Invesco Office J-REIT, Inc. (3298)
11th Fiscal Period Ended October 31, 2019

Invesco Global Real Estate Asia Pacific, Inc.

December 16, 2019

http://www.invesco-reit.co.jp/en/

ORTO Yokohama

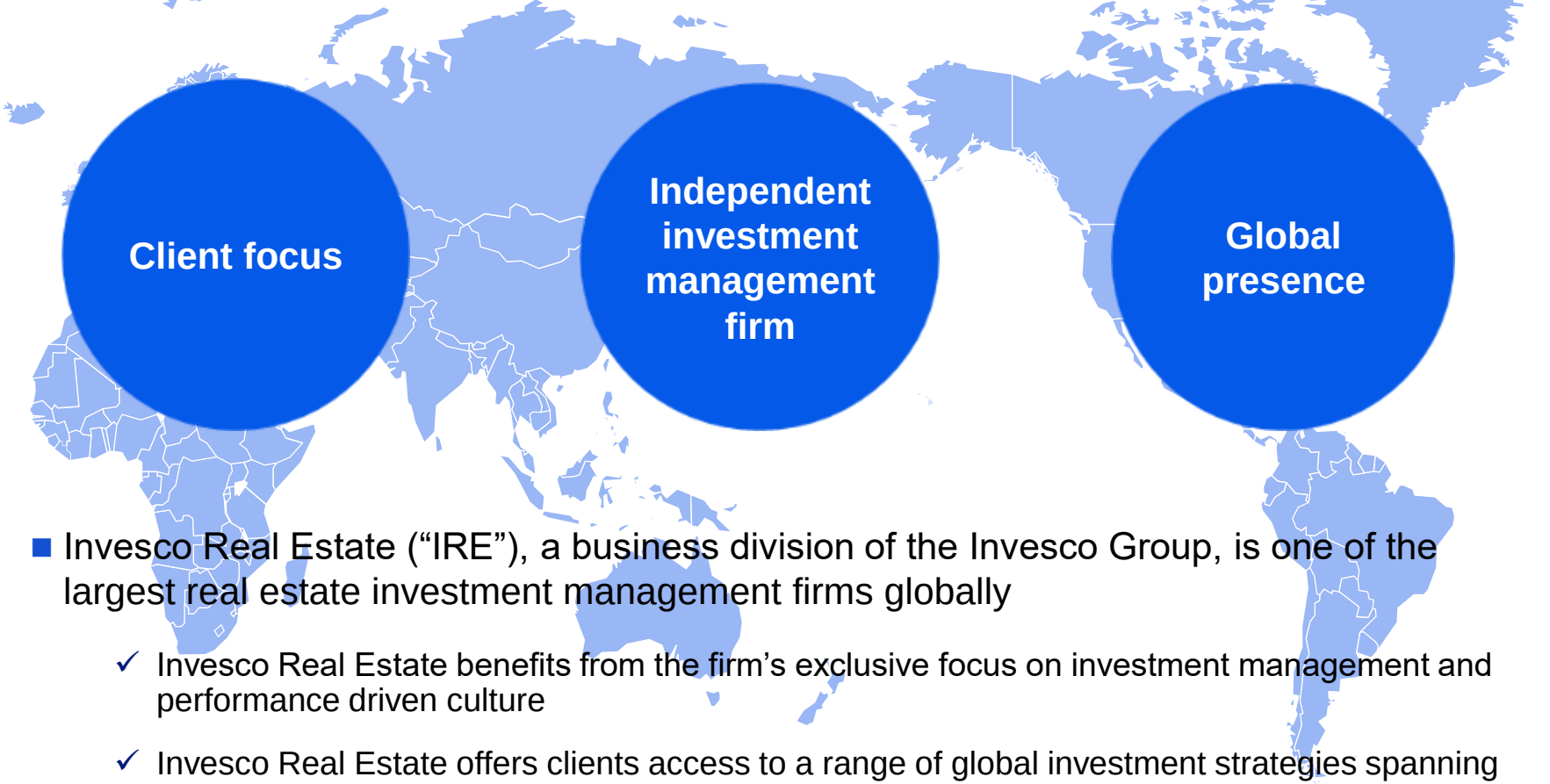
Table of contents

1	Operational highlights	▪ Highlights	5
		▪ Improvement of DPU and NAV per unit	6
		▪ Positive earnings variance from recent forecast	7
		▪ Continued earnings growth projected	8
		▪ Recent ESG initiatives	9
		▪ Independent third-party evaluations	10
2	Portfolio overview	▪ Portfolio composition	12
		▪ Portfolio review	13
		▪ IOJ's position in the J-REIT market	14
3	Growth strategies	▪ IOJ's unit price vs. TSE REIT index	16
		▪ Portfolio occupancy and leasing achievements	17
		▪ Proactive leasing activities	18
		▪ Disciplined asset management approaches - examples	19
		▪ Further potential for rent growth	20
		▪ Capitalizing on the positive rent differential for office space	21
		▪ Potential for positive rental reversions and rent growth	22
		▪ Supply demand balance in Tokyo and office vacancy rate forecast	23
		▪ Disciplined external growth	24
		▪ Prudent financial management	25
		▪ Widening of investor base	26
		▪ Progress of medium-term goals	27
		▪ Overview of the amendments to the asset management fee calculation methods	28
4	ESG	▪ Invesco Real Estate ESG objectives and materiality matrix	30
		▪ IOJ's key ESG priorities in 2020	31
		▪ ESG performance	32
5	Appendix	▪ Top 10 tenants (leased area basis)	34
		▪ Revenue compositions	35
		▪ Unitholders	36
		▪ Achievements of individual assets	37-41
		▪ Portfolio information	42-43
		▪ Key facts	44
		▪ Financial statements	45-48
		▪ Peer comparison	49
		▪ Proprietary market research	50
		▪ Market overview	51
		▪ Invesco Real Estate ESG program summary	52

This document is provided for informational purposes only and is not intended as an inducement or invitation to invest in securities issued by Invesco Office J-REIT, Inc.
Please see the end of this material for the disclaimer. Also, please refer to page 54 and 55 for detailed notes.

About Invesco group

- Invesco Ltd. (NYSE: IVZ) is a leading independent global investment management firm, dedicated to delivering an investment experience that helps people get more out of life



- Invesco Real Estate ("IRE"), a business division of the Invesco Group, is one of the largest real estate investment management firms globally
  - ✓ Invesco Real Estate benefits from the firm's exclusive focus on investment management and performance driven culture
  - ✓ Invesco Real Estate offers clients access to a range of global investment strategies spanning from core to opportunistic in the private and public space

Source: Invesco Group

1. Operational highlights

Highlights

Sustainable earnings growth

4.3% stabilized DPU growth in FP11 (¥389) compared to actual stabilized DPU in FP10 (¥373)

5.1% improvement in NAV per unit in FP11 (¥17,334) from FP10 (¥16,490) reflecting appraisal value growth

Active management delivering strong portfolio performance

Achieved a 98.6% average portfolio occupancy in FP11 (+0.4% points from FP10)

Improved portfolio profitability through positive rent revisions capitalizing on the strong leasing market

Integrate ESG factors into asset management strategy

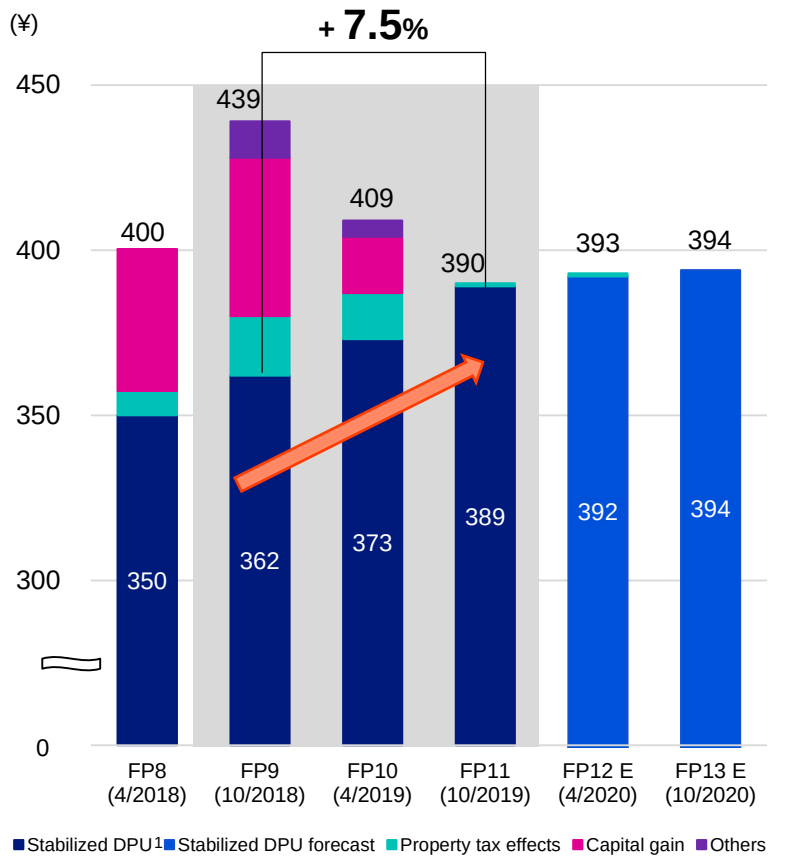
Invesco Office J-REIT ("IOJ") participated in GRESB in 2019 and achieved 3 out of 5 Green Stars

IOJ's sustainability program mitigates long-term risk and improves long-term returns

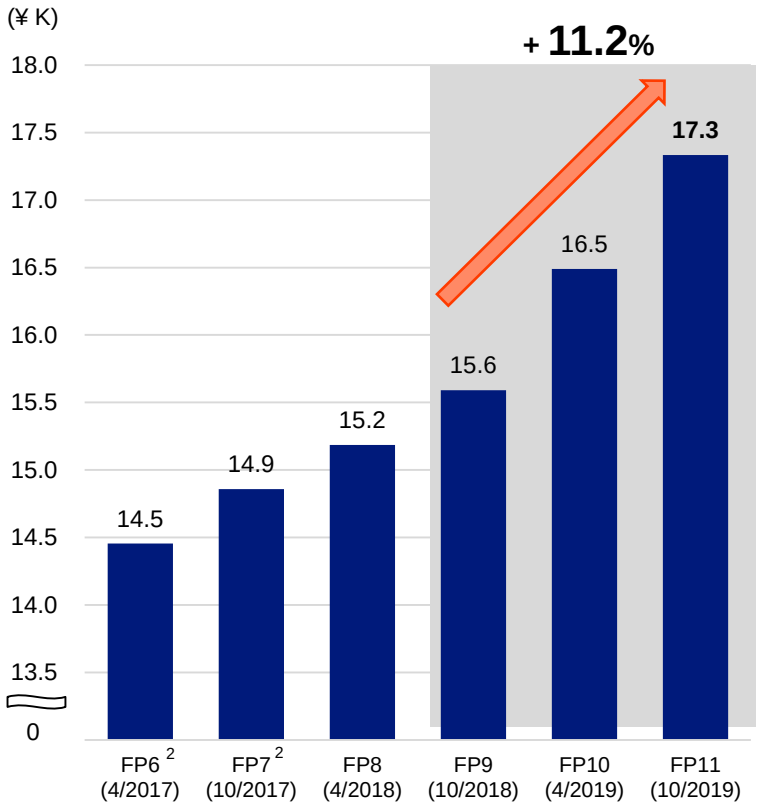
Improvement of DPU and NAV per unit

- After IOJ formulated new medium-term goals in FP9 (10/2018), stabilized DPU[1] improved by 7.5% and NAV per unit increased by 11.2% in FP11

DPU[1]



NAV per unit



Positive earnings variance from recent forecast
Financial results for FP11 (10/2019)

(¥ mm)	FP10 (4/2019) Actual (A)	FP11 (10/2019) Forecast (B)	FP11 (10/2019) Actual (C)	(C) – (A)	(C) – (B)
Operating revenue	8,341	8,584	8,634	293	50
Operating income	4,056	3,868	3,987	-69	119
Ordinary income	3,541	3,346	3,471	-70	125
Net income	3,538	3,343	3,470	-68	127
Units issued & outstanding	8,643,356	8,899,256	8,899,256	255,900	0
DPU (¥)	409	376	390	-19	14
LTV (%)	49.4	-	49.4	0	-
Total assets	245,768	-	254,423	8,655	-
Interest bearing debt	121,300	-	125,780	4,480	-

Analysis of earnings variance

(C) – (A)	(¥mm)
Increase in rental revenue (Newly acquired assets, Nagoya PCT, CS Tower, Nishi-Shinjuku PS etc.)	359
Increase in utility income due to a summer season	107
Penalty charges income	-23
Capital gain from CS Tower Annex	-149
Operating revenue	**293**
Increase in utility costs due to a summer season	-96
Increase in rental expenses due to occurring property tax for the assets acquired in 2018	-134
Increase in depreciation expenses for the assets acquired in 2018	-60
Increase in building maintenance costs due to increase for new assets acquired in 2019	-55
Increase in other operating expenses mainly due to AM fee increase for new assets acquired in 2019	-17
Operating income	**-69**
Decrease in non-operating income	**-3**
Decrease in non-operating expense mainly due to interest expense decrease	**2**
Ordinary income	**-70**
Net income	**-68**

(C) –(B)	(¥mm)
Increase in rental revenue (Otowa Prime Bldg., Nishi-Shinjuku KF Bldg. and Hakata Prime East)	24
Increase in utility income	6
Increase in other operating income due to insurance income	20
Operating revenue	**50**
Decrease in utility costs (Tokyo Nissan Nishi-Gotanda Building etc.)	46
Decrease in other rental expenses	16
Decrease in other operating expenses	7
Operating income	**119**
Decrease in non-operating expense mainly due to interest expense decrease	**6**
Ordinary income	**125**
Net income	**127**

Continued earnings growth projected
Financial forecasts for FP12(4/2020) and FP13 (10/2020)

(¥ mm)	FP11 (10/2019) Actual (A)	FP12 (4/2020) Forecast (B)	FP13 (10/2020) Forecast (C)	(B) – (A)	(C) –(B)
Operating revenue	8,634	8,660	8,803	26	143
Operating income	3,987	4,008	4,012	21	4
Ordinary income	3,471	3,495	3,511	24	16
Net income	3,470	3,492	3,508	22	16
Units issued & outstanding	8,899,256	8,899,256	8,899,256	0	0
DPU (¥)	390	393	394	3	1
Stabilized DPU (¥)	389	392	394	3	2

(¥)	FP11 Actual (10/2019)	FP12 Forecast (4/2020)	FP13 Forecast (10/2020)
Cash distribution per unit	390	393	394
Deduction of the property tax benefit	-1	-1	–
Adjustment of the penalty charges and the insurance income	-2	–	–
Adjustment of asset management fee	-1	–	–
Adjustment of cost regarding issuance of new investment units etc.	1	–	–
Adjustment of operation of newly acquired assets in FP11 for a whole period	2	–	–
Adjusted DPU	389	392	394

Analysis of earnings variance

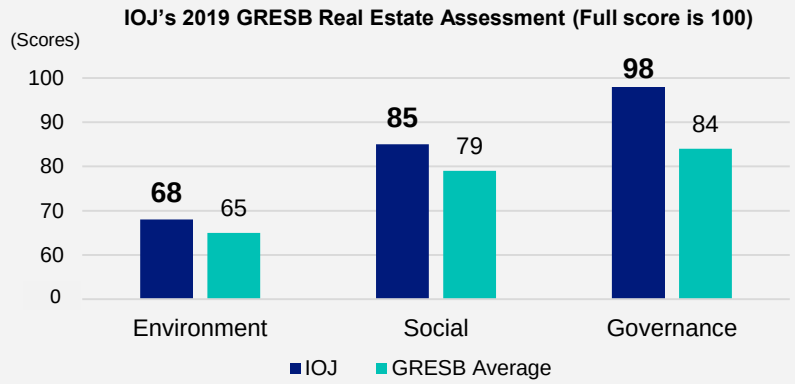
(B) – (A)	(¥mm)
Increase in rental revenue from new acquisitions, occupancy improvement and rent increase	128
Decrease in utility income	-84
Decrease in other operating income	-18
Operating revenue	**26**
Decrease in utility costs	60
Increase in rental expenses mainly due to repair costs increase	-32
Increase in other operating expenses	-33
Operating income	**21**
Decrease in non-operating expense mainly due to interest expense decrease	3
Ordinary income	**24**
Net income	**22**

(C) –(B)	(¥mm)
Increase in rental revenue (Techno Wave 100, Nishi-Shinjuku PS, Shinagawa Seaside East Tower, Nagoya Prime Central Tower etc.)	70
Increase in utility costs	80
Decrease in other operating income	-7
Operating revenue	**143**
Increase in utility costs	-91
Increase in rental expenses mainly due to occurring property tax for the assets acquired in 2019 etc.	-21
Increase in rental expenses mainly due to brokerage fee and depreciation expense increase	-27
Operating income	**4**
Decrease in non-operating expense	12
Ordinary income	**16**
Net income	**16**

Recent ESG initiatives

Global Real Estate Sustainability Benchmark (GRESB) participation

- IOJ participated in GRESB in 2019 and achieved 3 out of 5 Green Stars



NIKKEI Real Estate Finance Forum

- IOJ participated in NIKKEI Real Estate Finance Forum in CBD Tokyo arranged by Nikkei (November 2019)

