

October 27, 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

**Notice Concerning Acquisition of Assets and
Forecasts of Financial Results for the Fiscal Periods Ending August 31, 2007**

LCP Investment Corporation (the "Investment Corporation") is pleased to announce that the Investment Corporation has determined to acquire 3 properties today. Details of the acquisition are as follows. In addition, Investment Corporation announces the forecasts of the investment performance of LCP Investment Corporation for the period ending August, 2007.

1, Assets Summary

(1) Lexington Square Fushimi

Property Name : Lexington Square Fushimi
Type of Scheduled Acquisition : Trust beneficiary interest
Category of Properties : Residential
Scheduled Acquisition Price (*1) : 2,990 million yen
Scheduled Date of Purchase Agreement : October 27, 2006
Scheduled Date of Acquisition : October 31, 2006
Seller (*2) : Toyota Tsusho Corporation
Acquisition Funds : Borrowing funds are scheduled.
Collateral : None

(2) Bon Sejour Musashi Shinjo

Property Name : Bon Sejour Musashi Shinjo

Type of Scheduled Acquisition : Real Estate Property

Category of Properties : Senior (Fee-based senior citizens home)

Scheduled Acquisition Price (*1) : 610 million yen

Scheduled Date of Purchase Agreement : October 27, 2006

Scheduled Date of Acquisition : November 30, 2006 or the date as may be agreed upon by the Seller and the Buyer until November 30, 2006

Seller (*2) : Zecs Community Corporation (*3)

Acquisition Funds : Borrowing funds are scheduled.

Collateral : None

(3) Lexington Plaza Hiroshima Otemachi (Comfort Hotel Hiroshima Otemachi)

Property Name : Lexington Plaza Hiroshima Otemachi

Type of Scheduled Acquisition : Trust Beneficiary Interest

Category of Properties : Others (Hotel)

Scheduled Acquisition Price (*1) : 2,450 million yen

Scheduled Date of Purchase Agreement : October 27, 2006

Scheduled Date of Acquisition : The date as may be agreed upon by the Seller and the Buyer before November 30, 2006

Seller (*2) : Zecs Co., Ltd

Acquisition Funds : Borrowing funds are scheduled.

Collateral : None

(*1) Scheduled Acquisition Price excludes acquisition fee, fixed asset tax, city planning tax and consumption tax etc. The amount less than a million yen are rounded off to the nearest million yen.

(*2) Please refer to 6. "Seller's Profile"

(*3) Please refer to 4. Management of Fee-based senior citizens home

2, Reason for Acquisition

The Investment Corporation acquires three properties shown above to aim the expansion of excellent residential, senior-oriented properties and LCP-styled properties and to secure stabilized mid-to-long term profits and the steady growth of the operating assets in accordance with "Asset Management Target and Policy" prescribed for by the Articles of Incorporation of the Investment Corporation.

3, Summary of Property

Please refer to [Exhibit] Summary of Scheduled Acquisition Properties

4, Management of Fee-based senior citizens home

Management

With respect to the management of senior-oriented properties, such properties will be managed efficiently by using the know-how of Zecs Co., Ltd which has an experience of the management of senior-oriented properties and parent company of Zecs Real Estate Investment Advisory Co., Ltd (a Shareholder of Asset Management Company). So far, Zecs Co., Ltd have developed total 19 senior-oriented properties such as 3 senior housings for healthy residents “Charming Series”, 15 fee-paying seniors homes with care “Bon Sejour Series”(including the said property) and 1 other senior housing. Zecs Community Corporation which is the seller of the said property and consolidated affiliate company of Zecs Co., Ltd manages total 17 senior-oriented properties except 2 senior housings for healthy residents “Charming Series”.

Establishment of Back-up Operator

To improve the management stability, taking the public and social work of senior house’s operation into consideration, in principle, the Investment Corporation establishes Back-up Operator which manages and leases the properties instead of operator in certain cases including the case that an operator caused rent default for certain period or became bankrupt. From the aforementioned, it is considered to be able to provide more stable service for residents. In addition to being Back-up Operator of fee-based senior citizens homes which have already been owned by the Investment Corporation (Bon Sejour Chitose-Funabashi, Bon Sejour Yotsugi, and Bon Sejour Hino), Japan Care Service Co., Ltd is scheduled to become a Back-up Operator of the said property based on a Memorandum executed by Japan Care Service Co., Ltd. and certain other parties. Japan Care Service Co., Ltd. is a listed company on JASDAQ Securities Exchange.

5, The matter related to resistance against earthquake

The adequacy of structural calculation of 3 properties shown above has been reported by the third-party institution through investigation as follows.

