



June 2006 – August 2006

Overview of Consolidated First Quarter Results for the 11th Term (Year ending May 2007)

October 5, 2006

CREED CORPORATION

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Sales / Gross Profit on Sales

[Sales: YoY]

+110.8%

Half-year forecast: 15,000 million yen

[Gross Profit on Sales: YoY]

+183.5%

[Breakdown of gross profit sales by segment] (Unit: million yen)

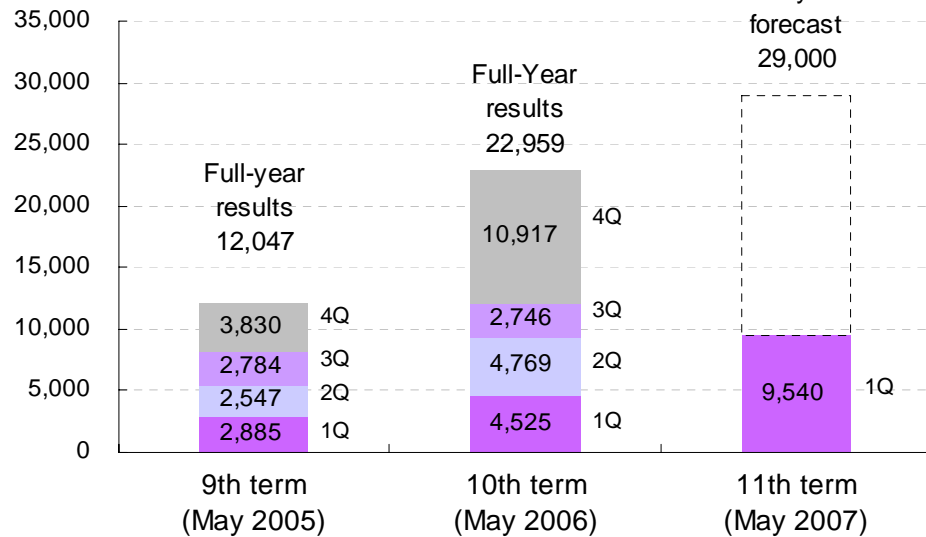
		10th term 1Q	11th term 1Q	Difference
Fund	Dividends	384	575	191
	Bridge (rents, etc.)	138	374	235
	AM fees, etc.	598	590	-7
	Incentive fees	104	3,630	3,525
	Subtotal	1,225	5,171	3,945
Real Estate Investment	Rent	299	353	53
	Sales	433	400	-32
	Subtotal	732	753	21
Due Diligence		94	39	-54
Solutions		35	4	-31
Debt Investment		21	0	-22
Total		2,111	5,969	3,858

*The figures above have been calculated after giving consideration to internal transactions, and therefore not consistent with the totals shown on the graph.

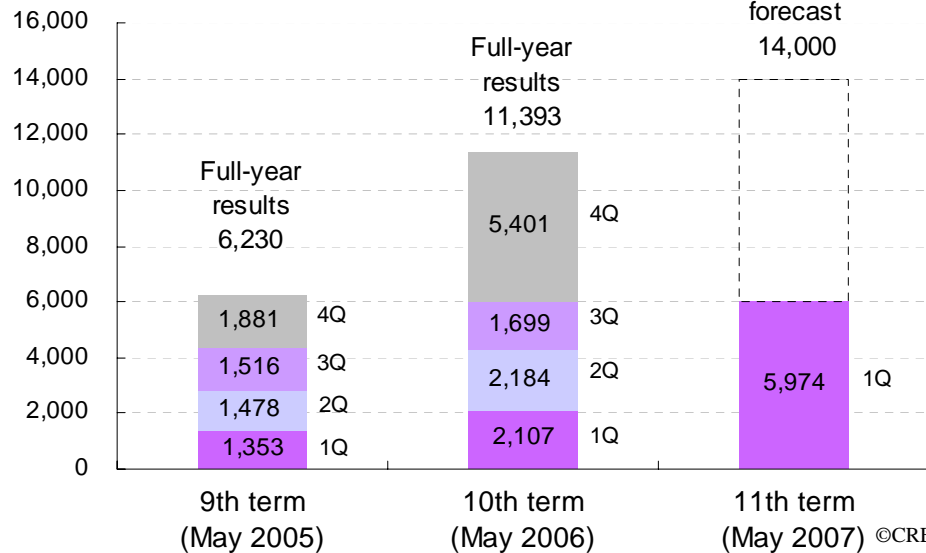
▣ Real Estate Investment Business consists of real estate investment and related business of Principal Investment Business of 10th term.