Event guidance

- Date & Place: November 8, 2019 (18:30-20:25),at Otemachi, Tokyo
- Themes: Social and economy impact of ESG real estate strategies

Green Building Certifications

- 13 out of 19 properties of the portfolio achieved Green Building Certification

DBJ Green Building

Property name	Certification rank		Certification/ Recertification date
Ebisu Prime Square	3 stars	★★★	February 28, 2019

CASBEE[1]

Property name	Certification rank		Certification/ Recertification date
Nagoya Prime Central Tower	Rank S	★★★★★	January 26, 2015
Hakata Prime East	Rank S	★★★★★	September 30, 2019
Kinshicho Prime Tower	Rank S	★★★★★	September 30, 2019
CS Tower	Rank A	★★★★	September 5, 2014
ORTO Yokohama	Rank A	★★★★	October 29, 2015
Tokyo Nissan Nishi-Gotanda Bldg.	Rank A	★★★★	December 25, 2015
Nishi-Shinjuku Prime Square	Rank A	★★★★	November 30, 2018
Shinagawa Seaside East Tower	Rank A	★★★★	March 29, 2019
Sun Towers Center Building	Rank A	★★★★	September 30, 2019
Prime Tower Shin-Urayasu	Rank B+	★★★	November 30, 2018
Nishi-Shinjuku KF Building	Rank B+	★★★	March 29, 2019
Akiba CO Building	Rank B+	★★★	March 29, 2019

Social engagement activities (Invesco Japan)

- Joined the Pink Ribbon Smile Walk 2019 (October 2019)
- Conducted charity donations to the Japan Cancer Society (March 2019) and Second Harvest Japan (November 2019)

Independent third-party evaluations

Index inclusion

IOJ was included in the following indexes as at the end of October 2019

- FTSE EPRA/ NAREIT Global Real Estate
- S&P Global Property
- GPR 250
- MSCI Japan (Small Cap)

Analyst coverage[1,2]

The following is a list of the analysts making recommendations based on IOJ's business performance

Company	Analyst	Rating[3]	Target price[3]
SMBC Nikko Securities Inc.	Hiroshi Torii	2–Neutral	¥21,600
Nomura Securities Co., Ltd.	Tomohiro Araki	Buy	¥21,600
Citigroup Global Markets Japan Inc.	Masashi Miki	Buy	¥23,700

2. Portfolio overview

11

Portfolio composition
As at the end of October 2019

Highlights (19 assets)

Purchase price
¥228.2 billion

Average purchase price
¥12.01 billion

Appraisal value
¥274.3 billion

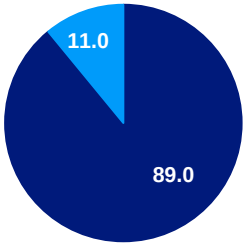
FP11(10/2019)
average occupancy rate
98.6%

Average NOI yield [1]
5.0%

Portfolio PML [2]
2.71%

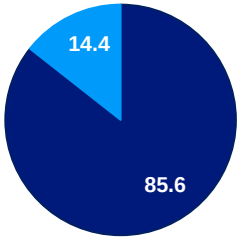
Characteristics [3]

By asset type (%)



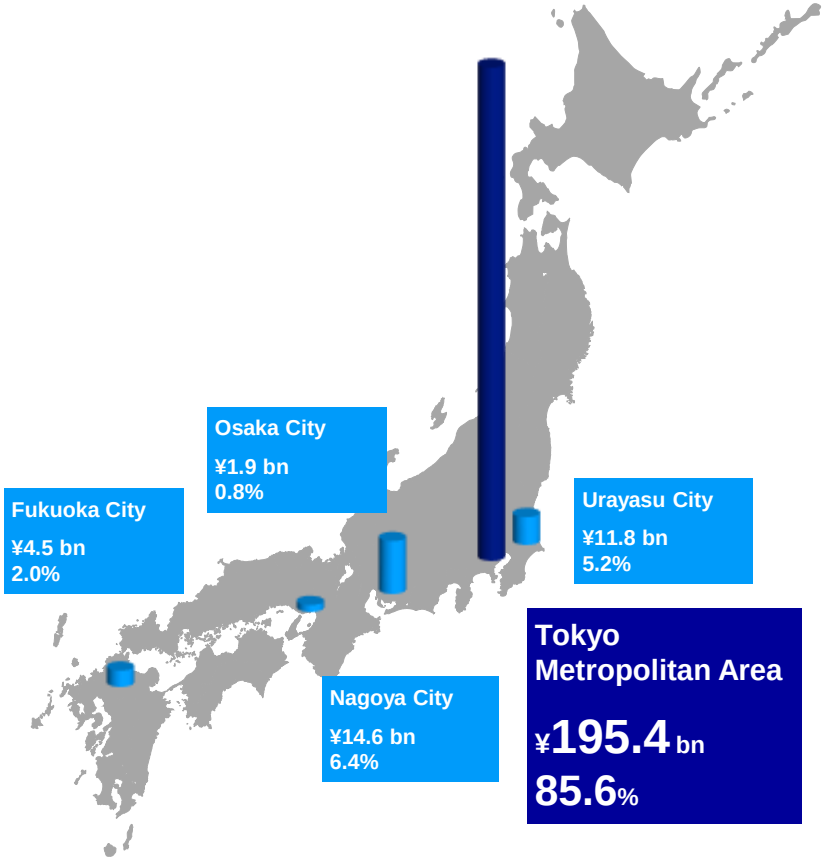
Large-scale offices	89.0%
Others (mid-size offices)	11.0%

By geographic location (%)

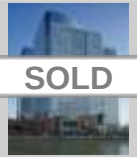


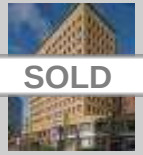
Tokyo Metropolitan Area [4]	85.6%
-Tokyo 23 wards	69.3%
(Tokyo central 5 wards [5]	33.3%)
Other Areas	14.4%

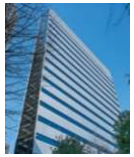
Investment ratio by geographic location



Portfolio review
19 assets with a total purchase price of ¥ 228.2 billion

Property name	Ebisu Prime Square	Harumi Island Triton Square Office Tower Z[1]	CS Tower[2]	Queen's Square Yokohama	Nagoya Prime Central Tower	Tokyo Nissan Nishi-Gotanda Building
		 SOLD				
Location	Tokyo	Tokyo	Tokyo	Yokohama	Nagoya	Tokyo
Purchase price	¥25,014 million	¥9,300 million	¥13,397 million	¥16,034 million	¥14,600 million	¥6,700 million

Property name	ORTO Yokohama	Nishi-Shinjuku KF Building	Shinagawa Seaside East Tower	Akiba CO Building	Sun Towers Center Building	Sendai Honcho Building[3]
						 SOLD
Location	Yokohama	Tokyo	Tokyo	Tokyo	Tokyo	Sendai
Purchase price	¥13,000 million	¥6,600 million	¥25,066 million	¥8,078 million	¥6,615 million	¥5,000 million

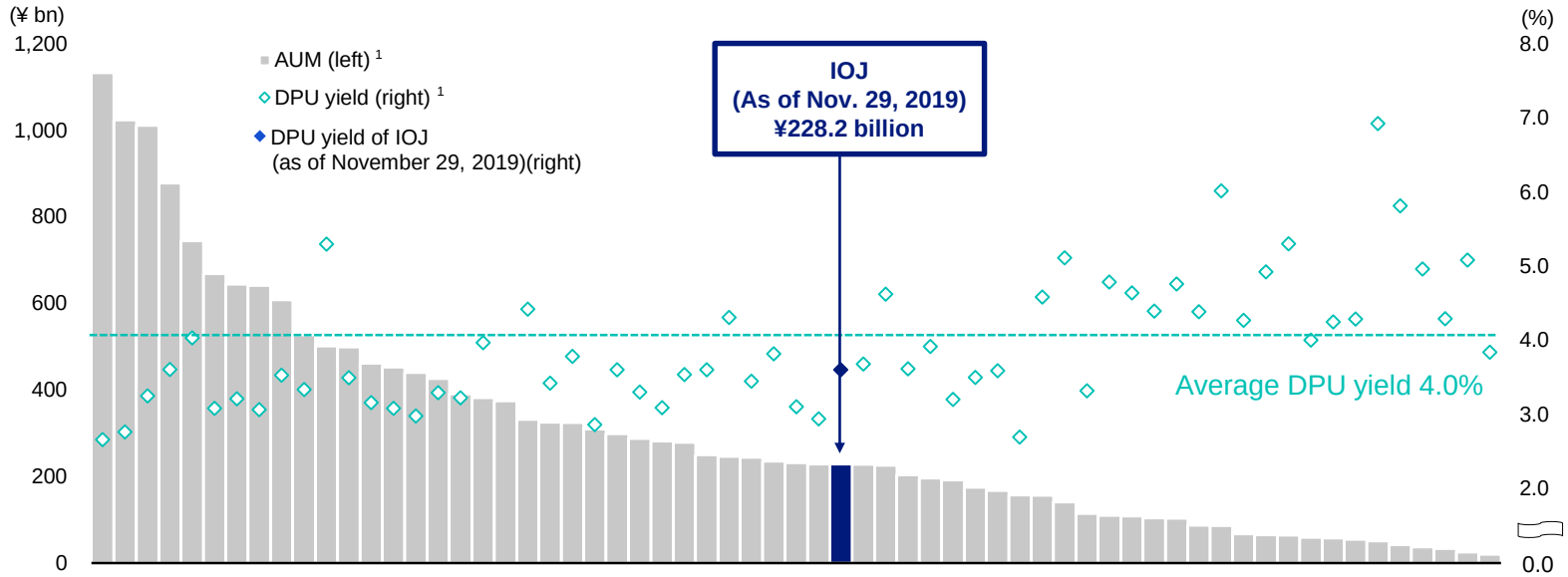
Property name	Hakata Prime East	Kinshicho Prime Tower	Aqua Dojima East	Nishi-Shinjuku Prime Square	Kojimachi Crystal City	Prime Tower Shin-Urayasu
						
Location	Fukuoka	Tokyo	Osaka	Tokyo	Tokyo	Urayasu
Purchase price	¥4,500 million	¥15,145 million	¥1,910 million	¥34,835 million	¥6,405 million	¥11,860 million

Property name	Techno Wave 100[4]	IBF Planning Building	Otowa Prime Building
Location	Yokohama	Tokyo	Tokyo
Purchase price	¥8,210 million	¥3,500 million	¥6,830 million

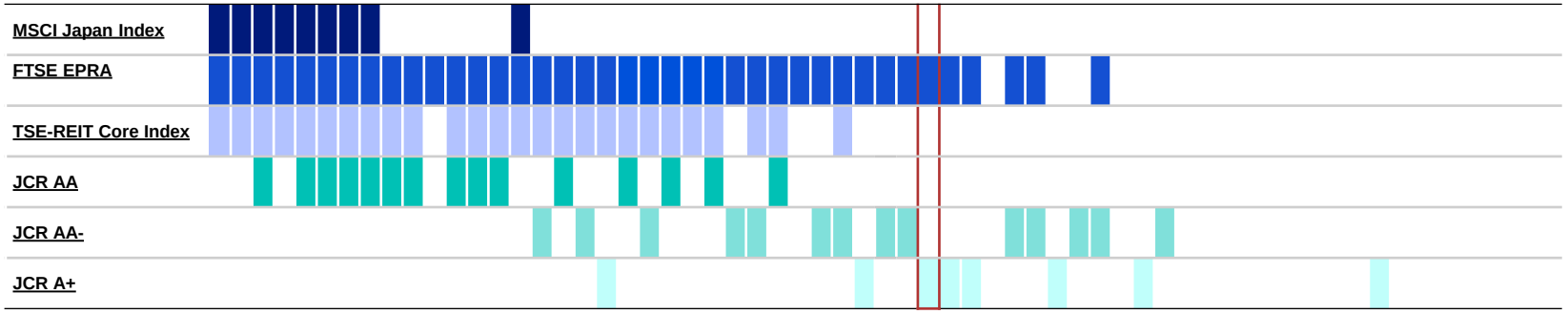
IOJ's position in the J-REIT market

As at the end of November 2019

- IOJ's asset size has steadily grown since listing to now be ranked in the middle of all listed J-REITs



List of indices and credit rating 2

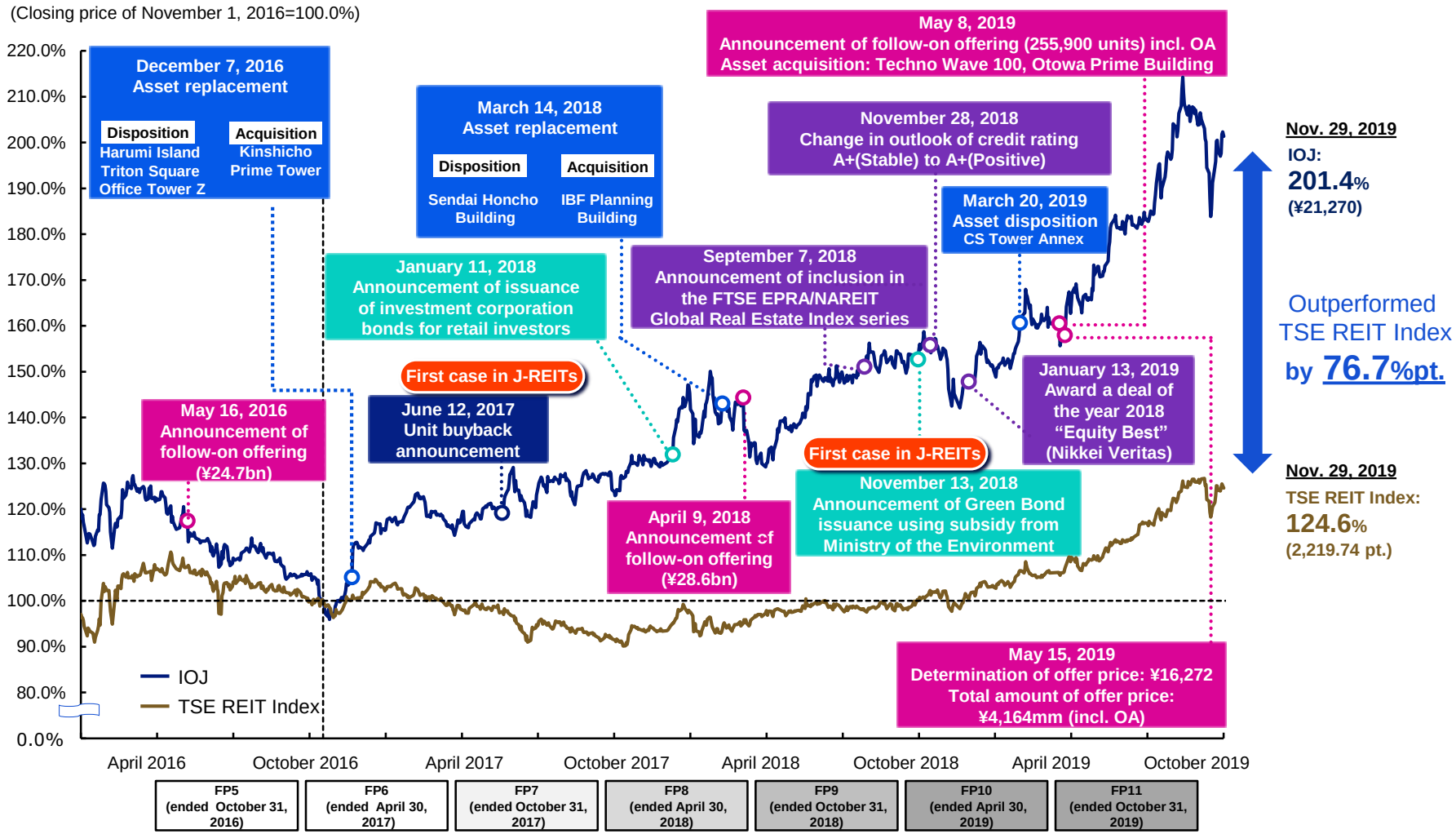


Source: The above table and graph are prepared by the Asset Manager based on disclosure materials released by each of MSCI, Inc., FTSE International Limited and Frank Russell Company.

3. Growth strategies

IOJ's unit price vs.TSE REIT index[1]

■ IOJ's unit price outperformed TSE REIT index due to proactive asset management



Note: Past performance is not indicative of future results.

