



For Translation Purposes Only

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For Immediate Release

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Notice Concerning Amendments to Asset Management Guideline
of the Asset Management Company
(Adding rules regarding acquisition and cancellation of own investment units)

Invesco Office J-REIT, Inc. (hereinafter referred to as the "Investment Corporation") announces that Invesco Global Real Estate Asia Pacific, Inc. (hereinafter referred to as the "Asset Management Company"), to which the Investment Corporation entrusts asset management operations, resolved today to amend the asset management guideline (hereinafter referred to as the "Asset Management Guideline") regarding the asset management for the Investment Corporation.

1. Reason and Background for Amendments

In accordance with the amendment to the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the "Investment Trust Act") in 2013, regulations regarding acquisition of its own investment units, which was not allowed by law before the amendment, was eased and it enabled investment corporation to acquire its own investment units in case it is prescribed in the Articles of Incorporation that investment corporation may acquire its own investment units for value based on the agreement with unitholders. After the amendment, investment corporations may acquire its own investment units as a mean of capital policies, for example, in case the market price of investment unit is far different from its book-value per unit (BPU) due to the influence from financial or capital market.

The Investment Corporation has been aiming to improve investors' value by increasing Distributions Per Unit (DPU) amount through making its asset yield rate higher by external and internal asset growth. In addition to the strategy above, the Asset Management Company considers that conducting acquisition and cancellation of its own investment units as a capital strategy contribute to improve investors' value in the mid- to long-term when regarded as appropriate in view of the market environment and the trend of investment unit price ^(Note). Therefore, based on the Article 5, Paragraph 2 of the Investment Corporation's Articles of Incorporation, the Asset Management Company has decided that provisions regarding acquisition and cancellation of its own investment units are added to the Asset Management Guideline as a mean of capital policy.

(Note) In case the Investment Corporation acquires its own investment units and cancels them,

total amount of issued investment units are to be decreased and DPU amount is expected to be increased, compared to the case that there is no acquisition and cancellation of its own investment units.

The Investment Corporation submits extraordinary report on this matter to Kanto Local Finance Bureau since this matter comes under the change with respect to basic asset management policy and distribution policy of dividends.

The amendment mentioned above is regarding the change in financial policy in the Asset Management Guideline of the Asset Management Company and the Investment Corporation has not decided to conduct acquisition of its own investment units. Whether the Investment Corporation conducts acquisition of investment units depends on the market environment, the trend of investment unit price and the strategy based on the Asset Management Guideline. The Investment Corporation does not guarantee that it conducts acquisition of its own investment units in future.

2. Details of Change in the Asset Management Guideline

Considering the aim of improving investors' value in mid- to long-term mentioned above, the Asset Management Company decided to add provisions which enables to examine acquisition and cancellation of its own investment units as a part of financial and capital strategy for the purpose of improving capital efficiency and returning profit to investors.

It is made clear that, when actually deciding to conduct acquisition of its own investment units, improving investors' value in mid- to long-term is prioritized and such decision is based on the prudent assessments of level of investment unit price, situation of cash in hand, financial situation and market environment.

For more details, please refer to the Appendix.

3. Date of Amendments to Asset Management Guideline

April 21, 2017

4. Procedures regarding acquisition of own investment units and afterwards

When the board of directors of the Investment Corporation decides the details of acquisition of its own investment units (number of investment units to be acquired, total amount of money paid in return of acquiring investment units, acquisition period, acquisition method etc.) under the Investment Trust Act (provided that such decision is based on there is no undisclosed important information), the Investment Corporation immediately discloses the details and the expected impact on DPU amount. Also, when acquisition is completed, the Investment Corporation makes a public announcement regarding the result of acquisition and the impact on DPU amount.

The Investment Corporation cancels the acquired investment units at an appropriate time based on the resolution of the board of directors' meeting in accordance with the Investment Trust Act.

5. Future Outlook

The Asset Management Company does not expect the above mentioned amendments to the Asset Management Guideline to have an impact on the Investment Corporation's performance.

- * 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/>

Appendix: Current provisions and proposed amendments

(Appendix) New/Old Comparison Table for Asset Management Guidelines (Excerpt)
 The amendment to the Asset Management Guideline is as follows. Both before amendment and after amendment, the part which is to be amended (underlined) is mainly shown below and the other parts are omitted.

Before Amendment	After Amendment
<p>Article 7. Financial Policy</p> <p>The fundamental policy of Investment Corporation is the conduct of stable and sound financial management to ensure stable income over the medium to long term together with steady growth in asset value.</p> <p>Decisions on equity financing will be made taking comprehensively into account matters such as the timing of new real property-related asset acquisitions, their LTV (Note), repayment schedules and the remaining term of interest bearing debts, and the market environment, while giving consideration to the possible dilution of the interests of existing investors and any resulting decrease in the trading price of investment units.</p> <p>In its debt financing, will aim to maintain an LTV of from 40 to 50% in keeping with stable leverage control; provided, however, that there may be temporary increases above that level. Investment Corporation will seek stable financial management through diversification of lenders and repayment dates and the use of long-term fixed debt, taking into account borrowing costs. In regard to lenders, Investment Corporation will build a stable bank formation centered on leading Japanese financial institutions.</p> <p>Looking ahead, upon careful analysis of market conditions, the establishment of commitment lines and the issuance of investment corporate bonds will also be considered in order to diversify available means of financing.</p>	<p>Article 7. Financial Policy</p> <p>The fundamental policy of Investment Corporation is the conduct of stable and sound financial management to ensure stable income over the medium to long term together with steady growth in asset value.</p> <p>Decisions on equity financing will be made taking comprehensively into account matters such as the timing of new real property-related asset acquisitions, their LTV (Note), repayment schedules and the remaining term of interest bearing debts, and the market environment, while giving consideration to the possible dilution of the interests of existing investors and any resulting decrease in the trading price of investment units.</p> <p>In its debt financing, will aim to maintain an LTV of from 40 to 50% in keeping with stable leverage control; provided, however, that there may be temporary increases above that level. Investment Corporation will seek stable financial management through diversification of lenders and repayment dates and the use of long-term fixed debt, taking into account borrowing costs. In regard to lenders, Investment Corporation will build a stable bank formation centered on leading Japanese financial institutions.</p> <p>Looking ahead, upon careful analysis of market conditions, the establishment of commitment lines and the issuance of investment corporate bonds will also be considered in order to diversify available means of financing.</p> <p><u>Furthermore, for the purpose of improving capital efficiency and returning profit to unitholders, as a part of financial and capital policy, Investment Corporation will examine acquisition and cancellation of its own investment units. When such</u></p>

<p>Note: "LTV" means the ratio of total interest bearing debt (loans, investment corporate bonds and short term investment corporate bonds) to total assets.</p>	<p><u>examination, improving investors' value in mid- to long-term is prioritized and the decision whether to conduct such acquisition is based on the prudent assessments of level of investment unit price, situation of cash in hand, financial situation, and market environment.</u></p> <p>Note: "LTV" means the ratio of total interest bearing debt (loans, investment corporate bonds and short term investment corporate bonds) to total assets.</p>
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