

To Shareholders with Voting Rights

Taizo Hirose
Representative Director and President
CREATE SD HOLDINGS CO., LTD.
2-3-2 Edanishi, Aoba-ku, Yokohama, Kanagawa
225-0014, Japan

Notice of the 25th Ordinary General Meeting of Shareholders

We are pleased to announce that the 25th Ordinary General Meeting of Shareholders of CREATE SD HOLDINGS CO., LTD. (the “Company”) will be held as detailed below.

Please note that in order to prevent the spread of COVID-19, we have decided to hold this meeting on a much more limited scale. We request that all shareholders refrain from attending this year's meeting in person regardless of their health condition, and to exercise their voting rights in advance in writing or via the Internet to the greatest extent possible.

Due to the limited number of seats available, shareholders who wish to attend the meeting in person are requested to register in advance. Souvenirs for shareholders and events such as health counseling meetings will not be available.

For those shareholders who will not be attending the meeting in person, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Thursday, August 25, 2022 (Japan Standard Time, GMT+9), either by indicating your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and returning this form by mail, or by entering your approval or disapproval of each proposal on the voting rights exercise website designated by the Company.

1. **Date and Time** Friday, August 26, 2022, 10:00 a.m. (Reception opens at 9:00 a.m.)
2. **Place** CREATE SD HOLDINGS CO., LTD., Headquarters, 4th floor conference room
2-3-2 Edanishi, Aoba-ku, Yokohama, Kanagawa 225-0014, Japan
In the interest of preventing the spread of COVID-19, the meeting will be held on a limited scale in a conference room at the Company's headquarters.

3. Agenda

Matters to Be Reported

1. Business Report, Consolidated Financial Statements and Audit Reports of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the Fiscal Year Ended May 31, 2022
2. Report on the Non-consolidated Financial Statements for the Fiscal Year Ended May 31, 2022

Matters to Be Resolved

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Three (3) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

- ◎ When attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ Though we ask that shareholders refrain from in-person attendance on the day of the meeting in the interest of preventing the spread of COVID-19, those shareholders wishing to attend in person are required to register in advance. We have set an attendance limit of 80 shareholders in order to mitigate the risk of infection among the attending shareholders and Company employees. Please note that a lottery may be held if pre-registrations exceed this limit.
Pre-registrations must be received by 6:00 p.m. on Thursday, August 18, 2022 (Japan Standard Time) at the email address below. We will notify applicants via email on Friday, August 19, 2022, regarding pre-registration results.
 - Email pre-registrations to: touroku2022@create-sd.co.jp
 - Email subject format: (8-digit shareholder number) ATTENDANCE APPLICATION
 - Information to include in body text: (1) Full name, (2) Postal code, (3) Address
- ◎ Based on the provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation, the following items are posted on the Company's website (<https://www.createsdhd.co.jp/>) (in Japanese only) and are therefore not included in this Notice. Accordingly, the documents attached to this Notice do not comprise the entirety of documents subject to audits by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Audit Report.
 - (1) Systems for Ensuring Appropriate Business Activities and Status of System Operation
 - (2) Notes to the Consolidated Financial Statements
 - (3) Notes to the Non-consolidated Financial Statements
- ◎ Any amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements will be announced on the Company's website (<https://www.createsdhd.co.jp/>) (in Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Disposal of Surplus

The Company proposes payment of dividends with a comprehensive consideration of the consolidated dividend payout ratio and consolidated net asset dividend ratio, from the perspective of paying stable dividends while reflecting business performance levels and returning funds entrusted to us by our shareholders.

For the year-end dividend for the fiscal year ended May 31, 2022, the Company proposes to pay ¥23 per share based on this basic policy.

As a result, the annual dividend for the fiscal year ended May 31, 2022 will be ¥46 per share including the previously paid interim dividend of ¥23 per share. This total represents an increase of ¥2 per share over the previous fiscal year.

