



For Translation Purposes Only

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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  
 Yugo Minemura, 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 Revisions to the Forecasts of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending April 30, 2019 (10th Fiscal Period)

Invesco Office J-REIT, Inc. (hereinafter referred to as the "Investment Corporation") announces that it has revised the forecasts of investment management performance and the estimated distributions per unit for the fiscal period ending April 30, 2019 (10th Fiscal Period) as announced in the "SUMMARY OF FINANCIAL RESULTS (REIT) For the Fiscal Period Ended October 31, 2018" on December 14, 2018. Details are as follows.

1. Details of revisions to the forecasts of investment management performance and the estimated distributions per unit for the fiscal period ending April 30, 2019 (10th Fiscal Period: from November 1, 2018 to April 30, 2019)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previous Forecasts (A) (December 14, 2018)	Millions of Yen 8,048	Millions of Yen 3,809	Millions of Yen 3,276	Millions of Yen 3,274	¥379	¥-
Revised Forecasts (B)	Millions of Yen 8,314	Millions of Yen 4,033	Millions of Yen 3,496	Millions of Yen 3,494	¥404	¥-
Change (B-A)	Millions of Yen 266	Millions of Yen 224	Millions of Yen 220	Millions of Yen 220	¥25	¥-
Rate to Change	3.3%	5.9%	6.7%	6.7%	6.6%	-%

(Information)

The fiscal period ending April 30, 2019 (10th Fiscal Period): The number of issued and outstanding investment units as of the end of the period is assumed to be 8,643,356 and the forecast of the net income per unit is ¥404.

Note: This press release has been prepared to make a public announcement concerning revisions to the forecasts of investment management performance and the estimated distributions per unit for the fiscal period ending April 30, 2019 (10th Fiscal Period), and has not been prepared for the purpose of solicitation of investment.

- (Note 1) The revised and estimated figures as described above are the forecasts at present. Accordingly, actual operating revenues, operating income, ordinary profit, 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 actual investment management performance or amount of the distributions.
- (Note 2) If a deviation from the forecasts above is expected beyond a certain extent, they may be revised.
- (Note 3) Figures above are rounded down, and percentages are rounded off to one decimal place.

## 2. Reasons for revisions

In connection with the disposition of the CS Tower Annex as described in the “Notice Concerning the Disposition of a Portion of an Asset (CS Tower Annex)”, announced today, the Investment Corporation expects to record a gain on sale of property of approximately 148 million yen for the fiscal period ending April 30, 2019. The Investment Corporation also expects rental income to exceed original forecast by approximately 57 million yen due to new lease, etc. and expects the cancellation penalty income from tenant of approximately 25 million yen. As a result of the above among others, the estimated distribution per unit for the 10th fiscal period, ending April 30, 2019, is estimated to be at least 5% different from the distribution forecasts that were announced on December 14, 2018, and the Investment Corporation has determined to revise the investment management performance and distribution forecasts, as shown in the above table.

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

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## Appendix

### Assumptions for the Forecast of Investment Management Performance and the Estimated Distributions per Unit for the Fiscal Period Ending April 30, 2019 (10th Fiscal Period)

Items	Assumptions
Calculation period	- Fiscal Period Ending April 30, 2019 (10th Fiscal Period) (from November 1, 2018 to April 30, 2019) (181 days)
Assets managed	- Based on the assumption of eighteen properties which the Investment Corporation owned as of the beginning of the fiscal period ending April 30, 2019 (10th Fiscal Period) and that the Investment Corporation disposes of CS Tower Annex which is a portion of CS Tower / CS Tower Annex on March 20, 2019. It is assumed that there will be no changes such as new asset acquisition or disposition of acquired assets other than mentioned above until the end of the fiscal period ending April 30, 2019 (10th Fiscal Period). In fact, however, there is the possibility of fluctuations depending on changes in managed assets.
Operating revenues	<p>- Based on the operating revenues from Assets managed above. The revenues from the leasing business for the Assets managed above 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.</p> <p>- Gain on sale of CS Tower Annex is estimated to be 148 million yen.</p>
Operating expenses	<p>- 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 Assets managed above.</p> <p>- The depreciation expenses are calculated including any incidental expenses, etc. according to the straight-line method. The estimates are 922 million yen for the fiscal period ending April 30, 2019 (10th Fiscal Period).</p> <p>- The estimated fixed asset tax and city planning tax are expected to be 559 million yen for the fiscal period ending April 30, 2019 (10th Fiscal Period). 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 cost. Accordingly, a part of the fixed asset tax, the city planning tax</p>

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Items	Assumptions
	<p>and other taxes of “Nishi-Shinjuku Prime Square”, “Kojimachi Crystal City”, “Prime Tower Shin-Urayasu”, “Techno Wave 100” and “IBF Planning Building” which the Investment Corporation acquired during the fiscal period ended October 31, 2018 (Ninth Fiscal Period) (hereinafter referred to as the “Newly Acquired Assets in Ninth Fiscal Period”) will not be recorded as expenses for the fiscal period ending April 30, 2019 (10th Fiscal Period). (The estimated total amount of fixed asset tax, city planning tax and other taxes regarding Newly Acquired Assets in Ninth Fiscal Period which is to be recorded as expenses in 10th Fiscal Period is estimated to be 36 million yen. In case that the amount of fixed asset tax, city planning tax and other taxes regarding the Newly Acquired Assets in Ninth Fiscal Period are to be recorded as expenses for a whole fiscal period, it is estimated to be 155 million yen.)</p> <p>- In terms of repair costs, the Investment Corporation records the cost amounts for each property estimated by the Asset Management Company 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.</p>
Non-operating expenses	- The estimated interest expenses and other loan-related costs are 509 million yen for the fiscal period ending April 30, 2019 (10th Fiscal Period).
Loans	<p>- The Investment Corporation has a balance of interest-bearing debt amounting to 121,300 million yen as of the date of this document and there are no changes to the amount of interest-bearing debt until April 30, 2019 (10th Fiscal Period).</p> <p>- Based on the assumption above, the LTV is estimated at approximately 49.5% as of the end of the fiscal period ending April 30, 2019 (10th Fiscal Period). The LTV ratio is calculated according to the following formula:</p> <p>LTV = total amount of interest-bearing debt (as of the end of the 10th Fiscal Period) / total amount of assets (as of the end of the 10th Fiscal Period) x 100</p>
Investment units	- Based on the assumption of 8,643,356 units which are issued as of today, and it is assumed that there will be no additional issue or acquisition and retirement of investment units until the end of the fiscal period ending April 30, 2019 (10th Fiscal Period).
Distributions per unit (excluding distributions in excess of earnings)	<p>- The distributions per unit (excluding distributions in excess of earnings) are calculated based on the monetary distribution policy provided for under the Articles of Incorporation of the Investment Corporation.</p> <p>- The distributions per unit may change due to various reasons, including a change in managed assets, a change in rent revenues arising from a change in tenants or unexpected repairs.</p>

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Items	Assumptions
Distributions in excess of earnings per unit	- Currently, the distribution of money arising from sources in excess of net income is not scheduled.
Other	<ul style="list-style-type: none"> <li>- 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.</li> <li>- Based on the assumption that there will be no unexpected material changes in general economic trends, real estate market circumstances, etc.</li> </ul>

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