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For Immediate Release

Issuer of real estate investment trust securities:  
 Invesco Office J-REIT, Inc.  
 6-10-1, Roppongi, Minato-ku Tokyo  
 Yoshifumi Matsumoto, Executive Director  
 (TSE code: 3298)

Asset Management Company:  
 Invesco Global Real Estate Asia Pacific, Inc.  
 Yasuyuki Tsuji, Representative in Japan  
 Inquiries: Hiroto Kai, Head of Portfolio Management Department  
 TEL. +81-3-6447-3395

**Notice Concerning the Forecasts of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending April 30, 2017 (6th period)**

Invesco Office J-REIT, Inc. (hereinafter referred to as the "Investment Corporation") announces the forecasts of investment management performance and the estimated distributions per unit for the fiscal period ending April 30, 2017 (6th period).

There are no changes to the forecasts of investment management performance and the estimated distributions per unit for the fiscal period ended October 31, 2016 (5th period) as announced in the "Notice Concerning Revisions to the Forecasts of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending October 31, 2016 (5th period)" on December 1, 2016.

1. Details of disclosures

Details of the forecasts of investment management performance and the estimated distributions per unit for the fiscal period ending April 30, 2017 (6th period)(from November 1, 2016 to April 30, 2017)

	Operating revenues	Operating income	Ordinary profit	Current net income	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Forecasts	¥6,519m	¥3,236m	¥2,873m	¥2,872m	¥3,523	¥—

(Information)

Fiscal period ending April 30, 2017 (6th period): the estimated number of issued investment units as of the end of the period is 815,547 and the estimated current net income per unit is ¥3,523.

(Note 1) The estimated figures above are calculated as of the date hereof based on the assumptions set forth in Attachment hereto, "Assumptions for the Forecasts of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending April 30, 2017 (6th period)." Accordingly, the subsequent acquisition of additional real estate, etc., disposition of real estate, etc. other than the Asset for Disposition or the Target Asset of Exercise of Right, change in rent revenues due to changes of lessees or other reasons, unexpected repair costs incurred and any other changes in management circumstances,

Note: This press release is a document for making a public announcement concerning the forecasts of investment management performance for the fiscal period ending April 30, 2017 (6th period), and has not been prepared for the purpose of soliciting investment.



interest rate fluctuations, or the issue, etc. of new investment units will cause the assumed conditions to deviate, and thus actual operating revenues, operating income, ordinary profit, current net income and distributions per unit (excluding distributions in excess of earnings) may differ from the estimated figures. In addition, the forecasts above do not guarantee the amount of the distributions.

- (Note 2) The estimated figures above are based on exercising the preferential negotiation right regarding the acquisition of Kinshicho Prime Tower (hereinafter referred to as the "Preferential Negotiation Right") on December 16, 2016 and acquiring the property on January 20, 2017, as set forth in the Attachment hereto, "Assumptions for the Forecasts of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending April 30, 2017 (6th period)". However, as of the date hereof, the Asset Management Company has not determined to acquire the property, and there is no sales and purchase agreement signed by each parties. The Investment Corporation will make an announcement upon determination of acquiring the property. For details of the Preferential Negotiation Right, please refer to the "Notice Concerning Asset Acquisition (Silent Partnership Equity Interests)" on June 28, 2016.
- (Note 3) If a deviation from the forecasts above is expected to or beyond a certain extent, they may be revised.
- (Note 4) Figures above certain units are rounded down, and percentages are shown rounded off to one decimal place.
- (Note 5) With respect to the estimated distributions per unit for the fiscal period ending April 30, 2017 (6th period), please also refer to page 6 of the supplemental information regarding "Notice Concerning Asset Disposition and Termination of Lease (Harumi Island Triton Square Office Tower Z) and Exercising Preferential Negotiation Right Regarding Asset Acquisition and Lease (Kinshicho Prime Tower )" dated today.