Portfolio occupancy and leasing achievements

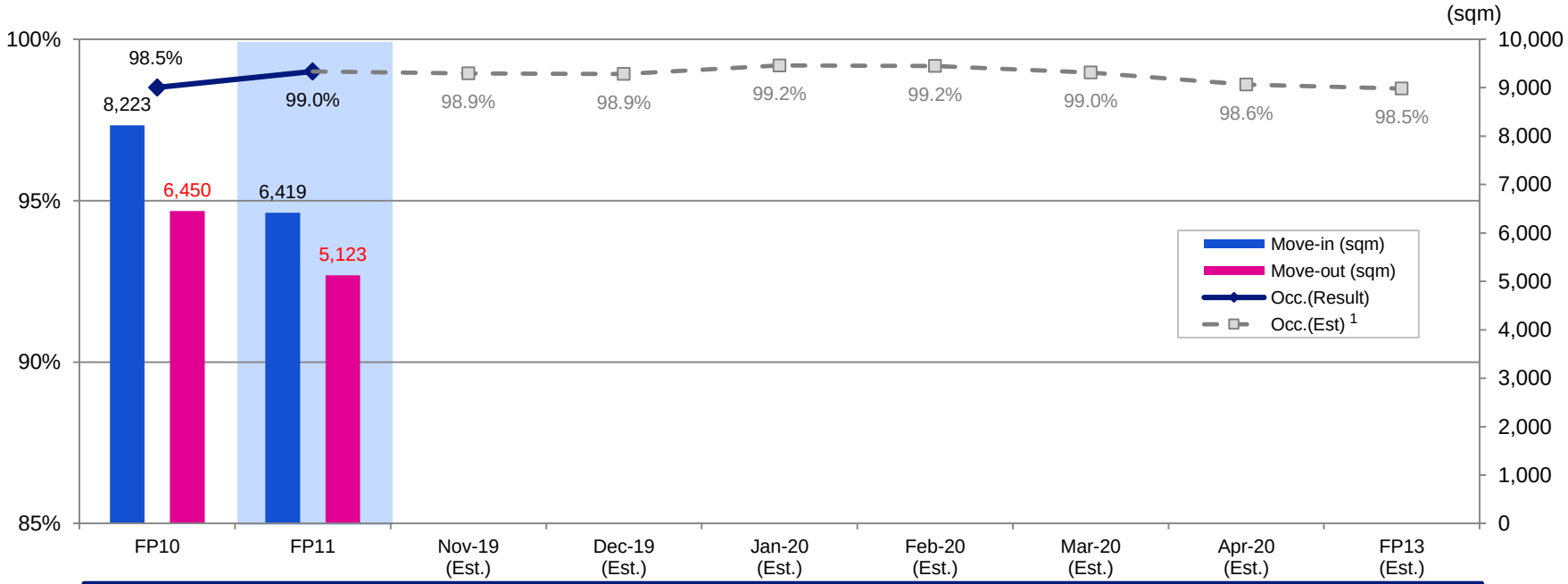
- FP11 (10/2019) average occupancy rate was 98.6% as a result of proactive leasing activities

Leasing achievements (FP11)

- Achieved a 99.0% occupancy at the end of FP11 (10/2019): Result was 0.8%points higher than the initial forecast
- The average portfolio occupancy rate in FP11 improved to 98.6% due to successful leasing activity at ORTO Yokohama and Shinagawa Seaside East Tower

Leasing policy and occupancy outlook (FP12)

- Focusing on leasing activities at Ebisu Prime Square and Techno Wave 100 in FP12
- After FP12, proactive leasing initiatives will continue to be pursued to achieve further improvement in the portfolio occupancy rate and the performance of the fund's assets



Portfolio average occupancy rate during fiscal period

98.2% in FP10	98.6% in FP11	99.0% in FP12 (Forecast)	98.5% in FP13

Proactive leasing activities

Strong rent growth at Tokyo Nissan Nishi-Gotanda Building and Nishi-Shinjuku KF Building in FP11

Leasable area	8,522.42 sqm
Acquisition date	May 11, 2015
Purchase price	¥ 6,700 million
Appraisal value (10/2019)	¥ 8,200 million
Occupancy (10/2019)	100.0%

New leases achieved **+28.6%** income growth (511 sqm)

Lease renewals achieved **+15.8%** positive rent revision (2,864 sqm)

Growth opportunity **+11.3%** of positive rent growth in FP11 (10/2019)

Leasable area	6,287.78 sqm
Acquisition date	June 30, 2015
Purchase price	¥ 6,600 million
Appraisal value (10/2019)	¥ 8,020 million
Occupancy (10/2019)	100.0%

New leases achieved **+23.7%** income growth (1,086 sqm)

Lease renewals achieved **+13.3%** positive rent revision (441 sqm)

Growth opportunity **+15.2%** of positive rent growth in FP11 (10/2019)

Occupancy improvement at ORTO Yokohama and Prime Tower Shin-Urayasu

Leasable area	23,593.92 sqm
Acquisition date	June 1, 2015
Purchase price	¥ 13,000 million
Appraisal value (10/2019)	¥ 15,400 million
Occupancy (10/2019)	99.9%

92.0% As of August 2019 → **99.9%** As of October 2019

Leasable area	22,326.68 sqm
Acquisition date	May 1, 2018
Purchase price	¥ 11,860 million
Appraisal value (10/2019)	¥ 13,000 million
Occupancy (10/2019)	95.0%

95.0% As of October 2019 → **99.2%** In February 2020

Note: Percentage figures above are rounded to one decimal place.

Disciplined asset management approach - examples

Capital improvements contributed to further rent increase

CS Tower

- Expected to achieve 2 positive rent revisions with an 8.7% revision ratio on average in FP12 (4/2020) (3,621.80sqm, 19.0% of NRA of the property)

＜Renovation of common areas＞

Before

After

Sun Towers Center Building

- After 2 large tenants left in FP10 (4/2019), 4 new tenants were secured with 24.6% higher rents on average (2,826.68sqm, 35.3% of NRA of the property)
- Achieved 7 positive rent revisions with a 7.7% revision ratio on average in FP11 (10/2019) (2,478.62sqm, 31.0% of NRA of the property)

＜Renovation of common areas＞

Before

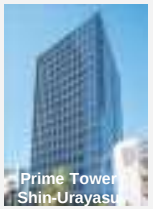
After

Low-cost measures improve asset performance

- Expected to decrease ¥27mm (approximately-11%)[1,2] of power costs per fiscal period after FP12 by reviewing the power supply and demand contract as well as conducting a competitive tender process for the managed assets below

Reduction in power supply contract costs

Approximately ¥27mm per fiscal period [1,2]



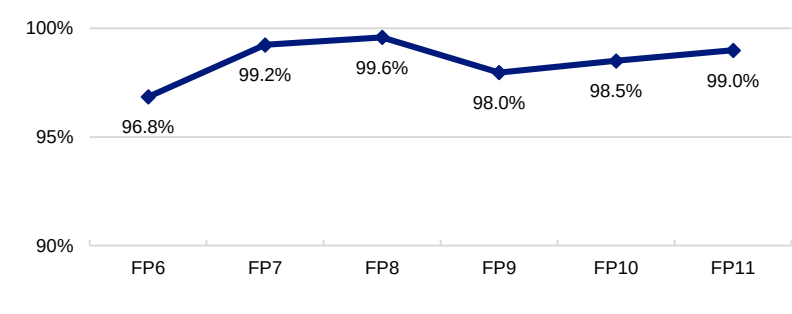
Impact to DPU improvement

Approximately ¥3 per fiscal period[1,2,3]

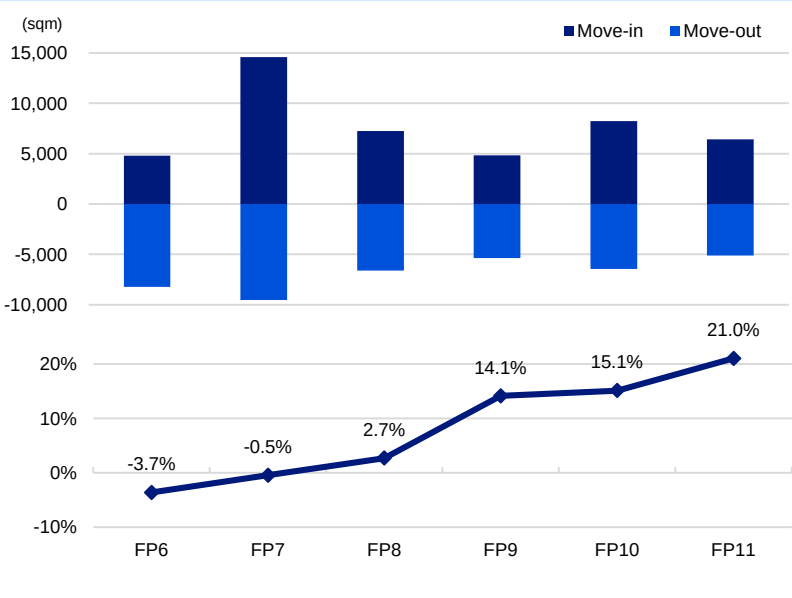
Further potential for rent growth

- Improved portfolio profitability by positive rent revisions in the current strong leasing market

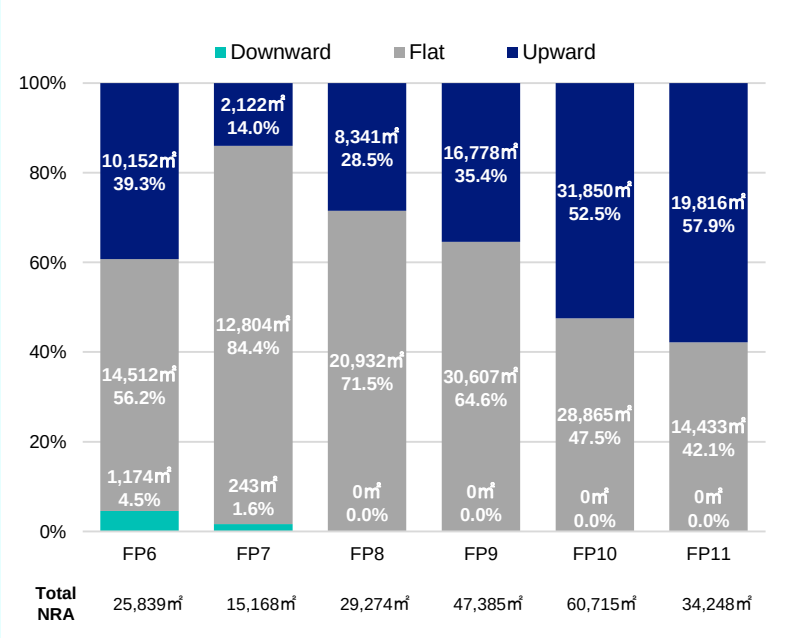
Occupancy rates at the end of each fiscal period



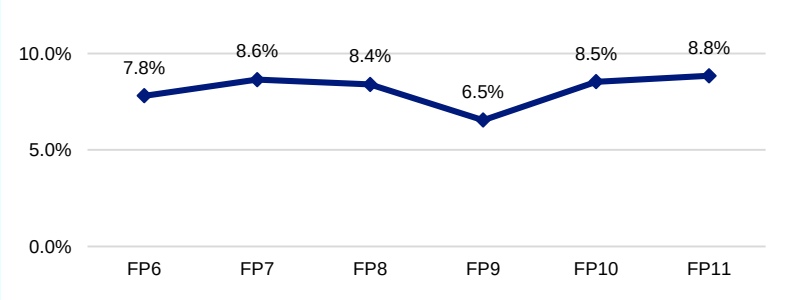
Move-in / Move-out floor space (above) and office rent fluctuation rate by tenant turnover[1] (below)



Office rent renewal floor space[2]

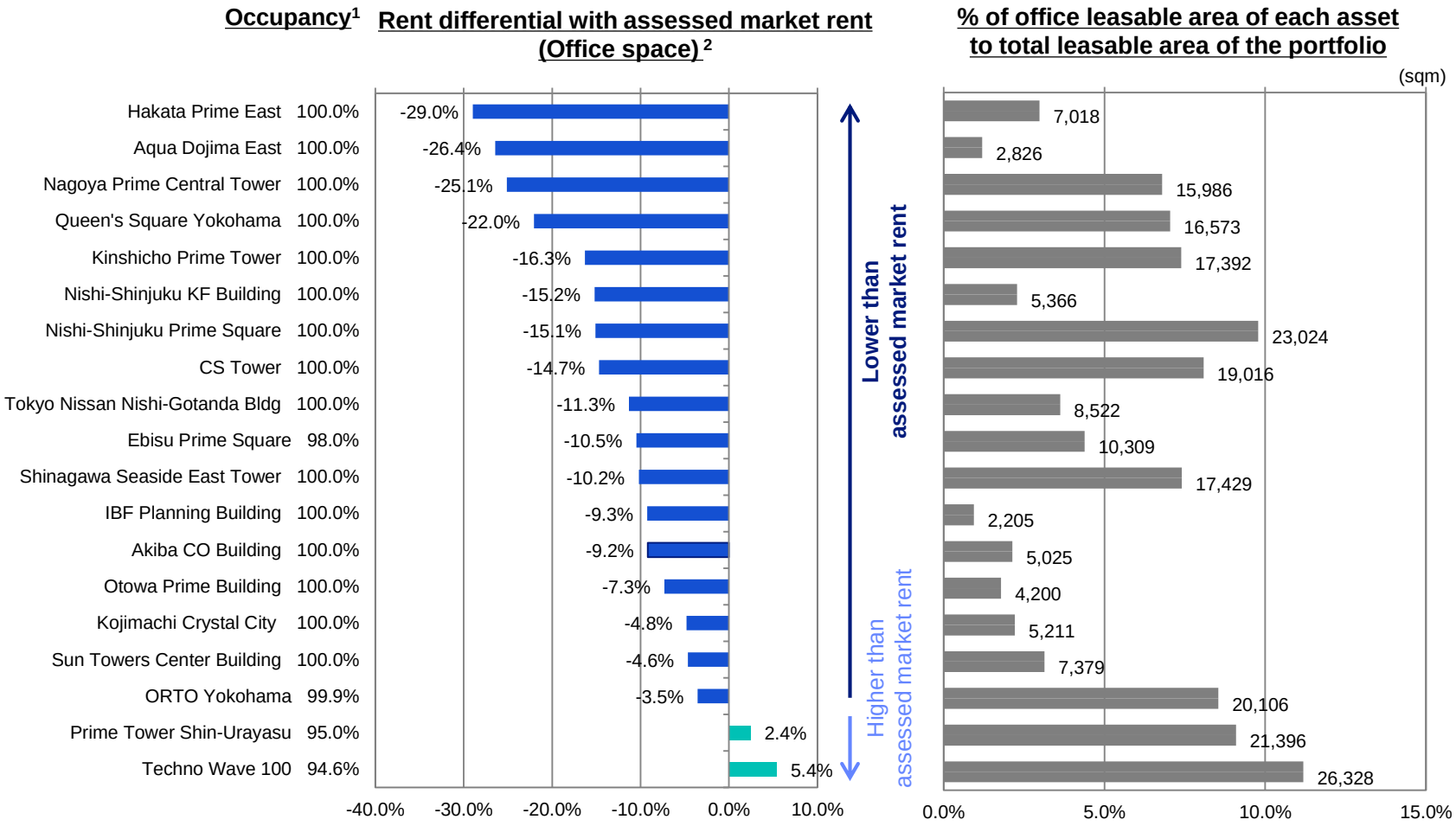


Office rent fluctuation rate upon positive rent renewals[3]



Capitalizing on the positive rent differential for office space

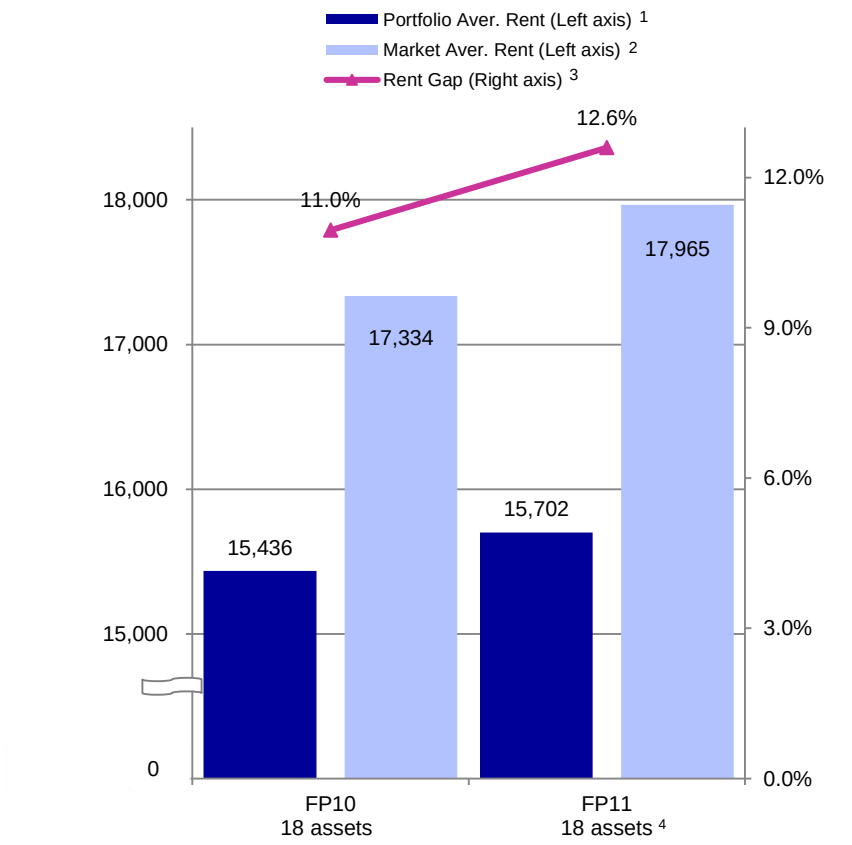
- Actively aiming to increase rent income through reducing the difference between the current portfolio rent and the assessed market rent