▣ Other Business consists of debt investment etc of Principal Investment Business, Due Diligence Business, and Solutions Business of 10th term.

(Unit: million yen)



(Unit: million yen)



Selling, General and Administrative Expenses / Operating Profit

[Selling, General and Administrative Expenses: YoY]

+76.0%

Full-year forecast: 5,600 million yen

Selling, general and administrative expenses increased due to increases in personnel, office rents and commissions paid, etc.

	10th term 1Q	11th term 1Q	Difference	Comparison with the previous year
SG&A/Gross profit on sales	33.2%	20.6%	—	—
Number of directors and employees at end of term*	151	208	57	+37.7%

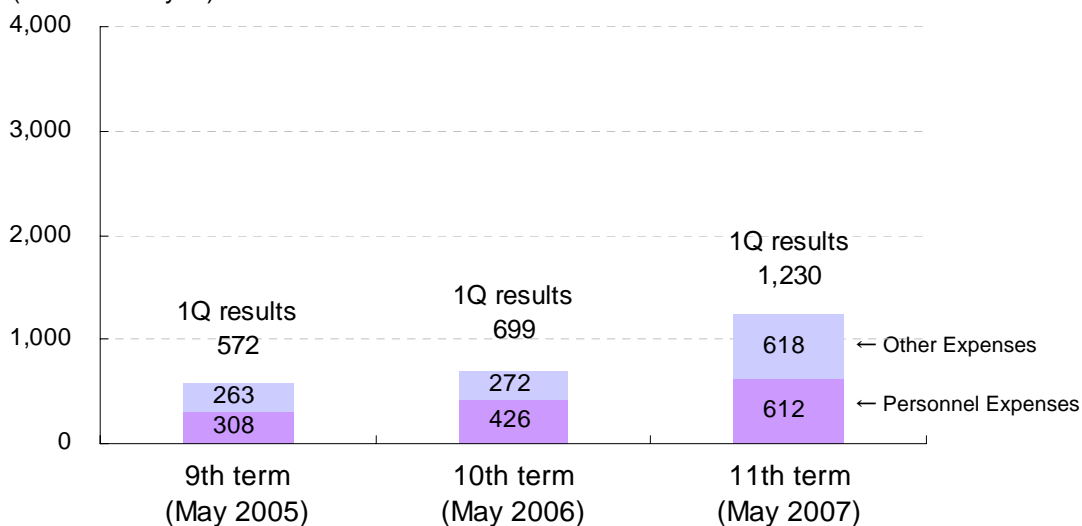
*The number of directors and employees is the total of full-time directors, regular employees and contract employees.

[Operating Profit: YoY]

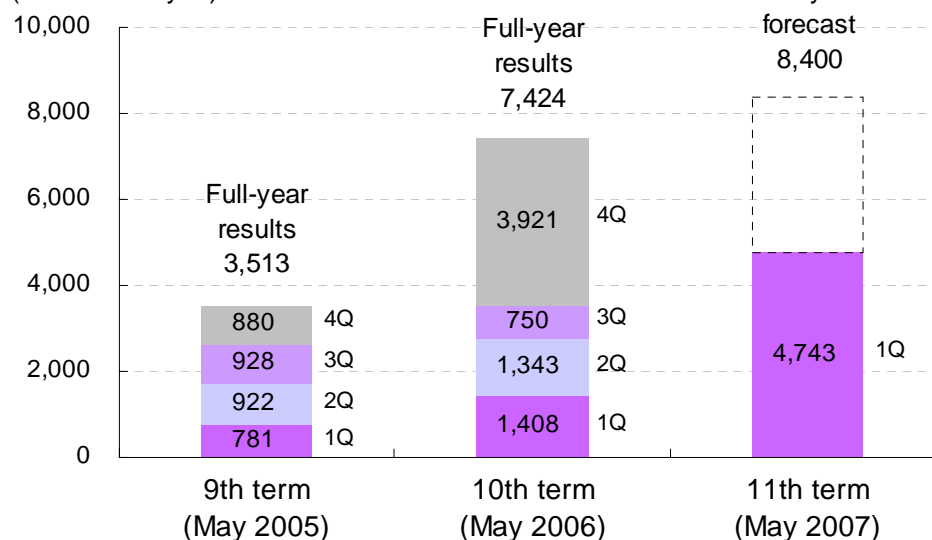
+236.8%

The increase of Operating Profit outweighed the increase of SG&A.

