sales	2,294	2,872	125%
Sales cost	74	663	887% <small>Application of new revenue recognition standard</small>
Gross profit	2,219	2,208	99%
SG&A	1,897	2,655	140% <small>Strengthening upfront investment for future growth</small>
Operating profit	322	-447	-769
Ordinary profit	363	-454	-818
Net income	230	-376	-606

### Sales forecasts by major services

Unit: million yen	
Marketplace	1,867 YoY:118%
Platform	676 YoY:120%
Event and store	252 YoY:190%
New service group	75 YoY:329%

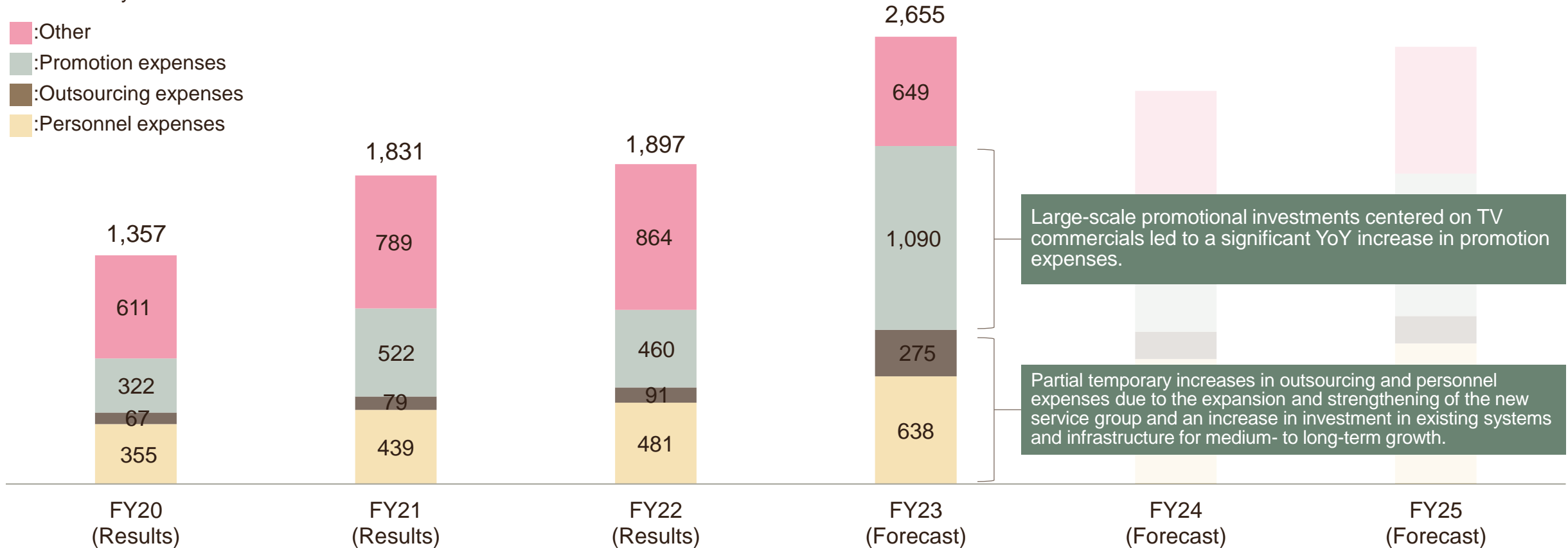
We plan to accelerate large-scale promotional investments, including mass advertising, mainly TV commercials, from 2Q of this fiscal year.

## Forecast of consolidated SG&A expenses for FY23

In addition to large-scale promotion investment, including mass advertising, and temporary expansion of system and infrastructure investment for medium- to long-term growth, personnel and outsourcing expenses for creating new businesses for the purpose of multi-layer services will increase.

