

May 23, 2006

To whom it may concern

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Resolution Concerning Basic Policies on the Establishment of Internal Control Systems

Creed Corporation is pleased to announce that a meeting of the Board of Directors held on May 23, 2006 decided on basic policies for the establishment of internal control systems. Details are as follows.

Details

Creed Corporation (hereinafter referred to as “the Company”) shall establish systems required to ensure that the execution of duties by directors is compliant with laws and regulations and the Articles of Incorporation and shall also establish the systems set out under the Ministry of Justice Ordinances that are required to ensure that the operations of the Company are conducted properly. The details of these systems are as follows:

1. Systems for ensuring that the execution of duties by directors and employees* is compliant with laws and regulations and the Articles of Incorporation
 - (1) The Company shall maintain Compliance Standards and shall establish a compliance system to ensure that directors and employees comply with laws and regulations and the Articles of Incorporation.
 - (2) The Executive Officer in charge of compliance shall oversee compliance, and the division in charge of compliance shall ascertain the state of compliance across the organization.
 - (3) In order to ensure that compliance is thoroughly upheld, the division in charge of compliance shall, in conjunction with other divisions, formulate and maintain Compliance Manual, and shall also provide guidance and training as required.
 - (4) The Company shall maintain points of contact both within and outside the Company to which employees can report information in relation to suspected acts of non-compliance with the Whistleblower Protection Standards, and shall bolster the effectiveness of compliance through early detection of problems.
 - (5) The division in charge of internal audits shall conduct audits on the state of compliance in each division.
 - (6) The Executive Officer in charge of finance and accounting shall establish and maintain supervision and

monitoring systems to ensure the appropriateness of financial reporting.

*Employees shall refer to the Company's regular employees, temporary or dispatched workers working under the supervision and command of the Company, and any workers of employers that carry out work under subcontracting agreements or any other such agreement with the Company.

2. Systems relating to the retention and management of information relating to the execution of work duties by directors.
 - (1) The Company shall maintain Document Management Standards and appoint the Executive Officer in charge of document management to oversee the operations.
 - (2) The Executive Officer in charge of document management shall maintain systems for the retention and management of information relating to the execution of duties in accordance with the Document Management Standards, as well as systems for ensuring the availability of documents upon requests by directors and auditors.

3. Standards and systems concerning the management of risks of loss
 - (1) The Company shall maintain Risk Management Standards, and each division, being responsible for the risks associated with the operations they are in charge of, shall continually monitor these individual risks.
 - (2) The Executive Officer in charge of risk management shall oversee risk management and the division in charge of risk management shall ascertain the state of risk management across the organization.
 - (3) In accordance with the Risk Management Standards, the Company shall establish procedures for the prompt and appropriate communication of information and implementation of emergency responses in the event that a serious risk arises. In the event that such risk does eventuate, then the Emergency Headquarters will oversee crisis management to ensure the maintenance and continuance of operations and the smooth restoration of operations in accordance with the Disaster Response Plan and Risk Management Manual.
 - (4) Each division responsible for particular risks and the division responsible for risk management shall work together in identifying risk management issues and in promoting countermeasures for such, while the division in charge of risk management shall verify the state of risk management in each division and evaluate the effectiveness of such.
 - (5) The division in charge of risk management shall report to the Board of Directors on the results of their verification of the state of risk management and evaluation of the effectiveness of such on a regular basis, and shall take the necessary corrective actions and make the necessary improvements.

4. Systems to ensure that directors execute their duties efficiently
 - (1) The Board of Directors shall hold an ordinary board meeting once a month, where they shall decide on important management matters and monitor the execution of operations. In addition, external directors that do not have an interest in the Company shall be appointed, whose function shall be to oversee the execution of duties by directors.
 - (2) Directors responsible for each business shall decide on systems for the effective execution of operations,

as well as concrete measures and the delegation of authority.

- (3) Monthly results shall be promptly reported to the director in charge of each division and the Board of Directors using the information systems for such, and in the event of any deviation of the progress of business from the business plan, the cause of such shall be analyzed, and the directors in charge shall improve concrete measures and systems for the effective execution of duties.

5. Systems for ensuring that the Company and the Creed group companies carry out operations appropriately

- (1) The Creed group shall establish a common corporate philosophy and shall seek to foster a spirit of compliance that unites directors and employees within the group.
- (2) The Company shall appoint an Executive Officer to be in charge of each business, and shall monitor the state of the establishment and management of systems to ensure that operations are carried out appropriately within the group.
- (3) The Company and the group companies shall strengthen collaboration to establish and manage compliance systems, risk management systems, and other internal control systems.
- (4) The Company shall establish an information communication system to ensure that operations are carried out appropriately across the group.
- (5) The Company's Internal Audit Office shall collaborate with the group companies to conduct internal audits of the Company and each of the group companies, and shall report on the results of such to the Representative Directors and Executive Officers in charge of each division, while the Executive Officers will implement improvement measures as required.

6. Matters relating to employees that auditors have requested be appointed to assist them with their duties and matters relating to such employees being independent from directors

When requested by auditors to appoint employees to assist auditors with their duties, directors shall meet such request, and shall ensure that they remain independent from other employees.

7. Systems for directors and employees to report to the Board of Auditors and other systems relating to reporting to the Board of Auditors

Directors and employees shall report to the Board of Auditors on any matters that could potentially incur significant damages to the Company and on serious matters in relation to the execution of duties by directors that are in violation of laws and regulations or the Articles of Incorporation, as well as any other matters that need to be reported for the Board of Auditors to carry out their duties (as specified in the Audit Standards for Auditors).

8. Other systems for ensuring that audits are carried out effectively by auditors

The Representative Directors and others shall hold meetings with auditors on a regular basis to exchange opinions on issues that need to be addressed by the Company, the risks the Company faces, the state of the environment in place for auditors to carry out audits, and important issues relating to audits.