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Consolidated Financial Results for Six Months Ended November 30, 2025 (Japanese GAAP)

January 13, 2026

Name of Listed Company: CREATE SD HOLDINGS CO., LTD. Listing: Tokyo Stock Exchange
Securities code: 3148 URL: <https://www.createsdhd.co.jp/English/tabid/129/Default.aspx>
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Scheduled filing date of Securities Report: January 14, 2026
Scheduled date of start of dividend payment: February 4, 2026

Supplementary materials for the financial results: Yes

Financial results briefing sessions: Yes (For institutional investors and securities analysts)

(Figures are rounded down to the nearest million yen)

1. Consolidated Second Quarter (First Half) Results for Fiscal Year Ending May 31, 2026

(June 1, 2025 to November 30, 2025)

(1) Consolidated Operating Results (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended November 30, 2025	241,926	7.6	11,106	6.2	11,691	8.2	7,885	12.3
Six months ended November 30, 2024	224,806	8.4	10,462	6.2	10,807	6.0	7,022	2.1

(Note) Comprehensive income: Six months ended November 30, 2025: ¥7,827 million (12.1%)
Six months ended November 30, 2024: ¥6,982 million (1.5%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2025	122.06	—
Six months ended November 30, 2024	108.72	—

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2025	245,101	147,705	60.3
As of May 31, 2025	236,561	142,720	60.3

(Reference) Net assets: As of November 30, 2025: ¥147,705 million
As of May 31, 2025: ¥142,720 million

2. Dividend Payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
Fiscal year ended May 31, 2025	Yen —	Yen 34.00	Yen —	Yen 44.00	Yen 78.00
Fiscal year ending May 31, 2026	—	45.00			
Fiscal year ending May 31, 2026 (forecast)			—	45.00	90.00

(Note) Revisions to most recently announced dividend forecast: None

3. Consolidated Financial Forecast (From June 1, 2025 to May 31, 2026)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full-year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	491,500	7.5	24,100	6.5	24,900	6.3	16,300	3.9	252.31

(Note) Revisions to most recently announced financial results forecast: None

Notes

(1) Significant changes of subsidiaries in the six months ended November 30, 2025: Yes

Newly consolidated: 3 companies (company names) SANEFU INC.

YAOHAN Holdings Co., Ltd.

YAOHAN Food Center Co., Ltd.;

Deconsolidated: — companies (company name(s))

(2) Application of accounting treatments specific to preparation of consolidated financial statements: Yes

(3) Changes in accounting policies, changes of accounting estimates and restatement

(i) Changes in accounting policies due to amendments to accounting standards: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Issued shares (common shares)

(i) Issued shares (including treasury shares) at period-end:

Six months ended November 30, 2025	66,819,342 shares	Fiscal year ended May 31, 2025	66,819,342 shares
Six months ended November 30, 2025	2,217,078 shares	Fiscal year ended May 31, 2025	2,217,058 shares
Six months ended November 30, 2025	64,602,270 shares	Six months ended November 30, 2024	64,589,095 shares

(ii) Treasury shares at period-end:

(iii) Average issued shares during period:

The second quarter (first half) financial statements are not subject to review by a certified public accountant or audit firm.

Cautionary statement regarding business results forecasts and special notes

(Notes concerning forward-looking statements, etc.)

The financial forecasts and other forward-looking statements contained herein are based on currently available information and certain assumptions considered by the Company to be reasonable. Actual financial results may differ materially due to various factors. Refer to “(3) Overview of Consolidated Financial Results Forecast and Future Expectations” on page 3 of the supplementary material for the underlying assumptions and proper use of the forecasts.

Contents

1. Qualitative Information Related to Consolidated Financial Results	2
(1) Overview of Operating Results	2
(2) Overview of Financial Position	3
(3) Overview of Consolidated Financial Results Forecast and Future Expectations.....	3
2. Consolidated Financial Statements and Notes	4
(1) Consolidated Balance Sheet	4
(2) Consolidated Statements of Income and Comprehensive Income	6
Consolidated Statement of Income	6
Consolidated Statement of Comprehensive Income	7
(3) Consolidated Statements of Cash Flows.....	8
(4) Notes to Consolidated Financial Statements	9
Going concern assumption	9
Notes in case of significant changes in shareholders' equity	9
Application of specific accounting treatment in the preparation of consolidated financial statements.....	9
Changes to accounting policies.....	9
Changes in accounting estimates	9
Segment information	9
3. Supplemental Information.....	10
(1) Production, Orders Received, and Sales.....	10