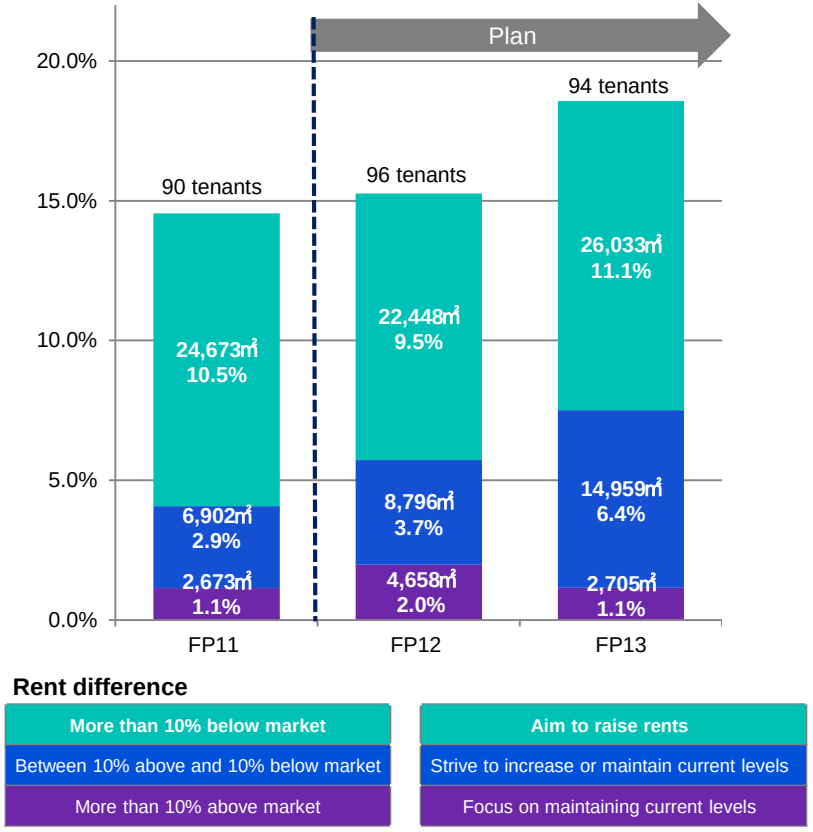
Potential for positive rental reversions and rent growth

- Increase in the difference between the current average portfolio rent and the assessed average market rent from 11.0% to 12.6%, providing further potential for rent growth

Average rent for the 18 current properties (¥/tsubo)

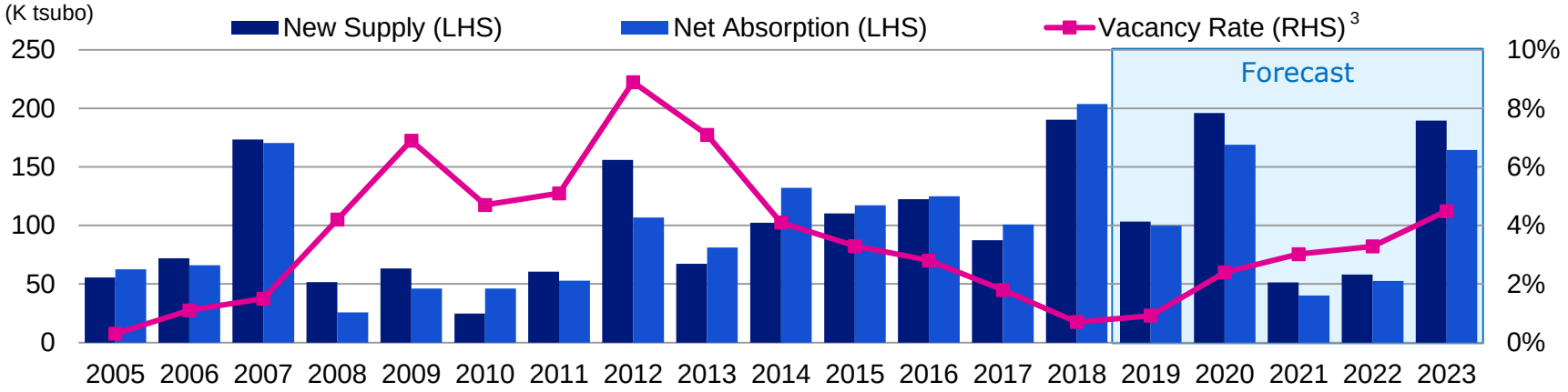


Rent difference between in-place rents and market rents (leased area basis) 5

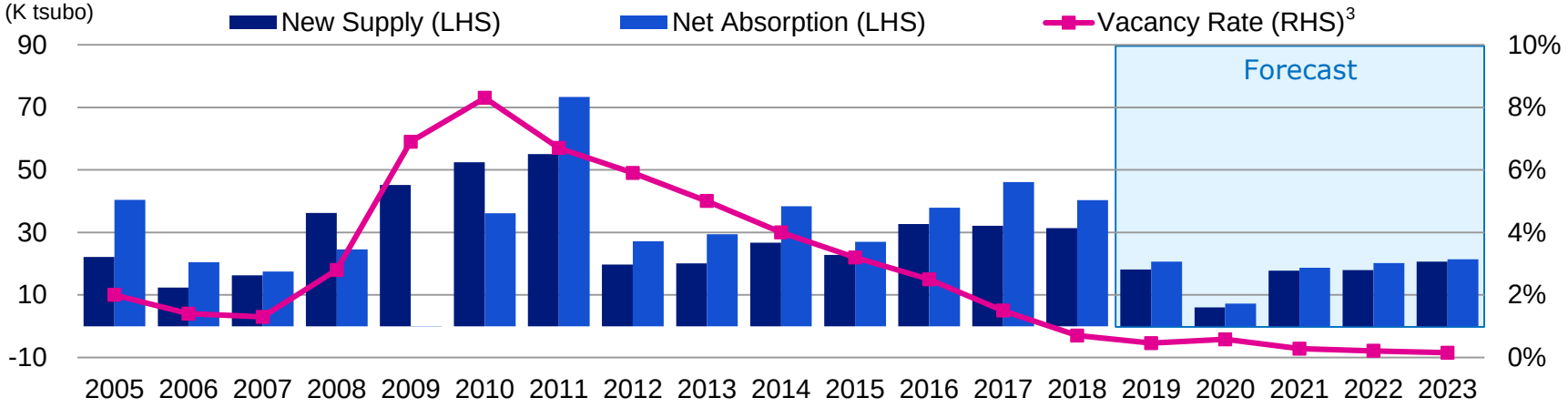


Supply demand balance in Tokyo and office vacancy rate forecast
As at the end of September 2019

Grade A office forecast [1]



Grade B office forecast [2]

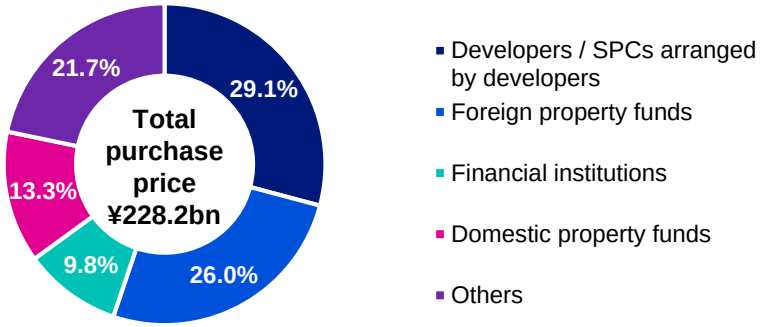


Source: Prepared by IGRE based on information provided by CBRE as of September 2019.

Disciplined external growth

- Steady expansion of the portfolio by leveraging our diverse sourcing network as an independent asset manager

Acquisition source ratio (based on purchase price)[1]



Acquisition pipeline[3]

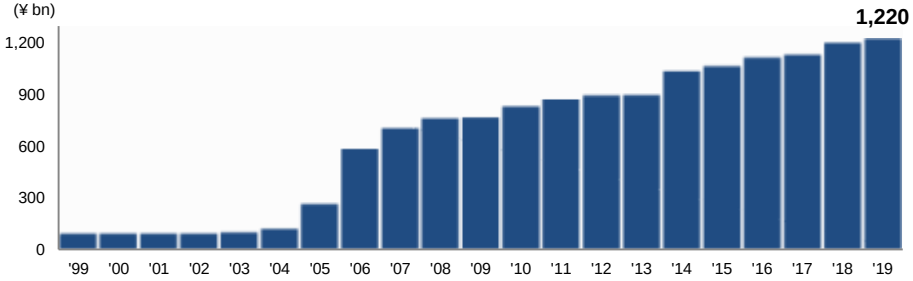
- IOJ is discussing future acquisition opportunities with present owners with the aim of improving investor value
- Assets under consideration are mainly located in central Tokyo

Office buildings	Approximately
5 assets	¥ **35** bn[4]

Investment track record

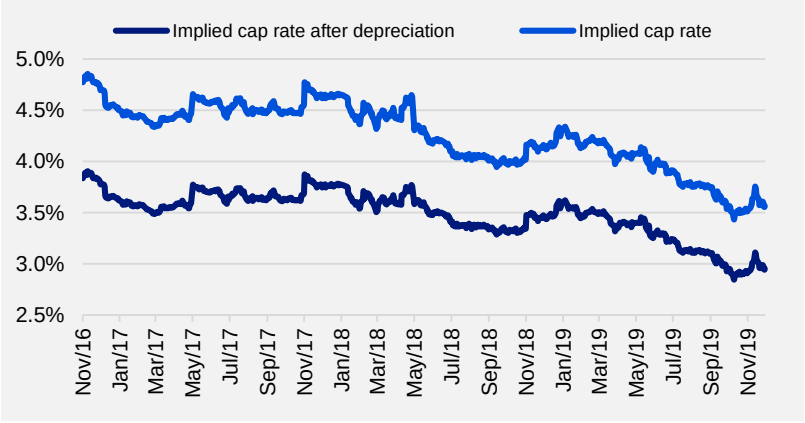
- Cumulative investment amount (since 1999) of approximately ¥1.2 trillion (143 properties) [2]
- Current AUM is approximately ¥392.2 billion (as of Oct. 31, 2019)

Cumulative investment amount [2]



Implied cap rate

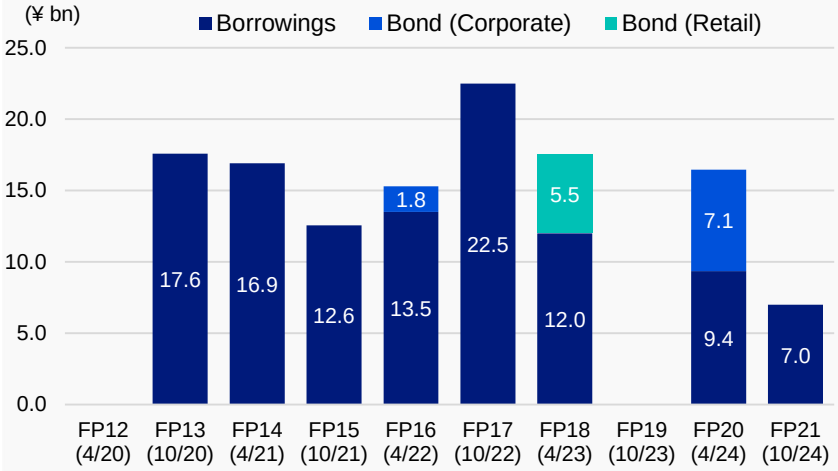
- IOJ's implied cap rate has decreased reflecting unit price appreciation



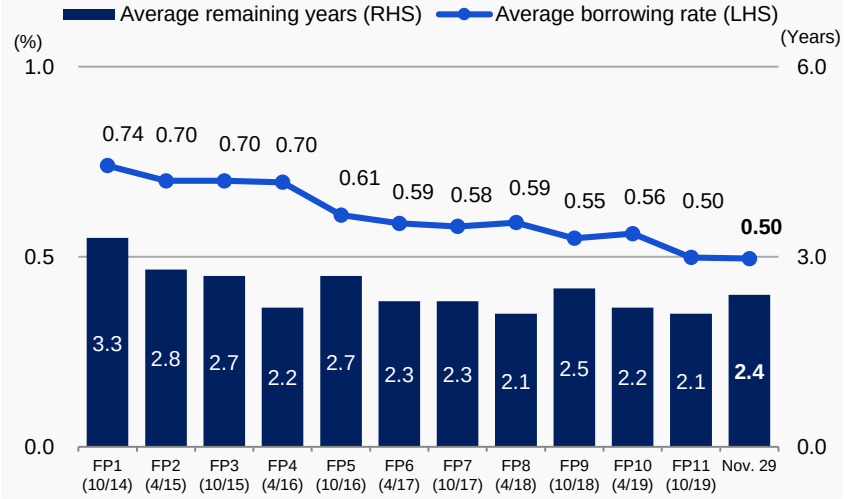
Prudent financial management
As of November 29, 2019

- Stable financial management through long-term financing and diversified debt sources

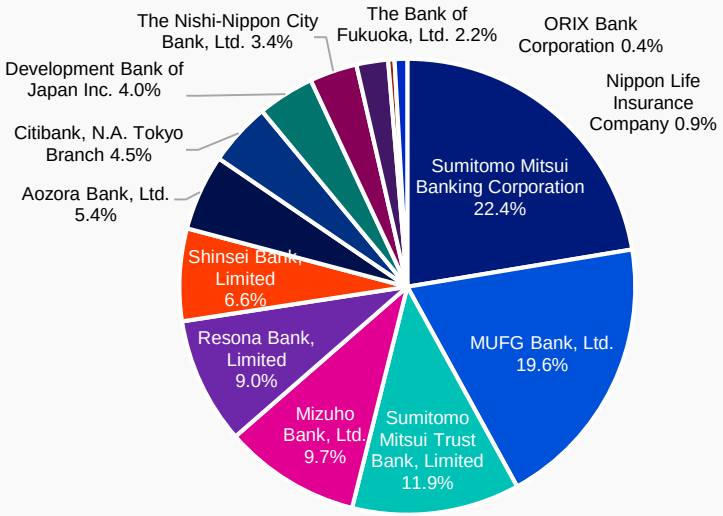
Diversification of debt maturities



Average remaining years and average interest rate



Diversified lender formation



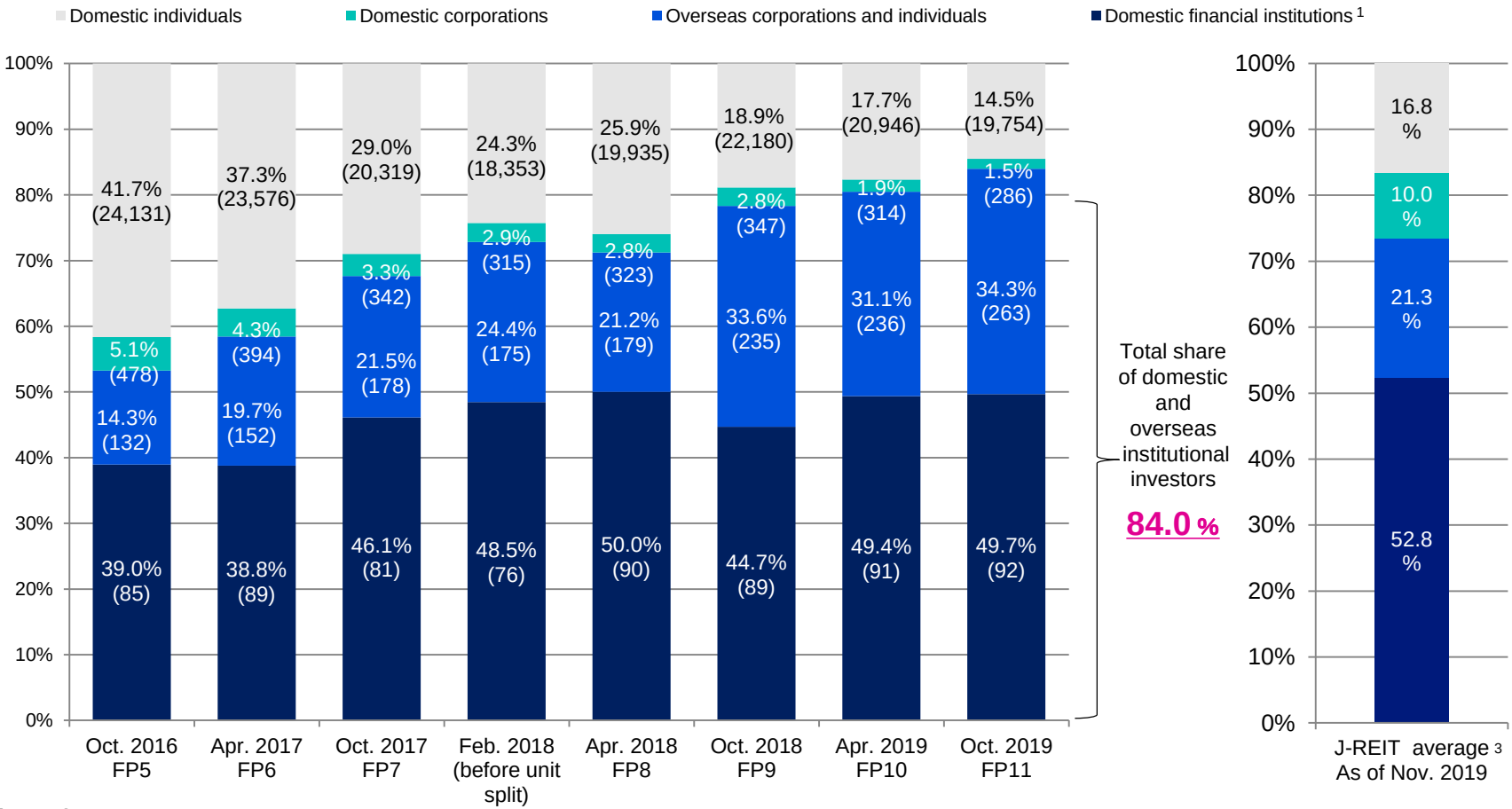
Corporate bonds

	Amount of issued (¥ bn)	Duration (year)	Interest rate (%)	Redemption date
1st series bonds (Corporate)	1.8	5	0.320	Apr. 20, 2022
2nd series bonds (Corporate)	1.6	7	0.520	Apr. 19, 2024
3rd series bonds (Retail)	5.5	5	0.457	Jan. 26, 2023
4th series bonds (Corporate) Green Bond	5.5	5	0.580	Dec. 13, 2023

