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Notice Concerning Amendments to Shelf Registration Statement for Green Bond Issuance

Invesco Office J-REIT, Inc. (hereinafter referred to as the “Investment Corporation”) announces that today it has filed with the Kanto Local Finance Bureau an amendment to the shelf registration statement filed on February 27, 2017, relating to the issuance of green bonds, in line with the Investment Corporation’s plan to offer a green bond (the fourth in a series of unsecured and non-guaranteed investment corporation bonds) (Note1) (hereinafter referred to as the “Green Bond”) to investors in the domestic market by public offering.

The Investment Corporation obtains a second-party opinion regarding the issuance of Green Bond from Sustainalytics Japan (hereinafter referred to as “Sustainalytics), the issuing supporter for the Green Bond. Sustainalytics has received a notification of determination on granting a subsidy from Green Finance Organisation with regard to the Green Bond as the project under the subsidy scheme for Financial Support Programme for Green Bond Issuance during fiscal year of 2018 (Note 2) established by the Ministry of the Environment, Japan. The Investment Corporation expects that the issuance of the Green Bond will be the first time any J-REIT has issued a green bond by using such subsidy scheme.

The Investment Corporation believes that enhancing sustainable growth in both corporate value and social value through ESG investments (Note 3) which concern environmental, social and governance issues (hereinafter collectively referred to as “ESG”) leads to middle- to long-term improvement in investor value, and therefore, the Investment Corporation pursues the actions to improve sustainability.

(Note 1) Green bonds are a type of bond instrument issued by corporations and local municipalities, for the purpose of allocating the proceeds to domestic/international green projects (that have the effect of improving the environment, such as renewable energy business, construction or renovation of eco-friendly buildings, projects to prevent and manage environmental pollution etc.). The proceed of green bonds are 1) allocated to green projects only, 2) tracked and 3) secured transparency through reporting after the issuance.

(Note 2) The subsidy scheme for registered issuing supporters supporting corporations or municipalities and other bodies who seek to issue green bonds through outside review and consultation on establishing green bond framework and others to compensate expenses required for such supports. Eligibility criteria of green bonds for such subsidy scheme are those all procured amount raised through the issuance will be applied to the green projects and all requirements below are met at the time of the issuance;

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- (1) A green project that meets one of the following criteria:
 - ① Contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
 - Projects for which equal to or more than half of the procured amount, or equal to or more than half of the number of projects is domestic decarbonization-related project.
 - ② Has high decarbonization and effects on vitalization of local economy
 - Decarbonization effects: Those whose subsidy amount per ton of domestic CO2 reduction is less than the specified amount
 - Effects on vitalization of local economy: Projects that are expected to contribute to effects on vitalization of local economy as part of the ordinance and plan, etc. decided by the municipality, projects for which investment by municipalities can be anticipated, etc.
- (2) Compliance with the Green Bond Guidelines of the green bond framework has been confirmed by an external review organization before issuance.
- (3) Not a so-called “Green Wash Bonds”

(Note 3) ESG investment is an investment which mainly targets and selects companies which put emphasis on environment, social and governance issues.

1. Overview of the Amendment to Shelf Registration Statement

The Investment Corporation filed today an amendment to shelf registration statement which contains certain matters with regard to the issuance of Green Bond to the Kanto Local Finance Bureau. In relation to the issuance of the Green Bond, the Investment Corporation plans to retain Nomura Securities Co., Ltd. (Green Bond Structure Agent) (Note 4), SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Mizuho Securities Co., Ltd. as lead managers and discuss the feasibility of issuing Green Bond as well as terms and conditions including interest rate. The Investment Corporation plans to issue Green Bond of 5.5 billion yen in December 2018 and the proceeds are to be allocated to refinance a portion or all of the refinanced loan which the Investment Corporation borrowed to acquire an eligible green property, Ebisu Prime Square.

For the details of eligible green property, please refer to “3. Overview of the Green Bond Framework” described below.

(Note 4) Green Bond Structure Agent is an agent who supports to issue green bonds by advising how to establish a green bond framework and to obtain a second-party opinion.

