



December 7, 2016

For Translation Purposes Only

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 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)

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”), an asset management company that has been engaged to manage the Investment Corporation’s assets, has decided today (i) to dispose an asset (hereinafter referred to as the “Disposition”) and terminate a lease thereof and (ii) to exercise the preferential negotiation right regarding asset acquisition and leases thereof (hereinafter referred to as the “Exercise of Right”) as described below.

1. Overview of the Disposition

(1) The Asset Scheduled for Disposition

: Trust beneficiary interest in entrusted real estate in Japan

(2) Name of Asset

: Harumi Island Triton Square Office Tower Z

(3) Scheduled Disposition Price

: ¥10,100 million

(Excluding disposition-related costs, adjustment amount of property tax and city planning tax, consumption tax etc.)

(4) Expected Book Value (Note 1)

: ¥9,190 million

(5) Amount of Difference from Scheduled Disposition Price and the Expected Book Value (Note 2)

: ¥910 million

(6) Purchaser

: NA (For more details, please refer to the section “5. Overview of the purchaser and the counterparty of the Exercise of Right”)

(7) Date of Contract

: December 7, 2016

(8) Scheduled Date of Disposition

: December 16, 2016

(9) Usage of Proceeds from Disposition

: Funds to acquire the Target Asset of Exercise of Right (scheduled)

(10) Settlement Method

: Payment in full on date of delivery

(Note 1) Expected Book Value mentioned herein is the expected value as of the scheduled disposition date and rounded down to the million.

(Note 2) Amount of Difference from Scheduled Disposition Price mentioned herein is gap between the scheduled disposition price and expected book value as of the scheduled disposition date. As it is pro forma amount, it may differ from the actual profit and loss from disposition.

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and Lease, and is not prepared for the purpose of solicitation of investment.

The asset scheduled for disposition mentioned above is hereinafter referred to as the “Asset Scheduled for Disposition”.

2. Overview of the Exercise of Right

As it was publicly announced in the press release “Notice Concerning Asset Acquisition (Silent Partnership Equity Interest)” dated June 28, 2016 (hereinafter referred to as the “Press Release regarding Silent Partnership Equity Interest Acquisition”), the Investment Corporation was given the preferential negotiation right regarding the property described below which is owned by Godo Kaisha Condor Property. Due to the Disposition mentioned in section 1, the Investment Corporation expects rental revenue to decrease. Therefore, the Investment Corporation intends to exercise the preferential negotiation right to acquire the substitutional asset.

By the Exercise of Right, the Investment Corporation acquires the trust beneficiary interest described below, upon the consensus after discussion over the detailed sales and purchase conditions. However, as of the date hereof, the Asset Management Company has not determined to acquire such trust beneficiary interest, and there is no sales and purchase agreement signed by each parties. The Investment Corporation will make announcement upon its determination of acquiring such asset.

(1) The Target Asset of Exercise of Right

: Trust beneficiary interest in entrusted real estate in Japan

(2) Name of Asset : Kinshicho Prime Tower

(3) Scheduled Acquisition Price (Note): ¥15,145 million
(Excluding acquisition-related costs, adjustment amount of property tax and city planning tax, consumption tax etc.)

(4) Seller (the counterparty of Exercise of Right)

: Godo Kaisha Condor Property

(5) Scheduled Date of Exercise of Right

: December 16, 2016

(6) Scheduled Date of Contract : January 18, 2017

(7) Scheduled Date of Acquisition : January 20, 2017

(8) Funds for Acquisition : Proceeds from the Disposition and borrowing of funds

(9) Settlement Method : Payment in full on date of acquisition

(Note) “Scheduled Acquisition Price” is the scheduled price as the date hereof and as a result of negotiation with the seller, the price may differ in the range (from 15,000 million yen to 15,185 million yen) which was mentioned in the section “3. Details of the Asset Scheduled for Acquisition, (1) Overview of the Silent Partnership Equity Interest, Overview of the Preferential Negotiation Right, (3) Exercise condition of the Preferential Negotiation Right” in the Press Release regarding Silent Partnership Equity Interest Acquisition.

The target asset of Exercise of Right mentioned above is hereinafter referred to as the “Target Asset of Exercise of Right”.

3. Reason for the Disposition and the Exercise of Right

Based on the asset management objective and strategy under the Articles of Incorporation of the Investment Corporation, the Investment Corporation concluded that the Disposition and the Exercise of Right (furthermore, acquiring the Target Asset of Exercise of Right) contribute to enhance the portfolio quality, strengthen financial ground, and eventually improve investors’ value. The reasons for the Disposition and the Exercise of Right are as follows.