(Unit: million yen)



(Unit: million yen)

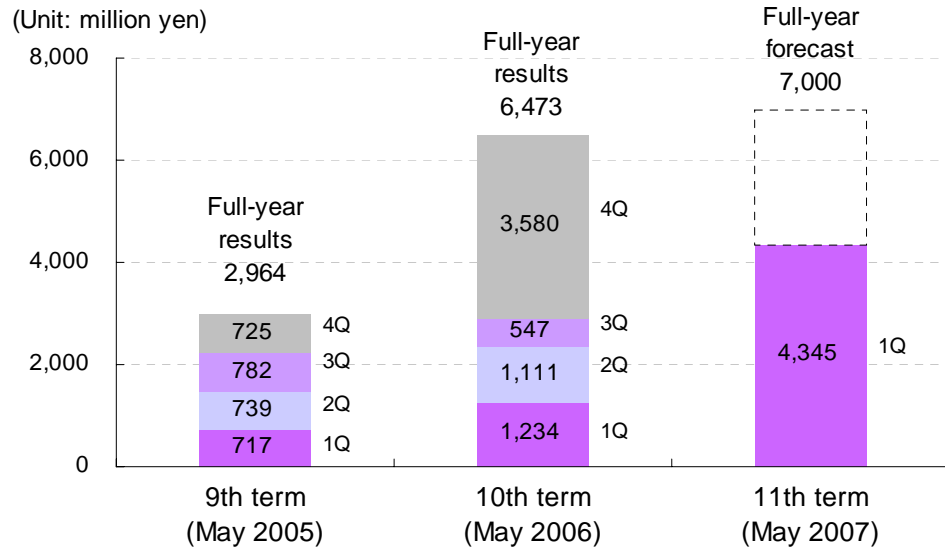


Ordinary Profit / Net Profit

[Ordinary Profit: YoY]

+252.2%

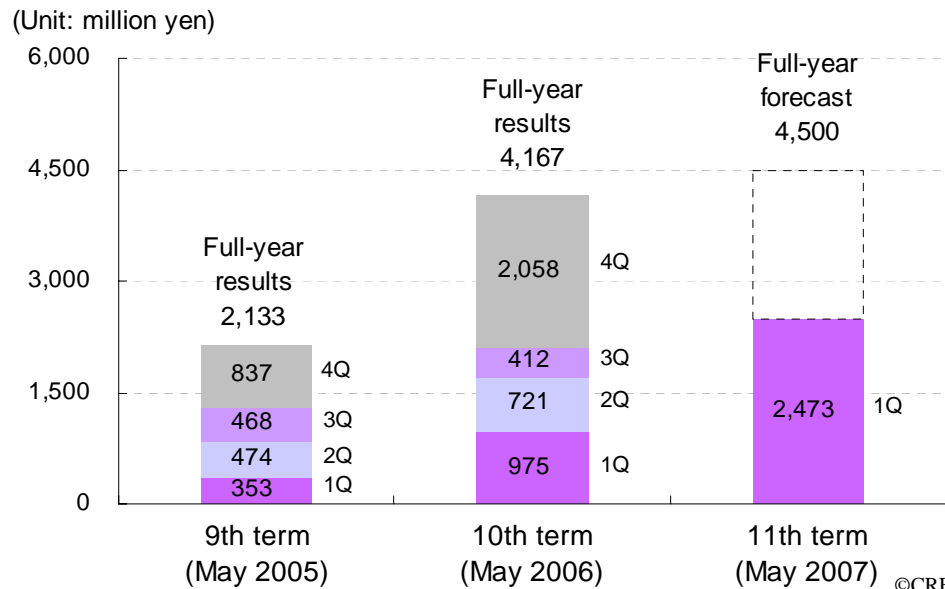
Half-year forecast: 5,000 million yen



[Net Profit: YoY]

+153.6%

Half-year forecast: 2,950 million yen



Changes in the Balance Sheet

Inventory assets were increased, reflecting the expansion of the development business.

Advanced properties were increased in preparation for new funds.

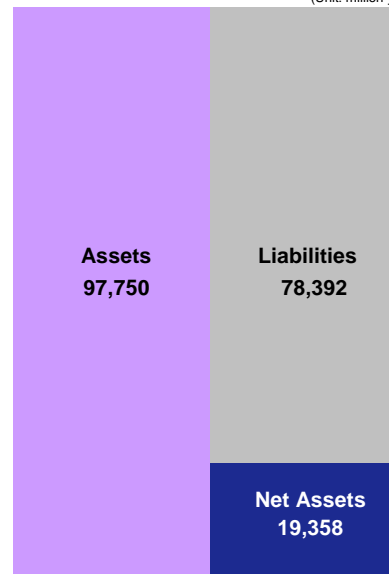
Short-term loans payable were increased to handle advanced properties.