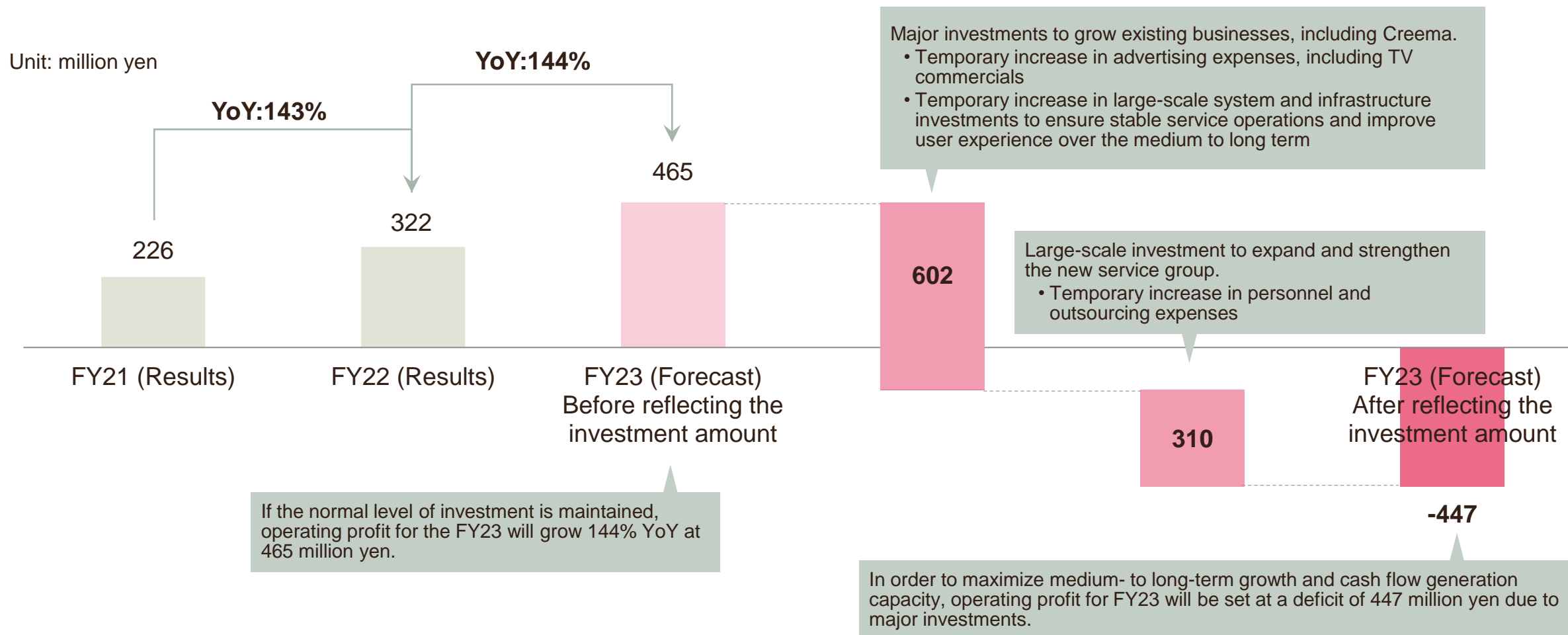
Unit: million yen

- :Other
- :Promotion expenses
- :Outsourcing expenses
- :Personnel expenses



## Forecast of consolidated operating profit for FY23

For FY23, operating profit will be 144% YoY, or 465 million yen, if investment is kept at the normal level. However, in order to make major investments in the aforementioned large-scale promotion, development investment, new business development, etc., we plan to land at -447 million yen. We aim to maximize medium- to long-term growth and cash flow generation capacity by making major investment during this period.





## Appendix



## Effect of the application of new revenue recognition standard

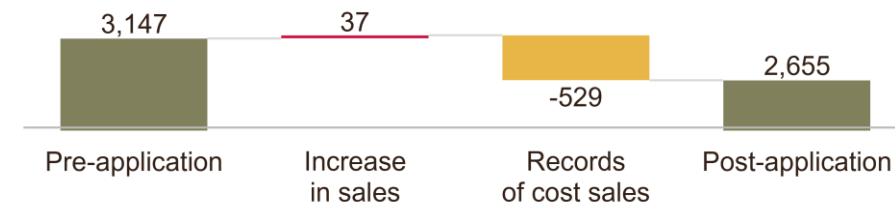
Beginning in FY23, we will incorporate a portion of SG&A expenses into sales and sales cost due to the application of the new revenue recognition standard. As a result, the sales cost will explode, but it will only shift from SG&A expenses as follows, with no effect whatsoever on our business profitability.

### Major changes due to the application of new revenue recognition standard

### Effect of application on financial figures

SG&A

- Part of the transfer fee, which was previously treated as negative processing of the payment fee, is included in sales as a consideration for our provision of services.
- Settlement and payment fees are included in the cost.
- As a result, SG&A decreased by 492 million yen compared to the pre-application



Sales

- The negative processing of the payment fee for SG&A is included in sales.
- As a result, sales increased by 37 million yen compared to before the application.