LTV book value / LTV appraisal value	Long term fixed ratio	% of corporate bonds
49.4% / 42.2%	91.3%	11.4%
Total interest bearing debt	**Borrowings**	**Bonds**
¥125,780 mm	¥111,380 mm	¥14,400 mm

Widening of investor base

- Continued to increase ownership of units held by domestic and overseas institutional investors as a result of global offering and proactive investor relation initiatives



	Oct. 2016 FP5	Apr. 2017 FP6	Oct. 2017 FP7	Feb. 2018 (before unit split)	Apr. 2018 FP8	Oct. 2018 FP9	Apr. 2019 FP10	Oct. 2019 FP11
Total no. of unitholders[2]	**24,826**	**24,211**	**20,920**	**18,919**	**20,527**	**22,851**	**21,587**	**20,395**

Progress of medium-term goals

- IOJ formulated new medium-term goals in FP9 (10/2018) to achieve a ¥400 - ¥430 stabilized DPU in the medium term (in the next 3 years)
- Proactive initiatives have resulted in steady progress to achieve the goals and strong price performance

Medium-term goal in the next 3 years

DPU target (stabilized base): ¥400 - ¥430

FP13 (10/2020) DPU forecast : ¥394

- ✓ Improve portfolio profitability by achieving higher occupancy rates, improving rents and enhancing portfolio quality
- ✓ Aiming to achieve the medium-term goals until FP16 by improving 1% DPU growth per fiscal period (2% per year) by internal growth
- ✓ Moreover, additional external growth helps further stabilized DPU improvement

	FP9 (10/2018)	FP10 (4/2019)	FP11 (10/2019)	Medium-term goals
Investor value improvement				
NAV per unit	¥15,591	¥16,490	¥17,334	¥16,000- ¥19,000
Risk premium mitigation				
Asset size	¥220.4bn	¥220.1bn	¥228.2bn	¥300- ¥400 bn
Top 5 tenant ratio	18.7%	18.7%	18.0%	Below 10%
Financial stability LTV BV/ Rating (JCR)	49.4% A+ (stable)	49.4% A+ (positive)	49.4% A+ (positive)	Below 50%/ AA
Index inclusion	EPRA/NAREIT	EPRA/NAREIT	EPRA/NAREIT	TSE REIT Core

Overview of the amendments to the asset management fee calculation methods

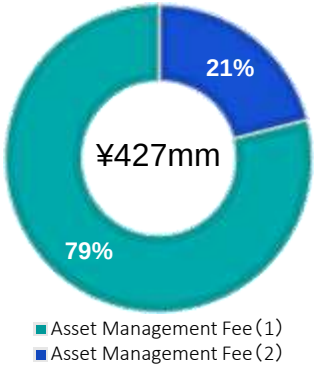
- IOJ proposes to amend the asset management fee calculation methods to improve investors' value
- For the purpose of further aligning the interests of the Asset Manager to the investors, the fee ratio to calculate the asset management fee ("AM fee") (1) based on total assets is to be reduced and the fee ratio to calculate AM fee (2) based on adjusted EPU and NOI is to be increased

AM fee (1) (Based on the total amount of assets)	
Before the amendments	After the amendments
Total Assets (Based on the balance sheet) × 0.45% (maximum)	Total Assets (Based on the balance sheet) × **0.30% (maximum)**

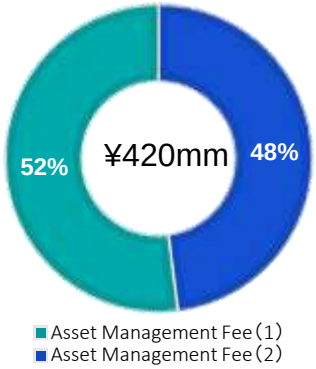
AM fee (2) (Based on Adjusted EPU[1] and NOI)	
Before the amendments	After the amendments
Adjusted EPU[1] × NOI × 0.0008% (maximum)	Adjusted EPU[1] × NOI × **0.0017% (maximum)**

Pro forma calculation Changes in the ratio of AM fee (1) and AM fee (2) before and after the amendments (calculated based on the average of the actual performance from FP1 (10/2014) to FP10 (4/2019)(average))

BEFORE THE AMENDMENTS



AFTER THE AMENDMENTS



4. ESG

Invesco Real Estate ESG objectives and materiality matrix

- Place greater importance on sustainability in the developed markets
- Invesco Real Estate remains focused on both the financial implications of our decisions as well as the social and environmental impact and IOJ shares these ESG objectives

Invesco Real Estate ESG Objectives[1]

Environmental

- ✓ Long-term reduction target is 10% or approximately 1% per year in energy, emissions, water and waste
- ✓ Evaluating low-cost measures, capital improvements and new technologies to improve asset performance
- ✓ Evaluating the feasibility of pursuing third-party green building certifications

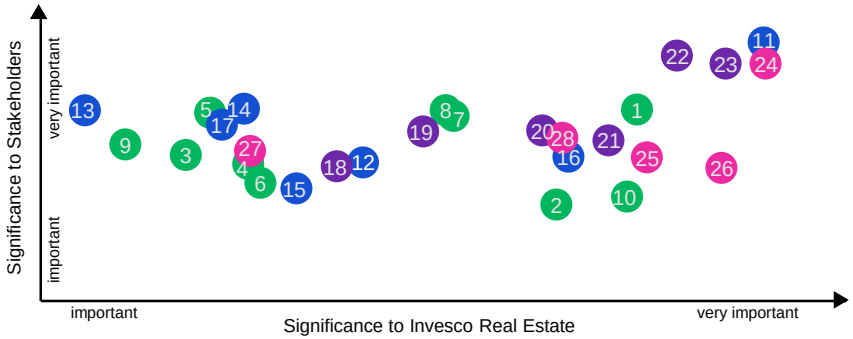
Social

- ✓ Encouraging sustainable practices by our tenants through the deployment of tenant engagement tools
- ✓ Supporting diversity and inclusion in our workforce by providing training, communications and creating a work environment that optimizes the full potential of our employees
- ✓ Engaging with the local community on sustainability-related issues

Governance

- ✓ Transparently disclosing our ESG strategy and performance to investors through reporting frameworks such as GRESB, GRI, UN PRI, etc.

Invesco Real Estate materiality matrix



ENVIRONMENTAL	SOCIAL	GOVERNANCE
1 Energy Conservation & GHG Emissions Reductions	11 Stakeholder Engagement	18 Industry Groups/Associations
2 Renewable Energy	12 Fair Housing	19 Transparency
3 Sustainable Materials	13 Community Impact	20 Data Privacy & Cyber Security
4 Alternative Transportation	14 Health & Wellness	21 Leadership/ Corporate Governance
5 Waste Management & Recycling	15 Innovation & Technology	22 Legal Compliance
6 Responsible Land Use	16 Diversity & Inclusion	23 Ethics/Code of Conduct
7 Indoor Air Quality & Pollution Mitigation	17 Responsible Contractors	ECONOMIC
8 Water Conservation		24 Economic Performance
9 Sustainable Service Providers		25 Financial Risk due to Climate Change
10 Green Building Certifications		26 Resiliency
		27 Economic Impacts on Communities
		28 Systematic Risk Management

- The matrix above includes a variety of ESG topics and their relative priority to both IRE and its key stakeholders.
- The discussions, feedback considerations, and document reviews from key stakeholders led to the creation of the materiality matrix above.

IOJ's key ESG priorities in 2020

- IGRE established Sustainability Committee to effectively implement sustainability strategy and objectives
- IOJ selected most important issues from Invesco Real Estate materiality topics as below

Environmental		
1 Energy Conservation & GHG Emissions Reductions	Further reductions in GHG emission aiming to achieve the 5-year average reduction target of 15% (based on CO2 emission volume) set by Tokyo Metropolitan Government	
10 Green Building Certifications	Promote Green Building Certification achievements	
Social		
11 Stakeholder Engagement	Improve regular and detailed communications with stakeholders, including investors, communities, service providers, employees of the Asset Manager and industry groups	
16 Diversity & Inclusion	Promote diversity and inclusion by providing training, communications and creating a work environment that optimizes the full potential of our employees	
Governance		
21 Leadership/ Corporate Governance	Serve and guide stakeholders with transparent, effective leadership/ create effective framework to accomplish objectives	
22 Legal Compliance 23 Ethics/Code of Conduct	Conduct periodical trainings to appropriately understand culture of compliance internally and externally and corporate-level standard ethics/ code of conduct	
Economic		
24 Economic Performance	Conduct initiatives to maximize investor value	
25 Financial Risk due to Climate Change	Identify risks caused by climate change and evaluate mitigation strategies	
26 Resiliency	Identify and prepare for potential disasters and recovery through business continuity plans	

ESG performance

As at the end of November 2019

GRESB Participation

GRESB (Global Real Estate Sustainability Benchmark) was established by a group of European pension funds in order to assess the environment, society and governance (ESG) performance of the real estate sector. Invesco Real Estate has been a member of GRESB since 2014. IOJ submitted to GRESB for the first time in 2019, achieving a score of 78 and ranking 12th out of 16 in the Japan Office Listed peer group. IOJ achieved 3 out of 5 Green Stars, placing it in the 3rd quintile out of about 1000 entities that submitted to GRESB.

Green Building Certifications

Nagoya Prime Central Tower

Rank S

CS Tower

Rank A

ORTO Yokohama

Rank A

Tokyo Nissan Nishi-Gotanda

Rank A

Nishi-Shinjuku Prime Square

Rank A

Sun Towers Center Building

Rank A

Kinshicho Prime Tower

Rank S

Prime Tower Shin-Urayasu

Rank B+

Nishi-Shinjuku KF Building

Rank B+

Shinagawa Seaside East Tower

Rank A

Akiba CO Building

Rank B+

Hakata Prime East

Rank S

Ebisu Prime Square

3 Stars

43.6%

of the portfolio (by floor area) has achieved a green building certification

68.4% (13 out of 19 properties)

of the portfolio (by property count) has achieved a green building certification

Our ESG program is aligned with INREV, GRESB, GRI and UNPRI. The data provided herein represents a snapshot current performance. The sustainability data has been reviewed by LORD Green Real Estate Strategies.

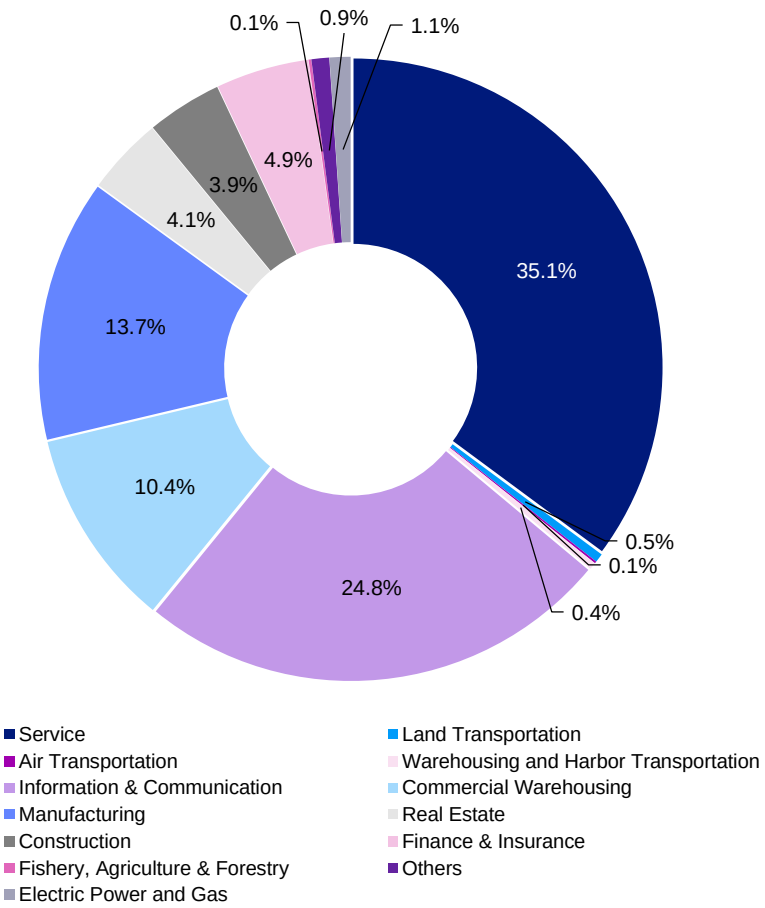
5. Appendix

Top 10 tenants (leased area basis)

As at the end of October 2019 (FP11)

	End tenants	Property name	Leased area [1] (sqm)	Ratio of leased area to total leasable area [2] (%)
1	Tokyu Hotels Co., Ltd.	Queen's Square Yokohama	13,506.72	4.7
2	Fujitsu Limited	ORTO Yokohama	12,847.62	4.5
3	Sotetsu Hotel Management Co., Ltd.	Shinagawa Seaside East Tower	9,237.18	3.2
4	Yachiyo Engineering Co., Ltd	CS Tower	8,508.28	3.0
5	INTEC INC.	Techo Wave 100	7,320.73	2.6
6	Minatomirai Tokyu Square Corporation	Queen's Square Yokohama	6,395.39	2.2
7	Marvelous Inc.	Shinagawa Seaside East Tower	6,225.70	2.2
8	Good Smile Company	Akiba CO Building	5,514.42	1.9
9	Tokyu Corporation	Queen's Square Yokohama	5,512.59	1.9
10	Not disclosed [3]	Otowa Prime Building	4,200.08	1.5
Total of top 10 tenants			**79,268.71**	**27.8**

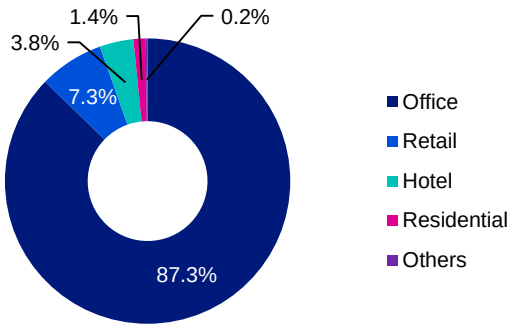
Allocation by industry (Leased area basis)[4]



Revenue compositions
As at the end of October 2019

- Office, retail and hotel rents comprise approximately 98.4% of total revenue
- Upward rent revision opportunities for office assets occur every 2.5 years

FP11(10/2019) revenue breakdown by asset type



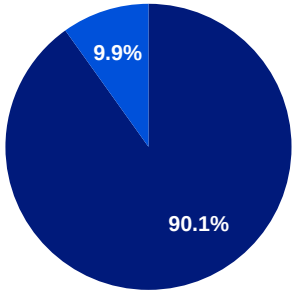
Asset type	% to total rent revenue	Leased area (sqm)	Average lease term
Office	87.3%	232,763.39	2.5 years
Retail	7.3%	23,682.89	6.8 years
Hotel [1]	3.8%	22,743.90	20.0 years
Residential	1.4%	4,088.01	2.7 years
Others	0.2%	1,766.03	4.4 years
Total	100.0%	285,044.22	4.3 years

1 Not including turnover rent income.

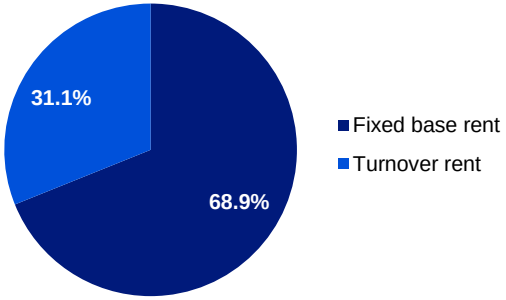
Hotel rent revenue breakdown

Fixed rent income from 2 hotels was 3.8% of total rent revenue in FP11 (10/2019)

Shinagawa Seaside East Tower



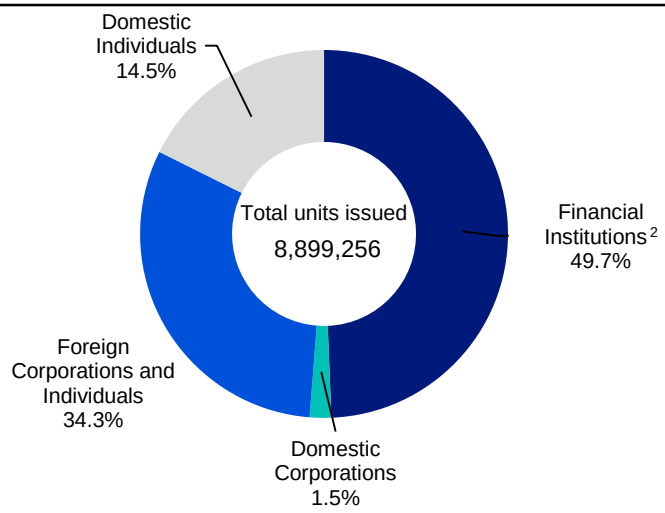
Queen's Square Yokohama



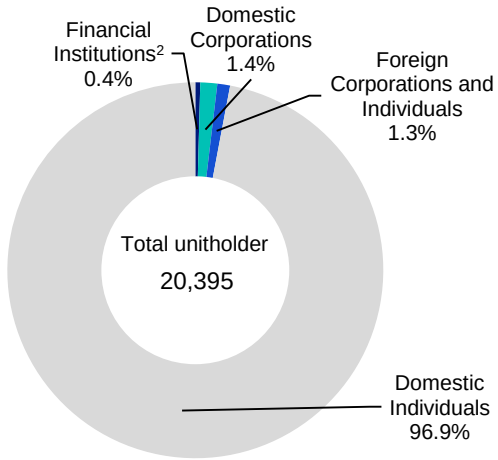
Rent type	% to total rent revenue
Fixed base rent	80.9%
Turnover rent	19.1%
Total	100.0%