1. Qualitative Information Related to Consolidated Financial Results

(1) Overview of Operating Results

During the first half of the fiscal year ending May 31, 2026 (June 1, 2025 to November 30, 2025), the Japanese economy showed signs of a moderate recovery supported by improvements in the employment and income environment and an increase in the number of foreign visitors to Japan. However, the outlook remains uncertain due to concerns over a slowdown in personal consumption resulting from continued inflation, heightened geopolitical risks, and fluctuations in financial and capital markets.

In the drug store industry, the business environment surrounding the Company has become increasingly challenging due to the intensified competition from the opening of stores by competitors across different sectors and business models, heightened price competition, as well as the trend toward industry consolidation and scale expansion through M&A among major players.

Under these circumstances, the Group has formulated a new Medium-term Management Plan, Next STAGE 2030, with the fiscal year ending May 31, 2030 as its final year, and is promoting various measures to achieve its goals.

Drug Stores

During the first six-month period ended November 30, 2025, net sales at existing stores continued to exceed the previous year driven by the sustained promotion of the Everyday Low Price (EDLP) strategy in the merchandise sales division. In the prescriptions division as well, efforts focused on increasing the number of prescription drug stores, strengthening collaboration with nearby medical institutions and enhancing the calculation of various reimbursement additions, resulting in steady progress in the number of prescriptions handled and the average prescription unit price. In addition, on October 29, 2025, the Group acquired all shares of YAOHAN Holdings Co., Ltd., which operates eight food supermarkets in the cities of Kanuma and Nikko in Tochigi Prefecture, and made it a consolidated subsidiary, thereby marking the Group's first entry into Tochigi Prefecture as a new trade area. Going forward, in addition to opening new stores independently, the Group will actively pursue the expansion of its store network through the use of M&A.

During the period, we opened 16 new drug stores. On the other hand, we closed four stores, consisting of two from scrap-and-build redevelopment and two due to expiration of contracts. In terms of prescription drug stores, we opened 14 new stores: 13 in-store prescription drug stores and one dedicated prescription drug store. Furthermore, on August 29, 2025, we acquired all shares of SANEFU INC. (Fuchu City, Tokyo), which operates nine dedicated prescription drug stores, making it a consolidated subsidiary, thereby adding nine dedicated prescription drug stores.

Nursing Care

As society ages, we are operating two paid assisted living facilities characterized by delicious meals for elderly people who want to live safely and securely under the care of nursing staff as well as 37 half-day rehabilitative adult care centers for those who want to continue living at home. In the adult day care services business, while carrying out renovations to expand capacity at existing facilities in order to improve occupancy rates, we also focused on expanding scale and enhancing its service offerings.

As a result of the above, the number of Group stores as of November 30, 2025, was as follows: 799 drug stores, nine supermarkets, five combination drug store/fresh produce stores, and 48 dedicated prescription drug stores, for a total of 861 stores. In addition, the Group operates 430 in-store prescription drug stores. In the nursing care business, the Group operates two paid assisted living facilities and 37 half-day adult care centers.

As a result of the above, the financial results for the first six months of the fiscal year ending May 31, 2026 were as follows: Net sales came in at 241,926 million yen (up 7.6% year on year), operating profit was 11,106 million yen (up 6.2%), ordinary profit was 11,691 million yen (up 8.2%), and profit attributable to owners of parent was 7,885 million yen (up 12.3%).

(2) Overview of Financial Position

Total assets as of November 30, 2025 were 245,101 million yen, up 8,540 million yen from the end of the previous fiscal year. The main factors include increases of 1,316 million yen in accounts receivable - trade, 160 million yen in merchandise, and 8,899 million yen in non-current assets, while cash and deposits decreased by 1,444 million yen.

Total liabilities as of November 30, 2025 were 97,395 million yen, up 3,555 million yen from the end of the previous fiscal year. The main factors were increases of 1,505 million yen in accounts payable - trade, 1,088 million yen in the current portion of long-term borrowings, and 800 million yen in long-term borrowings, while accrued income taxes decreased by 751 million yen.

