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Consolidated Financial Results for Three Months Ended August 31, 2026 (Japanese GAAP)

October 5, 2026

Name of Listed Company: CREATE SD HOLDINGS CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 3148

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Accounting Dept.

Scheduled date of start of dividend payment: —

Supplementary materials for the financial results: None

Financial results briefing sessions: None

(Figures are rounded down to the nearest million yen)

1. Consolidated First Quarter Results for Fiscal Year Ending May 31, 2027 (June 1, 2026 to August 31, 2026)

(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	%
Three months ended August 31, 2026	129,540	6.5	5,404	-4.1	5,630	-4.7	3,788	-5.2
Three months ended August 31, 2025	121,586	6.7	5,633	6.6	5,908	8.0	3,996	16.7

(Note) Comprehensive income: Three months ended August 31, 2026: ¥3,768 million (-5.1%)

Three months ended August 31, 2025: ¥3,969 million (16.5%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2026	58.64	—
Three months ended August 31, 2025	61.87	—

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2026	249,872	154,988	62.0
As of May 31, 2026	255,350	154,321	60.4

(Reference) Net assets: As of August 31, 2026: ¥154,988 million

As of May 31, 2026: ¥154,321 million

2. Dividend Payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2026	—	45.00	—	48.00	93.00
Fiscal year ending May 31, 2027	—				
Fiscal year ending May 31, 2027 (forecast)		48.00	—	48.00	96.00

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

3. Consolidated Financial Forecast (From June 1, 2026 to May 31, 2027)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending November 30, 2026	262,800	8.6	11,600	4.4	12,200	4.3	8,250	4.6	127.70
Full-year	541,000	8.8	25,300	5.5	26,500	5.0	17,000	0.1	263.15

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

Notes

(1) Significant changes of subsidiaries in the three months ended August 31, 2026: Yes

Newly consolidated: 1 company (company name) YAOFUKU Co., Ltd.

Deconsolidated: — companies (company name(s))

Notes on significant changes in the scope of consolidation during period

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

Notes on application of accounting treatments specific to preparation of quarterly consolidated financial statements

(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

Notes on changes in accounting policies

(4) Issued shares (common shares)

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

Three months ended August 31, 2026	66,819,342 shares	Fiscal year ended May 31, 2026	66,819,342 shares
Three months ended August 31, 2026	2,217,078 shares	Fiscal year ended May 31, 2026	2,217,078 shares
Three months ended August 31, 2026	64,602,264 shares	Three months ended August 31, 2025	64,602,277 shares

(ii) Treasury shares at period-end:

(iii) Average issued shares during period:

Note on issued shares

Review of the attached quarterly consolidated financial statements by a certified public accountant or audit firm: None

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.

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1. Qualitative Information Related to Consolidated Financial Results

(1) Overview of Operating Results

During the first three months of the fiscal year ending May 31, 2027 (June 1, 2026 to August 31, 2026), the Japanese economy continued on a moderate recovery trend supported by improvements in the employment and income environment. However, the outlook remains uncertain due to concerns over a slowdown in personal consumption resulting from continued inflation, heightened geopolitical risks, and uncertainty surrounding U.S. trade policy.

In the drug store industry, the business environment surrounding the Company has become increasingly challenging due to the intensified competition from the aggressive opening of stores by competitors across different sectors and business models, heightened price competition, the trend toward industry consolidation and scale expansion through M&A among major players, the impact of revisions to dispensing fees and drug prices, and changes in legal regulations governing pharmaceutical sales.

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

Drug Stores

During the first three months of the fiscal year ending May 31, 2027, although sales of seasonal merchandise were weak due to adverse weather conditions, including rain and typhoons, net sales in the merchandise sales division remained strong driven by the sustained promotion of the Everyday Low Price (EDLP) strategy. 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, to strengthen the competitiveness of existing stores, we focused on reviewing product assortments to meet customer needs and remodeling stores through floor space expansion and building extensions. As a result, net sales at existing stores continued to exceed the previous year.

During the period, we opened five new drug stores. On the other hand, we closed one store due to expiration of contract. In terms of prescription drug stores, we opened five new in-store prescription drug stores. On the other hand, we closed three in-store prescription drug stores from the standpoint of improving management efficiency.

Furthermore, on June 25, 2026, we acquired all shares of YAOFUKU Co., Ltd., which operates four supermarkets in Ueda City, Nagano Prefecture, making it a consolidated subsidiary, thereby adding four supermarkets.