(1) Reason for the Disposition (disposition of Harumi Island Triton Square Office Tower Z)

The Asset Scheduled for Disposition is leased to Sumitomo Corporation, and the news report in April 2016 indicated that Sumitomo Corporation is planning to move its head office which is now located in the Harumi Island Triton Square Office Tower Y, an adjacent building of the Asset Scheduled for Disposition. Although the Asset Scheduled for Disposition is occupied by subsidiary companies of Sumitomo corporation and there is no termination notice as the date hereof, there remains potential risk of tenant’s moving out. Under such circumstances, deliberately taking

Note: This press release is a document for making a public announcement concerning the Investment Corporation’s disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

situation of both real estate rental market and real estate sales market in Harumi area into consideration, the Asset Management Company concluded that disposing the Asset Scheduled for Disposition with the price above the expected book value and replacing it with the Target Asset of Exercise of Right are the best option to enhance the portfolio quality in mid- and long-term. Profit from the Disposition is to be recorded in the fiscal period ending in April 30, 2016 (6th Period).

(2) Reason for the Exercise of Right (exercising the preferential negotiation right regarding acquisition of Kinshicho Prime Tower)

As the Investment Corporation evaluated that the Target Asset of Exercise of Right has medium- to long-term competitiveness and contributes to improvement of the portfolio quality, the Investment Corporation determined to exercise the preferential negotiation right for the reasons below.

a. Location

Kinshicho area, where the Target Asset of Exercise of Right is located, has good access to central business district, approximately 6 minutes to Akihabara station by the JR Sobu Line, approximately 8 minutes to Tokyo station by the JR Sobu Line (Rapid Service), approximately 12 minutes to Otemachi station by the Tokyo Metro Hanzomon Subway line. Also, the JR Sobu Line (Rapid Service) connects to the JR Yokosuka line, so it provides direct access to Shinbashi station or Shinagawa station without changing trains. Since the area has high accessibility among office areas in Tokyo metropolitan wards other than the 5 central wards, the Target Asset of Exercise of Right is expected to capture not only the office demand for headquarters but also for back-offices or call centers. In addition, as the area has good expressway network, there is a demand for sales offices in this area and the adjacent area including west side of Chiba prefecture such as Urayasu, Ichikawa, Funabashi etc. Accordingly, the Target Asset of Exercise of Right can attract the demand for not only the head office but also sales offices.

b. Characteristics

The Target Asset of Exercise of Right is an large scale office tower with 17 stories with 1 basement floor. The size of the Target Asset of Exercise of Right is rare. Total floor area is 28,789.18 sqm (approximately 8,709 tsubo). Standard floor area is approximately 998.35 sqm (approximately 302 tsubo). The regular shaped office floor without pillars provides flexible layout and shows high competitiveness in size. The Target Asset of Exercise of Right accommodates 113 cars, thus regarded as appropriate to satisfy demand of tenants who emphasize conveniences of cars. Also, the common area was upgraded, as there was a renovation work completed in 2014.

Furthermore, from the standpoint of profitability, the Investment Corporation regards highly of NOI yield of the Target Asset of Exercise of Right after depreciation (4.3%) is expected to be higher than the average of the Investment Corporation's portfolio (4.0%).

After the Disposition and acquiring the Target Asset of Exercise of Right, the portfolio of the Investment Corporation is expected to be 13 properties and total amount of acquisition price is to be expanded to 160,052 million yen. For the details, please refer to "Supplemental Information Regarding 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)" which is released today.

4. Overview of the Asset Scheduled for Disposition and the Target Asset of Exercise of Right

An overview of the Asset Scheduled for Disposition and the Target Asset of Exercise of Right are summarized in the tables below.

An explanation of the descriptions in the respective sections of the tables and the terms used therein is explained below unless otherwise stated. The descriptions in the tables are as of the end of October, 2016 unless otherwise stated.

