To whom it may concern:

May 25, 2022

Company name:	CREEMA LTD.
Representative:	Kotaro Marubayashi, Chief executive officer
	(Securities Code: 4017, TSE Growth Market)
Contact:	Saiki Ito, Executive officer & General Manager, Corporate Division
	(Telephone: +81-3-6447-0105)

Notice Concerning Correction of Briefing Reports for the Financial Results for Past Fiscal Year

The Company hereby announces that the following briefing reports for the financial results published in past years shall be corrected due to the invalidation of a past resolution of the extraordinary general meeting of shareholders as stated in "Notice of Invalidation of Proposal No. 4 (Reduction of Other Capital Surplus to Cover Deficit) of the Extraordinary General Meeting of Shareholders on December 25, 2018" published in Japanese on May 11, 2022. Please refer to Reason for the corrections below for an explanation of the content of the relevant notice in English, along with the reason for the correction. The figures in the relevant documents (PDF) posted on the Company's investor relations website have been corrected.

1. Reason for the corrections

With regards to "Proposal No. 4: Reduction of Other Capital Surplus to Cover Deficit," which was approved as proposed at the Company's Extraordinary General Meeting of Shareholders held on December 25, 2018, it has now been discovered that the content of the resolution was contrary to corporate accounting standards and the provisions of the Companies Act.

Under corporate accounting standards (Paragraph 61 of the Accounting Standards for Decrease, etc. of Treasury Shares and Amount of Legal Reserves), retained earnings eligible to be covered by other capital surplus shall be limited to negative balances already finalized as of the end of the fiscal year. In accordance with this standard, the Company had a negative balance of 1,381,756 thousand yen in retained earnings at the end of the fiscal year ended February 28, 2018, and therefore, the maximum amount of retained earnings eligible to be covered is considered to be 1,381,756 thousand yen. On the other hand, the Company resolved to cover 1,421,120 thousand yen in the aforementioned resolution of the extraordinary general meeting of shareholders, the content of which is considered to be in violation of the relevant corporate accounting standards and the provisions of the Companies

Act. Accordingly, the said resolution has become null and void, and the transfer of other capital surplus to retained earnings brought forward by this proposal will no longer be effective. Therefore, the Company has decided to correct the relevant portions of the consolidated and single entity financial statements and quarterly consolidated financial statements, which were previously included in the Annual Securities Report, etc., filed by the Company.

2. Details of the revision

Please refer to the attachment. The corrections are underlined in red.

Details of the corrections

1. Financial results for the 4Q, FY21

-Page 19: [Company-wide] Balance sheet status

(Before correction)

[Company-wide] Balance sheet status

The financial base has been significantly strengthened by generating profits through business growth (turning profitable from the previous year) and listing on the TSE Mothers market in November 2020.

Subject (Unit: Million Yen)	FY21	FY20	YoY
Current Assets	3,568	1,859	192%
Cash and cash equivalents	2,885	1,403	206%
Accounts receivable	644	447	144%
Fixed assets	126	84	149%
Deferred tax assets	63	–	–
Security deposits	38	56	69%
Total assets	3,694	1,943	190%
Current Liabilities	2,313	1,533	151%
Withholdings / Funds payable and amounts due to creators	1,460	944	155%
Loans repayable within one year	266	27	955%
Fixed liabilities	298	371	80%
Long-term liabilities	298	371	80%
Total liabilities	2,612	1,904	137%
Capital stock	532	100	533%
Additional paid-in capital	532	100	533%
Retained Earnings	17	▲160	–
Total net assets	1,081	39	2769%

Cash generation output increased due to significant business growth. With the capital increase through listing, the company plans to continue investing in further growth.

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(After correction)

[Company-wide] Balance sheet status

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Total assets	3,694	1,943	190%
Current Liabilities	2,313	1,533	151%
Withholdings / Funds payable and amounts due to creators	1,460	944	155%
Loans repayable within one year	266	27	955%
Fixed liabilities	298	371	80%
Long-term liabilities	298	371	80%
Total liabilities	2,612	1,904	137%
Capital stock	532	100	533%
Additional paid-in capital	1,953	1,521	128%
Retained Earnings	-1,403	-1,581	–
Total net assets	1,081	39	2769%

Cash generation output increased due to significant business growth. With the capital increase through listing, the company plans to continue investing in further growth.

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2. Financial Results Briefing Report for 1Q, FY2022

-Page 9: [Company-wide] Balance sheet status

(Before correction)

[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%

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(After correction)

[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	1,953	1,953	100%
Retained Earnings	-1,274	-1,403	–
Total net assets	1,211	1,081	112%

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3. Financial Results Briefing Report for 2Q, FY2022

-Page 11: [Company-wide] Balance sheet status

(Before correction)

[Company-wide] Balance sheet status

Subject (Unit: Million Yen)	2Q FY2022	(Ref.) 1Q FY2022	(Ref.) QoQ
Current Assets	3,530	3,531	100%
Cash and cash equivalents	2,915	2,924	100%
Accounts receivable	591	584	101%
Fixed assets	227	203	112%
Deferred tax assets	64	66	97%
Security deposits	51	52	99%
Goodwill	45	49	92%
Total assets	3,758	3,735	101%
Current Liabilities	2,039	2,227	92%
Withholdings / Funds payable and amounts due to creators	1,466	1,648	89%
Loans repayable within one year	170	277	62%
Fixed liabilities	482	296	163%
Long-term liabilities	472	286	165%
Total liabilities	2,522	2,524	100%
Capital stock	536	532	101%
Capital surplus	536	532	101%
Retained Earnings	164	146	112%
Total net assets	1,235	1,211	102%