Net assets as of November 30, 2025 were 147,705 million yen, up 4,984 million yen from the end of the previous fiscal year. The main factors were a 2,842 million yen decrease due to dividends paid and the recording of 7,885 million yen in first half profit attributable to owners of parent.

Cash Flows

Cash and cash equivalents at the end of the first half of the fiscal year under review totaled 35,902 million yen, down 1,444 million yen from the end of the previous fiscal year.

Cash flows for the first half of the fiscal year were as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to 10,818 million yen, down 593 million yen year on year. The main components included profit before income taxes of 11,681 million yen, depreciation of 3,035 million yen, an increase in trade payables of 1,011 million yen, and income taxes paid of 4,572 million yen.

Cash flows from investing activities

Net cash used in investing activities amounted to 10,220 million yen, up 2,251 million yen year on year. This was mainly due to 6,733 million yen of purchase of property, plant and equipment associated with the store openings, and 2,468 million yen for store openings in progress.

Cash flows from financing activities

Net cash used in financing activities amounted to 2,042 million yen, up 848 million yen year on year. This is the result of proceeds from long-term borrowings of 900 million yen and dividends paid of 2,842 million yen.

(3) Overview of Consolidated Financial Results Forecast and Future Expectations

At this time, no changes have been made to the forecast for the fiscal year ending May 31, 2026 announced on July 14, 2025.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2024 (As of May 31, 2025)	2Q of FY2025 (As of November 30, 2025)
Assets		
Current assets		
Cash and deposits	37,746	36,302
Accounts receivable - trade	17,512	18,829
Merchandise	45,659	45,819
Other	11,122	10,730
Total current assets	112,041	111,681
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	46,973	50,923
Land	33,034	37,076
Other, net	6,336	6,508
Total property, plant and equipment	86,344	94,508
Intangible fixed assets		
Goodwill	294	950
Other	650	604
Total intangible assets	944	1,554
Investments and other assets		
Long-term loans receivable	10,324	10,012
Leasehold and guarantee deposits	12,303	12,657
Other	14,663	14,743
Allowance for doubtful accounts	(60)	(58)
Total investments and other assets	37,231	37,356
Total non-current assets	124,520	133,419
Total assets	236,561	245,101
Liabilities		
Current liabilities		
Accounts payable - trade	59,763	61,269
Accrued income taxes	5,148	4,396
Accrued bonuses	384	534
Provision for bonuses for directors (and other officers)	150	59
Provision for point card certificates	190	210
Asset retirement obligations	19	23
Short-term borrowings	—	100
Current portion of long-term borrowings	—	1,088
Provision for loss on store closings	—	10
Provision for losses on cancellation	132	111
Other	18,879	18,829
Total current liabilities	84,668	86,632
Non-current liabilities		
Bonds payable	—	100
Long-term borrowings	—	800
Net defined benefit liability	3,263	3,578
Asset retirement obligations	4,153	4,226
Provision for loss on subleasing	17	14
Provision for losses on cancellation	238	94
Other	1,497	1,948
Total non-current liabilities	9,171	10,762
Total liabilities	93,840	97,395

(Millions of yen)

	FY2024 (As of May 31, 2025)	2Q of FY2025 (As of November 30, 2025)
Net assets		
Equity capital		
Share capital	1,000	1,000
Capital surplus	3,709	3,709
Retained earnings	140,131	145,173
Treasury shares	(2,705)	(2,705)
Total shareholders' equity	142,134	147,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50	51
Remeasurements of defined benefit plans	536	476
Total accumulated other comprehensive income	586	528
Total net assets	142,720	147,705
Liabilities and net assets	236,561	245,101

