

November 14, 2008

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Ticker 8888
(Listed on First Section of Tokyo Stock Exchange)
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Announcement on Revised Forecasts for FY May '09 Earnings and Dividend

1. Revision of Earnings Forecasts for FY May '09

(Yen m)

	Gross Revenue	Operating Profit	Ordinary Profit	Net Profit
Previous Forecasts (A) (As of July 9, 2008)	80,000	9,600	7,900	2,800
Revised Forecasts (B)	27,000	-5,000	-8,000	-11,000
Difference (B-A)	-53,000	-14,600	-15,900	-13,800
Difference (%)	-66.3	-152.1	-201.3	-492.9
Actual for FY May '08	42,300	8,867	7,395	2,774

The business environment has gone through significant changes over the past year, such as decrease in availability of debt capital and lowering of liquidity of real estate. Looking at the recent months, we have seen further events and trends with major impacts, including global financial crisis and significant economic slowdown in many parts of the world.

We have aimed to adjust ourselves to such changing environment; our initiatives include compression of balance sheet and preparation of our second flagship fund, Creed Real Estate Partners II (CREP II). However, we have not been as successful as we should have been in such an attempt. The management fully recognizes the accountability for this.

In reviewing our earnings forecasts for FY May '09, we took a very conservative approach and assumed that we would not be able to sell properties within the fiscal year for which we had no potential buyers who had submitted letters of intention. This resulted in lowered gross revenue forecast. Our profits are expected to be significantly reduced due to capital loss and increased write-down under the challenging market conditions. For FY May '09, we expect to record write-down on properties of JPY 13.3 billion, of which 10.8 billion recorded as COGS and 2.5 billion as extraordinary loss.

Finally, we note that closing of fund raising for the second flagship fund, CREP II, is expected to be delayed due to the recent turmoil in the financial markets.

2. Revision of Dividend Forecast for FY May '09

Unfortunately, we are distributing no dividend for FY May '09 since our updated forecasts are to make a significant net loss as described above.

(Yen)

	Dividend per Share		
	Mid-year	Year-end	Total
Previous Forecast (As of July 9, 2008)	-	2,000	2,000
Revised Forecast	-	0	0
Actual for May '09	-		
Actual for May '08	-	2,000	2,000

Please note that the dividend per share, or lack thereof, is to be approved at the annual shareholders' meeting scheduled in late August 2009.

3. Our Initiatives

Unfortunately, we expect the Japanese real estate market to remain challenging. Under such conditions, we will continue to work to improve the value of our real estate assets, while we will also aim to dispose them. Our attempts to compress our balance sheet also include withdrawal from hotel management business in Japan and investments in German and South Korean real estate assets.

On our real estate fund business which centers on Creed Real Estate Partners, our priority is to maintain and improve the value of the properties in the portfolio until the scheduled exits.

Finally, we will introduce a restructuring program which includes, but is not limited to, a special retirement program and office relocation. (For details, please see our disclosure material "Notice Regarding a Restructuring Program" as of today.)