

# Consolidated Financial Statements for the Term Ending May 2006



July 10, 2006

Name of Listed Company: CREED Corporation

Exchange: First Section of Tokyo Stock Exchange

Code: 8888

Prefecture of Head Office: Tokyo

(URL <http://www.creed.co.jp>)

Representative name: Representative director Toshihiko Muneyoshi

Contact: Executive Director, Finance and Account Manager Takeshi Sugahara TEL. (03) 3500-3300

Date of Board Meeting for Book Closing: July 10, 2006

Are U. S. accounting standards adopted: No

## 1. Consolidated results for the term ending May 2006 (From June 1, 2005 to May 31, 2006)

### (1) Consolidated financial results \* Amounts are rounded off to millions.

	Sales		Operating profit		Ordinary profit	
	Million yen	%	Million yen	%	Million yen	%
Term ending May 2006	22,959	(90.6)	7,424	(111.3)	6,473	(118.4)
Term ending May 2005	12,047	(16.8)	3,513	(60.2)	2,964	(64.4)

	Net profit		Net profit per share	Fully diluted net profit per share	Return on equity	Ordinary profit margin on total assets	Ordinary profit margin on sales
	Million yen	%	Yen	Yen	%	%	%
Term ending May 2006	4,167	(95.4)	24,885.98	24,652.81	26.1	10.7	28.2
Term ending May 2005	2,133	(104.8)	13,471.20	13,389.93	19.1	9.9	24.6

- (NOTE) (1) Gain or loss from equity method investment: a gain of 12 million yen for the accounting term ending May 2006, and no gain/loss for the accounting term ending May 2005
- (2) Average number of shares during term: 167,474 shares for the accounting term ending May 2006, and 158,340 shares for the accounting term ending May 2005
- (3) Change in accounting method: No change was made during the term ending May 2006.
- (4) Percentages shown for sales, operating profit, ordinary profit, and current profit indicate the rate of increase or decrease compared to the term in the previous year.

### (2) Consolidated financial conditions

	Total assets	Net worth	Net worth ratio	Net worth per share
	Million yen	Million yen	%	Yen
Term ending May 2006	83,914	17,887	21.2	106,577.38
Term ending May 2005	36,980	14,141	38.2	84,771.44

(NOTE) Number of outstanding shares at end of term (on a consolidated basis): 167,863 shares for the accounting term ending May 2006, and 166,816 shares for the accounting term ending May 2005

### (3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Closing balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Term ending May 2006	△39,050	△1,691	40,765	4,628
Term ending May 2005	△7,976	525	9,577	4,595

### (4) Matters concerning the scope of consolidation and the application of the equity method

Number of consolidated subsidiaries: 17, number of non-consolidated equity method companies: 0, number of affiliated equity method companies: 1

### (5) Change in the scope of consolidation and the application of the equity method

Number of newly consolidated companies: 9, Number of companies excluded from consolidation: 1, Number of companies newly subject to the equity method: 1, Number of companies excluded from application of the equity method: 0

## 2. Forecast consolidated results for the term ending May 2007 (June 1, 2006 to May 31, 2007)

	Sales	Ordinary profit	Net profit
	Million yen	Million yen	Million yen
Interim	15,000	5,000	2,950
Full year	29,000	7,000	4,500

(Reference) Forecast current profit per share (full year): ¥26,807.58

\* The forecast results in the materials and the appendixes have been produced based upon information available as of the date these materials and appendixes were released. This means that it is possible that actual results will differ from the forecast numbers because of material factors.

For further information about the forecast consolidated results mentioned above, please see Page 6 of the appendix.