Unitholders
As at the end of October 2019 (FP11)

Breakdown by units[1]



Breakdown by unitholders[1]



Major unitholders

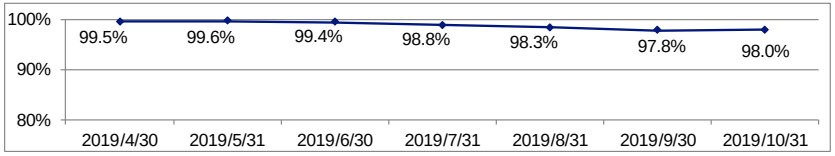
	Unitholders	Units owned	% of units issued[3]
1	The Master Trust Bank of Japan, Ltd. (trust account)	1,507,667	16.94
2	Japan Trustee Services Bank, Ltd. (trust account)	1,340,881	15.06
3	The Nomura Trust and Banking Co., Ltd. (investment trust account)	416,243	4.67
4	Trust & Custody Services Bank, Ltd. (securities investment trust account)	285,370	3.20
5	HSBC BANK PLC A/C CLIENTS, NON TREATY 1 [4]	261,435	2.93
6	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	183,010	2.05
7	STATE STREET BANK WEST CLIENT-TREATY 505234	141,872	1.59
8	SSBTC CLIENT OMNIBUS ACCOUNT	137,980	1.55
9	J.P. MORGAN BANK LUXEMBOURG S.A. 385576	127,607	1.43
10	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	115,136	1.29
	Total	**4,517,201**	**50.75**

Achievements of individual assets
FP11 (ended October 31, 2019)

Ebisu Prime Square	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	99.5%	98.0%	-1.6%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	332 ㎡	605 ㎡	-273 ㎡

・In FP11 (10/2019), the occupancy rate of the office unit remained at 100%. However, several tenants of the residential units moved out and the overall occupancy rate was 98.0% at the end of FP11 (10/2019).

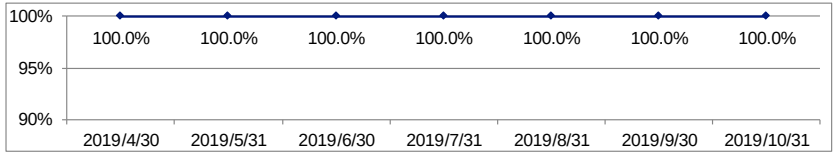
・1.75 floors out of 2.5 floors of the office unit to be vacant in FP12 (4/2020) have been backfilled at a higher rent. IOJ aims an early lease-up of the remaining area.



CS Tower	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ achieved a 100% occupancy rate.

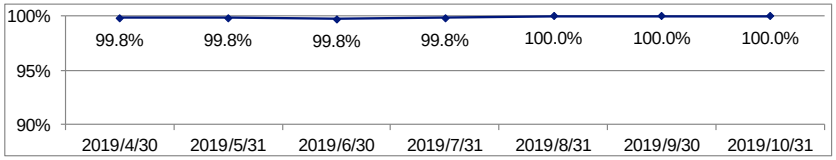
・In FP11 (10/2019), for the office unit, IOJ successfully raised rents for one existing tenant through negotiations, and renewed a lease contract at a higher rent with two tenants reaching renewal timing in FP12.



Queen's Square Yokohama	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	99.8%	100.0%	0.2%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	211 ㎡	114 ㎡	97 ㎡

・IOJ achieved a 100% occupancy rate at the end of FP11 (10/2019) because office portion maintained high occupancy rate. In addition, IOJ successfully raised the rents for several existing tenants through negotiations, and the hotel occupancy trend remained firm.

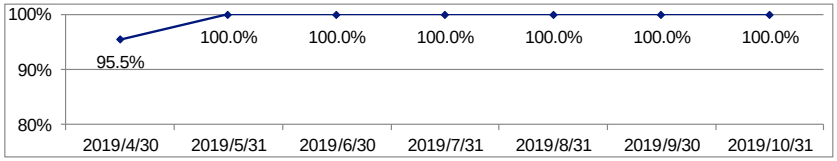
・In FP12 (4/2020), IOJ will continuously focus on maintaining the high occupancy rate and raising rents through negotiations with existing tenants.



Nagoya Prime Central Tower	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	95.5%	100.0%	4.5%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	984 ㎡	210 ㎡	774 ㎡

・In FP11 (10/2019), IOJ achieved a100% occupancy rate at the end of FP11 (10/2019) owing to steady leasing activities. In addition, IOJ successfully raised rents for several existing tenants through negotiations.

・In FP12 (4/2020), IOJ will continuously focus on maintaining the high occupancy rate and raising rents through negotiations with existing tenants.

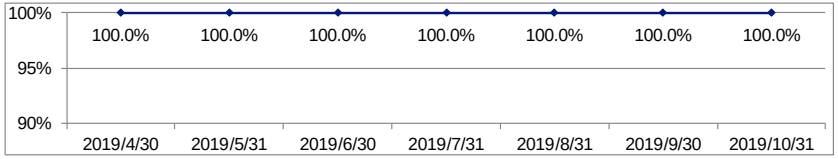


Achievements of individual assets
FP11 (ended October 31, 2019)

Tokyo Nissan Nishi-Gotanda Building	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	511 ㎡	511 ㎡	0 ㎡

・Despite the termination of the contracts in FP11 (10/2019), IOJ successfully backfilled the vacant units at 28% higher rent without the downtime and maintained a 100% occupancy rate. In addition, IOJ successfully raised the rents of existing tenants through negotiations.

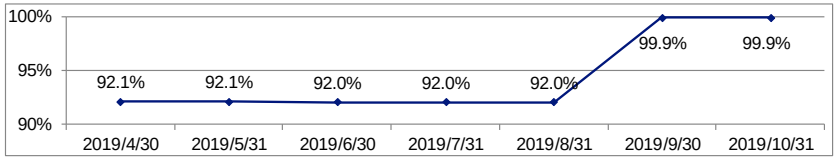
・IOJ aims to continuously conduct a stable asset management in FP12 (4/2020).



ORTO Yokohama	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	92.1%	99.9%	7.9%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	1,865 ㎡	12 ㎡	1,853 ㎡

・Although the occupancy rate dropped to 92.1% at the end of FP10 (4/2019) with partial termination of the office-unit contracts, IOJ signed a lease with a new tenant that went effective in September 2019. The occupancy recovered to 99.9% at the end of FP11(10/2019). In addition, the rent of the new tenant is 13% higher than the previous one.

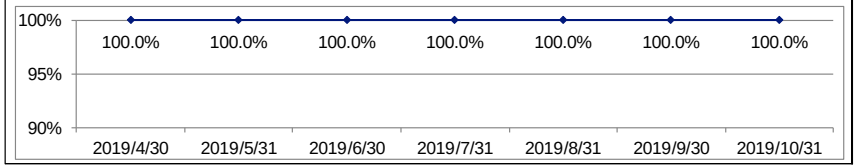
・In FP12 (4/2020), IOJ will continue to maintain the good relationships with the major tenants.



Nishi-Shinjuku KF Building	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ maintained a 100% occupancy rate and successfully raised the rents of several existing tenants through negotiations.

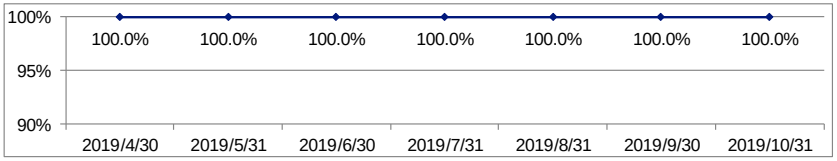
・Despite the upcoming expiry of the office units in FP12 (4/2020), IOJ has already backfilled. IOJ will aim to continuously conduct a stable asset management and plan to raise the rents through negotiations.



Shinagawa Seaside East Tower	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	1,245 ㎡	1,245 ㎡	0 ㎡

・In FP11 (10/2019), IOJ achieved an early lease-up of a unit and raised the rent for a tenant at a rent renewal timing through efficient negotiations.

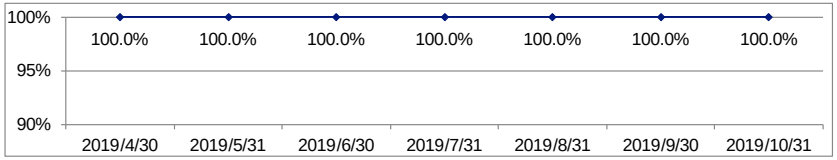
・As one retail unit tenant will leave in FP12 (4/2020), IOJ plans an early lease-up of the space.



Achievements of individual assets
FP11 (ended October 31, 2019)

Akiba CO Building	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

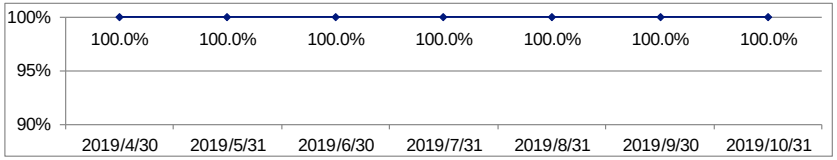
・IOJ will aim to continuously conduct a stable asset management by maintaining a good relationship with the tenant occupying the whole building.



Sun Towers Center Building	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ maintained a 100% occupancy rate. In addition, IOJ successfully raised the rents for several existing tenants at a rent renewal timing through negotiations.

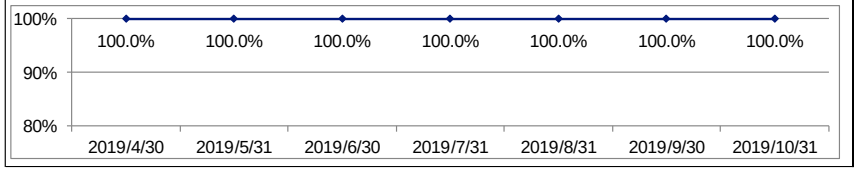
・IOJ will maintain a 100% occupancy rate in FP12 (4/2020) and IOJ will aim to increase the average rents through negotiations.



Hakata Prime East	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	468 ㎡	468 ㎡	0 ㎡

・In FP11 (10/2019), IOJ maintained a 100% occupancy rate. In addition, IOJ successfully raised the rents of 3 existing tenants.

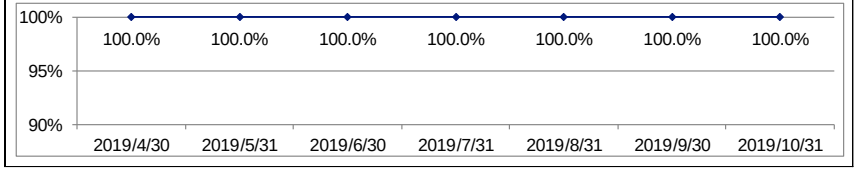
・In FP12 (4/2020), IOJ will continuously aim to keep current high occupancy rate and raise the level of rents through negotiations with existing tenants.



Kinshicho Prime Tower	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	500 ㎡	500 ㎡	0 ㎡

・Although IOJ received a notice of leave in FP11 (10/2019) by a tenant, IOJ successfully filled in the vacant space at 6% higher rent without the downtime. As a result, IOJ maintained a 100% occupancy rate in FP11 (10/2019) and successfully raised the rents of one existing tenant.

・In FP12 (4/2020), IOJ will continuously aim to raise the level of rents through negotiations with existing tenants while keeping the occupancy rate high.

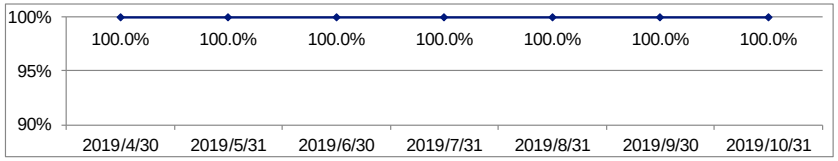


Achievements of individual assets
FP11 (ended October 31, 2019)

Aqua Dojima East	Occupancy rate at the end of Apr. 2019 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ achieved a 100% occupancy rate. In addition, IOJ successfully raised the rents of two existing tenants through negotiations.

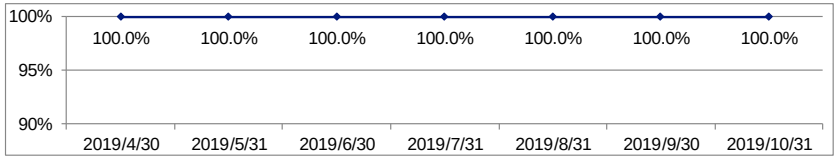
・In FP12 (4/2020), IOJ will continuously negotiate with the tenants to raise the level of rents.



Nishi-Shinjuku Prime Square	Occupancy Rate at the end of May. 2018 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ achieved a 100% occupancy rate. In addition, IOJ successfully raised the rents of seven existing tenants.

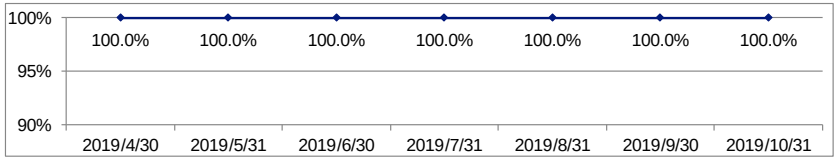
・In FP12 (4/2020), IOJ will continuously aim to raise the level of rents through negotiations. As two spaces will be vacant, IOJ plans an early lease-up of them. IOJ is currently under negotiation for them.



Kojimachi Crystal City	Occupancy Rate at the end of May. 2018 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ maintained a 100% occupancy rate. In addition, IOJ successfully raised the rents of several existing tenants through negotiations.

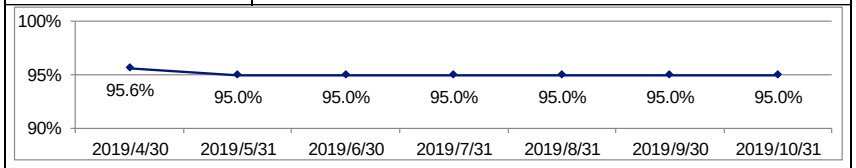
・In FP12 (4/2020), through negotiations, IOJ will aim to raise the rents of tenants with lower rents compared to the market.



Prime Tower Shin-Urayasu	Occupancy Rate at the end of May. 2018 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	95.6%	95.0%	-0.7%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	148 ㎡	-148 ㎡

・As IOJ achieved new leasing in FP11 (10/2019), the occupancy rate is expected to improve to 99.2% in January 2020. In addition, IOJ successfully raised the rents of several existing tenants through negotiations.

・In FP12 (4/2020), IOJ will continue to focus on leasing activities. Through negotiations, IOJ will aim to raise the rents of tenants with lower rents compared to the market.

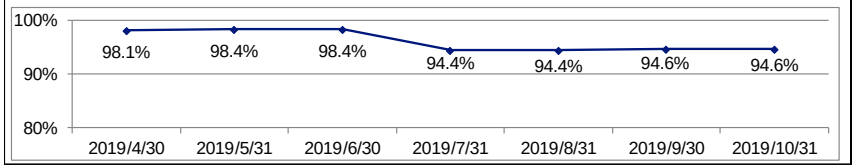


Achievements of individual assets
FP11 (ended October 31, 2019)

Techno Wave 100	Occupancy Rate at the end of May. 2018 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	98.4%	94.6%	-3.8%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	303 ㎡	1,310 ㎡	-1,007 ㎡

・The occupancy rate fell to 94.6% at the end of FP11 (10/2019).

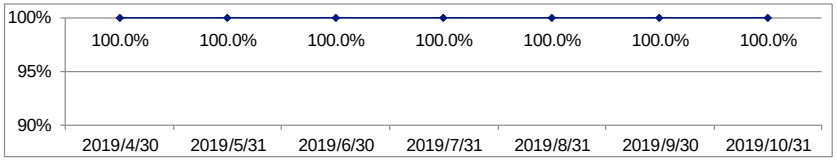
・In FP12 (4/2020), IOJ will aim to facilitate the lease-up and improve the satisfaction of existing tenants through ongoing renovation of the communal area.



IBF Planning Building	Occupancy Rate at the end of May. 2018 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ maintained a 100% occupancy rate.

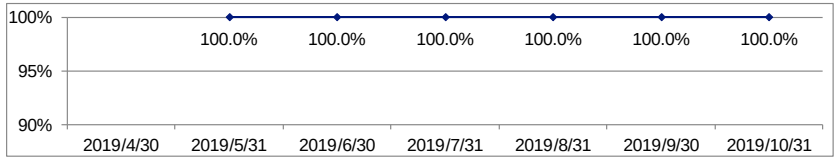
・In FP12 (4/2020), IOJ will continuously aim to keep the high occupancy rate by maintaining good relationships with the major tenants.