Investigator

Company’s Name	Tokio Marine & Nichido Risk Consulting Co., Ltd
Location (Head office)	1-2-1, Marunouchi, Chiyoda-ku, Tokyo
Representative	Tomohisa Yamada
Capital	1,000,000,000 yen
Business Activities	Due Diligence of Real Estate etc
Relationship with the Investment Corporation	None

Matter of Investigation: Verification and Inspection of Structural Calculation and related Design and Specifications

Result of Investigation: The structural design was made adequately and in compliance with the Building Standard Law, Cabinet Order and Proclamation concerning the law, and each structural design standards.

6, Seller's Profile

(1) Lexington Square Fushimi

Company's Name	Toyota Tsusho Corporation
Location (Head office)	4-9-8, Mei-eki, Nakamura-ku, Nagoya-shi, Aichi
Representative	Junzo Shimizu
Capital	26,748,000,000 yen (as of April 1, 2006)
Business Activities	Domestic trade, Export and Import trade, Foreign trade, Bldg construction constructor, Insurance agent etc

(2) Bon Sejour Musashi-Shinjo

Company's Name	Zecs Community Corporation
Location (Head office)	1-1-7, Uchisaiwai-cho, Chiyoda-ku, Tokyo
Representative	Hideyo Honma
Capital	80,000,000 yen (as of May 31, 2006)
Business Activities	Management regarding Senior houses and Fee-based senior citizens home
Relationship with the Investment Corporation	Zecs Community Co., Ltd is a consolidated affiliate company of Zecs Co., Ltd which is the parent company of Zecs Real Estate Investment Advisory Co., Ltd which holds 7.07% of shares in the Asset Management Company.

(3) Lexington Plaza Hiroshima Otemachi

Company's Name	Zecs Co., Ltd
Location (Head office)	1-1-7, Uchisaiwai-cho, Chiyoda-ku, Tokyo
Representative	Hiroyuki Hirayama
Capital	2,675,976,000 yen (as of May 31, 2006)
Business Activities	Real estate consulting /Senior housing & service / Resort & other facilities management
Relationship with the Investment Corporation	Zecs Co., Ltd which is the parent company of Zecs Real Estate Investment Advisory Co., Ltd which holds 7.07% of shares in the Asset Management Company.

7, Seller's Situation

(1) Lexington Square Fushimi

None

(2) Bon Sejour Musashi-Shinjo

	Previous Owner	Owner before previous owner
Company's Name	Zecs Community Corporation	Except special stakeholder
Relationship with special stakeholder	Party similar to Sponsor-related parties under the self regulation of the Asset Management Company	
Circumstances /Reason of Transaction	Acquire in order to manage fee-based senior citizens home	
Acquisition Price	Omission (It has been owned more than 1 year)	
Acquisition Date	March, 2005	

(3) Lexington Plaza Hiroshima Otemachi

	Previous Owner	Owner before previous owner
Company's Name	Zecs Co., Ltd	None
Relation ship with special stakeholder	Party similar to Sponsor-related under the self regulation of Asset Management Company	
Circumstances/Reason of Transaction	Property developed by previous owner	
Acquisition Price	-	
Acquisition Date	-	

8, Transaction with Stakeholder etc
(1) Lexington Square Fushimi

Toyota Tsusho Corporation (the Seller of the aforementioned property) does not correspond to the Related-Parties, etc. under Investment Trusts Law and Sponsor-related party (*) under the self-regulation provided for the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company. However, the land of this property was once owned by Yahagi Jisho Co., Ltd. (which is a subsidiary of the Asset Management Company's sponsor, Yahagi Construction Co., Ltd) and transferred to Toyota Tsusho Corporation with the condition that Toyota Tsusho Corporation shall entrust the construction of the building on the land to Yahagi Construction Co., Ltd. In addition, Yahagi Construction Co., Ltd recommended Toyota Tsusho Corporation to sell this property to the Investment Corporation. Therefore, the acquisition of this property was deliberated and resolved in accordance with the self-regulation concerning Sponsor-related businesses provided for the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company.

(2) Bon Sejour Musashi-Shinjo

Zecs Community Co., Ltd (Seller of the aforementioned property) is a consolidated affiliate company of Zecs Co., Ltd which is the parent company of Zecs Real Estate Investment Advisory Co., Ltd. Zecs Real Estate Investment Advisory Co., Ltd. holds 7.07% of shares in the Asset Management Company. Therefore, Zecs Community Co., Ltd is similar to Sponsor-related party (*) under the self-regulation provided for the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company. Therefore, with respect to the execution of the Transfer Agreement related to the acquisition of the aforementioned property, it was deliberated and resolved in accordance with the said self-regulation. The Investment Corporation is scheduling to entrust property management business to Zecs Community Corporation through leasing the aforementioned property to the corporation. The said transaction was also deliberated and resolved in accordance with the self-regulation concerning the aforementioned measure of conflict of interests.