(Unit: million yen)

	10th term end	11th term 1Q end	Difference
Cash	4,628	5,243	615
Inventory assets	24,181	26,654	2,472
Operational investment securities	1,910	1,757	-153
Advanced properties	30,208	41,369	11,161
Tangible fixed assets	1,117	1,110	-7
Investment securities	15,127	14,086	-1,040
(Incl. Investment in anonymous associations)	(11,597)	(10,611)	(-986)
Other assets	6,740	7,529	789
Total assets	83,914	97,750	13,836

11th term 1Q end (Aug 2006)

(Unit: million yen)



(Unit: million yen)

	10th term end	11th term 1Q end	Difference
Loans payable&CP	56,278	68,803	12,525
Corporate bonds	3,210	3,210	0
Guarantee deposits	1,911	2,220	309
Accrued corporation tax, etc.	2,087	1,644	-442
Other liabilities	2,540	2,514	-25
Total liabilities	66,027	78,392	12,365

(Unit: million yen)

	10th term end	11th term 1Q end	Difference
Capital stock	4,231	4,246	15
Capital surpluses	4,294	4,309	15
Retained earnings	8,408	10,537	2,129
Treasury stock	—	-677	-677
Others	953	941	-11
Total net assets	17,887	19,358	1,470

Equity ratio: 19.7%

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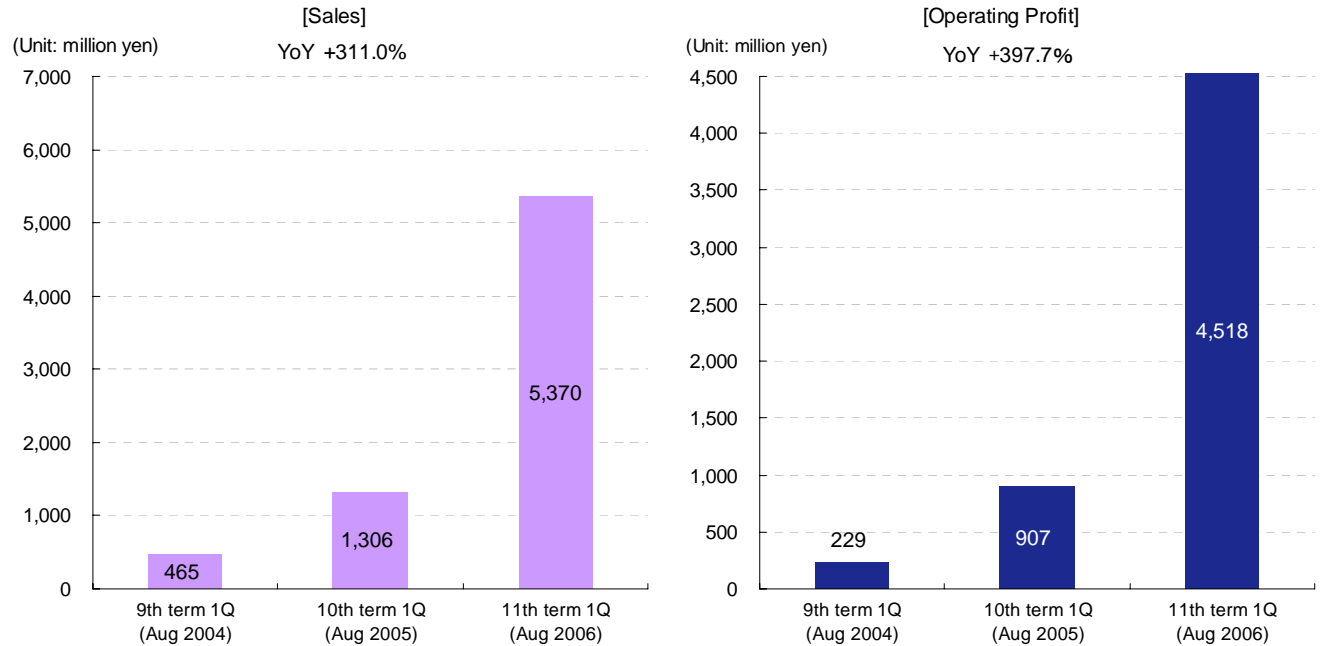
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Overview of Fund Business 1

Both sales and profit grew due to increased incentive fees for private funds.



