

October 20, 2006

For Immediate Release

LCP Investment Corporation
Nihon-bashi Nishikawa Bldg,
1-5-3 Nihon-bashi, Chuo-ku, Tokyo
Shunji Miyazaki: Executive Officer
(Securities Code: 8980)

LCP REIT Advisors Co., Ltd
Nihon-bashi Nishikawa Bldg,
1-5-3 Nihon-bashi, Chuo-ku, Tokyo
Shunji Miyazaki: CEO

Inquiries:
The LCP REIT Advisors Co., Ltd
CFO Yuji Kubo
TEL: +81-3-3272-7311

**Business Improvement Order issued with regard to
the Holding of Meeting of the Board of Directors**

Today LCP Investment Corporation (the “Investment Corporation”) received from the Director-General of the Kanto Local Finance Bureau a Business Improvement Order based on Article 214-1 of the Investment Trusts and Investment Corporation Law (the “Law”). We deeply apologize for the great concern and trouble this incident has caused to our investors and related stakeholders.

The content and other matters regarding the administrative discipline are inadequacies in internal procedures regarding the holding of meeting of the board of directors. The inadequacies are recognized as the board of directors’ meeting held before the listing of investment units in the Investment Corporation on Tokyo Stock Exchange. Therefore, it is recognized that the Investment Corporation does not have any inadequacies regarding the holding of the board of directors’ meeting after the listing.

However, the Investment Corporation solemnly accepts the Business Improvement Order. In addition to deeply regretting this incident, the Investment Corporation will implement the following improvement items to prevent the reoccurrence of similar incidents and to enhance and reinforce our legal compliance system.

1, Details of the Business Improvement Order

The following measures shall be taken in light of legal violations including the holding of the meeting of the board of directors and said status shall be reported to the Tokyo Local Finance Office in writing by November 20 (Monday), 2006.

- (1) Enhance and reinforce of legal compliance system
- (2) Establish and implement measures to prevent re-occurrence and clarify where responsibilities lie.

2, Reasons for Issuance of Businesses Improvement Order

At 6 among the 12 meetings of the Investment Corporation's board of directors that was said to be held between September, 2005 and June, 2006, the Executive Officers and three Supervisory Directors, the members of the board of directors, were not present as required as law. Instead, the members of the board of directors received from LCP REIT Advisors Co., Ltd proposed drafts of the minutes of meetings and /or an explanation in advance of the meetings, and then minutes were subsequently prepared and sealed to give the impression that the board members had attended the subject meetings, when in fact, they had approved the resolutions via the circulation of documents rather than by holding in-person meetings of the board of directors.

As to minutes of 2 meetings of the Investment Corporation's board of directors, regardless of the absence of part of executive directors, there were untrue entries describing that all members of the board of directors attended.

The Investment Corporation's practice of adopting resolutions by simply circulating documents for approval did not satisfy the requirements for valid resolutions of the board of directors, as specified in Article 260-2, Paragraph 1 of the Commercial Code of Japan, as applied mutatis mutandis to Article 108 of the Law as applied prior to amendment by Law No.87 of 2005. Accordingly, a number of actions taken that in fact required the approval of the Investment Corporation's board of directors were in violation of Article 97 Paragraph 2 Item 2, 3, and 7 of the Law, Article 98 of the Law (including the case as applied mutatis mutandis to Article 104), Article 120 of the Law, and Article 260-4, Paragraph 2 of the Commercial Code of Japan as applied mutatis mutandis to Article 108 of the Law.

3, The circumstances, etc. related to the inadequacies in internal procedures regarding the holding of meeting of the board of directors

All of the inadequacies are related to meetings of the board of directors held before the time when investment units in the Investment Corporation has listed on Tokyo Stock Exchange. The circumstances related to the inadequacies are recognized as the matters shown below.

- (1) It was not fully recognized that the final decision shall be legally made at meetings of the board of directors even if it was approved by the executive directors and supervisory directors individually.
- (2) There were difficulties to hold meetings of the board of directors by arranging the schedule of all executive directors and supervisory directors in cases that it is necessary to hold meetings of the board of directors urgently because of the following reasons: (i) The previous executive director was hospitalized from the middle of September, 2005 to the end of November, 2005. and (ii) It took long time to obtain the approval of the plural offices from regulatory authorities which were necessary to replace the Investment Corporation's executive director and it also took long time to hold the general meetings of unit holders.
- (3) There were many cases misunderstood that it did not need to hold meetings of the board of directors because the agendum was explained individually and approved.

The resolution of the meeting of the board of directors concerning additional issuance of investment units, which was one reason of Business Improvement Order, has been cancelled, taking the further market environment etc into consideration. Therefore, there are no any inadequacies regarding the issuance procedure of investment unit which the Investment Corporation actually issued. The resolutions of the board of directors made by circulating documents for approval have already been approved by ratification at a meeting of the board of directors on June 16, 2006.

4, Measures to be implemented

After the listing of investment units in the Investment Corporation, it was released that other investment corporations received Business Improvement Orders regarding the improper holding of meetings of the board of directors. Therefore, the Investment Corporation has paid attention not to have the improper holding of meetings of the board of directors and recognizes not having any inadequacies regarding the holding of meetings of the board of the directors after the listing.

To aim to prevent the reoccurrence of similar incidents and to enhance and reinforce our legal compliance system, the Investment Corporation very solemnly receives this Business Improvement Order and will establish specific implementation measures and an implementation policy from the following perspective for the points of improvement that were specified. The Investment Corporation will submit a Business Improvement Plan within one month.

- (1) Implementation of measures to prevent reoccurrence

These measures include schedule in advance, setting a date for monthly meetings of the board of directors, and ensuring the presence of the Executive Director and supervisory directors at board meetings. Together with this, the Investment Corporation is establishing conditions for convening meetings of the board of directors flexibly, when an ad hoc meeting of the board of directors is necessary, including legal and proper telephone conferences.

The Investment Corporation implements an appropriate operational system along with setting clear scope of business of institutional management business administrator regarding the convening of the board of directors and preparing the minutes of the meeting.

(2) Commitment to legal and regulatory compliance

The Investment Corporation work to ingrain in all members of the board of directors a heightened awareness of legal and regulatory compliance issues, implement measures to strengthen its legal and regulatory compliance functions, including introduction of confirmation of the holding of the meeting, monitoring of the execution regarding the necessary procedures and confirmation of minutes of the meeting by lawyers.

(3) Clarifying responsibilities

All members of the board of directors must be acutely aware of their responsibility for the illegal actions subject to the administrative disciplinary order, and measures to clarify the locus of responsibility are under study.

Through the measures above and other means, the Investment Corporation is exerting its utmost efforts to regain the trust of all investors and other concerned parties.

The Investment Corporation's Executive Officer, Mr. Shunji Miyazaki is scheduled to step down from such position in order to clarify where the responsibility lies concerning this administrative discipline.

Additionally, the timing of the registration, selection of his successor candidate, timing of the general meeting of unit holders and other matters will be announced once they are determined since the selection of the executive officer to succeed him is a matter requiring the approval of the general meeting unit holders.

* This document is being distributed to the Kabuto Club (the press club of the TSE) as well as to the press club for the Ministry of Land, Infrastructure and Transport and the press club for specialty construction newspapers at the Ministry of Land, Infrastructure and Transport.

* Website of the Investment Corporation : <http://www.lcp-reit.co.jp>

* This English language is a translation of the Japanese language notice issued on the same day was prepared solely for the convenience of, and reference by overseas investors. LCP Investment Corporation makes no warranties as to its accuracy or completeness.