(3) Lexington Plaza Hiroshima Otemachi

Zecs Co., Ltd (Seller of the aforementioned property) is the parent company of Zecs Real Estate Investment Advisory Co., Ltd which holds 7.07% of shares in the Asset Management Company. Therefore, Zecs Co., Ltd is similar to Sponsor-related party (*) under the self-regulation provided for by the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company. Therefore, with respect to the execution of the Transfer Agreement related to the acquisition of the aforementioned property, it was deliberated and resolved in accordance with the said self-regulation. Tozai Asset Management Co., Ltd, which is a master lease company regarding 1st and 2nd Floor of the aforementioned property, is also similar to Sponsor-related party (*) under the self-regulation provided for the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company. The said transaction was also deliberated and resolved in accordance with the self-regulation concerning the aforementioned measure of conflict of interests.

(*) Sponsor-related party means

- (a) Party or person who correspond to Related-Parties, etc. defined by the Law concerning Investment Trusts and Investment Corporation,
- (b) All shareholders of Asset management Company, and
- (c) (i) Special Purpose Company which entrusts its asset management to a party or a person corresponding to (b) above, (ii) Special Purpose Company shares in which are held by a party or a person corresponding to (b) above, or (iii) Special Purpose Company *Tokumei Kumiai Mochibun* (note) in which are held by a party or a person corresponding to (b) above.

(note) *Tokumei Kumiai Mochibun* means equity interests of capital contribution in undisclosed associations

9, Brokerage Profile

(1) Lexington Square Fushimi

The Chuo Mitsui Trust and Banking Company, Limited mediate the property's transaction between the Investment Corporation and Toyota Tsusho Corporation as a broker. The Chuo Mitsui Trust and Banking Company, Limited does not correspond to Sponsor-related party under the self-regulation provided for the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company. Regarding the property's acquisition, the Investment Corporation pays ¥89,700,000 (excluding tax) as a brokerage fee to The Chuo Mitsui Trust and Banking Company, Limited.

(2) Bon Sejour Musashi-Shinjo

The Chuo Mitsui Trust and Banking Company, Limited mediate the property's transaction between the Investment Corporation and Zecs Community Corporation as a broker. The Chuo Mitsui Trust and Banking Company, Limited does not correspond to Sponsor-related party under the self-regulation provided for the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company. Regarding the property's acquisition, the Investment Corporation pays ¥6,100,000 (excluding tax) as a brokerage fee to The Chuo Mitsui Trust and Banking Company, Limited.

(3) Lexington Plaza Hiroshima Otemachi

The Chuo Mitsui Trust and Banking Company, Limited mediate the property's transaction between the Investment Corporation and Zecs Community Corporation as a broker. The Chuo Mitsui Trust and Banking Company, Limited does not correspond to Sponsor-related party under the self-regulation provided for the measure of conflict of interests concerning asset management of Investment Corporation by Asset Management Company. Regarding the property's acquisition, the Investment Corporation pays ¥24,500,000 (excluding tax) as a brokerage fee to The Chuo Mitsui Trust and Banking Company, Limited.

10, Form of Payment

With respect to the aforementioned 3 properties, the Investment Corporation plans a package payment of the acquisition price to the seller at the time of the scheduled date of acquisition.

11, Forecasts of Financial Results

Influence of the acquisition to the financial result of the Investment Corporation for the fiscal period ending February 28, 2007 (from September 1, 2006 to February 28, 2007) is considered to be immaterial. Therefore, there is no change concerning the forecasts of financial results. The forecasts of financial results for the fiscal period ending August 31, 2007 (March 1, 2007 ~ August 31, 2007) is shown below

Operating revenue	: 2,038 million yen
Ordinary profit	: 713 million yen
Net profit	: 712 million yen
Dividends per unit	: 12,000 yen
Excess profit distribution per unit	: - yen

With respect to the precondition of the aforementioned forecasts of Financial Results, please refer to [Appendix 3] the precondition of forecasts of financial results for the fiscal period ending August 31, 2007.

(*)

- 1, The forecast figures above are the current figures calculated under [Appendix 3] the preconditions of forecasts of financial results for the fiscal period ending August, 2007 , and the actual operating revenue, net profit and dividend per unit are subject to change due to factors such as the acquisition or sale of assets, changes in the real estate and financial market, and changes in the environment surrounding the Investment Corporation. In addition, these forecasts do not guarantee the amount of the dividend.
- 2, When it is anticipated that there will be differences in the forecast figures above that are greater than a certain degree, the forecast figures may be revised.
- 3, The forecast figures are rounded off.

