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For Immediate Release

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Notice concerning Effect of Commencement of Bankruptcy Procedure of re-plus inc.

LCP Investment Corporation (the “Investment Corporation”) today made the following announcement concerning the effect caused by the fact that re-plus inc. filed for bankruptcy in the Tokyo District Court and the court ordered the commencement of bankruptcy procedure on September 24, 2008.

1. Relationship between Investment Corporation and re-plus inc. and Summary

Although there is no direct contractual relationship between the Investment Corporation and re-plus inc., re-plus’s compensation system for delinquent rent payment has been used for some of the end-tenants of residential properties as of today owned by the Investment Corporation. The compensation system is established based on the compensation agreement contracted among property management companies (the “PM companies”), end-tenants and re-plus inc., a guarantee of rent liabilities incurred by the end-tenants, which allows PM companies to claim subrogation payment to re-plus inc. if the end-tenants fall behind in their rent payment. Since re-plus inc. was ordered to commence its bankruptcy procedure, however, it has virtually become impossible for PM companies to recover subrogation payment from the company.

Concerning residential properties which relate to trust beneficiary rights held by the Investment Corporation and use the above compensation system for end-tenants, the so-called “pass-through type master lease agreement” (leasing agreement) is contracted between trustees and PM companies. Therefore, even if it becomes impossible to recover rents from re-plus inc., the guarantee, there will not be any effect on the income of the Investment Corporation as long as rent payment by end-tenants is conducted without delay. However, in case end-tenants fall behind or fail in their rent payment, it may exert a negative effect on the rent income of residential properties, consequently on the income of the Investment Corporation.

* Concerning residential properties owned by the Investment Corporation, trustees and PM companies conclude the master-lease agreement. Under the agreement, the parties conclude a building leasing agreement to lease a part of the building, outsource property management business to PM companies which lease the units to end-tenants.

2. Amounts of Rents and Numbers of Units of Which the Investment Corporation Claims Subrogation Payment to re-plus inc.

The amount of rents and the number of units of which the PM companies have already claimed subrogation payment to re-plus inc. as of today and re-plus inc. has not completed the payment yet are as follows.

- (1) Rent: Approximately 12 million yen
- (2) Unit: 84 units

(Note) The above rent includes rents already paid to re-plus inc. and may be difficult to be recovered from end-tenants through PM companies.

Although the Investment Corporation is not able to recover subrogation payment from re-plus inc. concerning the above rent and units in case end-tenants fall behind or fail in their rent payment, the Investment Corporation will strive to minimize the effect on the income of the Investment Corporation by recovering rents from the end-tenants through PM companies.

3. Effect on Investment Status

We recognize that there is no significant effect on the investment status of the Investment Corporation for the period ending February, 2009 (from September 1, 2008 to February 28, 2009) caused by the above fact. We will continue to conduct an appropriate investigation on the unrecoverable amount and make prompt disclosure of any new facts that come to light concerning this matter.

* This document is being distributed today 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 to 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 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.