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	1H of FY2024 (From June 1, 2024 to November 30, 2024)	1H of FY2025 (From June 1, 2025 to November 30, 2025)
Net sales	224,806	241,926
Cost of sales	166,557	180,027
Gross profit	58,248	61,898
Selling, general and administrative expenses		
Provision for point card certificates	180	210
Salaries and allowances	19,167	20,658
Provision for bonuses	491	534
Provision for directors' bonuses	71	56
Retirement benefit expenses	346	331
Depreciation and amortization	2,544	2,821
Amortization of goodwill	41	48
Land/office rent	9,033	9,476
Other	15,908	16,654
Total selling, general and administrative expenses	47,786	50,792
Operating profit	10,462	11,106
Non-operating profit		
Interest income	52	98
Dividend income	0	0
Rent income	186	486
Other	190	267
Total non-operating income	429	853
Non-operating expenses		
Interest expenses	—	1
Compensation expenses	—	0
Rental expenses	81	216
Other	3	50
Total non-operating expenses	84	268
Ordinary profit	10,807	11,691
Extraordinary profit		
Gain on sale of investment securities	1	—
Subsidy income	63	52
Other	0	0
Total extraordinary income	65	53
Extraordinary losses		
Loss on retirement of non-current assets	15	0
Loss on tax purpose reduction entry of non-current assets	63	52
Provision for loss on store closings	—	10
Provision for losses on cancellation losses	419	—
Other	18	—
Total extraordinary losses	517	63
Profit before income taxes	10,354	11,681
Income taxes	3,332	3,796
Profit	7,022	7,885
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	7,022	7,885

Consolidated Statement of Comprehensive Income

(Millions of yen)

	1H of FY2024 (From June 1, 2024 to November 30, 2024)	1H of FY2025 (From June 1, 2025 to November 30, 2025)
Profit	7,022	7,885
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	1
Remeasurements of defined benefit plans, net of tax	(36)	(59)
Total other comprehensive income	(40)	(57)
Comprehensive income	6,982	7,827
Comprehensive income attributable to:		
Owners of parent	6,982	7,827
Non-controlling interests	—	—

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	1H of FY2024 (From June 1, 2024 to November 30, 2024)	1H of FY2025 (From June 1, 2025 to November 30, 2025)
Cash flows from operating activities		
Profit before income taxes	10,354	11,681
Depreciation and amortization	2,617	3,035
Amortization of goodwill	41	48
Increase (decrease) in allowance for doubtful accounts	1	(2)
Increase (decrease) in provision for bonuses	103	143
Increase (decrease) in provision for bonuses for directors (and other officers)	(82)	(90)
Increase (decrease) in provision for point card certificates	20	19
Increase (decrease) in provision for loss on store closings	—	10
Increase (decrease) in provision for loss on subleasing	(3)	(3)
Increase (decrease) in provision for losses on cancellation	419	(165)
Increase (decrease) in retirement benefit liability	146	118
Interest and dividend income	(52)	(99)
Interest expenses	—	1
Decrease (increase) in trade receivables	(675)	(1,064)
Decrease (increase) in inventories	(1,899)	30
Increase (decrease) in trade payables	635	1,011
Increase (decrease) in advances received	19	(82)
Other	1,937	755
Subtotal	13,585	15,349
Interest and dividends received	4	41
Interest paid	—	(1)
Income taxes paid	(3,041)	(4,572)
Income taxes refund	863	2
Net cash provided by operating activities	11,411	10,818
Net cash used in investing activities		
Purchase of property, plant and equipment	(4,614)	(6,733)
Purchase of intangible assets	(50)	(68)
Payments into time deposits	(400)	(400)
Proceeds from withdrawal of time deposits	400	400
Long-term loan advances	(464)	(39)
Proceeds from collection of long-term loans receivable	527	523
Payments of leasehold and guarantee deposits	(29)	(48)
Proceeds from refund of leasehold and guarantee deposits	68	94
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,313)
Purchase of long-term prepaid expenses	(161)	(143)
Payments for store openings in progress	(3,235)	(2,468)
Payments into deposit money	(9)	(6)
Other	0	(15)
Net cash used in investing activities	(7,969)	(10,220)
Net cash used in financing activities		
Proceeds from long-term borrowings	—	900
Repayments of long-term borrowings	—	(100)
Dividends paid	(2,376)	(2,842)
Proceeds from disposal of treasury shares	1,198	—
Other	(15)	(0)
Net cash used in financing activities	(1,193)	(2,042)
Net increase (decrease) in cash and cash equivalents	2,248	(1,444)
Cash and cash equivalents at beginning of period	37,812	37,346
Cash and cash equivalents at end of period	40,061	35,902

(4) Notes to Consolidated Financial Statements

Going concern assumption

Not applicable

Notes in case of significant changes in shareholders' equity

Not applicable

Application of specific accounting treatment in the preparation of consolidated financial statements

We make a reasonable estimate of the effective tax rate to be imposed on profit before income taxes in the fiscal year ending May 31, 2025, including the first six months, after applying tax effect accounting and perform the calculation by multiplying profit before income taxes by the estimated effective tax rate.