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

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

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

[Exhibit]
Summary of Scheduled Acquisition Property (1) Lexington Square Fushimi
Category : Residential
No. R-23 Property Name : Lexington Square Fushimi

Property Feature						
The property is a luxury apartment for rent , located in 6 mins walk towards south-east from “Kokusai Center ”station (Sakura-dori line). It also has a very high accessibility (12 mins walk to “Nagoya”station and 7 mins walk to “Fushimi”station (Higashiyama-line)). There are accumulated commercial facilities around Nagoya station as well as cultural facilities around the property. Additionally, it has a very good access to Sakae area where is one of the center of commercial area. It is expected that there exist high demand for city resident due to the superb location.						
Location	Address	1-8-49, Nishiki, Naka-ku, Nagoya-shi, Aichi				
	Land No,	1-801-2, Nishiki, Naka-ku, Nagoya-shi, Aichi				
Land	Type pf Ownership	Ownership right	Property Type	Number of unit	Ratio of unit	Ratio of area
			Compact	—	—	—
			Spacious	123	100%	100%
			Others	—	—	—
	Site area	1,260.8 m ²	Summary of Engineering Report (* 1) (Unit: ,000 yen)			
	Floor area ratio	600%	Investigation Company		Tokio Marine & Nichido Risk Consulting Co., Ltd	
	Bldg coverage ratio	80%	Time of Investigation		September 22, 2006	
Bldg	Type of ownership	Ownership right	Repairing cost	Urgent	—	
	Usage	Apartment		Within 1 year	—	
	Floor space	7,884.6 m ²		Average cost for 12 years	¥904,000	
	Structure/Number of floor	RC,15 th Floor	Earthquake PML		6.9%	
	Completion date	September , 2006	Summary of Real Estate Appraisal Report (* 1) (Unit : million yen)			
	Bldg Inspection Agency	Japan ERI Co., Ltd	Appraiser		Tanizawa Sogo Appraisal Co., Ltd	
	Architect	Yahagi Construction Co., Ltd Office of a licensed architect of the first class	Appraisal Date		September 30, 2006	
	Constructor	Yahagi Construction Co., Ltd	Appraisal Value		3,030	
Current Owner	Toyota Tsusho Corporation	Capitalization approach price		3,030		
Trustee	The Chuo Mitsui Trust and Banking Company, Limited	Price calculated by the direct capitalization approach		3,040		
Scheduled expiration date of trust term	January 31, 2016	Gross income		222		
PM Company	SBA Management Co., Ltd	Rental income		202		
Master Lease Company	SBA Management Co., Ltd	Other income		20		
Type of Master lease	Pass through					

[Exhibit]
 Summary of Scheduled Acquisition Property (1) Lexington Square Fushimi
 Category : Residential
 No. R-23 Property Name : Lexington Square Fushimi

		Total expenses	55
		NOI	183
		NCF	167
		Capitalization rate	5.5 %
Lease Details (unit:¥,000)		Price calculated by the Discounted Cash Flow Approach	3,020
Investigation date	October 31, 2006	Discount rate	5.5%
Total number of Tenant	1	Terminal Cap Rate	5.8%
The number of leasable unit	123 units	Cost approach price	2,150
Leasable floor area	7,022.7 m ²	Land Price	570
Floor area	—	Bldg Price	1,580
Monthly rent (Assume no vacancy)	17,599	Scheduled acquisition price (Unit: ¥ million)	2,990
Deposit/Security deposit	—		
Occupancy rate (based on area)	—		
Notes			
Fixed-rent master lease agreement is scheduled to be executed with SBA Management Co., Ltd (a master lease company). The fixed rent amount will be 90% of total monthly rent amount paid by end tenants assuming that there is no vacancy. Rent guarantee period will be 6 months from November 1, 2006 and the contract period will be 2-years.			

(* 1) the Investment Corporation makes no warranties as to accuracy or completeness of the description in the column “Summary of Engineering Report” and “Summary of Real Estate Appraisal Report.”

[Exhibit]
 Summary of Scheduled Acquisition Property (1) Bon Sejour Musashi-Shinjo
 Category : Senior
 No. S-4 Property Name : Bon Sejour Musashi-Shinjo

Property Feature					
The property is a fee-based senior citizens' home, located in 13 mins by walk from "Musashi-Shinjo" station (JR Nambu-line). There is commercial and residential area on the way to the property and 18 medical facilities within radius 1 km. It is also surrounded by natural environment. As a result, it is considered to be superb location as a senior house. The property was converted to senior house by a big-scale reconstruction in Feb, 2005. Also the Bldg equipment and service are satisfactory level. Therefore, it is supposed to have high competitiveness, even compared to newly-built properties.					
Location	Address	773-2, Chitose, Takatsu-ku, Kawasaki-shi, Kanagawa			
	Land No,	773-2, Chitose-aza-kitaura, Takatsu-ku, Kawasaki-shi, Kanagawa			
Land	Type of ownership	Ownership right			
	Area for use	Category 1 residential district			
	Site area	1,233.5 m ²	Summary of Engineering Report (*1) (Unit : ¥,000)		
	Floor area ratio	60 %	Investigation Company	Tokio Marine & Nichido Risk Consulting Co., Ltd	
	Bldg coverage ratio	200 %	Time of Investigation	August 31, 2006	
Bldg	Type of ownership	Ownership right	Repairing cost	Urgent	-
	Usage	Senior housing		Within 1 year	-
	Floor space	1,710.4 m ²		Average cost for 12 years	¥1,400
	Structure/Number of floor	RC, 4 th Floor	Earthquake PML	11.9%	
	Completion date	Feb, 1985	Summary of Real Estate Appraisal Report (* 1) (Unit : million yen)		
	Bldg Inspection Agency	Governmental body (Kawasaki-city)	Appraiser	Japan Real Estate Institute	
	Architect	Ohki Corporation-licensed architect office	Appraisal Date	August 31, 2006	
	Constructor	Ohki Corporation	Appraisal Value	610	
Current Owner	Zecs Community Corporation		Capitalization approach price	610	
Previous Owner	Sumitomo Life Insurance Company		Price calculated by the direct capitalization approach	615	
Trustee	—		Gross income	44	
PM Company	Zecs Community Corporation		Rental income	44	
Master Lease Company	—		Other income	0	
Type of Contract	Net-lease, Long-term contract, Block rental		Total Expenses	3	
Leasing condition (Unit: ¥,000)					
Time of Investigation	November end, 2006 (scheduled)		NOI	41	
Total number of tenant	1		NCF	40	