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

- a. The section “Planned Disposition Price” or “Planned Acquisition Price” state the disposition price for the Asset Scheduled for Disposition as set forth in the sale and purchase agreement or the scheduled purchase price of the Target Asset of Exercise of Right scheduled as of today (both exclusive of national and local consumption taxes and the costs of acquisition or disposition), and are rounded down to one million yen.
- b. The section “Appraised Value” states the appraised value as of October 31, 2016 as set forth in the real estate appraisal report of Japan Real Estate Institute and The Tanizawa Sōgō Appraisal Co., Ltd. and is rounded off to one million yen.
- c. The section “Scheduled Date of Disposition” or “Scheduled Date of Acquisition” state the date when the Investment Corporation is scheduled to acquire or to dispose the assets.
- d. Explanation of the section “Land”
 - (i) The section “Address” states the lot number as indicated in the registry. The section “Residential Address” states the residential address; in the case of a lack of residential address, the address of a building (in the case of two or more buildings, either of their addresses) as indicated in the registry is stated.
 - (ii) The section “Area” states the acreage as indicated in the registry and thus may not conform to the actual area. In addition, if the ownership structure is quasi-co-ownership, the acreage stated includes those of the other quasi-co-owners.
 - (iii) The section “Use Districts” states the type of use districts as specified under Item 1, Paragraph 1, Article 8 of the City Planning Act (Act No. 100 of 1968; including subsequent amendments thereto; hereinafter referred to as the “City Planning Act”).
 - (iv) The section “Building Coverage Ratio/ Floor Area Ratio” states the figures respectively determined according to the Building Standards Act (Act No. 201 of 1950; including subsequent amendments thereto), the City Planning Act and any other related laws and regulations.
 - (v) The section “Ownership Structure” states the types of rights owned by the trustee with respect to the Asset Scheduled for Disposition or the Target Asset of Exercise of Right.
- e. Explanation of the section “Building”
 - (i) The section “Date of Building” states the date of the new construction of the building as indicated in the registry.
 - (ii) The section “Structure/ Stories” states the structure as indicated in the registry and thus may not correspond to the actual structure. If the Asset Scheduled for Disposition or the Target Asset of Exercise of Right constitutes an exclusive use area of a condominium, the structure of the whole building is stated, not that of the exclusive uses area.
 - (iii) The section “Gross Floor Area” states the sum of the floor areas as indicated in the registry and thus may not correspond to the actual area. In addition, if the ownership structure is quasi-co-ownership, the gross floor area stated includes those of the other quasi-co-owners.
 - (iv) The section “Usage” states the major types from among those indicated in the registry and thus may not correspond to the actual types.
 - (v) The section “Ownership Structure” states the types of rights owned by the trustee with respect to the Asset Scheduled for Disposition or the Target Asset of Exercise of Right.
- f. The section “PM Company” states the property management company to which property management operations are contracted out or planned to be contracted out as of the date hereof.
- g. The section “Master Lease Company” states the master lease company to which master lease operations are contracted out or planned to be contracted out as of the date hereof.
- h. The section “Total Rentable Area” states the total area of the floor areas of rentable offices, retails, residences and other spaces of the building from among the Asset Scheduled for Disposition or the Target Asset of Exercise of Right (including the areas of the said spaces in common or other spaces in the case of leasing them), exclusive of the rentable area of parking spaces and other land. The Rentable Area states the area set forth in the lease agreement or the area calculated based on the drawing of the building, etc., not the area as indicated in the registry, and thus may not correspond to the gross floor area as indicated in the registry. This section is stated based on

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

information as of the end of October, 2016 unless otherwise stated.

- i. The section “Total Leased Area” states the sum of the leased areas as of the end of October, 2016 set forth in each lease agreement for the Asset Scheduled for Disposition or the Target Asset of Exercise of Right, exclusive of the leased area of parking spaces and other land. In addition, in the case of a pass-through type master lease agreement (hereinafter referred to as, “pass-through type master lease agreement”) for the Asset Scheduled for Acquisition, the area stated is the sum of the leased areas set forth in each lease agreements concluded with end tenants. In the case of a fixed master lease agreement in which a specific level of rent is received regardless of changes to the rent paid by end tenants (hereinafter referred to as, “fixed master lease agreement”), the sum of the leased areas set forth in the master lease agreement. This section is stated based on information as of the end of October, 2016 unless otherwise stated.
- j. The section “Occupancy Ratio” states the ratio of the leased area to the rentable area of the Asset Scheduled for Disposition or the Target Asset of Exercise of Right and is rounded off to one decimal place. This section is stated based on information as of the end of October, 2016 unless otherwise stated.
- k. The section “Total Number of Tenants” states the total number of tenants under the leases as set forth in each lease agreement for the Asset Scheduled for Disposition or the Target Asset of Exercise of Right as of the end of October, 2016. In the case of a pass-through type master lease agreement for the Asset Scheduled for Disposition or the Target Asset of Exercise of Right, the total number of end tenants is stated. If one tenant is renting several rent spaces, the said tenant shall be counted as one in the case where rented spaces are in the same property, but will be counted as several tenants in the case where the rented space covers several properties.
- l. The section “Monthly Rent” states the sum of monthly rent (including common area charges, excluding use fees for warehouses, signboards, parking spaces, etc.; any free rent as of following date shall not be considered) as set forth in each lease agreement executed with tenants in force as of the end of October, 2016 (limited to leases under which occupancy has already commenced as of this date) and is rounded off to one thousand yen. In the case of a pass-through type master lease agreement for the Asset Scheduled for Disposition or the Target Asset of Exercise of Right, the sum of the monthly rent (including common area charges, excluding use fees for warehouses, signboard, parking spaces, etc.; free rent as of the same date is not considered) as set forth in each lease agreement with end tenants (limited to leases under which occupancy has already commenced as of this date) is stated, rounded off to one thousand yen.
- m. The section “Security Deposit/ Key Money” states the sum of the security deposits/key monies (excluding use fees for warehouses, signboard, parking spaces, etc.; limited to security deposits/key monies of rent spaces) required under each lease agreement for the Asset Scheduled for Disposition or the Target Asset of Exercise of Right (limited to leases under which occupancy has already commenced) as of the end of October, 2016, rounded off to one thousand yen. In the case of a pass-through type master lease agreement for the Asset Scheduled for Disposition or the Target Asset of Exercise of Right, the sum of the security deposits/key monies (excluding use fees for warehouses, signboard, parking spaces, etc.; limited to security deposits/key monies of rent spaces) under the leases executed with the end tenants (limited to leases under which occupancy has already commenced as of the same date) is stated, rounded off to one thousand yen.
- n. The section “Special Comments” states the matters deemed important regarding the rights for the Target Asset of Exercise of Right, the use of them, etc., as well as the matters considered important with regard to the impact on appraised value, profitability and disposal of the Target Asset of Exercise of Right.