Changes to accounting policies

Not applicable

Changes in accounting estimates

Not applicable

Additional Information

Change in presentation

Consolidated statement of income

In the first half of the fiscal year ended May 31, 2025, amortization of goodwill was included in "Depreciation." From the first half of the fiscal year ending May 31, 2026, amortization of goodwill has been presented separately in order to enhance clarity of presentation. Accordingly, the comparative information for the first half of the fiscal year ended May 31, 2025 has also been reclassified to reflect this change.

As a result, the amount of 2,586 million yen that was previously presented as "Depreciation" in the prior first half accounting period has been reclassified into "Depreciation" of 2,544 million yen and "Amortization of goodwill" of 41 million yen.

Consolidated statement of cash flows

In the consolidated statement of cash flows for the first half of the fiscal year ended May 31, 2025, amortization of goodwill was included in "Depreciation" under cash flows from operating activities. From the first half of the fiscal year ending May 31, 2026, amortization of goodwill has been presented separately in order to enhance clarity of presentation. Accordingly, the comparative information for the first half of the fiscal year ended May 31, 2025 has also been reclassified to reflect this change.

As a result, the amount of 2,659 million yen that was previously presented as "Depreciation" under cash flows from operating activities in the prior first half consolidated accounting period has been reclassified into "Depreciation" of 2,617 million yen and "Amortization of goodwill" of 41 million yen.

Segment information

First six months of the fiscal year ended May 31, 2025 (From June 1, 2024 to November 30, 2024)

Since the Group has a high proportion of drug store business which is considered to be of little importance as disclosed information, segment information has been omitted.

First six months of the fiscal year ending May 31, 2026 (From June 1, 2025 to November 30, 2025)

Since the Group has a high proportion of drug store business which is considered to be of little importance as disclosed information, segment information has been omitted.

3. Supplemental Information

(1) Production, Orders Received, and Sales

1) Sales results

(i) Sales results by product division

Sales results by product division during the first half of the fiscal year ending May 31, 2026 were as follows:

Product division	1H of FY2025 (From June 1, 2025 to November 30, 2025)	
	Amount (millions of yen)	YoY change (%)
Drug Stores		
Medical and health products	61,925	107.6
OTC	30,412	100.2
Prescription drug stores	31,513	115.9
Cosmetics	26,520	105.0
Food products	105,062	110.0
Daily products	35,022	104.0
Other	10,650	103.2
Subtotal	239,181	107.6
Supermarkets	1,474	118.1
Nursing Care		
Paid assisted living facilities	375	101.2
Adult day care services	789	103.9
Subtotal	1,164	103.1
Revenue from contracts with customers	241,821	107.6
Other revenue (Note)	104	102.4
Total	241,926	107.6

(Note) Other revenue includes rent income based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

(ii) Sales results by region

Sales results by region during the first half of the fiscal year ending May 31, 2026 were as follows:

	1H of FY2024 (From June 1, 2024 to November 30, 2024)		1H of FY2025 (From June 1, 2025 to November 30, 2025)	
	Amount (millions of yen)	Share (%)	Amount (millions of yen)	Share (%)
Kanagawa	136,701	60.8	147,130	60.8
Tokyo	30,956	13.8	33,400	13.8
Shizuoka	24,218	10.8	25,591	10.6
Chiba	20,721	9.2	22,843	9.4
Other	12,208	5.4	12,959	5.4
Total	224,806	100.0	241,926	100.0

2) Purchase results

Purchase results by product division during the first half of the fiscal year ending May 31, 2026 were as follows:

Product division	1H of FY2025 (From June 1, 2025 to November 30, 2025)	
	Amount (millions of yen)	YoY change (%)
Drug Stores		
Medical and health products	36,519	106.2
OTC	17,038	95.7
Prescription drug stores	19,480	117.5
Cosmetics	16,795	105.4
Food products	91,160	108.8
Daily products	24,831	103.5
Other	8,475	101.2
Subtotal	177,783	106.8
Supermarkets	1,120	115.6
Nursing Care		
Paid assisted living facilities	—	—
Adult day care services	—	—
Subtotal	—	—
Purchases for revenue from contracts with customers	178,903	106.9
Other revenue	—	—
Total	178,903	106.9