[Exhibit]

Summary of Scheduled Acquisition Property (1) Bon Sejour Musashi-Shinjo

Category : Senior

No. S-4 Property Name : Bon Sejour Musashi-Shinjo

The number of leasable unit	46 units		Capitalization rate	6.5%
The number of occupancy unit (as of Sep end)	42 units		Price calculated by the Discounted Cash Flow Approach	604
Leasable area	1,710.4 m ²		Discount rate	6.2%
Lease area	1710.4 m ²		Terminal capitalization rate	6.8%
Monthly rent fee	3,507		Cost approach price	598
Deposit/ Guaranty fee	19,980		Land Price	359
Occupancy ratio (based on area)	100%		Bldg Price	239
			Scheduled Acquisition Cost (Unit : ¥million)	610
Notes				
None				

(* 1) the Investment Corporation makes no warranties as to accuracy or completeness of the description in the column "Summary of Engineering Report" and "Summary of Real Estate Appraisal Report."

<Trade Area Environment> Bon Sejour Musashi-Shinjo

Outline of Trade Area

The property is located in quiet residential area, 13 mins walk from “Musashi-shinjo”station. Potential demand zone of the property is estimated to be around Takatsu-ku, Kawasaki-city. The main user is supposed to be senior citizens over 75 years old (the “late old-aged persons”), whose population in Kawasaki city is 77,061 as of October, 2005. The population of late old-aged persons is estimated to be 121,231 in 2014. Therefore, the number of the potential user is supposed to increase in future.

Facilities Features

The property is fee-based senior citizens home under the Elderly Welfare Law and Social facilities with nursing care except close area type under the Nursing Care Insurance Law. In addition, users of this property have the right to use this property for the rest of their life. The number of unit is 43 units for single and 3 units for couple. The facilities prescribed for by the guideline of fee-based senior citizens’ home are arranged. The main feature is the introduction of the exclusive floor (2nd Floor) for elderly patients with dementia. The patients are also able to have a meal in the dining room on the 2nd floor.

Data etc

Ratio of the population of the late old-aged

	A. Population of the late old-aged	B. Total population	Ratio of (The late old-aged/Total population)	C.Population of the old-aged	Ratio of (The late old-aged/The old-aged)
Kawasaki-city	77,061	1,317,407	5.8%	192,227	40.0%

(*1) The late old-aged means senior citizens over 75 years old. The old- aged means senior citizens over 65 years old.

(*2) Source : Kawasaki-city “The third term nursing care business project, October 2005”

Forecasts of Total population and The population of the late old-aged in Kawasaki city

2006			2008			2016		
Total population	Population of the late old-aged	Ratio	Total population	Population of the late old-aged	Ratio	Total population	Population of the late old-aged	Ratio
1,324,813	82,556	6.2%	1,343,292	93,028	6.9%	1,384,179	121,231	8.8%

(*) Source : Kawasaki-city “The third term nursing care business project, October 2005”

(*) The aforementioned column of “Outline of Trade Area”, “Facilities Features”and “Date etc”is extracted or summarized from the appraisal report by Tamura Planning & Operating and Japan Real Estate Institute. Therefore, with respect to the said each property’s appraisal, the Investment Corporation makes no warranties as to its accuracy or completeness.