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. For our paid assisted living facilities and adult day care services, we have put every effort into customer service, which is one of the distinctive characteristics of our Group, while working to expand various services in an effort to increase user satisfaction and improve occupancy rates.

Owing to the efforts above, the number of Group stores as of August 31, 2026, was as follows: 815 drug stores, 13 supermarkets, and five combination drug store/fresh produce stores and 48 dedicated prescription drug stores, for a total of 881 stores. In addition, the Group operates 444 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, net sales for the first three months of the fiscal year ending May 31, 2027 were 129,540 million yen (up 6.5% year on year), operating profit was 5,404 million yen (down 4.1%), ordinary profit was 5,630 million yen (down 4.7%), and profit attributable to owners of parent was 3,788 million yen (down 5.2%).

(2) Overview of Financial Position

Total assets as of August 31, 2026 were 249,872 million yen, down 5,477 million yen from the end of the previous fiscal year. The main factors were an increase of 5,359 million yen in non-current assets, as well as decreases of 4,825 million yen in cash and deposits, 326 million yen in accounts receivable – trade, 1,525 million yen in merchandise, and 4,238 million yen in accounts receivable – other included in other current assets.

Total liabilities as of August 31, 2026 were 94,884 million yen, down 6,144 million yen from the end of the previous fiscal year. The main factors were decreases of 2,360 million yen in accounts payable - trade, 1,705 million yen in accrued income taxes, and 3,786 million yen in accrued expenses included in other current liabilities.

Net assets as of August 31, 2026 were 154,988 million yen, up 667 million yen from the end of the previous fiscal year. The main factors were a 3,100 million yen decrease due to dividends paid and the recording of 3,788 million yen in profit attributable to owners of parent.

(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, 2027 announced on July 13, 2026.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2025 (As of May 31, 2026)	1Q of FY2026 (As of August 31, 2026)
Assets		
Current assets		
Cash and deposits	37,099	32,273
Accounts receivable - trade	20,788	20,461
Merchandise	46,349	44,823
Other	13,764	9,604
Total current assets	118,000	107,163
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	50,917	51,292
Land	42,513	44,281
Other, net	6,182	6,249
Total property, plant and equipment	99,612	101,823
Intangible fixed assets		
Goodwill	884	1,837
Other	551	519
Total intangible assets	1,435	2,356
Investments and other assets		
Long-term loans receivable	9,840	9,816
Leasehold and guarantee deposits	12,792	12,926
Other	13,728	15,848
Allowance for doubtful accounts	(61)	(63)
Total investments and other assets	36,300	38,528
Total non-current assets	137,349	142,709
Total assets	255,350	249,872
Liabilities		
Current liabilities		
Accounts payable - trade	65,474	63,114
Accrued income taxes	3,858	2,153
Accrued bonuses	430	2,121
Provision for bonuses for directors (and other officers)	118	33
Provision for point card certificates	250	260
Asset retirement obligations	6	7
Current portion of bonds payable	100	100
Current portion of long-term borrowings	947	658
Other	20,160	16,455
Total current liabilities	91,347	84,904
Non-current liabilities		
Long-term borrowings	313	294
Net defined benefit liability	3,100	3,213
Asset retirement obligations	4,528	4,686
Provision for loss on subleasing	11	9
Other	1,727	1,776
Total non-current liabilities	9,681	9,979
Total liabilities	101,029	94,884

(Millions of yen)

	FY2025 (As of May 31, 2026)	1Q of FY2026 (As of August 31, 2026)
Net assets		
Equity capital		
Share capital	1,000	1,000
Capital surplus	3,709	3,709
Retained earnings	151,371	152,059
Treasury shares	(2,705)	(2,705)
Total shareholders' equity	153,375	154,062
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46	56
Remeasurements of defined benefit plans	899	869
Total accumulated other comprehensive income	945	925
Total net assets	154,321	154,988
Liabilities and net assets	255,350	249,872

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

First three months of the fiscal year ending May 31, 2027

(Millions of yen)