## 2. Reasons for disclosures

As announced in the press release "Notice Concerning Asset Disposition and Termination of Lease (Harumi Island Triton Square Office Tower Z) and Exercising Preferential Negotiation Right Regarding Asset Acquisition and Lease (Kinshicho Prime Tower)" as of today, Invesco Global Real Estate Asia Pacific, Inc., an asset management company that has been engaged to manage the Investment Corporation's assets, has decided today (i) to dispose an asset and terminate a lease thereof and (ii) to exercise the preferential negotiation right regarding asset acquisition and leases thereof. Along with the decision, as of today, the Investment Corporation announces the forecast of investment management performance and the estimated distribution per unit for the Fiscal Period Ending April 30, 2017 (6th period).

\* This material will be distributed to the Kabuto Club, the kisha club of the Ministry of Land, Infrastructure, Transport and Tourism, and the kisha club specializing in construction of the Ministry of Land, Infrastructure, Transport and Tourism.

\* Website address for the Investment Corporation: <http://www.invesco-reit.co.jp/en/>

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[Attachment]

Assumptions for the Forecasts of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending April 30, 2017 (6th period)

Items	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>➤ Fiscal Period Ending April 30, 2017 (6th period) (from November 1, 2016 to April 30, 2017) (181 days)</li> </ul>
Assets managed	<ul style="list-style-type: none"> <li>➤ Based on the assumption of thirteen properties (hereinafter, the “owned assets”) which the Investment Corporation owns as the date hereof and Harumi Island Triton Square Office Tower Z (hereinafter, the “asset to be disposed”) which are to be disposed by the Investment Corporation on December 16, 2016. Also, the assumption is based on condition that the Investment Corporation exercises the preferential negotiation right to acquire Kinshicho Prime Tower (hereinafter, the “target asset of exercise of right”) on the same date and acquires the target asset of exercise of right on January 20, 2017.</li> <li>➤ It is based on the assumption that there will be no changes in managed assets except the above (such as the acquisition of new properties or the disposition of owned properties) until the end of the fiscal period ending April 30, 2017 (6th period). In fact, however, there is the possibility of fluctuations depending on changes in managed assets.</li> <li>➤ For details of the target asset of exercise of right, please refer to the “Notice Concerning Asset Disposition and Termination of Lease (Harumi Island Triton Square Office Tower Z) and Exercising Preferential Negotiation Right Regarding Asset Acquisition and Lease (Kinshicho Prime Tower)” announced today.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>➤ Based on the operating revenues from “Assets managed” above. The revenues from the leasing business for the owned assets are calculated, considering the lease agreements that are effective as of the date of this document, tenant circumstances, market circumstances, etc., and based on the assumption that no tenants will fail to pay or default on rents. The revenues from the leasing business for the target asset of exercise of right are calculated in consideration of information provided by the current owner or current trustee (hereinafter, the “current owners etc.”) of the target asset of exercise of right, the lease agreements that will be effective as of the scheduled date of the acquisition, market circumstances and other factors, and based on the assumption that no tenants will fail to pay or default on rents.</li> <li>➤ Profit from disposition of the asset to be disposed is expected to be 783 million yen.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>➤ Among the expenses for the leasing business, which is a major operating expense, the expenses other than the depreciation expenses are calculated reflecting variable factors of expenses based on the past actual figures for owned assets. The expenses for the target asset of exercise of right are calculated in consideration of information provided by the current owner, etc., and reflecting the variable factors of expenses based on the past actual figures.</li> <li>➤ The depreciation expenses are calculated including any incidental expenses, etc. according to the straight-line method. The estimates are ¥758 million.</li> <li>➤ Generally, in sales and purchases of real estate, etc., the fixed asset tax and the city planning tax, among others, are adjusted with the current owners etc. by calculation on a pro-rata basis for the relevant period upon the acquisition of the relevant real estate, etc. However, the Investment Corporation will not record the relevant adjusted amounts for the fixed asset tax, the city planning tax and other taxes under the expenses for the fiscal period during which the acquisition occurs because the said adjusted amounts will be included in the acquisition</li> </ul>