(1) Overview of the Asset Scheduled for Disposition

Property Name	Harumi Island Triton Square Office Tower Z
Type of Specified Assets	Trust beneficial interests
Trustee	Mitsubishi UFJ Trust and Banking Corporation
Expiry Date of Trust	June 30, 2024
Expected Book Value (Note 1)	9,190 million yen

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

Scheduled Disposition Price	10,100 million yen	
Profit and Loss from Disposition (Note 2)	783 million yen	
Appraised Value	10,900 million yen	
Appraisal Company	Japan Real Estate Institute	
Scheduled Date of Disposition	December 16, 2016	
Land	Address	1-85, Harumi, Chuo-ku, Tokyo
	(Residential Address)	1-8-12, Harumi, Chuo-ku, Tokyo
	Area	39,569.53 sqm (Note 3)
	Use Districts	Commercial district
	Building Coverage Ratio/ Floor Area Ratio	80% / 500%
	Ownership Structure	Rights to site (Note 4)
Building	Date of Building	October 1, 2001
	Structure/ Stories	Steel-frame/ reinforced concrete/ steel-frame reinforced concrete flat-roofed/ stainless steel shingle-roofed building with 40 stories above ground and 4 stories below ground (Note 5)
	Gross Floor Area	267,132.67 sqm (Note 5)
	Usage	Office
	Ownership Structure	Sectional ownership (Note 6)
Leasing Situation	Total Number of Tenants	1
	Monthly Rent (inclusive of common area charges)	- (Note 7)
	Security Deposit/ Key Money	- (Note 7)
	Rentable Area	11,076.32 sqm
	Leased Area	11,076.32 sqm
	Occupancy Ratio	100.0%

(Note 1) Expected Book Value mentioned herein is the expected value as of the scheduled disposition date.

(Note 2) The profit and loss from disposition is the amount deducted the expected book value and disposition cost from the scheduled disposition price.

(Note 3) The area above includes the acreage of the entire Western Zone, including Harumi Island Triton Square Office Tower Z.

(Note 4) The ratio of the rights to the site as indicated in the registry is 7,458,104/100,000,000.

(Note 5) This section states the structure/ stories and gross floor area of the whole building, consisting of this property and Harumi Island Triton Square Office Tower Y.

(Note 6) The exclusive use area of the building as set forth in the real estate registry that corresponds to the sectional ownership consisting of the trust beneficial interests owned by the Investment Corporation is about 10,759.81 sqm on the 12th to 16th floors and about half of the 17th floor of Harumi Island Triton Square Office Tower Z.

(Note 7) These sections are not disclosed as approval for disclosure has not been obtained by tenants.

(2) Overview of the Target Asset of Exercise of Right

Property Name	Kinshicho Prime Tower	
Type of Specified Asset	Trust beneficiary interest	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Scheduled Expiry Date of Trust	January 20, 2027	
Scheduled Date of Acquisition	January 20, 2017	
Scheduled Acquisition Price	15,145 million yen (Note 1)	
Appraised Value	15,600 million yen	
Appraisal Company	The Tanizawa Sōgō Appraisal Co., Ltd.	
Land	Address	1-5-10, Kameido, Koutou-ku, Tokyo and 9 other parcels of land
	(Residential Address)	1-5-7, Kameido, Koutou-ku, Tokyo
	Area	7,413.46 sqm
	Use Districts	Commercial District, Light-Industrial District (Note)
	Building Coverage Ratio/ Floor Area Ratio	80% · 60% / 700% · 300%(Note)
	Ownership Structure	Ownership
Building	Date of Building	August 31, 1994
	Structure/ Stories	Steel, steel-framed reinforced concrete with flat roof, 17 stories above ground and 1 story below ground
	Gross Floor Area	28,789.18 sqm
	Usage	Office, retail, parking
	Ownership Structure	Ownership
Collateral	None	
PML	2.79% (calculated by Sompo Risk Management & Health Care, Inc.)	
PM Company	XYMAX ALPHA Corporation	

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

Master Lease Company	Not applicable
Leasing Situation	
Total Number of Tenants	15
Monthly Rent (inclusive of common area charges)	74,429 thousand yen
Security Deposit/ Key Money	583,375 thousand yen
Leased Area	17,167.33 sqm
Rentable Area	17,606.11 sqm
Occupancy Ratio	97.5%
Special Comments	A portion of the land of the Property (118.57 sqm) has been leased to the Kameido 1-chome Community Association for owning a meeting hall, without compensation.

