

December 5, 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 Administrative Order on Subsidiary

This is to notify that the Financial Services Agency (FSA) today issued an administrative order on Creed REIT Advisors, Inc. (CRAS), our 80% subsidiary which manages CREED OFFICE Investment Corporation (COI), a J-REIT, based on Article 51 of the Financial Instruments and Exchange Act (FIEA).

The administrative order does not affect the asset management services of COI by CRAS in any way. CRAS will take actions to ensure compliance of relevant laws and regulations and to improve internal management.

As the parent company of CRAS, we take it seriously that CRAS received an administrative order from FSA. We will work to improve the group wide internal management as well as compliance standards.

For details of the order, please see the press release by COI/CRAS attached to this announcement.



December 5, 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 Business Improvement Order from the Financial Services Agency

CREED OFFICE Investment Corporation (the “Investment Corporation”) announces that Creed REIT Advisors, Inc. (the “Asset Manager”), to which the Investment Corporation entrusts its asset management operations, today received a business improvement order from the Commissioner of the Financial Services Agency (FSA) pursuant to Article 51 of the Financial Instruments and Exchange Law, as described below. Prior to this, on November 14, 2008, the Asset Manager received the results from the inspection by the Securities and Exchange Surveillance Commission (SESC), which had recommended to the Prime Minister and Commissioner of the FSA that administrative disciplinary action should be taken against the Asset Manager.

Concerning the SESC’s recommendation dated November 14, please refer to the “Notice of Results from Inspection by the Securities and Exchange Surveillance Commission” announced by the Investment Corporation on the same date. The detailed content of the business improvement order issued today is presented on the FSA website at <http://www.fsa.go.jp/en/index.html>.

While the Asset Manager has already put some countermeasures in place in order to assure improvement, as stated in the abovementioned Notice of November 14, it will hereafter consult with the FSA thoroughly and submit a business improvement plan to the FSA as soon as possible. The Asset Manager is determined to reinforce its operational systems and work to regain trust from investors and related parties by immediately carrying out the plan.

Furthermore, the Investment Corporation will make an announcement when the business improvement plan has been submitted to the FSA.

We heartily apologize to our unitholders, investors and related parties for causing a great concern and disturbance by the Asset Manager’s becoming subject to the administrative disciplinary action. We at the Investment Corporation and the Asset Manager earnestly accept the administrative disciplinary action, and will diligently



commit ourselves to ensuring full compliance as well as reconstruction and reinforcement of our internal control systems to prevent the reoccurrence of the specified issues. By doing so, we will do our utmost to regain trust and all the more to meet the expectations placed in us.

Details

1. Content of the Business Improvement Order

- (1) In order to realize fair and appropriate business operations as an investment manager, the Asset Manager shall clarify its management stance concerning compliance, construct a compliance system and internal control system under the responsibility of its top management, and review the operational practices to assure implementation of these measures.
- (2) In terms of acquisition and management of assets to be owned by the Investment Corporation, the Asset Manager shall construct a system that should confirm the validity of materials submitted to real estate appraisers and ensure that the materials are reflected in the appraisals, thereby allowing property acquisitions based on appropriate appraisal values.
- (3) The Asset Manager shall establish and implement effective measures to prevent recurrence, and clarify the locus of responsibility.
- (4) The Asset Manager shall submit a business improvement plan on the above three items in writing by Tuesday, January 13, 2009 and immediately implement the plan.

2. Facts Underlying the Order

“Violations of the duty of care of a good manager concerning asset acquisition, etc. from interested parties”

Concerning management of assets based on the asset management consignment agreement concluded with the Investment Corporation, the Asset Manager conducted acquisition of assets for the Investment Corporation in March 2006 from interested parties including the Asset Manager’s parent company. With regard to one of the assets, the Asset Manager neglected to satisfy the standards specified in the Asset Manager’s investment policy concerning acquisition of a property using asbestos and other requirements. This resulted in forcing the Investment Corporation to make unnecessary expenditures. In addition, for another property among the said assets, the Asset Manager made an acquisition for the Investment Corporation without considering that there would be no rental revenues during the period of renovations and additions to the structure.



These actions made by the Asset Manager for the Investment Corporation are recognized to constitute a violation of Article 34-2-2 of the Investment Trust and Investment Corporation Law (prior to the revision by the 2006 Law No. 65) that stipulates that “an investment trust management company to which the management of an investment corporation is entrusted shall conduct asset management services for said investment corporation with the care of a good manager.”

- * 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.