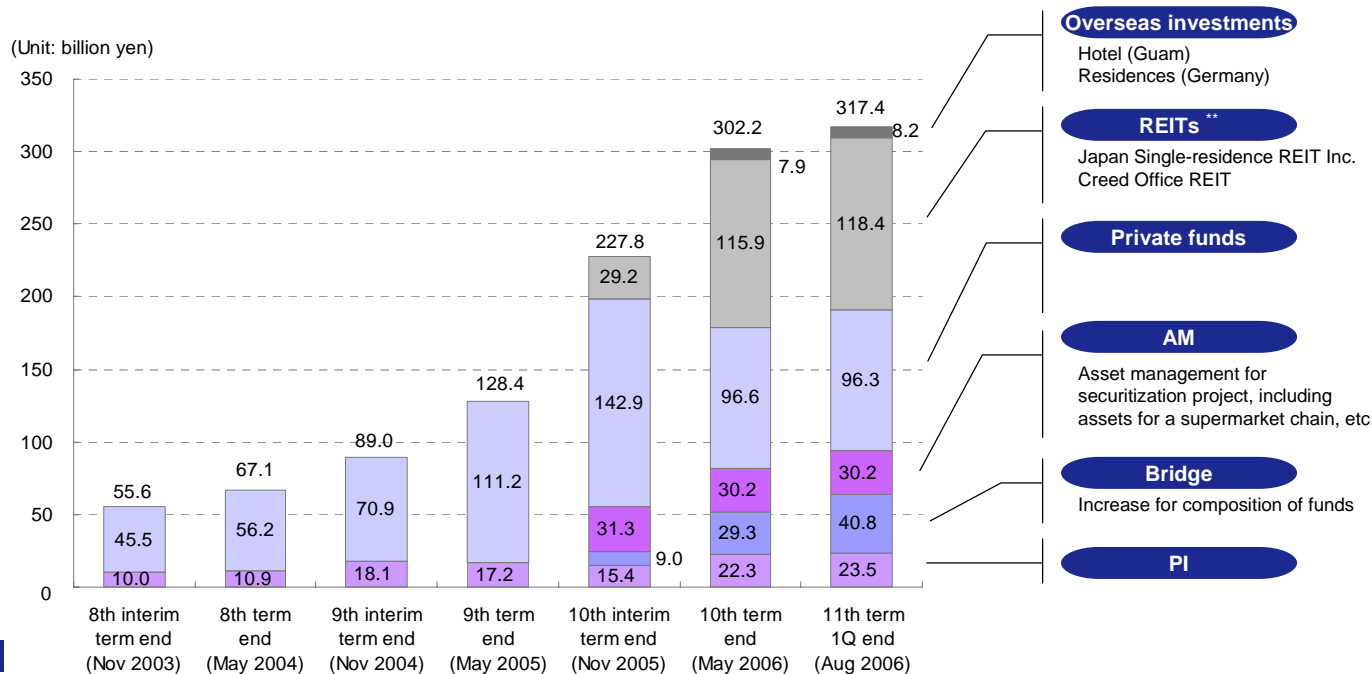
[Breakdown of gross profit on sales] (Unit: million yen)

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	Bridge (rents, etc.)	138	374	235
	AM fees, etc.	598	590	-7
	Incentive fees	104	3,630	3,525
	Total	1,225	5,171	3,945

*Including internal transactions

Overview of Fund Business 2

[Growth of assets under management*]



During the 1st quarter, AUM increased by 15.2 billion yen.

□ Future pipeline of properties under development (projects contracted or started to be built) (Unit: billion yen)

of projects Total project cost

Residences	28	c. 29.4
Hotels	14	c. 15.6
Office	11	c. 36.2
Commercial facilities	1	c. 1.4

Total c. 82.6

[Total project cost of properties scheduled to be completed in the 11th term: c. 34.4 billion yen]

* Asset Under Management:

The total sum of the balance of investments managed integral with the capital of investors, the balance of assets managed only with the investors' capital and the balance of assets held and managed by the Company and its 100%-owned subsidiaries.