[Exhibit] Summary of Scheduled Acquisition Property
 (3) Lexington Plaza Hiroshima Otemachi (Comfort Hotel Hiroshima Otemachi)
 Category : Hotel
 No. O-9 Property Name : Lexington Plaza Hiroshima Otemachi

Property Feature				
The property is located in the center of governmental offices area where there are Hiroshima City Council, Naka-ku Council, Hiroshima Post Office etc. The property is located at good place as a business hotel because it is 2 mins walk from, the property to "Nakaden-mae" Station (Hiroshima Dentetsu) and the property is 930 m away from Bus Center. Due to the good accessibility for business and sightseeing, located in the center of politic and economy in Hiroshima-city, 46.9 % of all hotels in Hiroshima city is located in Naka-ku where the property locates. Therefore, it is expected to secure the stable profit due to enough demand as business hotel.				
Location	Address	3-7-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima		
	Land No,	7-10 other 1 number, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima		
Land	Type of Ownership	Ownership right		
	Use area	Commercial area		
	Site area	819.7 m ²	Summary of Engineering Report (* 1) (Unit: ,000 yen)	
	Floor area ratio	800%	Investigation Company	Tokio Marine & Nichido Risk Consulting Co., Ltd
	Bldg coverage ratio	100%	Time of Investigation	August 31, 2006
Bldg	Type of ownership	Ownership right	Urgent	—
	Usage	Hotel, Shop	Within 1 year	—
	Floor space	6,977.1 m ²	Repairing cost	Average cost for 12 years ¥4,126,000
	Structure/Number of floor	S,14th Floor	Earthquake PML	8.3%
	Completion date	August , 2006	Summary of Real Estate Appraisal Report (* 2) (Unit : million yen)	
	Bldg Inspection Agency	Japan ERI Co., Ltd	Appraiser	Tanizawa Sogo Appraisal Co., Ltd
	Architect	Yahagi Construction Co., Ltd Office of a licensed architect of the first class	Appraisal Date	September 15, 2006
	Constructor	Yahagi Construction Co., Ltd	Appraisal Value	2,450
Current Owner	Zecs Co., Ltd		Capitalization approach price	2,450
Trustee	The Chuo Mitsui Trust and Banking Company, Limited		Price calculated by the direct capitalization approach	2,420
Scheduled expiration date of trust term	November 30, 2016		Gross income	182
PM Company	SBA Management Co., Ltd		Rental income	175
Master Lease Company	Tozai Asset Management Co., Ltd (1, 2F)			

[Exhibit] Summary of Scheduled Acquisition Property

(3) Lexington Plaza Hiroshima Otemachi (Comfort Hotel Hiroshima Otemachi)

Category : Hotel

No. O-9 Property Name : Lexington Plaza Hiroshima Otemachi

Type of Contract	Long-term contract, Block rental		Other income	7
Main tenant	Greens Co., Ltd		Total expenses	30
Lease Details (Unit:¥,000)			NOI	157
Investigation date	November end , 2006 (Scheduled)		NCF	152
Total number of Tenant	2		Capitalization rate	6.3 %
Leasable floor area	6,395.5 m ²		Price calculated by the Discounted Cash Flow Approach	2,460
Floor area	6,395.5 m ²		Discount rate	6.3%
Monthly rent	14,579		Terminal Cap Rate	6.8%
Deposit/Security deposit	69,461		Cost approach price	2,110
Occupancy rate (based on area)	— %		Land Price	650
			Bldg Price	1,460
			Scheduled acquisition price (Unit: ¥ million)	2,450
Notes				
(*) 1 st and 2 nd floor are leased to Tozai Asset Management Co., Ltd. under the Fixed Rent Master Lease Agreement. Hotel floors are leased to Greens Co., Ltd. under the Lease Agreement, the contract period of which is fixed (20 years). Amount of deposit described above is the deposit amount concerning hotel floors. Amount of deposit concerning 1 st and 2 nd floor is omitted because it is same as the amount paid by end tenants.				

(* 1) the Investment Corporation makes no warranties as to accuracy or completeness of the description in the column "Summary of Engineering Report and "Summary of Real Estate Appraisal Report."

<Feature of Area> Lexington Plaza Hiroshima-Otemachi

The description below is extract or summary from the appraisal report by Industrial Marketing Consultants Co., Ltd and Tanizawa Sogo Appraisal Co., Ltd.

Feature of Location ・ Area
The property has a good accessibility because it is 100m away from “Nakaden-mae” station (Hiroshima-dentetsu), 860m away from Kamiya-machi, and 930m away from Bus Center. It is also conveniently located in the governmental office area having Hiroshima City Council, Hiroshima Naka-ku Council and Hiroshima Chuo Post Office. Therefore, the high operating ratio is expected as a business hotel.
Market Overview
Hiroshima-city is the biggest commercial city in Chugoku/Shikoku area. The number of tourist tends to increase and hits the highest record which was 3.3 million people in 2005. Due to the recovery of corporate performance, there is a steady demand regarding the business hotel. The hotel operating ratio is 73.1 % in Hiroshima city. Especially, concerning the hotel located in the city center, it is understood that the operating ratio in most hotels is more than 80%.