Matters on year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the total amount

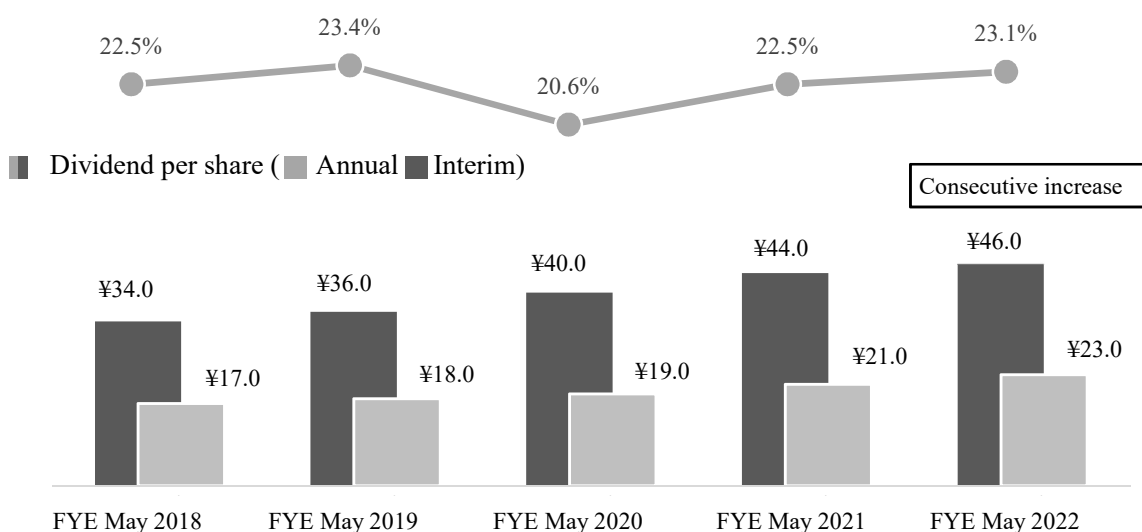
Dividend per share of Company common stock: ¥23

Total dividend payment: ¥1,454,027,501

(3) Effective date for dividends of surplus

August 29, 2022

○ Dividend per share / Consolidated dividend payout ratio



Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for general meetings of shareholders in electronic format.

- (1) Article 16, Paragraph 1 in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for general meetings of shareholders, etc. in electronic format.
- (2) Article 16, Paragraph 2 in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the Amendments

The proposed amendments are as follows:

(Underlined portions indicate changes.)

Pre-amendment Articles of Incorporation	Proposed Amendments
<p><u>(Internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc.)</u> <u>Article 16 When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for electronic provision of information, etc.)</u> <u>Article 16 1 When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2 Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
<p>Supplementary Provisions (Transitional measures concerning exemption of Audit and Supervisory Committee Members from liability) 1-2 (Omitted) (Newly established)</p>	<p>Supplementary Provisions (Transitional measures concerning exemption of Audit and Supervisory Committee Members from liability) 1-2 (No amendment) <u>(Transitional measures concerning electronic provision of materials for general meetings of shareholders)</u> <u>1 Deletion of Article 16 of the pre-amendment Articles of Incorporation (Internet disclosure and deemed</u></p>

	<p><u>provision of reference documents for the general meeting of shareholders, etc.) and new establishment of Article 16 of the Articles of Incorporation (Measures for electronic provision of information, etc.) shall be effective from September 1, 2022, the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2 Notwithstanding the provision(s) of the preceding paragraph, Article 16 of the pre-amendment Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3 These Supplementary Provisions (Transitional measures concerning electronic provision of materials for general meetings of shareholders) shall be deleted after six months have elapsed from the Effective Date or after three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>
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Proposal 3: Election of Three (3) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all current four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply throughout this proposal) will expire at the conclusion of this general meeting of shareholders. Therefore, the Company proposes the election of three (3) Directors.

Candidates for Directors are as follows.

Candidate No.	Name and Other Data	Career Summary / Positions and Responsibilities at the Company (Significant Concurrent Positions)
<p>1</p> <p>Re-election</p>	<p>Hisao Yamamoto</p> <p>Born April 7, 1948</p> <p>Number of the Company's shares owned: 13,973,565</p>	<p>May 1983 Representative Director and President, Midori Drugstore, Limited (currently CREATE SD CO., LTD.)</p> <p>Apr. 1998 Founded Yamamoto, Limited (currently CREATE SD HOLDINGS CO., LTD.)</p> <p> Representative Director and President</p> <p>Aug. 2002 Representative Director and Chairman, CREATE SD CO., LTD. (current position)</p> <p>Oct. 2008 Representative Director and Chairman of the Company (current position)</p> <p>Reasons for nomination as candidate for Director</p> <p>Hisao Yamamoto has led the Group's business and appropriately directed and supervised its management since the establishment of CREATE SD CO., LTD., the Group's major operating company, including laying the foundation for suburban drug stores. He has been nominated as Director in the expectation that he will continue to apply his experience, knowledge, and abilities to the sustainable growth of the Group and the enhancement of its corporate value.</p>