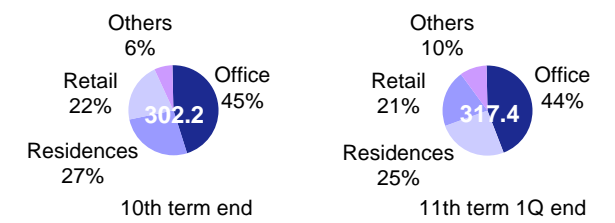
** The balance of Creed Office REIT and Japan Single-residence REIT Inc. (Creed Corporation owns 33% share of its asset management company) as of August 31 is shown as the balance of REIT.

1Q 11th term	Cumulative total of acquisitions:	26 properties / c.	23.3 billion yen
	Cumulative total of sales:	23 properties / c.	8.1 billion yen
	Net increase:	3 properties / c.	15.2 billion yen

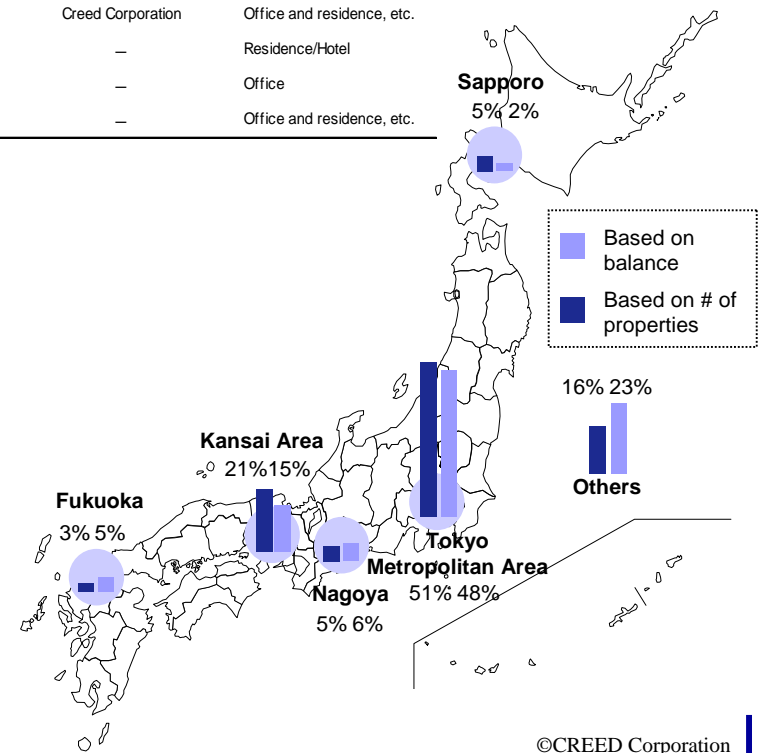
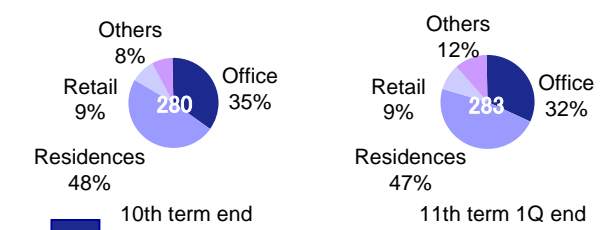
Overview of Fund Business 3

Names of funds	Starting month	Asset size	Type of Investors	Property Type
Creed Real Estate Revival Fund II	February 2004	Approx. 14.4 billion yen	Domestic institutional investors	Office and residence, etc.
Artemis	November 2004	Approx. 8.7 billion yen	Domestic business corporations	Office and residence, etc.
REIT Preparation Fund 4	November 2005	Approx. 6.7 billion yen	Business corporations	Office, etc.
Residential fund	November 2005	Approx. 5.2 billion yen	Domestic institutional investors Business corporations	Residence
Fund A	May 2001	Approx. 6.2 billion yen	Foreign institutional investors	Office and residence, etc.
Fund B	May 2002	Approx. 21.0 billion yen	Foreign institutional investors	Office and residence, etc.
Fund C	February 2004	Approx. 1.9 billion yen	Domestic business corporations	Office and residence, etc.
Commercial facilities fund	April 2006	Approx. 19.8 billion yen	Domestic business corporations	Commercial facilities
AM of general supermarket (Seiyu), etc.	November 2005	Approx. 30.2 billion yen	—	Commercial facilities
Overseas (Hotel Nikko Guam and Germany)	December 2005	Approx. 8.2 billion yen	Creed Corporation	Residence/Hotel
PI and Bridge	—	Approx. 64.4 billion yen	Creed Corporation	Office and residence, etc.
Japan Single Residence REIT	July 2005	Approx. 31.2 billion yen	—	Residence/Hotel
Creed Office REIT	March 2006	Approx. 87.2 billion yen	—	Office
Others (several funds)	—	Approx. 12.3 billion yen	—	Office and residence, etc.
Total		Approx. 317.4 billion yen		