(*) The aforementioned column of “Outline of Trade Area”, “Facilities Features”and “Date etc” is extracted or summarized from the appraisal report by Industrial Marketing Consultants Co., Ltd and Tanizawa Sogo Appraisal Co., Ltd. Therefore, with respect to the said each property’s appraisal, the Investment Corporation makes no warranties as to its accuracy or completeness.

【Appendix 1】 Photograph and Location Map of the Scheduled Acquisition Property

(1) Lexington Square Fushimi (Residential Property)



(2) Bon Sejour Musashi-Shinjo (Senior Housing)



(3) Lexington Plaza Hiroshima Otemachi (Comfort Hotel Hiroshima Otemachi)



【Appendix 2】 Portfolio after Acquisition of the Property

Category of Properties	Number of Properties	Property Name	Area	(Scheduled) Acquisition Date	(Scheduled) Acquisition Price (million yen)	Investment Ratio (%)
Residential	R-1	City House Tokyo Shinbashi	Greater Tokyo	May 25,2006	2,790	5.4%
	R-2	Pure City Roppongi	Greater Tokyo	May 23,2006	525	1.0%
	R-3	Winbell Kagurazaka	Greater Tokyo	May 23,2006	3,690	7.1%
	R-4	Nishiwaseda Crescent Mansion	Greater Tokyo	May 23,2006	2,190	4.2%
	R-5	Lexington Square Akebonobashi	Greater Tokyo	May 25,2006	1,600	3.1%
	R-6	Montserrat Yotsuya	Greater Tokyo	May 23,2006	557	1.1%
	R-7	Casa Eremitaggio	Greater Tokyo	May 25,2006	1,240	2.4%
	R-8	Homest East Hills	Greater Tokyo	May 23,2006	521	1.0%
	R-9	Lexington Square Shimokitazawa	Greater Tokyo	May 25,2006	2,700	5.2%
	R-10	Homest Ikejiri	Greater Tokyo	May 23,2006	806	1.6%
	R-11	Towa City Cope Shin-Otsuka	Greater Tokyo	May 25,2006	937	1.8%
	R-12	Towa City Cope Asukayama-Koen	Greater Tokyo	May 25,2006	529	1.0%
	R-13	Bichsel Musashiseki	Greater Tokyo	May 23,2006	703	1.4%
	R-14	Lexel Mansion Ueno Matsugaya	Greater Tokyo	May 23,2006	1,130	2.2%
	R-15	Cosmo Nishiojima Grand Stage	Greater Tokyo	May 25,2006	909	1.8%
	R-16	Towa City Cope Sengencho	Greater Tokyo	May 25,2006	1,240	2.4%
	R-17	Royal Park Ohmachi	Tohoku	May 25,2006	564	1.1%
	R-18	Lexington Square Hagino-machi	Tohoku	May 23,2006	411	0.8%
	R-19	Visconti Kakuozan	Chubu	May 23,2006	397	0.8%
	R-20	Lexington Square Kitahiroe	Kansai	May 25,2006	596	1.2%
	R-21	Lexington Square Shinmachi	Kansai	May 25,2006	421	0.8%
	R-22	Luna Coat Tsukamoto	Kansai	May 23,2006	632	1.2%
	R-23	Lexington Square Fushimi	Chubu	Oct 31,2006	2,990	5.8%
Sub-total					28,078	54.4%
Senior	S-1	Bon Sejour Chitose Funabashi	Greater Tokyo	May 25,2006	791	1.5%
	S-2	Bon Sejour Yotsugi	Greater Tokyo	May 25,2006	765	1.5%
	S-3	Bon Sejour Hino	Greater Tokyo	May 25,2006	699	1.4%
	S-4	Bon Sejour Musashi Shinjo	Greater Tokyo	Nov 30,2006	610	1.2%
Sub-total					2,865	5.6%
Office	O-1	Otsuka Cent Core Bldg	Greater Tokyo	May 25,2006	2,540	4.9%

Others	Office	O-2	Ueno Fujita Estate 1	Greater Tokyo	May 23,2006	1,840	3.6%
	Office	O-3	Cross Square NAKANO	Greater Tokyo	May 23,2006	1,038	2.0%
	Retail	O-4	Lexington Plaza Hachiman	Tohoku	May 23,2006	4,760	9.2%
	Office	O-5	Ohki Aoba Bldg	Tohoku	May 25,2006	847	1.6%
	Retail	O-6	Loc Town Sukagawa	Tohoku	May 23,2006	2,563	5.0%
	Office	O-7	Lexington Plaza Sakae-minami	Chubu	May 25,2006	2,400	4.7%
	Retail	O-8	Valor Takinomizu	Chubu	May 23,2006	2,230	4.3%
	Hotel	O-9	Lexington Plaza Hiroshima Otemachi	Chugoku • Shikoku	Nov 30,2006	2,450	4.7%
Sub-total						20,668	40.0%
Total						51,611	100.0%

(*1) “Area” is divided into five sub-areas which consists of prefectures shown below:

Tohoku area : Aomori, Miyagi, Akita, Iwate, Yamagata, Fukushima

Greater Tokyo area : Tokyo, Kanagawa, Saitama, Chiba

Chubu area : Shizuoka, Nagano, Aichi, Niigata, Fukui, Ishikawa, Toyama, Mie, Gifu

Kansai area : Kyoto, Osaka, Hyogo, Shiga, Nara, Wakayama

Chugoku/Shikoku area : Hiroshima, Okayama, Yamaguchi, Tottori, Shimane, Ehime, Kagawa, Kochi, Tokushima

(*2) In the column of “(Scheduled) Acquisition Price”, the sales price provided in Transfer Agreement with precedent condition is shown. (excluding consumption tax, etc), and rounded off to the nearest million yen.

(*3) In the column of “Investment Ratio”, each ratio equals each(scheduled)acquisition price divided by grand total (scheduled) acquisition price and is rounded off to the nearest tenth.

【Appendix 3】

Precondition for Forecast of Performance for the Period Ending August 2007

Item	Precondition
Assets under management	<ul style="list-style-type: none"> • The Investment Corporation is assuming that there will be no changes (acquisitions of a new property, sales of acquired property, etc.) in the portfolio until August 31, 2007 (end of the third period) with respect to 33 properties currently owned as of October 27, 2006 (hereinafter “ Acquired Property”) other than acquisitions of Lexington Square Fushimi (scheduled to acquire on October 31, 2006), Bon Sejour Fushimi and Lexington Plaza Hiroshima Otemachi (these two properties are scheduled to be acquired by November 30, 2006) (hereinafter “Scheduled Acquisition Property”). In practice, however, forecasts for investment performance are subject to revision due to changes in the assets under management.
Operating Revenue	<ul style="list-style-type: none"> • Income from the leases of the properties is calculated based on the lease contracts related to the Acquired Property and Scheduled Acquisition Property which are effective as of October 27, 2006, while taking into consideration factors such as competitiveness of properties and market conditions. • Rent level is calculated taking into consideration factors such as real estate market conditions and competitive properties located in adjoining areas. • Operating revenues are estimated on the basis there are no rental income arrears and nonpayment.
Operating expenses	<ul style="list-style-type: none"> • Among the expenses for the properties leasing, which are the principal operating expenses, those other than depreciation and asset management fees are calculated based on (i) the historical data in the documents as of October 27, 2006 as to the used properties among Scheduled Acquisition Property and Acquired Property, and (ii) profit/loss forecasts described in the appraisal report as to newly-built properties among Scheduled Acquisition Property, while taking variable expenses into consideration. • Although property tax and city planning tax are generally settled at the time property is acquired in the trading of real estate on a pro-rata basis with the former owner in accordance with the length of ownership period, the Investment Corporation includes the amount corresponding to the settlement in the acquisition costs. • The amount estimated to be required for building repair expenses for each business period is included. However repair expenses could differ significantly from estimated amounts due to various reasons. Repair expenses may arise from damage caused by unexpected factors and the amounts generally tend to differ from year to year, and difficult to forecast. • Depreciation expenses are expected about 364 million yen and calculated using the straight line method, including ancillary expenses and additional future capital

	expenditure.
Non-operating Expenses	<ul style="list-style-type: none"> • Interest expenses etc totaling about 205 million yen are expected
Borrowing	<ul style="list-style-type: none"> • The Investment Corporation intends to obtain loans of approximately ¥3,240 million until October 31, 2006 and ¥3,250 million yen until November 30, 2006 from the qualified institutional investors defined in article 2.3-1 of the Securities and Exchange Law of Japan. • The Investment Corporation holds ¥22,700 million yen of loan outstanding as of October 27, 2006 and assumes that there will be no changes in debt amount and the interest rates up to and including the end of the third fiscal period ending August 2007.
Issue of Investment unit	<ul style="list-style-type: none"> • It is assumed that no additional investment units will be issued until the end of the fiscal period ending August, 2007 and that the number of outstanding investment units will be 59,300 units (which is the number of outstanding investment units as of October 27, 2006) until the end of the fiscal period ending August, 2007.
Dividend per unit	<ul style="list-style-type: none"> • Cash distributions per unit are calculated according to the Investment Corporation's distribution policy outlined in its Articles of Incorporation. • Cash distributions per unit may vary due to various factors, including the changes in rent income caused by the tenant replacements and unplanned repairs.
Excess profit Distribution per unit	<ul style="list-style-type: none"> • The Investment Corporation does not currently plan any distributions in excess of net income per unit.
Others	<ul style="list-style-type: none"> • The Investment Corporation assumes that there will be no amendments in legislation, taxation, Japanese GAAP, listing requirements and Investment Trusts Association regulations, which affect the above forecasts. • The Investment Corporation assumes that there will be no material changes in general economic conditions and real estate markets.