Otowa Prime Building	Occupancy Rate at the end of May. 2018 (A)	Occupancy rate at the end of Oct. 2019 (B)	(B)-(A)
	100.0%	100.0%	0.0%
	Move-in area (C)	Move-out area (D)	(C)-(D)
	0 ㎡	0 ㎡	0 ㎡

・In FP11 (10/2019), IOJ maintained a 100% occupancy rate.

・In FP12 (4/2020), IOJ will continuously aim to keep the high occupancy rate by maintaining good relationships with the major tenants



Portfolio information
As at the end of October 2019

Portfolio details

	Property name	Location	Purchase price (¥mm)	Appraisal value (¥mm)	Leasable area (sqm)	Investment ratio (%)	Age (Years)	NOI yield[1] (%)	Occupancy (%)	PML (%)
1	Ebisu Prime Square	Shibuya-ku, Tokyo	25,014	30,135	17,354.67	11.0	23	4.2	98.0	2.35
3	CS Tower[2]	Taito-ku, Tokyo	13,397	19,200	19,015.69	5.9	28	6.6	100.0	3.21
4	Queen's Square Yokohama	Yokohama-shi, Kanagawa	16,034	19,700	41,988.08	7.0	22	6.5	100.0	2.96
5	Nagoya Prime Central Tower	Nagoya-shi ,Aichi	14,600	21,800	17,117.10	6.4	11	6.0	100.0	3.61
6	Tokyo Nissan Nishi Gotanda Building	Shinagawa-ku, Tokyo	6,700	8,200	8,522.42	2.9	30	5.6	100.0	7.14
7	ORTO Yokohama	Yokohama-shi, Kanagawa	13,000	15,400	23,593.92	5.7	19	5.5	99.9	4.94
8	Nishi Shinjuku KF Building	Shinjuku-ku, Tokyo	6,600	8,020	6,287.78	2.9	27	4.8	100.0	5.03
9	Shinagawa Seaside East Tower	Shinagawa-ku, Tokyo	25,066	29,100	27,892.63	11.0	15	4.7	100.0	4.94
10	Akiba CO Building	Chiyoda-ku, Tokyo	8,078	9,640	5,514.42	3.5	19	3.9	100.0	6.18
11	Sun Towers Center	Setagaya-ku, Tokyo	6,615	8,450	8,005.61	2.9	27	5.5	100.0	0.96
13	Hakata Prime East	Fukuoka-shi, Fukuoka	4,500	5,280	7,018.01	2.0	28	5.4	100.0	1.56
14	Kinshicho Prime Tower	Koto-ku, Tokyo	15,145	17,200	17,606.11	6.6	25	5.0	100.0	2.79
15	Aqua Dojima East	Osaka-shi, Osaka	1,910	2,250	3,189.68	0.8	27	5.0	100.0	7.37
16	Nishi Shinjuku Prime Square	Shinjuku-ku, Tokyo	34,835	39,500	23,591.23	15.3	31	4.1	100.0	4.88
17	Kojimachi Cristal City	Chiyoda-ku, Tokyo	6,405	7,260	5,741.61	2.8	27	4.6	100.0	3.63
18	Prime Tower Shin-Urayasu	Urayasu-shi, Chiba	11,860	13,000	22,326.67	5.2	29	4.5	95.0	4.56
19	Techno Wave 100[3]	Yokohama-shi, Kanagawa	8,210	9,240	26,508.32	3.6	29	6.7	94.6	6.80
20	IBF Planning Building	Shibuya-ku, Tokyo	3,500	3,780	2,311.45	1.5	12	4.0	100.0	4.82
21	Otowa Prime Building	Bunkyo-ku, Tokyo	6,830	7,230	4,373.90	3.0	12	4.4	100.0	4.07
Total / Average			228,299	274,385	287,959.28	100.0	23	5.0	99.0	2.71

Portfolio information

Appraisal value overview

	Property name	Purchase price (JPY mm)	FP11 End (ended October 31, 2019)						FP10 End [1] (ended April 30, 2019)	
			Appraisal value (JPY mm) (a)	(a)-(b)	Direct cap rate (%) (c)	(c)-(d)	Book value (JPY mm)	Unrealized gain/ loss (JPY mm)	Appraisal value (JPY mm)(b)	Direct cap rate (%)(d)
1	Ebisu Prime Square	25,014	30,135	1,225	3.2	-0.1	25,300	4,835	28,910	3.3
2	CS Tower	13,397	19,200	500	4.1	-0.1	13,564	5,636	18,700	4.2
3	Queen's Square Yokohama	16,034	19,700	100	4.3	0.0	15,840	3,860	19,600	4.3
4	Nagoya Prime Central Tower	14,600	21,800	700	4.1	-0.1	13,784	8,016	21,100	4.2
5	Tokyo Nissan Nishi Gotanda Building	6,700	8,200	250	3.8	0.0	6,847	1,353	7,950	3.8
6	ORTO Yokohama	13,000	15,400	400	4.5	-0.1	12,667	2,733	15,000	4.6
7	Nishi Shinjuku KF Building	6,600	8,020	190	3.6	0.0	6,831	1,189	7,830	3.6
8	Shinagawa Seaside East Tower	25,066	29,100	900	3.6	-0.1	24,901	4,199	28,200	3.7
9	Akiba CO Building	8,078	9,640	50	3.5	0.0	8,267	1,373	9,590	3.5
10	Sun Towers Center	6,615	8,450	410	3.9	-0.1	6,790	1,660	8,040	4.0
11	Hakata Prime East	4,500	5,280	300	4.4	-0.1	4,513	767	4,980	4.5
12	Kinshicho Prime Tower	15,145	17,200	0	4.0	0.0	15,469	1,731	17,200	4.0
13	Aqua Dojima East	1,910	2,250	90	3.9	-0.1	1,944	306	2,160	4.0
14	Nishi Shinjuku Prime Square	34,835	39,500	1,100	3.5	-0.1	36,385	3,115	38,400	3.6
15	Kojimachi Cristal City	6,405	7,260	10	3.5	0.0	6,354	906	7,250	3.5
16	Prime Tower Shin-Urayasu	11,860	13,000	0	4.2	-0.1	12,107	893	13,000	4.3
17	Techno Wave 100[2]	6,900	9,240	500	4.9	-0.1	8,656	584	7,330	5.0
		1,310							1,410	5.1
18	IBF Planning Building	3,500	3,780	100	3.6	-0.1	3,558	222	3,680	3.7
19	Otowa Prime Building	6,830	7,230	160	3.8	0.0	6,885	345	7,070	3.8
Total		228,299	274,385	6,985	3.8	1.0	230,671	43,713	267,400	3.9

Key facts
As at the end of October 2019

Properties	
No. of properties	19 properties
Total purchase price	¥ 228.2 bn
Appraisal value	¥ 274.3 bn
NOI yield NOI yield after deprecation	5.0 % 4.2 %
Average total floor area[1]	56,784.83 sqm
Total leasable area	287,959.28 sqm
% in Tokyo metropolitan area[2]	85.6 %
FP11 average occupancy rate	98.6 %

Financials	
FP12 (4/2020) DPU forecast FP13 (10/2020) DPU forecast	¥ 393 ¥ 394
FP11 FFO per unit[3] FP11 AFFO per unit[4]	¥ 500 ¥ 449
NAV per unit	¥ 17,334
FP11 book value per unit	¥ 12,799
Dividend yield (as of 11/2019)	3.5 %
LTV book value LTV appraisal value	49.4 % 42.2 %
JCR long-term issuer rating (as of December 16, 2019)	A+/ Positive

Financial statements
Balance sheets (Assets)

(Unit: Thousands of yen)

	Previous fiscal period as of April 30, 2019	Current fiscal period as of October 31, 2019
ASSETS		
Current assets:		
Cash and bank deposits	4,858,537	4,575,660
Entrusted cash and entrusted bank deposits	15,656,011	16,818,424
Accounts receivables – operating	548,863	519,736
Accounts receivables	98	-
Short-term prepaid expenses	340,851	370,999
Derivative assets	8,669	3,422
Other current assets	24,522	26,373
Total current assets	**21,437,554**	**22,314,617**
Non-current assets:		
Property and equipment		
Entrusted buildings	49,982,139	52,113,628
Accumulated depreciation	(6,105,533)	(7,052,856)
Entrusted buildings, net	43,876,606	45,060,772
Entrusted building improvements	350,465	354,140
Accumulated depreciation	(152,819)	(172,116)
Entrusted building improvements, net	197,646	182,024
Entrusted machineries	60,708	64,050
Accumulated depreciation	(10,668)	(13,720)
Entrusted machineries, net	50,039	50,330
Entrusted furniture and equipment	191,141	215,682
Accumulated depreciation	(65,884)	(82,687)
Entrusted furniture and equipment, net	125,257	132,994
Entrusted land	178,650,756	185,237,792
Entrusted construction in progress	7,169	7,169
Total property and equipment	**222,907,475**	**230,671,084**
Intangible assets:		
Other intangible assets	1,530	1,024
Total intangible assets	1,530	1,024
Investment and other assets:		
Security deposits and guarantee deposits	10,088	10,088
Long-term prepaid expenses	474,127	480,908
Derivative assets	22,789	5,037
Deferred tax assets	41,768	56,954
Others	801,878	820,626
Total investment and other assets	**1,350,651**	**1,373,615**
Total non-current assets	**224,259,657**	**232,045,724**
Deferred assets:		
Investment corporation bonds issuance expenses	71,537	62,719
Total deferred assets	**71,537**	**62,719**
TOTAL ASSETS	**245,768,749**	**254,423,061**

Financial statements
Balance sheets (Liabilities and net assets)

(Unit: Thousands of yen)

	Previous fiscal period as of April 30, 2019	Current fiscal period as of October 31, 2019
LIABILITIES		
Current liabilities:		
Accounts payable - operating	865,325	787,862
Short-term borrowings	4,500,000	6,980,000
Current portion of long-term borrowings	25,350,000	23,950,000
Accounts payable - other	502,702	522,384
Accrued expenses	85,499	69,615
Income taxes payable	2,787	609
Consumption tax payable	402,667	16,206
Rent received in advance	870,369	917,132
Other current liabilities	30,907	47,351
Total current liabilities	**32,610,258**	**33,291,163**
Non-current liabilities:		
Investment corporation bonds	14,400,000	14,400,000
Long-term borrowings	77,050,000	80,450,000
Entrusted tenant leasehold and security deposits	11,570,096	12,188,758
Derivative liabilities	163,753	189,495
Total non-current liabilities	**103,183,850**	**107,228,254**
TOTAL LIABILITIES	**135,794,108**	**140,519,417**
NET ASSETS		
Unitholders' equity:		
Unitholders' capital	107,320,361	111,347,459
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	-	(86,433)
Other deduction from unitholders' capital	(799,984)	(799,984)
Total deduction from unitholders' capital	(799,984)	(886,418)
Unitholders' capital, net	106,520,376	110,461,041
Surplus:		
Retained earnings	3,544,939	3,566,683
Total surplus	3,544,939	3,566,683
Total Unitholders' equity	**110,065,316**	**114,027,724**
Valuation and translation adjustments:		
Deferred gains or losses on hedges	(90,674)	(124,081)
Total valuation and translation adjustments	(90,674)	(124,081)
TOTAL NET ASSETS	109,974,641	113,903,643
TOTAL LIABILITIES AND NET ASSETS	**245,768,749**	**254,423,061**

Financial statements
Statement of income

(Unit: Thousands of yen)

	Previous fiscal period from November 1, 2018 to 30-Apr-19	Current fiscal period from May 1, 2019 to 31-Oct-19
Operating revenues		
Rental revenues	7,448,727	7,813,870
Other rental revenues	743,165	820,932
Gain on sales of real estate properties	149,470	-
Total operating revenues	8,341,363	8,634,803
Operating expenses		
Property-related expenses	3,489,079	3,835,089
Asset management fees	701,925	717,560
General administration and custodian fees	18,898	20,275
Compensation for directors	3,600	3,600
Other operating expenses	70,912	70,552
Total operating expenses	4,284,415	4,647,077
Operating income	**4,056,947**	**3,987,726**
Non-operating revenues		
Interest income	70	70
Refund of unpaid distributions	868	525
Interest income on tax refund	2,308	-
Total non-operating revenues	3,247	596
Non-operating expenses		
Interest expense	304,627	285,521
Interest expense on investment corporation bonds	31,654	35,769
Amortization of investment corporation bonds issuance costs	8,331	8,818
Public offering costs	8,162	16,670
Financing costs	164,267	168,750
Other non-operating expenses	1,580	1,580
Total non-operating expenses	518,622	517,110
Ordinary income	**3,541,572**	**3,471,211**
Net income before income taxes	**3,541,572**	**3,471,211**
Current income taxes	2,798	620
Deferred tax expenses	(50)	147
Total income taxes	2,748	768
Net income	**3,538,824**	**3,470,442**
Retained earnings at the beginning of the period	**6,114**	**96,240**
Retained earnings at the end of the period	**3,544,939**	**3,566,683**

Financial statements
Statements of cash flows

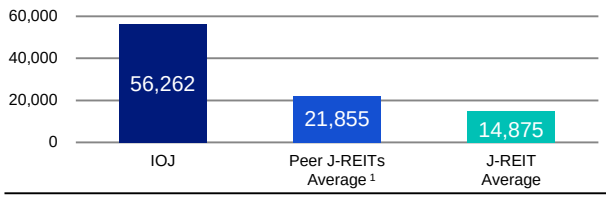
(Unit: Thousands of yen)

	Previous fiscal period from November 1, 2018 to 30-Apr-19	Current fiscal period from May 1, 2019 to 31-Oct-19
Cash flows from operating activities:		
Net income before income taxes	3,541,572	3,471,211
Depreciation expenses	926,996	986,981
Amortization of investment corporation bonds issuance costs	8,331	8,818
Public offering costs	8,162	16,670
Financing costs	164,267	168,750
Interest income	(70)	(70)
Interest expense	336,281	321,291
(Increase) decrease in accounts receivables - operating	11,544	29,126
(Increase) decrease in accounts receivables	(98)	98
(Increase) decrease in consumption tax receivable	537,457	-
(Increase) decrease in short-term prepaid expenses	(6,493)	(27,667)
(Increase) decrease in long-term prepaid expenses	(40,086)	(521)
(Increase) decrease in other current assets	23,789	(20,599)
Increase (decrease) in accounts payable - operating	(54,692)	120,156
Increase (decrease) in accounts payable - other	(14,040)	26,397
Increase (decrease) in consumption tax payable	402,667	(386,460)
Increase (decrease) in rental received in advance	29,118	46,762
Decrease in entrusted property and equipment held due to sale	349,004	-
Increase (decrease) in other current liabilities	(95,139)	15,925
Subtotal	6,128,573	4,776,870
Interest received	70	70
Interest expenses paid	(321,755)	(337,181)
Income taxes paid	(2,199)	(2,798)
Net cash provided by (used in) operating activities	**5,804,688**	**4,436,962**
Cash flows from Investing activities:		
Purchase of entrusted property and equipment	(789,478)	(8,947,704)
Net cash provided by (used in) investing activities	**(789,478)**	**(8,947,704)**
Cash flows from Financing activities:		
Proceeds from short-term borrowings	10,000,000	11,460,000
Repayments of short-term borrowings	(10,000,000)	(8,980,000)
Proceeds from long-term borrowings	-	14,000,000
Repayments of long-term borrowings	(5,500,000)	(12,000,000)
Payment of financing costs	(2,207)	(177,490)
Proceeds from issuance of investment units	-	4,002,911
Payment of investment units issuance costs	(334)	-
Proceeds from issuance of investment corporation bonds	5,500,000	-
Payment of investment corporation bonds issuance costs	(29,706)	-
Distribution to unitholders	(3,793,338)	(3,533,805)
Net cash provided by (used in) financing activities	**(3,825,587)**	**4,771,615**
Net change in cash and cash equivalents	**1,189,622**	**260,873**
Cash and cash equivalents at the beginning of period	7,754,829	8,944,452
Cash and cash equivalents at the end of period	8,944,452	9,205,325

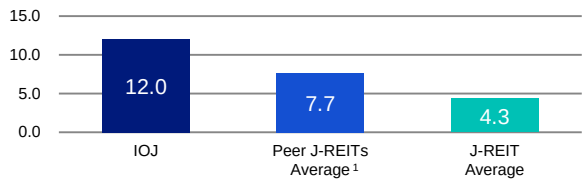
Peer comparison
As of November 29, 2019

Asset quality

Average total floor area (sqm)

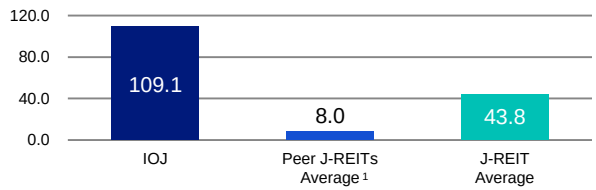


Average purchase price (¥ bn)



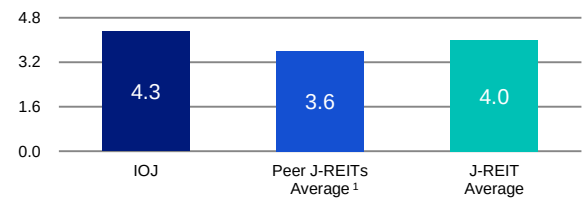
Growth

AUM growth (%) [2]



