



NEWS RELEASE

No.2008-C-1121
Dec 11, 2008

R&I Downgrades Japan Single Res., LCP Inv. Corp. to BB+

Rating and Investment Information, Inc. (R&I) has announced the following.

SEC. CODE	COMPANY NAME
8970	Japan Single-residence REIT Inc.
8980	LCP Investment Corp.

* Please refer below for rated bonds, etc.

RATIONALE:

Refinancing environment mainly of REITs whose sponsor creditworthiness is not so high remains harsh, even after R&I conducted an Urgent Review of REITs in October 2008. There are cases where some banks withdrew from the syndication, the term was shortened, and the interest rate was raised significantly. There were also refinancing transactions with very high loan spread of 6%. Even banks, which were deemed to have extended loans to the real estate sector rather actively, are more hesitant about lending amid the worsening business sentiment.

As market conditions for investment units and JREIT bonds are tight, an alternate method for refinancing is now mostly limited to property sales. However, the number of potential buyers has declined considerably, and the property is very unlikely to be sold at an offered price.

Under such circumstances, REITs that do not have a specific main bank and have little business ties with mega banks and trust bank are highly likely to face further difficulty upon obtaining refinancing. R&I has therefore downgraded the above 2 REITs to BB+. The Rating Outlook remains Negative.

EVALUTAION OF INDIVIDUAL REITs

*** Japan Single-residence REIT Inc.**

Japan Single-residence REIT Inc. (JSR) is a Japanese real estate investment trust (J-REIT) which mainly invests in rental housing for singles and its sponsors include Invoice RM Inc. JSR does not have a specific main bank and has little business ties with mega banks and trust banks. The ratio of short-term debt is high and the salability of housings is declining significantly. Amid such circumstances, the repayment of approximately 6.1 billion will become due in January 2009.

*** LCP Investment Corp.**

A comprehensive-type REIT sponsored by various firms including the U.S LCP Group LP. It focuses on rental housing but also invests in office buildings. It has formed business alliance with its major investor, GE Real Estate. It does not have a specific main bank and has little business ties with mega banks and trust banks. Ratios of interest-bearing debt and short-term debt are slightly high, and salability of housing property has recently declined significantly.

Amid such circumstances, repayment of approximately 7 billion yen in total will become due during January-March 2009.

R&I RATINGS:

ISSUER:	Japan Single-residence REIT Inc. (Sec. Code: 8970)
ISSUER RATING:	BB+ (Downgraded from BBB)
RATING OUTLOOK:	Negative

ISSUE:	Preliminary Rating for the Shelf Registration scheme Bonds to be Rated: Corporate Bonds Issue Amount: Yen 50,000 million (Shelf Amount) Issue Period: Two years from Dec 26, 2007
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R&I RATING:	BB+ (Downgraded from BBB)
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Ratings are statements of R&I's opinion shown in certain symbols regarding an Issuer's general capacity (credit quality) to repay its financial obligation and individual debts (bonds and loans, etc.) and it is not a statement of recommendations to buy, hold, or sell any securities. Information has been obtained by R&I from sources believed to be reliable, however, its accuracy, adequacy, or completeness is not guaranteed. Therefore, R&I is not responsible for any errors or omissions or the result obtained from the use of the rating. As a general rule, R&I provides the rating services for a rating fee paid by the Issuer.

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NEWS RELEASE

ISSUER: LCP Investment Corp. (Sec. Code: 8980)
ISSUER RATING: BB+ (Downgraded from BBB)
RATING OUTLOOK: Negative

Issuer Rating is R&I's opinion regarding an issuer's overall capacity to repay its entire financial obligation, and it will be assigned to all issuers. The rating of individual obligations (i.e. bonds and loans etc.) includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than Issuer Rating.