	1Q of FY2025 (From June 1, 2025 to August 31, 2025)	1Q of FY2026 (From June 1, 2026 to August 31, 2026)
Net sales	121,586	129,540
Cost of sales	90,881	97,142
Gross profit	30,704	32,398
Selling, general and administrative expenses		
Provision for point card certificates	200	260
Salaries and allowances	10,213	11,387
Provision for bonuses	1,972	2,121
Provision for directors' bonuses	27	26
Retirement benefit expenses	166	140
Depreciation and amortization	1,355	1,430
Amortization of goodwill	15	33
Land/office rent	4,698	4,908
Other	6,420	6,685
Total selling, general and administrative expenses	25,070	26,993
Operating profit	5,633	5,404
Non-operating profit		
Interest income	67	92
Dividend income	0	1
Rent income	242	219
Other	69	110
Total non-operating income	381	425
Non-operating expenses		
Interest expenses	—	4
Compensation expenses	0	1
Rental expenses	108	116
Loss on abandonment of goods	—	64
Other	(1)	11
Total non-operating expenses	106	198
Ordinary profit	5,908	5,630
Extraordinary profit		
Subsidy income	22	23
Total extraordinary income	22	23
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on tax purpose reduction entry of non-current assets	22	23
Total extraordinary losses	22	24
Profit before income taxes	5,908	5,630
Income taxes	1,911	1,842
Profit	3,996	3,788
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	3,996	3,788

Consolidated Statement of Comprehensive Income

First three months of the fiscal year ending May 31, 2027

(Millions of yen)

	1Q of FY2025 (From June 1, 2025 to August 31, 2025)	1Q of FY2026 (From June 1, 2026 to August 31, 2026)
Profit	3,996	3,788
Other comprehensive income		
Valuation difference on available-for-sale securities	3	9
Remeasurements of defined benefit plans, net of tax	(29)	(29)
Total other comprehensive income	(26)	(19)
Comprehensive income	3,969	3,768
Comprehensive income attributable to:		
Owners of parent	3,969	3,768
Non-controlling interests	—	—

(3) 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

(Calculation of tax expenses)

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, 2027, including the first three months, after applying tax effect accounting and perform the calculation by multiplying profit before income taxes by the estimated effective tax rate.

Segment information

First three months of the fiscal year ended May 31, 2026 (From June 1, 2025 to August 31, 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.

First three months of the fiscal year ending May 31, 2027 (From June 1, 2026 to August 31, 2026)

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.

Notes on consolidated statements of cash flows

The consolidated quarterly statement of cash flows for the first three months of the fiscal year ending May 31, 2027 has not been prepared. However, depreciation for the first quarter (including depreciation and amortization of intangible assets, excluding goodwill) and the amortization of goodwill are as follows.

	(Millions of yen)	
	1Q of FY2025 (From June 1, 2025 to August 31, 2025)	1Q of FY2026 (From June 1, 2026 to August 31, 2026)
Depreciation and amortization	1,459	1,528
Amortization of goodwill	15	33

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 three months of the fiscal year ending May 31, 2027 were as follows:

Product division	1Q of FY2026 (From June 1, 2026 to August 31, 2026)	
	Amount (millions of yen)	YoY change (%)
Drug Stores		
Medical and health products	32,908	107.6
OTC	15,484	101.2
Prescription drug stores	17,424	114.0
Cosmetics	14,097	101.7
Food products	55,379	105.8
Daily products	18,802	104.1
Other	5,506	102.6
Subtotal	126,693	105.4
Supermarkets	2,153	295.5
Nursing Care		
Paid assisted living facilities	188	102.8
Adult day care services	431	111.4
Subtotal	620	108.6
Revenue from contracts with customers	129,467	106.5
Other revenue (Note)	73	142.6
Total	129,540	106.5

(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 three months of the fiscal year ending May 31, 2027 were as follows:

	1Q of FY2025 (From June 1, 2025 to August 31, 2025)		1Q of FY2026 (From June 1, 2026 to August 31, 2026)	
	Amount (millions of yen)	Share (%)	Amount (millions of yen)	Share (%)
Kanagawa	74,093	60.9	77,444	60.9
Tokyo	16,702	13.6	17,188	13.7
Shizuoka	12,855	10.9	13,458	10.6
Chiba	11,416	9.2	12,131	9.4
Other	6,518	5.5	9,317	5.4
Total	121,586	100.0	129,540	100.0

(2) Purchase results

Purchase results by product division during the first three months of the fiscal year ending May 31, 2027 were as follows:

Product division	1Q of FY2026 (From June 1, 2026 to August 31, 2026)	
	Amount (millions of yen)	YoY change (%)
Drug Stores		
Medical and health products	19,378	107.3
OTC	8,276	97.4
Prescription drug stores	11,102	116.1
Cosmetics	8,172	98.8
Food products	48,267	106.8
Daily products	13,330	107.2
Other	4,158	103.8
Subtotal	93,307	106.1
Supermarkets	1,631	293.6
Nursing Care		
Paid assisted living facilities	—	—
Adult day care services	—	—
Subtotal	—	—
Purchases for revenue from contracts with customers	94,939	107.3
Other revenue	—	—
Total	94,939	107.3