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	<p>cost. Accordingly, part of the fixed asset tax, the city planning tax and other taxes of Shinagawa Seaside East Tower, Akiba CO Building, Sun Towers Center Building, Sendai Honcho Building and Hakata Prime East which the Investment Corporation acquired in the fiscal period ended October 31, 2016 (5th period) (hereinafter the “assets acquired in the 5th period”) will not be recorded under expenses for the fiscal period ending April 30, 2017 (6th period). Furthermore, the fixed asset tax, the city planning tax and other taxes of the target asset of exercise of right will not be recorded under expenses (If the fixed asset tax, the city planning tax and other taxes regarding the assets acquired in the 5th period and the target asset of exercise of right are recorded as expenses on a full-year basis, the estimated amount is ¥141 million and ¥42 million each). In addition, the estimated total amount of the fixed asset tax, the city planning tax and other taxes to be included in the acquisition cost of the target asset of exercise of right is estimated be ¥80 million.</p> <ul style="list-style-type: none"> <li>➤ In terms of repair costs, the asset management company (Invesco Global Real Estate Asia Pacific, Inc.) records the estimated cost amounts for each property as expenses. However, an increase in repair costs or additional repair costs may arise due to unpredictable causes, and thus the actual costs may differ substantially from the estimated costs.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>➤ The estimated interest expenses and other loan-related costs are expected to be ¥360 million.</li> </ul>
Loans	<ul style="list-style-type: none"> <li>➤ While the Investment Corporation has a balance of borrowings amounting to ¥82,100 million as of today, it plans to undertake additional short-term borrowings of ¥5,500 million on January 20, 2017 to use as part of the funds for acquiring the target asset of exercise of right (hereinafter referred to as the “borrowing”). Afterwards, the balance of borrowings will amount to ¥87,600 million (hereinafter referred to as the “balance of borrowings after the acquisition of the target asset of exercise of right”). However, the amount of the borrowing and the balance of borrowings after the acquisition of the target asset of exercise of right may change.</li> <li>➤ The LTV ratio, which stood at 47.7% at the end of the fiscal period ended October 31, 2016 (5th period), is estimated at about 49.1 after the acquisition of the asset to be acquired. However, the balance after the Borrowing and the acquisition of the asset to be acquired may change, the LTV ratio after the acquisition of the asset may change accordingly.  The LTV ratio after the acquisition of the target asset of exercise of right is calculated according to the following formula.  <math display="block">\text{LTV ratio} = \frac{\text{Balance of borrowings after the acquisition of the target asset of exercise of right}}{\text{(Total asset value after the acquisition of the target asset of exercise of right)}}</math> *Total asset value after the acquisition of the target asset of exercise of right = Expected total assets as of the end of the fiscal period ended October 31, 2016 (5th period) + funds to be procured associated with the acquisition of the target asset of exercise of right + deposits and guarantees pertaining to the target asset of exercise of right</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>➤ Based on the assumption of 815,547 units which are issued as of today, and it is assumed that there will be no additional issue of investment units until April 30, 2017 (6th period).</li> </ul>
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>➤ The distributions per unit (excluding distributions in excess of earnings) are calculated based on the monetary distribution policy provided for under the rules of the Investment Corporation.</li> <li>➤ The distributions per unit may change due to various reasons, including a change in rent revenues arising from a change in managed assets or tenants or unexpected repairs.</li> </ul>

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Distributions in excess of earnings per unit	➤ Currently, the distribution of money arising from sources in excess of net income is not scheduled.
Other	➤ Based on the assumption that there will be no revisions to laws, regulations, the tax system, accounting standards, listing rules, rules of the Investment Trusts Association, Japan, etc. that will affect the estimated figures described above. ➤ Based on the assumption that there will be no unexpected material changes in general economic trends, real estate market circumstances, etc.

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