Based on balance (Unit: billion yen)



Based on number of properties

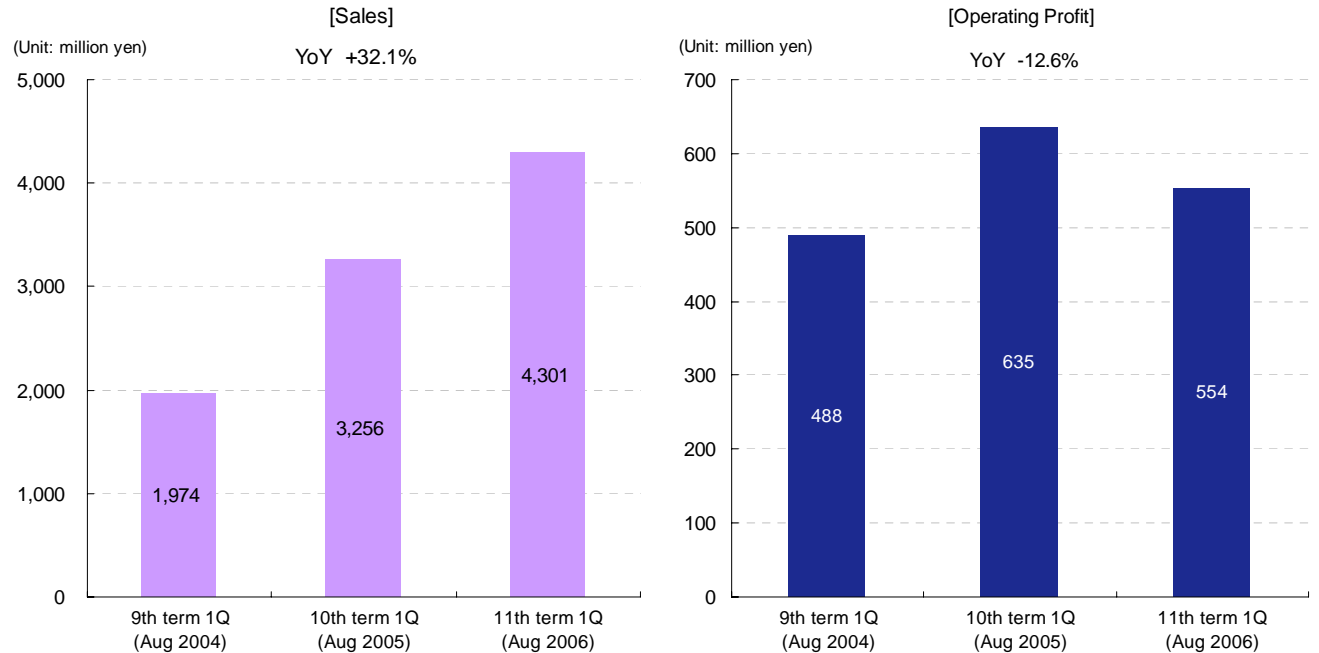


Overview of Real Estate Investment Business

Although properties sold steadily, profitability declined year-on-year.

[Transactions during the 1Q and balance at the end of term]

- Acquisition during the term:
10 properties / approx. 4.5 billion yen
- Disposition during the term:
3 properties / approx. 2.9 billion yen
- Number of properties held as of 1Q end:
65 properties / approx. 24.3 billion yen



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[Breakdown of profit on sales] (Unit: million yen)