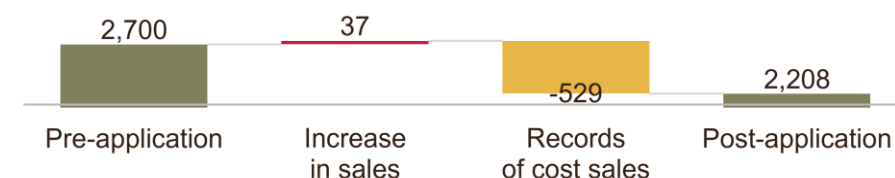
Sales cost

- Settlement and payment fees for SG&A are included in the cost.
- As a result, cost increased by 529 million yen compared to before the application.



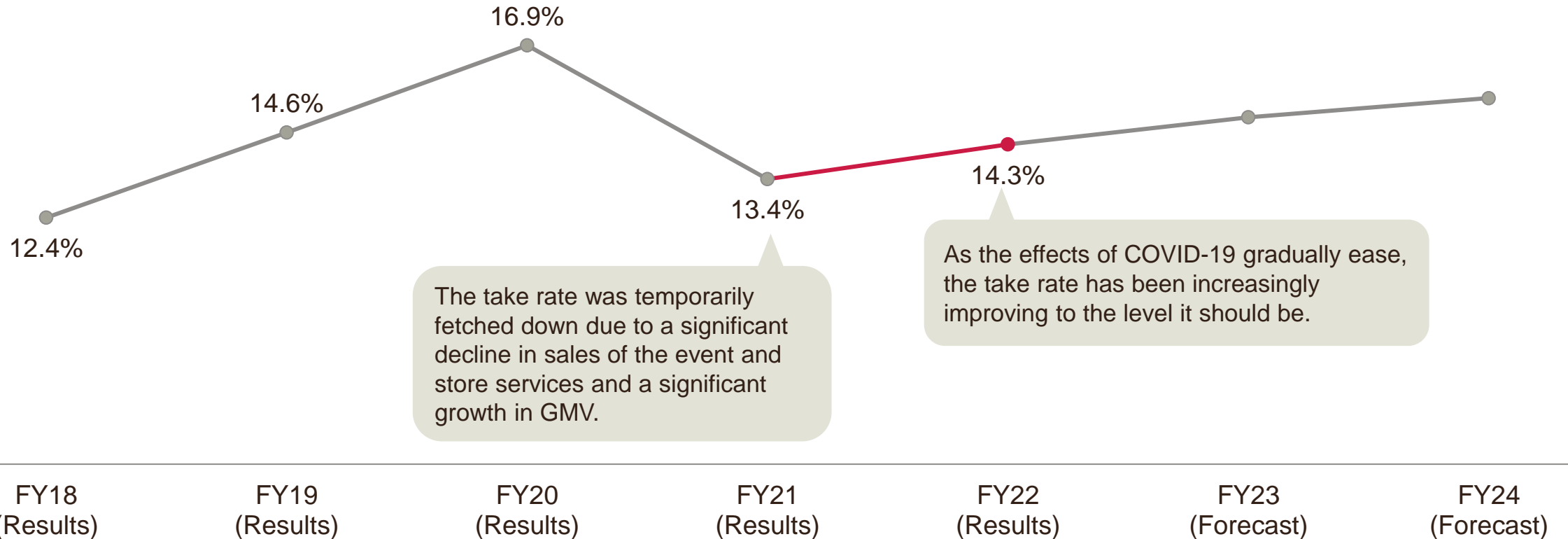
Gross profit

- Gross profit decreased by 492 million yen compared to before the application due to an increase of 37 million yen in sales and an increase of 529 million yen in costs.



## Take rate trends

In FY21, GMV increased due to the spread of COVID-19, but the sales of the event and store services fell sharply, resulting in a significant decrease in the take rate. FY22 is on a recovery trend with continued stable platform growth and some recovery for the event and store services. In FY23 and beyond, the take rate will gradually improve as the new service group is added sequentially in addition to the stable growth of platform and the event and store services.



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

## Our policy on ESG

**We will continue to work on various ESG issues in order to realize a fair society in which talents and abilities are duly evaluated and people can live and work in their own way.**

Bring about a fair society where talented people  
and hard workers are justly appreciated

- The word "Creema" was created from the term "Creators' New Market" in pursuit of the mission to build a fair world where genuinely good products will not go unnoticed.
- Creema is making trailblazing efforts to bring about a fair society where the talents and abilities of people are justly evaluated and people can be living and working in their own way in a world of creation where talent and hard work do not directly lead to opportunities and appreciation.