(Note1) "Scheduled Acquisition Price" is the scheduled price as the date hereof and as a result of negotiation with the seller, the price may differ in the range (from 15,000 million yen to 15,185 million yen) which was mentioned in the section "3.Details of the Asset Scheduled for Acquisition, (1) Overview of the Silent Partnership Equity Interest, Overview of the Preferential Negotiation Right, (3) Exercise condition of the Preferential Negotiation Right" in the Press Release regarding Silent Partnership Equity Interest Acquisition.

(Note2) Within 20m from the intersection of Keiyo Road which is on the north corner of the Property, the land is classified as commercial district. Therefore, building coverage ratio of 80% and floor area ratio of 700% are applied to the part of the land. Beyond 20m from the intersection of Keiyo Road mentioned above, the land is classified as light-industrial district. Thus, building coverage ratio of 60% and floor area ratio of 300% are applied to that part. The Property is built under the comprehensive design permission and in return of creating the public open space around the building, it is permitted that the floor area ratio is added by 70.01%.

Characteristics of the Property
<ul style="list-style-type: none"> - Kinshicho area, where the Property is located, is considered to be the center of the Joutou area, the east side of Tokyo, from old times. It has good access to central business district, approximately 6 minutes to Akihabara station by the JR Sobu Line, approximately 8 minutes to Tokyo station by the JR Sobu Line (Rapid Service), approximately 12 minutes to Otemachi station by the Tokyo Metro Hanzomon Subway line. Also, the JR Sobu Line (Rapid Service) connects to the JR Yokosuka line, so it provides direct access to Shinbashi station or Shinagawa station without changing trains. Since the area has high accessibility among office areas in Tokyo metropolitan wards other than the 5 central wards, the Property is expected to capture not only the office demand for headquarters but also for back-offices or call centers. - Furthermore, as the area has good railway as above and expressway network, there is a demand for sales offices in this area and the adjacent area including west side of Chiba prefecture such as Urayasu, Ichikawa, Funabashi etc. Accordingly, the Property can attract the demand for not only the head office but also sales offices. - The Property is 7 minutes walking distance from the nearest station, and is separated from the bustling areas around the station. It is highly evaluated by the tenants who are seeking for the spaces purely for the office. In addition, it has good car access. - The Property is an office tower with 17 stories with 1 basement floor and has a parking lot which can accommodate 113 cars. Total floor area is 28,789.18 sqm (approximately 8,709 tsubo). Standard floor area is approximately 998.35 sqm (approximately 302 tsubo). The regular shaped office floor without pillars provides flexible layout and shows high competitiveness in size. The office floor contains the standard level of equipment such as independent air conditioning, ceiling height of 2,600 mm, and a number of electric outlets on the floor of 100mm height. Also, the common area was upgraded, as there was a renovation work completed in 2014.

5. Overview of the purchaser and the counterparty of the Exercise of Right

The purchaser of the Asset Scheduled for Disposition is a domestic special purpose company. The overview of purchaser has not been noted as approval for disclosure has not been obtained by the purchaser. The purchaser has no capital/personnel/transactional relations with the Investment Corporation/the Asset Management Company as well as its affiliated companies and parties with whom they are involved that need to be stated. Also, the purchaser, its affiliated companies and related parties are not affiliated with the Investment Corporation/the Asset Management Company.

Overview of the counterparty of the Exercise of Right is as follows.

(1) Name of the counterparty of	Godou Kaisha Condor Property
---------------------------------	------------------------------