2. Purpose and Background of Issuing Green Bond

Currently, supported by the fact that ESG investments are becoming more popular all over the world, issuances of green bonds are globally accelerating. In Japan, the Ministry of Environment established “Green Bond Guidelines, 2017” and in line with the attribution of Japan, credibility of environmental improvement effect by issuing green bonds has been improving as well as reducing the cost of issuers. In 2018, the Ministry of Environment launched a project to promote green bond issuance and that has contributed to growing the green bond issuance market. As ESG awareness is becoming a more serious social issue, investment demand for green bonds by domestic bond investors is growing.

The Investment Corporation shares the sustainability objectives with Invesco Global Real Estate Asia Pacific Inc. (hereinafter referred to as the “Asset Management Company”, to which it entrusts its asset management, and the Invesco Group (Note 5) of which the Asset Management Company is a group company. The Invesco Group signed the United Nation’s Principles for Responsible Investment (“UNPRI”) and has been aware of the importance of ESG in the investment procedure to

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fulfill fiduciary responsibilities. The Invesco Group also has been aware of the responsibility to support environmental conservation activities and therefore, it globally makes the following efforts;

- The executive members of the Invesco Group oversee and drive the Invesco Group's global environmental policy.
- Invesco participates in the CDP (Note 6) and clearly manages carbon emission and reduction management processes.
- Invesco has received certification in the Leadership in Energy and Environmental Design (LEED) (Note 7) program for Atlanta headquarters and other branches abroad. LEED-certified buildings are using resources more efficiently when compared with conventional buildings.
- Group companies of the Invesco Group are trying hard to reduce their environmental burden and some offices (approximately 80% based on employees) of the Invesco Group have been certified by ISO14001 (Note 8).
- Invesco is a constituent of the FTSE4Good Index Series (<https://www.ftse.com/products/indices/FTSE4Good>), which seeks to help investors identify organizations with a good track record of corporate social responsibility.
- Invesco Ltd. has been awarded an A+ rating for its overall approach to responsible investment (Strategy and Governance) of UNPRI for two consecutive years, in 2017 and 2018.

(Note 5) The "Invesco Group" indicates a group of corporations or other entities comprised of Invesco Ltd. (its headquarters is located in Atlanta, Georgia, United States, and it is listed on the New York Stock Exchange) and its direct or indirect subsidiaries, including the Asset Management Company.

(Note 6) CDP is an international non-profitable organization which manages a disclosure system regarding environmental information for the purpose of enhancing the sustainable management, climate change strategy and conservation of natural resources by cooperating with investors, corporations and governments.

(Note 7) LEED, developed by non-profit organization, U.S. Green Building Council (USGBC), is an environmental evaluation system for built environment (environment regarding construction and city) managed by Green Business Certification Inc. (GBCI).

(Note 8) ISO 14001 is an international standard regarding environmental management system and provides a framework for organizations to cope with the changing environmental situation along with balancing social needs.

Along with the measurement regarding environmental issues taken by the Invesco Group, the Investment Corporation and the Asset Management Company works hard not only to fulfill the social and environmental responsibilities with thoughtful consideration of ESG and disciplined approach but also to meet the clients' needs as well as to fulfill fiduciary duty as an asset manager. The Investment Corporation continues to encourage measurements regarding sustainability and acquiring third-party green building certificates such as Comprehensive Assessment System for Built Environment Efficiency (CASBEE) or DBJ Green Building Certification Program by Development Bank of Japan, Inc.

Considering the ESG investment becoming popular throughout the world and ESG measurement by Invesco Group, the Investment Corporation plans to issue the Green Bond. In other words, the Investment Corporation would like to contribute to realize effective low carbon business by making maximum use of eligible green properties in its portfolio and issuing green bonds to finance the acquisition cost or refinance the borrowings for acquiring green projects. Ebisu Prime Square (in case the Green Bond is issued, a portion or all of the loan which the Investment Corporation

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borrowed to refinance the loan for acquiring Ebisu Square is to be prepaid by using the proceeds of Green Bond) achieved 3 stars of DBJ Green Building Certification Program. For the most recent fiscal year, Ebisu Prime Square reduced CO2 more than 15% (based on CO2 emission volume) which is a greenhouse gas reduction target set by Tokyo Metropolitan Government as offices designated for global warming countermeasures. The office part of Ebisu Prime Square achieved three stars of DBJ Green Building Certification Program.

