

November 14, 2008

Company name	CREED Corporation
Ticker	8888 (Listed on First Section of Tokyo Stock Exchange)
Representative name	Toshihiko Muneyoshi Representative Director & President
Contact	Takeshi Sugahara, Director TEL+81-3-3500-3300

Notice Regarding Results of FSA Inspection on Subsidiary

We hereby announce that Creed REIT Advisors, Inc., our 80% subsidiary which manages CREED OFFICE Investment Corporation, a J-REIT, today was notified of the results of the inspection by the Financial Services Agency (FSA). Please see the attached for details.



November 14, 2008

For Immediate Release

REIT Issuer

CREED OFFICE Investment Corporation
3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo
Name of representative: Executive Director Hideya Yamanaka
(Code number: 8983)

Asset Management Company

Creed REIT Advisors, Inc.
Name of representative: President Hideya Yamanaka
Contact: GM, Finance Hisayoshi Towata
(Tel: 03-3539-5943)

Notice of Results from Inspection by the Securities and Exchange Surveillance Commission

CREED OFFICE Investment Corporation (the “Investment Corporation”) and Creed REIT Advisors, Inc. (the “Asset Manager”), to which the Investment Corporation entrusts its asset management operations, announces that the results from the inspection by the Securities and Exchange Surveillance Commission (SESC), conducted by the SESC from the middle of March 2008, have been received. The results received today stated that the SESC had recommended to the Prime Minister and Commissioner of the Financial Services Agency that administrative disciplinary action should be taken against the Asset Manager for violation of the duty of care of a good manager.

The Asset Manager earnestly accepts this inspection result and pledges that the company as a whole will do its utmost to prevent the reoccurrence of the specified issues by diligently striving to comprehensively spread awareness concerning compliance within the entire company and to further reinforce the corporate governance system.

The following is an overview of the violations of the duty of care of a good manager that were specified in the recommendation and the policy of the Investment Corporation as countermeasures. The detailed content of the recommendation are presented on the SESC website at <http://www.fsa.go.jp/sesc/index.htm>. Please refer to the website for details.

- Specified point 1. The standards specified in the investment policy for when acquiring a property using asbestos were not properly satisfied in the acquisition of a property that had used asbestos.
- Specified point 2. An asset was acquired by the Investment Corporation without considering that there would not be rental revenues during the period of renovations and additions to the structure.

The following are the countermeasures that have already been put in place regarding the above specified points and the countermeasures to be put in place hereafter.



Countermeasure 1. Securing fairness and transparency in obtaining appraisal reports in the acquisition of properties and at the end of fiscal periods

(1) A decision has been made to limit the appraisal firms used when appraising properties in the acquisition of properties and appraisals at the end of fiscal periods in order to heighten fairness and transparency in obtaining appraisal reports. The three firms to which appraisals are steadily being shifted are Japan Real Estate Institute, Tanizawa Sogo Appraisal Co., Ltd. and Daiwa Real Estate Appraisal Co., Ltd. A system has also been established for periodically conducting general evaluations of the internal systems of the above appraisal firms and their appraisal processes, and, when necessary, to review the appraisal firms used.

(2) A system where second opinions (a system in which the subject appraisal has a report filed on it regarding verifications of the rationality of the appraisal value calculation process and the pricing level by a third party institution) are obtained for appraisals related to transactions with interested parties will be decided upon shortly to improve accountability regarding the appropriateness of the acquisition price.

Countermeasure 2. Establishing checklists for ensuring that proper decisions are made in the acquisition of properties

An Engineering Report Check-sheet and Appraisal Check-sheet have been established to serve as tools for ensuring proper decisions are made when acquiring a property. These tools were established after the indicated property was acquired.

Countermeasure 3. Establishing asbestos management procedures

An asbestos management procedures were established in July 2006 after the indicated property was acquired and the procedures are being followed.

Countermeasure 4. Completing asbestos investigations of portfolio properties

As of the end of August 2008, all properties in our portfolio with the possibility of asbestos have been investigated for asbestos by a company specializing in asbestos. The investigation results confirmed that there are presently no properties requiring work or other countermeasures to be instituted.

Countermeasure 5. Reinforcing the functions of our compliance system

Previously the Compliance Officer concurrently served as the Head of Internal Audit Department, but a dedicated Internal Audit Department Head and a dedicated Compliance Officer have been appointed to further heighten the compliance system.

Countermeasure 6. Determining the parties paying for expenses

The Investment Corporation plans to mediate among related companies to promptly determine the expenses that should be paid by the Asset Manager.

In addition to the above countermeasures, formal reoccurrence prevention measures will be decided in the future following sufficient discussions with governing governmental offices with regards to additional improvement measures to accelerate the further execution of improvement measures.

Further, the overall image of the improvement measures will be disclosed anew after submitting a business



improvement plan to the governing governmental offices.

- We deeply regret the great trouble and concern caused to our investors and related parties, and our entire staff is united in our commitment to meeting the expectations of our investors.

* This document is being distributed today to the Kabuto Club (the press club of the TSE) as well as to the press club for the Ministry of Land, Infrastructure, Transport and Tourism and the press club for specialty construction newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

* Website of the Investment Corporation: <http://www.creed-office.co.jp/eng/>

* This English notice is a translation of the original Japanese notice and is provided solely for informational purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.