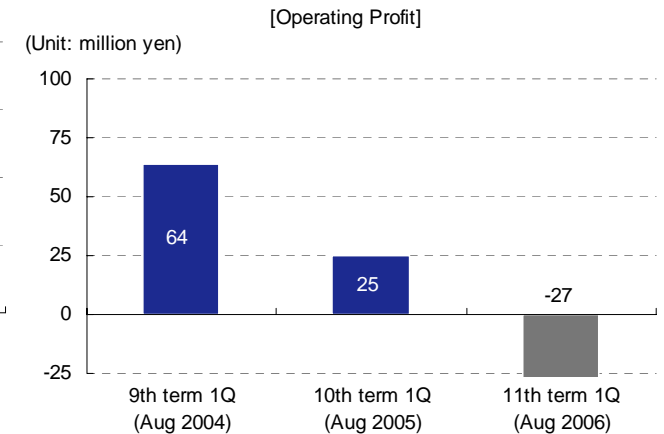
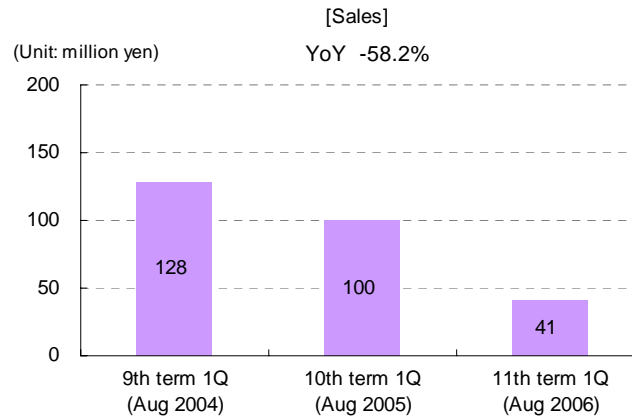
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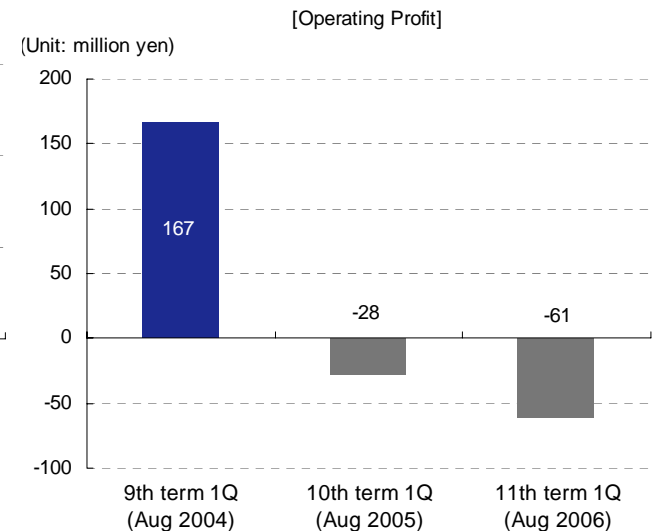
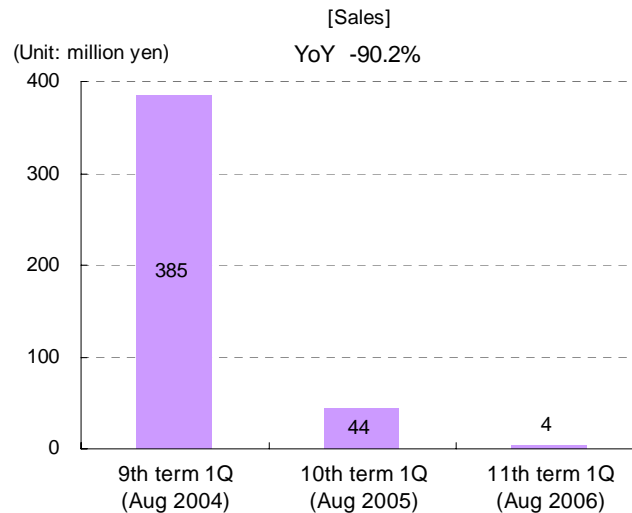
Overview of Other Business (Due Diligence Business / Solutions Business)

[Due Diligence Business]

*Other Business consists of debt investment etc of Principal Investment Business, Due Diligence Business, and Solutions Business of 10th term.



[Solutions Business]



Reference: Highlights of Consolidated First Quarter Results

(Unit: million yen)

	9th term 1Q	10th term 1Q	11th term 1Q	Increase/ Decrease ratio
Sales	2,885	4,525	9,540	+110.8%
Gross profit on sales	1,353	2,107	5,974	+183.5%
Ratio of gross profit on sales	46.9%	46.6%	62.6%	—
SG&A	572	699	1,230	+76.0%
Operating profit	781	1,408	4,743	+236.8%
Ordinary profit	717	1,234	4,345	+252.2%
Net profit	353	975	2,473	+153.6%

(Unit: million yen)

	9th term 1Q	10th term 1Q	11th term 1Q
Capital stock	2,518	4,201	4,246
Total asset	26,658	39,229	97,750
Net worth	8,310	14,583	19,266
Equity ratio	31.2%	37.2%	19.7%

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Corporate Strategy Office, Creed Corporation tel:03-3500-3110 fax:03-3500-3310
Tetsuo Yanagawa yanagawa@creed.co.jp

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