Candidate No.	Name and Other Data	Career Summary / Positions and Responsibilities at the Company (Significant Concurrent Positions)
2 <u>Re-election</u>	<p style="text-align: center;">Taizo Hirose</p> <p>Born May 25, 1958 Number of the Company's shares owned: 68,800</p>	<p>Dec. 1990 Founded Koei Drug Co., Ltd. Representative Director and President</p> <p>Jan. 2007 Representative Director and Vice President, Sumisho Drugstores Inc.</p> <p>Oct. 2007 Representative Director and President, Sumisho Drugstores Inc.</p> <p>June 2011 Joined CREATE SD CO., LTD. Aug. 2011 Director, CREATE SD CO., LTD. Director of the Company</p> <p>Feb. 2012 Director and Vice President of the Company Director and Vice President, CREATE SD CO., LTD.</p> <p>Aug. 2012 Representative Director and President of the Company (current position) Representative Director and President, CREATE SD CO., LTD. (current position) Director, SALON DAY Co., Ltd. (current position)</p> <p>Aug. 2013 Director, WELL LIFE Co., Ltd. (current position)</p> <p>Feb. 2020 Director, YURIGAOKA SANGYO Co., Ltd. (current position)</p> <p>Reasons for nomination as candidate for Director Taizo Hirose has long been involved in corporate management within the drugstore and prescription drug store businesses. As Representative Director of the Company and of CREATE SD CO., LTD., he has demonstrated leadership in the formulation of management visions and the planning and execution of management strategies. He has been nominated as Director in the expectation that he will continue to apply his experience, knowledge, and abilities to the sustainable growth of the Group and the enhancement of its corporate value.</p>

Candidate No.	Name and Other Data	Career Summary / Positions and Responsibilities at the Company (Significant Concurrent Positions)
3 <u>Re-election</u>	<p style="text-align: center;">Shigeto Nakaura</p> <p>Born November 7, 1954 Number of the Company's shares owned: 7,500</p>	<p>Apr. 1978 Joined The Daiei, Inc.</p> <p>Mar. 1997 Area Manager, Tohoku Area, The Daiei, Inc.</p> <p>Apr. 2002 Joined CREATE SD CO., LTD.</p> <p>Sept. 2002 General Manager, Corporate Planning Office, CREATE SD CO., LTD.</p> <p>Aug. 2003 Director and General Manager, Corporate Planning Office, CREATE SD CO., LTD.</p> <p>July 2008 Director, Yamamoto, Limited (currently CREATE SD HOLDINGS CO., LTD.)</p> <p>Dec. 2008 Director and General Manager, Corporate Planning Department of the Company</p> <p>Sept. 2011 Director of the Company (current position) Director and General Manager of Delivery Business Department, CREATE SD CO., LTD.</p> <p>Sept. 2013 Director and Project Leader of Assist Order Promotion Project, CREATE SD CO., LTD.</p> <p>July 2015 Director and Project Leader of Productivity Improvement Project, CREATE SD CO., LTD.</p> <p>Feb. 2016 Director and General Manager of Productivity Improvement Promotion Division, CREATE SD CO., LTD. (current position)</p> <p>Reasons for nomination as candidate for Director Shigeto Nakaura, based on his long experience in the retail industry, has held responsibility for the Group's corporate planning and logistics-related divisions, promoted the introduction of new services and systems, and has otherwise demonstrated his skills in the management and supervision of the Group for many years as a Director. He has been nominated as Director in the expectation that he will continue to apply his experience, knowledge, and abilities to the sustainable growth of the Group and the enhancement of its corporate value.</p>

(Notes) 1. There is no special interest between any of the candidates and the Company.

2. The Company has entered into directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance policy will cover damages and legal dispute fees to be borne by the insured parties if they receive a claim for damages. Each candidate will be included as an insured party in this insurance policy. This is to be updated as necessary.

