

To whom it may concern

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Announcement Concerning Stock Options Via New Share Subscription Rights

Creed Corporation (the “Company”) hereby serves notice that at the meeting held on June 27, 2004 its Board of Directors approved a resolution to submit a proposal at the Company’s General Meeting of Shareholders, to be held on August 27, 2004, to grant new share subscription rights to be issued as stock options without charge pursuant to Article 280-20 and Article 280-21 of the Commercial Code of Japan.

Description

1. Reason for granting new share subscription rights at preferential terms

New share subscription rights are being granted as stock options to the directors and employees to further raise their sense of participation in the management of the Company and to motivate them to improve business results.

2. Details new share subscription rights

(1) The persons who are granted new share subscription rights

Directors and employees of the Company (hereinafter “Qualified Persons”)

(2) Type and number of shares to be issued or transferred upon exercise of new share subscription rights

A maximum of 1,000 shares of common stock of the Company

In the event that the Company’s shares are split or consolidated, the number of issued or transferred shares shall be adjusted according to the following formula. However, the adjustment in question shall only be made with respect to new share subscription rights that have not been exercised at the time in question, and the Company shall round off any fractional shares that occur as a result of the adjustment.

No. of share after adjustment =

No. of shares before adjustment x ratio of stock split or consolidation

In addition to the above, in the event that the number of shares to be issued or transferred upon exercise of new share subscription rights need to be adjusted because, for example, the Company is involved in a merger with another company and the new share subscription rights in question are taken over, or the Company carries out a stock swap with another company and becomes a 100% parent company, or the Company is involved in a spin-off, or the Company carries out a capital reduction, the Company shall carry out adjustment of the number of shares deemed necessary.

(3) Total number of new share subscription rights to be issued

Maximum of 1,000 rights

Number of shares of the common stock of the Company to be issued or transferred for each new share subscription right: 1 share. However, this shall be similarly adjusted if the Company has adjusted the number of shares as set out in (2).

(4) Issue price of new share subscription rights

No consideration shall be paid.

(5) Amount to be paid for exercise of a new share subscription right

The amount to be paid upon the exercise of one new share subscription right shall be the amount obtained when the amount to be paid per share determined as follows (“the exercise price”) is multiplied by the number of shares to be issued or transferred upon the exercise of one new share subscription right as set out in (3).

The exercise price shall be the amount obtained by multiplying by 1.05 the average of the daily closing prices of the Company’s stock posted in ordinary trading by the Tokyo Stock Exchange each day (excluding days when no actual trading took place) in the month preceding the month in which the new share subscription rights are issued, with fractions less than one yen discarded. However, if the amount is less than the closing price on the day preceding the day on which the new share subscription rights are issued (if no actual trading took place, the closing price on the day directly preceding that), the exercise price shall be that closing price.

If the Company’s shares are split or consolidated, the exercise price shall be adjusted according to the following formula, and any fractions less than one yen arising as a result of the adjustment shall be rounded to the nearest whole number.

Paid-in amount before adjustment =

Paid-in amount after adjustment x $\frac{1}{\text{Ratio of stock split or consolidation}}$.

Moreover, in cases where there is cause to adjust the exercise price, for example, if the Company is involved in a merger with another company and the new share subscription rights in question are taken over, or if the Company carries out a stock swap with another company and becomes a 100% parent company, or if the Company is involved in a spin-off, or if the Company carries out a capital reduction, the Company shall adjust the exercise price as deemed necessary.

(6) Exercise period

From August 27, 2006 to August 31, 2008

(7) Conditions of exercise

① The Qualified Persons shall be required to be a director, auditor or employees of the Company or a subsidiary of the Company when they exercise their rights. However, this shall not apply in the event of retirement due to expiry of term of office, mandatory retirement or any other similarly reasonable grounds.

② The heirs of Qualified Persons shall not be allowed to exercise new share subscription rights.

③ Other terms and conditions shall be determined by resolution of a meeting of the Board of Directors.

(8) Events and conditions for cancellation of new share subscription rights

① Subject to approval at a shareholders' meeting, the Company shall be entitled to retire the new share subscription rights without compensation in the event of a merger agreement in which the Company is the entity to be liquidated, or in the event of an exchange of stock or stock transfer in which the Company becomes a wholly owned subsidiary of another entity,.

② If Qualified Persons no longer satisfy the terms and conditions for exercising rights prescribed in (7), the Company shall be allowed to cancel such new share subscription rights without compensation.

(9) Restrictions on transfer of new share subscription rights

Any transfer of new share subscription rights shall be subject to the approval of the Board of Directors.

(10) Details

Details concerning new share subscription rights shall be determined by a resolution of a meeting of the Board of Directors.