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

Exercise of Right	
(2) Address	2-7-1, Nihonbashi, Chuo-ku, Tokyo
(3) Title/ Name of Representative	General Incorporated Associations Condor Property, Functional Manager, Takahito Idesawa
(4) Nature of business	1. Acquisition, holding, sale of real estate trust beneficiary rights 2. Acquisition, holding, sale, leasing and management of real estate 3. All operations pertaining to or associated with each of business listed above
(5) Stated Capital	100,000 yen
(6) Date of Establishment	June 6, 2016
(7) Net Asset	4,500 million yen
(8) Total Asset	15,500 million yen
(9) Investors of Silent Partnership Equity Interest (Excluding the Investment Corporation)	NA (Note)
Relationship with the Investment Corporation or the Asset Management Company	
Capital relations	The Investment Corporation made a silent partnership investment of 100 million yen (2.2% of the total amount of the silent partnership investment) to the counterparty of the Exercise of Right on June 29, 2016. This company has no capital relations with the Investment Corporation or the Asset Management Company that requires disclosure. Also, parties related to this company and the company's affiliates have no capital relations with related parties and affiliated companies of the Investment Corporation or the Asset Management Company that requires disclosure.
Personnel relations	This company has no personnel relations with the Investment Corporation or the Asset Management Company that requires disclosure. Also, parties related to this company and the company's affiliates have no personnel relations with related parties and affiliated companies of the Investment Corporation or the Asset Management Company that requires disclosure.
Business relations	This company has no business relations with the Investment Corporation or the Asset Management Company that requires disclosure (The Investment Corporation was given the preferential negotiation right of Kinshicho Prime Tower along with the acquisition of silent partnership equity interest mentioned above by the operator, and is scheduled to exercise the right). Also, parties related to this company and the company's affiliates have no business relations with related parties and affiliated companies of the Investment Corporation or the Asset Management Company that requires disclosure.
Circumstances applicable to related parties	This company is not a related party to the Investment Corporation or the Asset Management Company. Also, parties related to this company and the company's affiliates are not related parties to the Investment Corporation or the Asset Management Company.

(Note) The names of other silent partnership equity investor are not disclosed as approval for disclosure has not been obtained by the investors.

6. Overview of Brokerage

There are no brokerages for the Disposition and the Exercise of Right.

7. Transaction with Related Parties

There are no related parties of the Investment Corporation or the Asset Management Company regarding the purchaser of the Disposition and the counterparty of the Exercise of Right.

8. Transaction Schedule

Decision date for disposition	December 7, 2016
Date of execution of sale and purchase agreement	December 7, 2016
Date of the payment	December 16, 2016 (scheduled)
Asset transfer date	December 16, 2016 (scheduled)

Decision date for exercising preferential negotiation right	December 7, 2016
Date of exercising preferential negotiation right	December 16, 2016 (scheduled)

9. Future Outlook

For the future outlook of the investment management performance (Note) after the transactions stated

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

herein in the fiscal period ending April 30, 2017 (from November 1, 2016 to April 30, 2017), please refer to the press release “Notice Concerning the Forecasts of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending April 30, 2017 (6th period)” which is announced today.

(Note) The outlook of the investment management performance is based on the assumption that the Investment Corporation acquires the Target Asset of Exercise of Right on the scheduled date of acquisition. For details, please refer to the press release mentioned above.

10. Overview of Appraisal Report

Property Name	Harumi Island Triton Square Office Tower Z
Appraised Value	10,900,000 thousand yen
Appraisal Company	Japan Real Estate Institute
Effective Date of Appraisal	October 31, 2016

		(thousand yen)	
Items	Content	Overview, etc.	
Value indicated by income approach	10,900,000	Calculated the value by associating the value using the DCF Method with that using the Direct Capitalization Method as its examination.	
Value based on the Direct Capitalization Method	11,000,000	Assessment made by capitalizing the standard and stable net profit (“the standardized net profit”) with the capitalization rate	
(1) Operational profits ((a) – (b))	NA (Note)		
(a) Potential gross earnings	NA (Note)		
(b) Losses from vacancy, etc.	NA (Note)		
(2) Operational expenses	NA (Note)		
Maintenance and management expenses/property management fee (Note)	NA (Note)		
Utility expenses	NA (Note)		
Repair expenses	NA (Note)		
Tenant advertising expenses	NA (Note)		
Taxes and public dues	NA (Note)		
Non-life insurance premium	NA (Note)		
Other expenses	NA (Note)		
(3) Operational net profit (NOI=(1) – (2))	486,176		
(4) Investment profits from lump-sum payment	NA (Note)		
(5) Capital outflows	NA (Note)		
(6) Net profit (NCF=(3)+(4) – (5))	451,978		
(7) Capitalization Rate	4.1%	Assessment made by capitalization rate of comparable real estate assets owned by other J-REITs, result of investor research, actual transactions of comparable real estate, the regional characteristics and uniqueness of the property as well as the correlation with discount rate (volatility of profit and principal amount).	
Value based on the DCF Method	10,700,000		
Discount rate	3.8%	Assessment made by taking into consideration capitalization rate of comparable real estate assets owned by other J-REITs, result of investor research, actual transactions of comparable real estate as well as yields on financial assets after incorporating the characteristics of real estate.	
Terminal Capitalization Rate	4.3%	Assessment made by taking into account the characteristics, future uncertainties, liquidity, marketability, among other factors, of the net profit by utilizing the capitalization rate.	
Value indicated by cost approach	12,100,000		
Land to value ratio	83.2%		
Building to value ratio	16.8%		
Other items that the appraisal company noticed during the appraisal	Nothing specific		

(Note) The items in the “Value based on the Direct Capitalization Method” include the information that the lessee has not consented to disclose and the information that could be used to deduce such information. Disclosure of such information could potentially result in claims for damage being brought against the Investment Corporation or execution of the termination right for breach of confidentiality, or endangering the long-term contractual relationship through the re-signing etc. by damaging the relationship with the lessee etc.. Therefore, the Investment Corporation believes that disclosure of this information could be detrimental to unitholder value and, except in certain instances where it was deemed that no harm would result from disclosure, these items are

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

not disclosed.