Proposal 4: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

The Company proposes the election of one (1) Substitute Director who is an Audit and Supervisory Committee Member as a contingency against an insufficient number of Directors who are Audit and Supervisory Committee Members as required by laws and regulations.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for Substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name and Other Data	Career Summary and Significant Concurrent Positions								
Takafumi Harada Born July 21, 1970 Number of the Company's shares owned: —	<table border="1"><tr><td data-bbox="531 517 651 546">Oct. 2000</td><td data-bbox="659 517 1240 562">Registered as an attorney at law Joined Abe, Ikubo & Katayama (current position)</td></tr><tr><td data-bbox="531 573 651 602">Jan. 2007</td><td data-bbox="659 573 1240 618">External Member of Risk Compliance Committee, Top REIT Asset Management Co., Ltd.</td></tr><tr><td data-bbox="531 629 651 658">Jan. 2010</td><td data-bbox="659 629 1240 674">Outside Corporate Auditor, AISAN INFORMATION SYSTEM CO., LTD.</td></tr><tr><td data-bbox="531 685 651 714">June 2022</td><td data-bbox="659 685 1240 763">Outside Director (Audit & Supervisory Committee Member), KUNIMINE INDUSTRIES CO., LTD. (current position)</td></tr></table> Reasons for nomination as candidate for Outside Substitute Director who is an Audit and Supervisory Committee Member and expected roles Takafumi Harada has cultivated expertise and experience as an attorney at law in all aspects of corporate legal affairs, including compliance and risk management, and possesses experience as a corporate auditor at other companies. Therefore, he has been nominated as Substitute Director who is an Audit and Supervisory Committee Member as it has been determined he can utilize these in guidance and audits, etc., regarding management from an objective and neutral perspective.	Oct. 2000	Registered as an attorney at law Joined Abe, Ikubo & Katayama (current position)	Jan. 2007	External Member of Risk Compliance Committee, Top REIT Asset Management Co., Ltd.	Jan. 2010	Outside Corporate Auditor, AISAN INFORMATION SYSTEM CO., LTD.	June 2022	Outside Director (Audit & Supervisory Committee Member), KUNIMINE INDUSTRIES CO., LTD. (current position)
Oct. 2000	Registered as an attorney at law Joined Abe, Ikubo & Katayama (current position)								
Jan. 2007	External Member of Risk Compliance Committee, Top REIT Asset Management Co., Ltd.								
Jan. 2010	Outside Corporate Auditor, AISAN INFORMATION SYSTEM CO., LTD.								
June 2022	Outside Director (Audit & Supervisory Committee Member), KUNIMINE INDUSTRIES CO., LTD. (current position)								

(Notes) 1. There is no special interest between the candidate and the Company.

2. The candidate satisfies requirements for independent officers as stipulated by the rules of the Tokyo Stock Exchange. When the candidate assumes the position of Outside Director, the Company intends to register him as an independent officer with the Tokyo Stock Exchange.
3. If the candidate assumes office as an Outside Director, the Company will enter into a liability limitation agreement with him in accordance with Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The maximum amount of liability for damages under Article 423, Paragraph 1 of the Companies Act based on this agreement shall be the minimum liability amount provided by laws and regulations.
4. The Company has entered into directors and officers liability insurance as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The policy will cover damages and legal dispute fees to be borne by the insured parties if they receive a claim for damages. If the candidate assumes office as an Outside Director, he will be included as an insured party in this insurance policy.

Reference

The Company's Outside Directors, one of which is a woman, are not only familiar with the Group's business but also possess a wealth of specialized knowledge and experience in management at other companies. These Outside Directors comprise a majority of Directors who are Audit and Supervisory Committee members, and independent Outside Directors are involved in the management of the Company from the same perspective as a stakeholder would be. In addition, with respect to nominating Directors, the Nomination and Remuneration Committee deliberates on the basic policy for Director nominations, and the Board of Directors select candidates and makes resolutions on the basis of the report from the committee, thereby ensuring balance and diversity among the Board of Directors overall.

The following table presents the skill matrix of the knowledge, experience, and abilities of each Director.

Director skill matrix as of the end of the General Meeting of Shareholders (tentative)

Name	Title	Gender	Expertise and experience					
			Management	Sales and Marketing	Finance and Accounting	Legal Affairs and Risk Management	Human Resources and Labor Affairs	Healthcare
Hisao Yamamoto	Representative Director and Chairman	Male	✓	✓				✓
Taizo Hirose	Representative Director and President	Male	✓	✓				✓
Shigeto Nakaura	Director	Male	✓	✓				
Shuichi Baniwa	Director, Audit and Supervisory Committee Member	Male			✓	✓		
Yukio Hara	Outside Director Audit and Supervisory Committee Member	Male	✓	✓			✓	
Yoko Anpo	Outside Director Audit and Supervisory Committee Member	Female				✓		✓

- The table above shows areas in which each Director can demonstrate a higher level of expertise based on their experience, etc., and is not a comprehensive list of all knowledge they possess.