

Supports creators by operating handmade goods marketplace Creema

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【 4017 Creema Sector : Information & Communication 】

Fiscal Year		Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Feb. 2020		1,517	31.9	48	-	45	-	-28	-	-7.6	-430.4	0.0
Feb. 2021		2,062	35.9	226	364.4	204	346.0	178	-	35.5	162.3	0.0
Feb. 2022	CE	2,446	18.6	315	39.5	307	50.4	293	64.4	44.0	-	0.0
Feb. 2022	E	2,347	13.8	306	35.8	301	47.0	286	60.4	42.8	204.4	0.0
Feb. 2023	E	3,220	37.2	490	59.7	483	60.7	338	18.4	50.5	255.0	0.0
Feb. 2024	E	4,159	29.2	798	63.0	794	64.2	556	64.2	83.1	338.1	0.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

Creema provides creator supporting services by operating the CtoC marketplace Creema, where individuals can transact original handmade goods online.

2. Financial Analysis

From the fiscal year ended February 2016 to the fiscal year ended February 2021, the company posted consecutive revenue increases at an annual rate of 36.1%, while recording an ordinary loss through the fiscal year ended February 2019. In addition to the fact that the company's net sales had not reached the break-even point, the fiscal year ended February 2019 was impacted by the implementation of television commercials. The effect of the commercials led to a large revenue increase in the fiscal year ended February 2020, and the profit margin continues to rise since then.

Compared with listed companies that provide CtoC e-commerce platforms and services, the company's return on assets and operating profit margin are higher, while the net sales growth rate is lower. In addition to differences in the market environment, this is believed to be due to differences in the way advertising expenses and other costs are spent.

3. Non-Financial Analysis

The source of the company's intellectual capital is the founder, who leads the company's management. By launching the industry's first service and taking measures to attract buyers for the exhibited goods, the company has established itself as a major company in the industry, creating a virtuous cycle of customer increase, gross merchandise volume expansion, process enhancement, know-how accumulation and service vitalization.

4. Corporate Strategy Analysis

As for issues that should be addressed, the company needs to strengthen Creema's services, foster the handmade culture and increase brand awareness, as well as strengthen the revenue structure.

For the time being, the company is focusing its medium- to long-term growth strategy on

expanding existing services, introducing new services and implementing strategic investments while based on Creema. By linking multiple services, the company says it aims to increase customer value in the entire economic zone of Creema.

5. Analyst Evaluation

We evaluate that Creema's consistent business concept of supporting the activities of creators is the biggest reason why it has become a force to be reckoned with in the industry.

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