

July 26, 2005

To whom it may concern

Company name	Creed Corporation
Representative name	Representative director Toshihiko Muneyoshi
Code number	8888 First Section of Tokyo Stock Exchange
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### Notice of Stock Options (New Share Subscription Rights)

Creed Corporation is pleased to announce that a meeting of the Board of Directors held on July 26, 2005 resolved to submit an agenda that seeks approval for the issuance of new share subscription rights as stock options to the ordinary general meeting of shareholders of the Company, scheduled to be held on August 26, 2005, pursuant to Article 280-20 and Article 280-21.

### NOTES

#### 1. Reasons for the issuance of new share subscription rights with particularly favorable terms

The new share subscription rights will be issued to directors, employees and corporate advisors of the Company and its subsidiaries based on the details described in Item 2 below, for the purpose of further raising their sense of participating in the management of the Creed Group and increasing their morale and motivation to improve consolidated business performance.

#### 2. Details of issuance of new share subscription rights

##### (1) Class and number of shares for the new share subscription rights

The upper limit shall be 3,000 shares of the Company's common stock.

The number of shares of common stock of the Company for each new share subscription rights (hereinafter called the "granted number of shares") shall be one.

However, if the Company conducts a stock split or a combination of shares of its common stock after the date of issuance of the new share subscription rights (hereinafter called the "issuance date"), the granted number of shares shall be adjusted by the calculation formula described below (with fractions of one share discarded), and the total number of shares for the new share subscription rights shall be calculated by multiplying the adjusted granted number of

shares by the total number of new share subscription rights that are not yet executed or retired at that time.

Adjusted granted number of shares = Unadjusted granted number of shares × Ratio of stock split or Ratio of combination of shares

If the Company conducts a merger, a corporate division, a decrease in capital or other actions that will require an adjustment of the granted number of shares, the granted number of shares shall be adjusted within reasonable scope, taking into consideration the nature of the merger, the corporate division, and the decrease in capital, etc., and the total number of shares for the new share subscription rights shall be calculated by multiplying the adjusted granted number of shares by the total number of new share subscription rights that are not yet executed or retired at that time.

(2) Total number of new share subscription rights

3,000 rights shall be the upper limit.

(3) Offer price of the new share subscription rights

The new share subscription rights shall be issued for no consideration.

(4) Amount to be paid upon the exercise of new share subscription rights

The amount to be paid when the new share subscription rights is exercised shall be calculated by multiplying the amount paid per share of the shares to be issued or transferred upon the exercise of the new share subscription rights (hereinafter called the “amount paid”) by the granted number of shares.

The amount paid shall be the higher of the following: (1) the amount obtained by multiplying the average price of daily closing prices of common stocks of the Company in the regular transaction at the Tokyo Stock Exchange during the trading days (excluding days without a closing price) in a preceding month of the month to which the issuance day belongs (hereinafter called the “closing price”) by 1.05 (round up to one yen) or (2) the closing price of the issuance day (in case that a transaction is not effected, the closing day of latest preceding day).

When any of the following events occurs after the issuance date, the amount paid shall be adjusted.

If the Company carries out a stock split or a combination of shares for its common stock, the amount paid shall be adjusted by the calculation formula below and round up the resulting decimals to one yen.

$$\text{Adjusted amount paid} = \text{Unadjusted amount paid} \times \frac{1}{\text{Ratio of stock split or Ratio of combination of shares}}$$

If the Company issues new shares or disposes of treasury stocks at price below the market value for its common stock (excluding the execution of new share subscription rights and the execution of warrant rights pursuant to Article 280-19 of the Commercial Code of Japan before the introduction of the Partial Amendment of the Commercial Code (Law No. 128, 2001)), the amount paid shall be adjusted by the calculation formula below, and the resulting decimals shall be rounded up to one yen.

$$\text{Adjusted amount paid} = \frac{\text{Unadjusted amount paid} \times \text{Number of issued shares} + \text{Number of new shares} \times \text{Amount paid per share}}{\text{Market price} / \text{Number of issued shares} + \text{Number of new shares}}$$

In the formula above, “Number of issued shares” means the number obtained by subtracting the total number of treasury stock that the Company holds from the total number of the Company’s shares outstanding. When treasury stock is disposed of, “Number of new shares” shall be replaced by “Number of disposed treasury stock.”

If the Company conducts a merger, a corporate division, a decrease in capital or other actions which will need the adjustment of the amount paid, the amount paid shall be adjusted within a rational range, taking into consideration the conditions of the merger, the corporate division, and the decrease in capital, etc.

(5) Exercise period for the new share subscription rights

The exercise period of the new share subscription rights shall be between August 27, 2007 and August 31, 2011.

(6) Other terms for the exercise of the new share subscription rights

Partial exercise of the new share subscription rights may not be allowed.

(7) Causes and conditions for the retirement of the new share subscription rights

The Company may retire the unexecuted new share subscription rights which the Company has acquired and holds anytime free of charge.

The company may retire the unexecuted new share subscription rights free of charge, when any of the following proposals is resolved at a general meeting of shareholders of the Company: (1) an approval of a merger by which the Company becomes an expired corporation, and (2) an approval of a stock exchange or a stock transfer by which the Company becomes a wholly-owned subsidiary.

(8) Restriction on the transfer of the new share subscription rights

The transfer of the new share subscription rights shall require the approval of the Board of Directors of the Company.

(9) Detailed matters

Detailed matters concerning the new share subscription rights shall be determined by a resolution at a meeting of the Board of Directors of the Company.

End