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(After correction)

[Company-wide] Balance sheet status

Subject (Unit: Million Yen)	2Q FY2022	(Ref.) 1Q FY2022	(Ref.) QoQ
Current Assets	3,530	3,531	100%
Cash and cash equivalents	2,915	2,924	100%
Accounts receivable	591	584	101%
Fixed assets	227	203	112%
Deferred tax assets	64	66	97%
Security deposits	51	52	99%
Goodwill	45	49	92%
Total assets	3,758	3,735	101%
Current Liabilities	2,039	2,227	92%
Withholdings / Funds payable and amounts due to creators	1,466	1,648	89%
Loans repayable within one year	170	277	62%
Fixed liabilities	482	296	163%
Long-term liabilities	472	286	165%
Total liabilities	2,522	2,524	100%
Capital stock	536	532	101%
Capital surplus	1,957	1,953	100%
Retained Earnings	-1,256	-1,274	–
Total net assets	1,235	1,211	102%

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4. Financial Results Briefing Report for 3Q, FY2022

-Page 11: [Company-wide] Balance sheet status

(Before correction)

[Company-wide] Balance sheet status

Subject (Unit: Million Yen)	3Q FY2022	(Ref.) 2Q FY2022	(Ref.) QoQ
Current Assets	3,505	3,530	99%
Cash and cash equivalents	2,830	2,915	97%
Accounts receivable	652	591	110%
Fixed assets	355	227	156%
Deferred tax assets	78	64	122%
Security deposits	157	51	304%
Goodwill	41	45	91%
Total assets	3,860	3,758	103%
Current Liabilities	2,126	2,039	104%
Withholdings / Funds payable and amounts due to creators	1,546	1,466	105%
Loans repayable within one year	171	170	100%
Fixed liabilities	439	482	91%
Long-term liabilities	430	472	91%
Total liabilities	2,566	2,522	102%
Capital stock	536	536	100%
Capital surplus	536	536	100%
Retained Earnings	222	164	135%
Total net assets	1,293	1,235	105%

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(After correction)

[Company-wide] Balance sheet status

Subject (Unit: Million Yen)	3Q FY2022	(Ref.) 2Q FY2022	(Ref.) QoQ
Current Assets	3,505	3,530	99%
Cash and cash equivalents	2,830	2,915	97%
Accounts receivable	652	591	110%
Fixed assets	355	227	156%
Deferred tax assets	78	64	122%
Security deposits	157	51	304%
Goodwill	41	45	91%
Total assets	3,860	3,758	103%
Current Liabilities	2,126	2,039	104%
Withholdings / Funds payable and amounts due to creators	1,546	1,466	105%
Loans repayable within one year	171	170	100%
Fixed liabilities	439	482	91%
Long-term liabilities	430	472	91%
Total liabilities	2,566	2,522	102%
Capital stock	536	536	100%
Capital surplus	1,957	1,957	100%
Retained Earnings	-1,198	-1,256	—
Total net assets	1,293	1,235	105%

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5. Financial Results Briefing Report for 4Q, FY2022

-Page 11: [Company-wide] Balance sheet status

(Before correction)

[Company-wide] Balance sheet status

Retained earnings increased significantly due to higher sales and profits. Maintain a stable liquidity ratio and build a stable financial base.

Subject (Unit: Million Yen)	4Q FY2022	(Ref.) 4Q FY2021	YoY
Current assets	3,598	3,568	101%
Cash and cash equivalents	2,953	2,885	102%
Accounts receivable	623	644	97%
Fixed assets	291	126	231%
Deferred tax assets	-	63	-
Security deposits	154	38	401%
Goodwill	37	-	-
Total assets	3,889	3,694	105%
Current liabilities	2,177	2,313	94%
Withholdings / Funds payable and amounts due to creators	1,619	1,460	111%
Loans repayable within one year	176	266	66%
Fixed liabilities	391	298	131%
Long-term liabilities	381	298	128%
Total liabilities	2,569	2,612	98%
Capital stock	536	532	101%
Capital surplus	1,957	532	365%
Retained earnings	-1,172	17	-
Total net assets	1,320	1,081	122%

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(After correction)

[Company-wide] Balance sheet status

Retained earnings increased significantly due to higher sales and profits. Maintain a stable liquidity ratio and build a stable financial base.

Subject (Unit: Million Yen)	4Q FY2022	(Ref.) 4Q FY2021	YoY
Current assets	3,598	3,568	101%
Cash and cash equivalents	2,953	2,885	102%
Accounts receivable	623	644	97%
Fixed assets	291	126	231%
Deferred tax assets	-	63	-
Security deposits	154	38	401%
Goodwill	37	-	-
Total assets	3,889	3,694	105%
Current liabilities	2,177	2,313	94%
Withholdings / Funds payable and amounts due to creators	1,619	1,460	111%
Loans repayable within one year	176	266	66%
Fixed liabilities	391	298	131%
Long-term liabilities	381	298	128%
Total liabilities	2,569	2,612	98%
Capital stock	536	532	101%
Capital surplus	1,957	1,953	100%
Retained earnings	-1,172	-1,403	-
Total net assets	1,320	1,081	122%

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