In addition, by spurring the demand from new investors who show interest in ESG investments through issuing the Green Bond, the Investment Corporation believes that it leads to expand the Investment Corporation's investor base. Also, inviting investment from both domestic and international ESG investors, the Investment Corporation hopes to contribute by expanding the size of the domestic green bond market, and it also hopes that the green bond will be a stable financing instruments.

3. Overview of the Green Bond Framework

(1) Use of Proceeds

The proceeds of the Green Bond will be allocated to finance and/or refinance the existing loan/investment corporation bonds which have been allocated to the acquisition or refurbishments of existing and/or new assets that meet the following eligibility criteria (hereinafter referred to as the "Eligible Green Projects" and defined in (2) below).

(2) Eligible Green Projects

The Investment Corporation shall apply one or more of the following criteria to allocate the proceeds into Eligible Green Projects:

- i. Buildings that have achieved certification or recertification by one or more of the following programs within the 36 months preceding the green bond issuance date or will until the maturity date:
 - B+, A or S under CASBEE
 - 3, 4 or 5 Stars under the DBJ Green Building Certification Program
- ii. Buildings that reduce CO2 emission by more than the required reduction rate which was set by the authority compared to the standard emissions volume also set by the authority during the most recent fiscal year.
- iii. Refurbishment with a primary purpose of achieving one or more of the following criteria, completed within 36 months prior to the date of green bond issuance:
 - More than 10% CO₂ emissions or energy consumption reduction
 - More than 10% in water consumption reduction
 - More than one level of improvement in the CASBEE Certification or DBJ Green Building Certification

(Note 9) The Asset Management Company's Investment Department, Asset Management Department, and Portfolio Management Department are responsible for selecting potential eligible projects. The Investment Committee, composed of the Asset Management Company's directors, a compliance officer, a head of Closing Services Department, and an external member, will evaluate these candidates to ensure that projects comply with the eligible criteria, and the final decision is approved by the Board of Directors.

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(3) Management of Proceeds

“The Debts of Eligible Green Projects” will be calculated by multiplying the total book value of the Eligible Green Properties, which is extracted out of the Investment Corporation’s portfolio, by its book value Loan to Value (LTV/ based on interest-bearing debt) ratio as of the end of its latest fiscal period. As a part of the process, the Investment Corporation will ensure that the net proceeds from its relevant outstanding green bond do not surpass the amount of Debts of Eligible Green Projects. Net proceeds from the green bonds will be immediately, or shortly thereafter, allocated to the Eligible Green Projects or to the refinancing of existing debts, which have previously been allocated to the Eligible Green Projects. In cases where net proceeds from green bonds are not allocated to Eligible Green Projects or refinancing of existing debts immediately or shortly after the issuance, the Investment Corporation will track and maintain an amount equal to the balance of unallocated green bond proceeds in cash and cash equivalents. Further, the amount of Debts of Eligible Green Projects will be disclosed on the Investment Corporation’s website.

(4) Reporting

The Investment Corporation is committed to disclosing the following quantitative environmental performance indicators as of the end of November each year on its website, during the term that the green bonds are outstanding:

- The number of buildings on the Eligible Green Properties
- The total amount of floor space of the Eligible Green Projects
- The following quantitative indicators on the Eligible Green Projects
 - Electricity consumption
 - Water consumption
 - CO2 emissions

4. Evaluation by External Organization

The Investment Corporation has obtained a second-party opinion from Sustainalytics, an ESG rating agency, for the eligibility of green bond framework (Note 10).

The second-party opinion from Sustainalytics;

https://www.sustainalytics.com/wp-content/uploads/2018/11/Invesco-Office-J-REIT_Green-Bond-Framework-Overview_SPO_Final.pdf

(Note 10) The eligible green bond framework indicates that the green bond framework satisfies the four conditions under the Green Bond Principles 2018 (the use of proceeds, project evaluation and selection process, management of proceeds and reporting) which was established by Green Bond Principles Executive Committee which is a private association organized by International Capital Market Association (ICMA).

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

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