Property Name	Kinshicho Prime Tower
Appraised Value	15,600,000 thousand yen
Appraisal Company	The Tanizawa Sōgō Appraisal Co., Ltd.
Effective Date of Appraisal	October 31, 2016

Items	Content	Overview, etc.
Value indicated by income approach	15,600,000	Calculated the value by associating the value using the DCF Method with that using the Direct Capitalization Method as its examination.
Value based on the Direct Capitalization Method	15,600,000	Assessment made by capitalizing the standard and stable net profit ("the standardized net profit") with the capitalization rate
(1) Operational profits ((a) – (b))	968,163	
(a) Potential gross earnings	1,025,205	Assessment made based on appropriate rent that can be acknowledged as being stable over the medium to long term.
(b) Losses from vacancy, etc.	57,041	Assessment made based on an appropriate occupancy ratio that can be acknowledged as being stable over the medium to long term.
(2) Operational expenses	253,513	
Maintenance and management expenses/property management fee (Note)	91,580	Assessment for the maintenance and management expenses made based on price estimate for the Target Asset of Exercise of Right and by verifying the levels of maintenance and management expenses of comparable real estate. Assessment for the property management fee made based on property management agreement for the Target Asset of Exercise of Right and the percentage of property management fee of comparable real estate
Utility expenses	46,525	Assessment made based on actual figures from past fiscal years.
Repair expenses	19,000	Assessment made by taking into account the average annual amount for repairs and renewals in the engineering report and repair expenses paid for comparable real estate.
Tenant advertising expenses	8,842	Assessment made based on the property management agreement for the Target Asset of Exercise of Right and verifying the levels of the tenant advertising expenses for comparable real estate.
Taxes and public dues	84,647	Assessment made based on a land/house collective ledger for fiscal 2016.
Non-life insurance premium	1,950	Assessment made based on the documents related to the insurance.
Other expenses	968	Assessment made based on other expenses paid for comparable real estate.
(3) Operational net profit (NOI=(1) – (2))	714,650	
(4) Investment profits from lump-sum payment	6,028	Assessed investment return by pegging the yield on investment at 1.0%.
(5) Capital outflows	49,400	Assessment made by taking into consideration the average annual amount for repairs and capital outflows paid for comparable real estate
(6) Net profit (NCF=(3)+(4) – (5))	671,278	
(7) Capitalization Rate	4.3%	Assessment made by mainly the yield of transactions with comprehensively considering location, uniqueness and net profit fluctuations of the Target Asset of Exercise of Right.
Value based on the DCF Method	15,600,000	
Discount rate	4.3%	Assessment made by estimating the base yield by build-up approach based on yields of financial products and taking into consideration risks the Target Asset of Exercise of Right.
Terminal Capitalization Rate	4.5%	Assessment made based on the capitalization rate by taking into account future uncertainties.
Value indicated by cost approach	20,100,000	
Land to value ratio	86.4%	
Building to value ratio	13.6%	
Other items that the appraisal company noticed during the appraisal	Nothing specific	

* 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/>

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

<Attached Materials>

Reference Information 1: Picture of Kinshicho Prime Tower and map

Reference Information 2: List of Portfolios (including information on the Asset Scheduled for Acquisition)

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

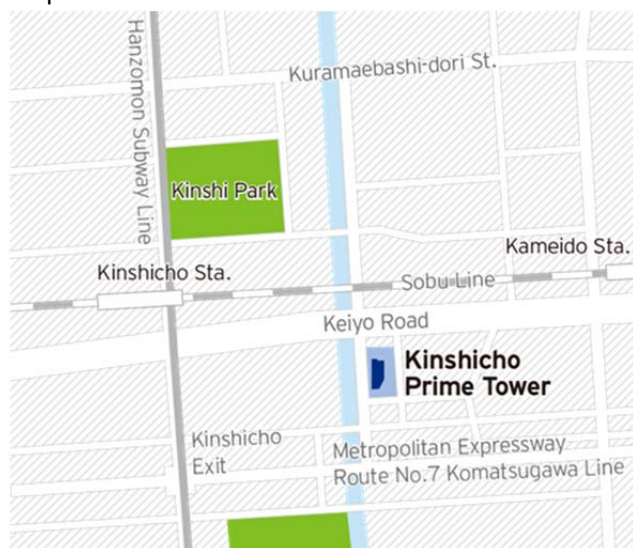
<Attached Materials>

Reference Information 1:

Picture of Kinshicho Prime Tower



Map



Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

Reference Information 2: List of Portfolios (including information on the Target Asset of Exercise of Right)

Overview of Portfolio

Property Number	Property Name	Address	(Scheduled) Purchase Price (million yen) (Note 1)	Investment Share (%) (Note 2)	Appraised Value (million yen) (Note 3)	Total Number of Tenants (Note 4)	(Scheduled) Acquisition Date
1	Ebisu Prime Square	Shibuya-ku, Tokyo	25,014	15.6	27,538	92	June 6, 2014
3	CS TOWER/ CS TOWER ANNEX	Taito-ku, Tokyo	13,700	8.6	15,700	25	June 6, 2014
4	Queen's Square YOKOHAMA	Yokohama,-shi Kanagawa	16,034	10.0	17,800	93	September 30, 2014
5	NAGOYA PRIME CENTRAL TOWER (Note 5)	Nagoya-shi, Aichi	14,600	9.1	18,000	42	June 6, 2014
6	Tokyo Nissan Nishi-Gotanda Building	Shinagawa-ku, Tokyo	6,700	4.2	7,290	8	May 11, 2015
7	ORTO Yokohama	Yokohama-shi, Kanagawa	13,000	8.1	14,400	23	June 1, 2015
8	Nishi-Shinjuku KF Building	Shinjuku-ku, Tokyo	6,600	4.1	7,010	16	June 30, 2015
9	Shinagawa Seaside East Tower	Shinagawa-ku, Tokyo	25,066	15.7	26,600	16	June 1, 2016
10	Akiba CO Building	Chiyoda-ku, Tokyo	8,078	5.0	9,150	1	June 1, 2016
11	Sun Towers Center Building	Setagaya-ku, Tokyo	6,615	4.1	7,070	13	June 1, 2016
12	Sendai Honcho Building	Sendai-shi, Miyagi	5,000	3.1	5,200	35	June 1, 2016
13	Hakata Prime East	Fukuoka-shi, Fukuoka	4,500	2.8	4,610	19	June 1, 2016
14	Kinshicho Prime Tower	Koutou-ku, Tokyo	15,145 (Note 6)	9.4	15,600	15	January 20, 2017
Total (for the thirteen properties)			160,052	100.0	175,978	398	

(Note 1) "(Scheduled) Purchase Price" states the purchase price for the relevant acquired assets as set forth in the sale and purchase agreement or the investment amount for the relevant asset scheduled for acquisition as described in the silent partnership agreement, and is rounded off to the nearest million yen. The purchase price is exclusive of national and local consumption taxes and the costs of acquisition.

(Note 2) "Investment Share" states the ratio of each purchase price, excluding the silent partnership equity interest, to the total purchase price and is rounded off to the first decimal place. As a result, the total may not add up to 100%.

(Note 3) "Appraised Value" states the appraised value set forth in a real estate appraisal report and is rounded off to the nearest million yen.

(Note 4) "Total Number of Tenants" states the number of tenants under the leases as set forth in the individual leases for the acquired assets or the Target Asset of Exercise of Right as of October 31, 2016, unless otherwise stated. If a pass-through type master lease agreement has been concluded for the acquired assets or the Target Asset of Exercise of Right, the total number of end tenants is stated. Also, the number stated is based on valid leases as of October 31, 2016, even if requests have been filed that deem leases associated with end tenants to be invalid or to be cancelled, or rent payments have not been made. If one tenant rents several rent spaces, the said tenant shall be counted as one tenant if the rented spaces are in the same building; and if one tenant rents several spaces of several assets, the said tenant shall be counted as multiple tenants.

(Note 5) Regarding NAGOYA PRIME CENTRAL TOWER, the Investment Corporation holds sectional ownership rights and also owns the common areas as stated under the bylaw and those in the housing complex, but as per the master lease, all rent and other payments for the office building and the parking garage building (spaces for common use in the office building) are totaled by the master lease company so that distribution can be received based on the ratio of area stated for exclusive use. For this reason, the "Total Number of Tenants" stated is for all the buildings.

(Note 6) The scheduled purchase price states the purchase price as the date hereof and as a result of negotiation with the purchaser, the price may differ in the range (from 15,000 million yen to 15,185 million yen) which set forth in the section "3.Details of the Asset Scheduled for Acquisition, (1) Overview of the Silent Partnership Equity Interest,

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.

Overview of the Preferential Negotiation Right, (3) Exercise condition of the Preferential Negotiation Right” in the Press Release regarding Silent Partnership Equity Interest Acquisition.

Note: This press release is a document for making a public announcement concerning the Investment Corporation's disposition of asset and termination of lease and exercising preferential negotiation right regarding asset acquisition and lease, and is not prepared for the purpose of solicitation of investment.