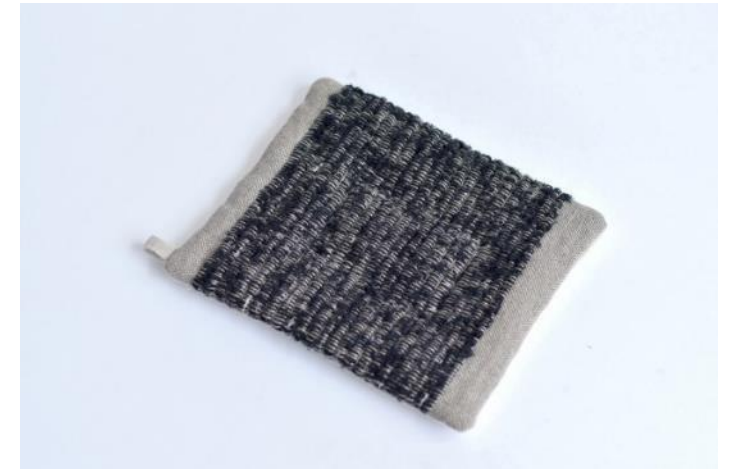
## Regional revitalization and development through producing goods

- Collaboration between quality materials and creators with unique creativity from across the country "Nationwide Discovery of Fantastic Goods" is ongoing with the aim of regional revitalization by introducing the attractions of places via the craftworks of creators.
- Additionally, we are working on regional revitalization and development pivoting on producing goods through measures such as Creema Craft Caravan, in which we visit towns with the theme of producing goods across the country and open a market with local citizens.



## Case studies on ESG initiatives

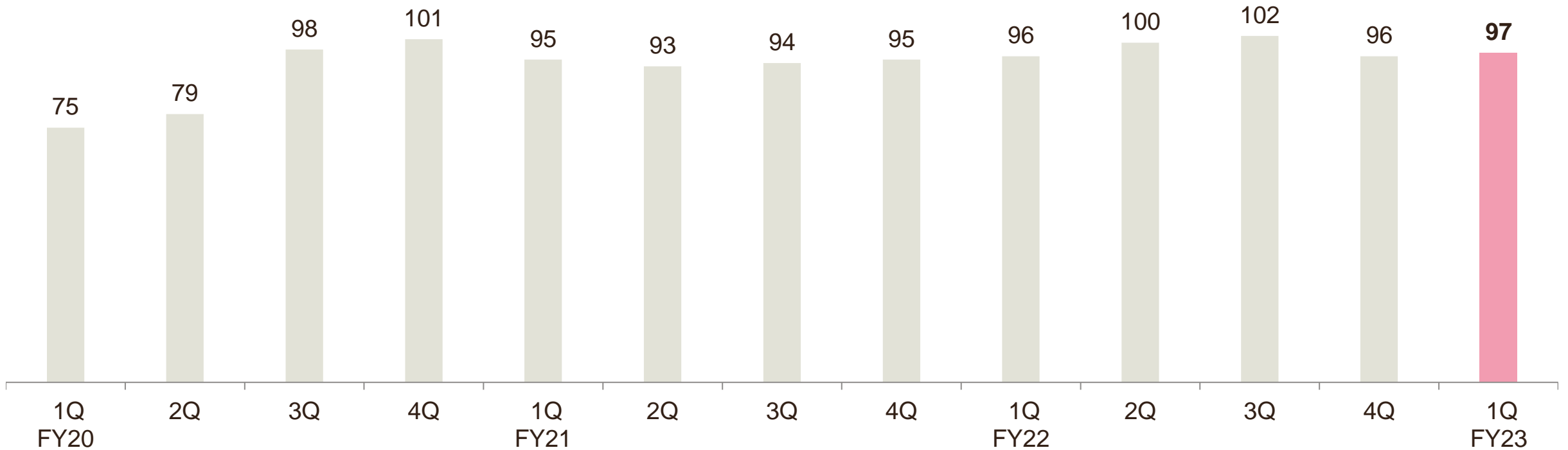
We commercialized 25 upcycled items by inviting Creema creators to come up with craftworks using selvedge (cloth edges), which is industrial waste from the weaving process of Enshu textile, a local industry of the Enshu region, Shizuoka Prefecture. Going forward, we will remain determined to bring about a sustainable world where the power of producing goods creates new value from waste.



## 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: The number is the total number of permanent, contract, and part-time employees, excluding executives.