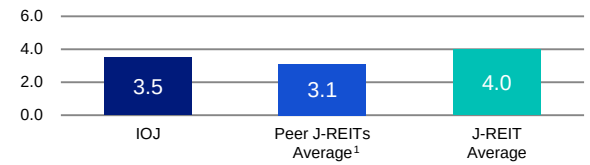
Profitability

NOI yield after depreciation (%) [3]

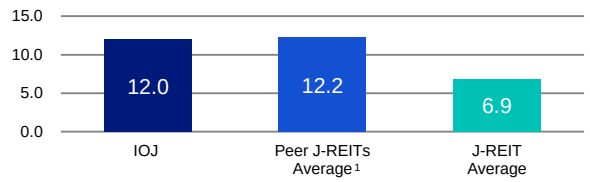


Valuation

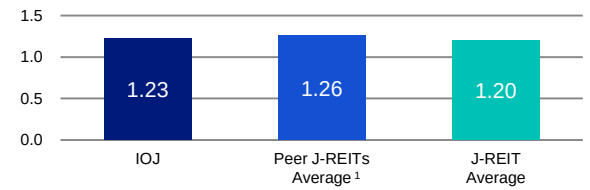
Dividend yield (%) [4]



DPU growth (%) [5]

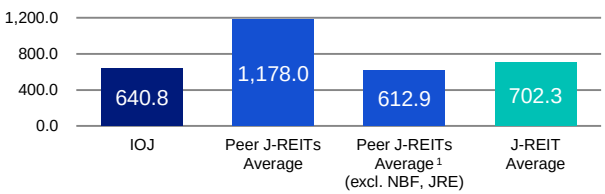


P/NAV [6]



Liquidity

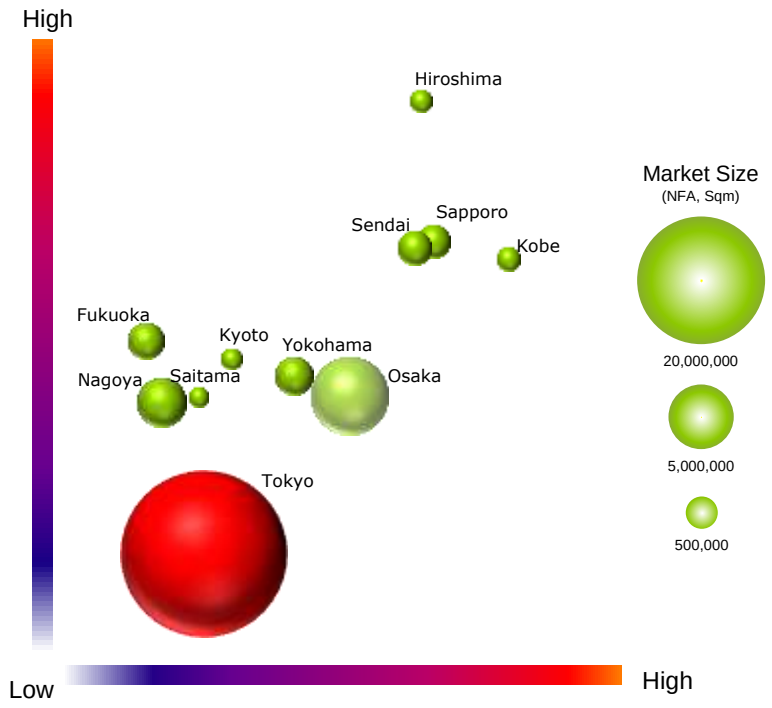
Daily trading volume (¥ mm) [7]



Source: Disclosure material, Bloomberg, Capital IQ

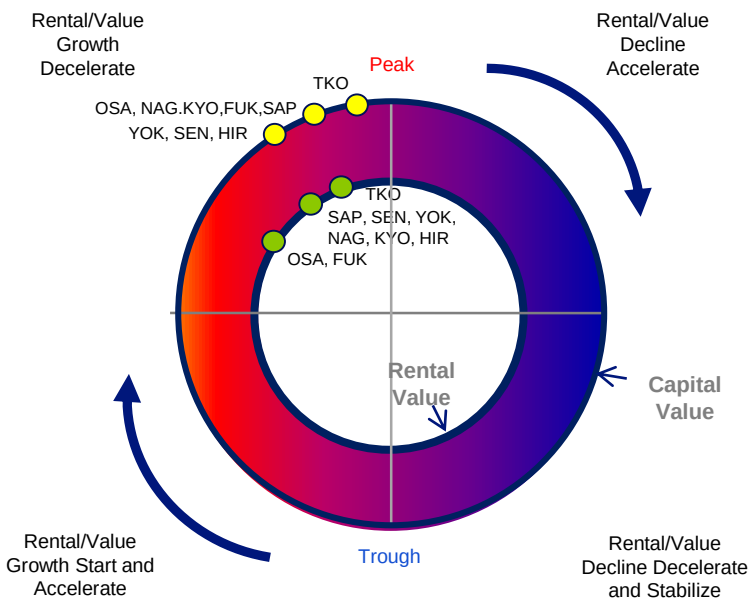
Proprietary market research
Identifying market characteristics and cycles

Expected return/ risk of income[1]



Source: Invesco Real Estate estimated based on ARES (AJPI Monthly Data, 2009Jan-2018Dec) and CBRE, as of October 2019

Current market cyclical position[2]



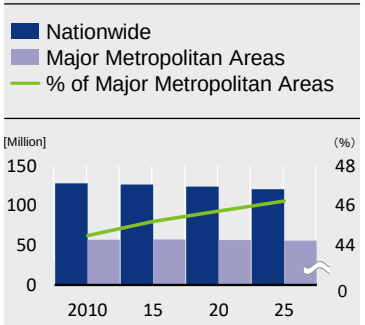
Source: Invesco Real Estate estimated as of November 2019

Market overview
Office market conditions

Population Growth Potential in Metropolitan Areas

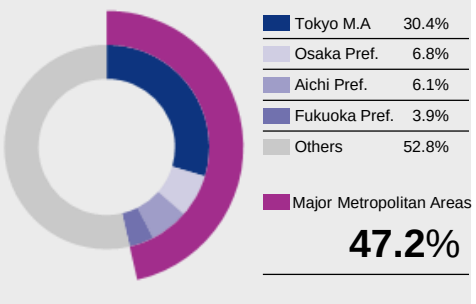
- Concentration of population and business activities support real estate demand
- The office sector benefits from long term expansion and upgrade demand alongside economic cycles

Shift of population



Source：National Institute of Population and Social Security Research

Labor force distribution



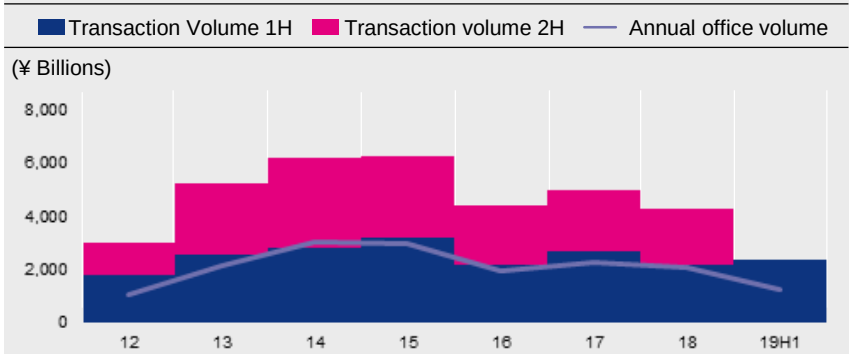
Source: Ministry of Internal Affairs and Communications, as of 2019Q2

- Continued population and labor force growth in major metropolitan areas is expected as long term trend
- A focus on core metropolitan areas helps capture stronger growth prospects and more investment opportunities

Office Market Trends

- In 2019H1, despite tight pricing and less prime pipeline properties for sale, total transaction volume of office was around JPY 1.235 trillion, increased by 10.8% y-o-y compared to the 6.7% y-o-y decline of overall property according to RCA data.

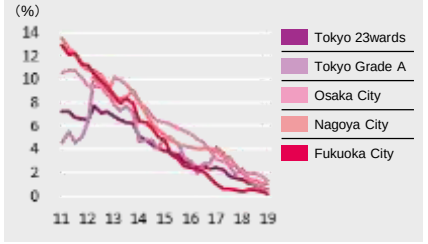
Dynamics of property transactions



Source：REAL CAPITAL ANALYSTICS, as of November 2019

- Office vacancy rates in major cities have been trending down
- Strengthening demand for high quality space amid the economic recovery and increased BCP concerns after the 3.11 Earthquake have driven vacancies down in the Grade A segment

Shift of office vacancy rate



Source：CBRE (As at the end of November 2019)

Invesco Real Estate ESG program summary

IRE believes by taking a well-thought through and disciplined approach to ESG, we can successfully balance our social and environmental responsibilities while meeting the needs of our clients and fulfilling our fiduciary responsibilities. ESG is integrated into all phases of the Investment management process. Specifically, our ESG Objectives across our strategies globally focus on the following:

ENVIRONMENTAL
Measuring and regularly reporting building energy, emissions, water and waste within our control, and in doing so seeking to continually and steadily improve performance across our managed portfolios. Targets are established at the property level and reviewed no less than annually. Our long-term reduction target is 10% or approximately 1% per year in energy, emissions, water and waste.
Evaluating and implementing low-cost measures, capital improvements and new technologies to improve the performance of our assets and advance the built environment.
Using Energy Rating schemes such as ENERGY STAR Portfolio Manager and NABERS (where applicable) to evaluate the energy efficiency of buildings. Pursuing certification for eligible buildings annually.
Evaluating the feasibility of pursuing third-party green building certifications using schemes prevalent in each specific region such as LEED, BREEAM, HQE, Green Star and CASBEE, as well as health and wellness certifications such as WELL and Fitwel.
Taking a managed approach to the procurement of energy in deregulated energy markets.
Including ESG as part of the due diligence process during acquisition and assessing the resiliency of our assets when faced with climate-related risks.

SOCIAL
Providing tools and resources to engage property managers on sustainability issues.
Encouraging sustainable practices by our tenants through the deployment of tenant engagement tools relevant to each property type.
Providing services and amenities at our properties such as gyms, bicycle storage, and green spaces that encourage building occupants to lead healthier lifestyles.
Training our employees on environmental, social, governance, and health and well-being issues.
Engaging with the local community on sustainability-related issues through programs in place at Invesco, Ltd., Invesco Real Estate and the direct real estate assets we manage.
Encouraging our employees to play active roles in the growth and development of the communities in which they live and work through volunteering and charitable contributions.
Supporting diversity and inclusion in our workforce by providing training, communications and creating a work environment that optimizes the full potential of our employees

GOVERNANCE
Leading the real estate industry in the implementation of ESG practices through the direction of our ESG Taskforce and integrating sustainability into our decision making by incorporating senior management.
Transparently disclosing our ESG strategy and performance to investors through reporting frameworks such as the Global Real Estate Sustainability Benchmark (GRESB), Global Reporting Initiative (GRI), the European Association for Investors in Non-Listed Real Estate Vehicles (INREV), Carbon Disclosure Project (CDP), United Nations Principles for Responsible Investment (UNPRI), etc and by producing asset-level ESG scorecards as part of the annual budgeting process.
Ensuring that our employees adhere to the highest standards of honest and ethical conduct through confirming their compliance with our Anti-Bribery policy and Code of Conduct.

Our ESG program is aligned with INREV, GRESB, GRI and UNPRI. The data provided herein represents a snapshot current performance. The sustainability data has been reviewed by LORD Green Real Estate Strategies.

Note (1)

"Invesco Office J-REIT, Inc." is described as "IOJ" and "Invesco Global Real Estate Asia Pacific Inc." is described as "IGRE" or the "Asset Manager" in this material.

P6	1	"DPU" stands for distributions per unit. During each period, the amount obtained by eliminating impact from temporary factors, such as unrecorded fixed assets tax, city planning tax, gains on sales of real estate, etc. from the actual amount of DPU is shown as "stabilized DPU".
	2	Reflected the investment unit split (8-for-1).
P9	1	Assets highlighted in red are newly certified assets.
P10	1	Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.
	2	This list is based on information available to IOJ and its Asset Manager at the time of publication and is prepared according to the guidelines of IOJ and its Asset Manager. Consequently, the list may not be comprehensive or the information may be out of date. Analysts included in this list and others not listed are engaged in providing analysis relating to the business results of IOJ and its business, or projecting the future business results of IOJ, based on judgments made independently by the analyst either periodically or on ad hoc basis. IOJ, its Asset Manager, or its respective management teams have not had any part whatsoever in the process by which analysts form their analysis or projections. IOJ and its Asset Manager do not in any way endorse or provide assurances concerning the analysis, projections, opinions or recommendations, etc. made by the analysts. This list is provided solely for the purpose of providing investors with information concerning companies and analysts who provide analysis or projections relating to the business results, etc. of IOJ. It does not constitute a solicitation to invest in IOJ. Any investment decisions you make ultimately rest on your own judgment and are your own responsibility.
	3	The rating and target price of SMBC Nikko Securities Inc. are as of the report issued on October 8, 2019. The rating and target price of Nomura Securities Co., Ltd. are as of the report issued on June 17, 2019.The rating and target price of Citigroup Global Markets Japan Inc. are as of the report issued on September 27, 2019.
P12	1	NOI regarding the assets owned as of the end of FP11 are calculated by using the following formula: the actual NOI for FP11 / operating days during FP11*365 days. NOI yield is calculated by dividing total NOI by total acquisition price. However, we have applied adjustments to treat certain capitalized property-related taxes as expenses.
	2	The "PML" means the extent of the damage that would be incurred due to the largest earthquake (a great earthquake with the likelihood of occurring once in 475 years = a great earthquake with a 10% likelihood of occurring once in 50 years) foreseen during the assumed useful life (50 years being the usual useful life of a building) as a ratio (%) of the replacement value for the foreseeable restoration costs of the damage. The figure described above is in the "Report on evaluation of seismic PML for portfolio" dated April 2019 by Sompo Risk Management, Inc.
	3	The ratio is calculated based on the purchase price.
	4	"Tokyo Metropolitan Area" includes Tokyo metropolitan area, Yokohama city, Kawasaki city, Saitama city and Chiba city.
	5	"Tokyo central 5 wards" includes Chiyoda-ward, Chuo-ward, Minato-ward, Shinjuku-ward and Shibuya-ward.
P13	1	Disposed on December 16, 2015. Profit from disposition was ¥ 783 million.
	2	Disposed CS Tower Annex on March 20, 2019. Profit from disposition was ¥ 149 million. The purchase price is based on the ratio of appraised value of "CS Tower" prepared by the appraiser.
	3	Disposed 40% of co-ownership of trust beneficiary interest on April 18, 2018 and 60% of co-ownership of trust beneficiary interest on May 17, 2018. Profit from disposition was ¥ 687 million.
	4	The purchase price corresponds to the total portion which IOJ acquired on May 1, 2018 and on May 22, 2019.
P14	1	For the J-REITs other than IOJ, the asset size and dividend yield are as of November 29, 2019 (however, for the J-REITs which have not had their first fiscal period ends after their listing as of November 29, 2019, their asset size are based on the asset size as at their listing date). Dividend yield = Forecast dividend (Including distributions in excess of earnings. In the case disclosed forecast figures for several FP, using FP that term is the nearest to the base point in time above) / last unit price as of November 29, 2019 on the Tokyo Stock Exchange.
	2	"List of indices and credit rating" shows the status of the list of each index and credit rating as of November 29, 2019.
P16	1	IOJ made an investment units split at a ratio of 8 units per one investment unit effective on March 1, 2018. For that reason, for the days on or before February 23, 2018, the investment unit price is divided by 8 taking into consideration the impact of the investment unit split. Showing relative trend of the unit price and TSE REIT Index based on the closing price at the beginning of FP6 (November 1, 2016) (IOJ: ¥10,562 (the investment unit price is divided by 8 taking into consideration the impact of the investment unit split) and TSE REIT Index: 1,781.03pt)=100.0%. Past performance is not indicative of future results.
P17	1	The occupancy estimation for FP12 and FP13 is as of December 1, 2019.
P19	1	Figures are rounded to the nearest whole number.
	2	Assumed impact of power cost reduction through a whole fiscal period.
	3	Based on the number of units issued and outstanding of 8,899,256 units.
P20	1	"Office rent fluctuation rate by tenant turnover" is calculated by weighted average of the rent for new leasing agreement for office and the rent concluded in the previous leasing agreement based on leased area.
	2	"Office rent renewal floor space" indicates the percentage of renewed area whether the amount was reduced, retained, or increased in relation to the total leased area of offices that reached renewal among the assets owned by IOJ in each fiscal period (including cases where the agreement was changed prior to renewal).
	3	"Office rent fluctuation rate upon positive rent renewals " is a weighted average ratio calculated based on the difference between new rent and previous rent for the leased areas which renewed with upward revision. This increase ratio is assumed that the new rent contribute for whole FP and not assumed the free-rent and temporary reduction of the rent.
P21	1	Occupancy rate as of October 31, 2019.
	2	"Rent differential with assessed market rent" is calculated by dividing the difference between the actual rent for the office portion as at the end of October 2019 for each asset and the market rent (new estimated lease rate) for the office base floor of each property in September 2019, as assessed by CBRE K.K.
P22	1	"Portfolio average rent" is weighted average of total monthly rent for office with fee for common areas divided by the leased area as at the end of the fiscal period.
	2	"Market average rent" represents the estimated new contract rent for a standard floor used as office space for properties managed by IOJ. The data is based on market research conducted by CBRE in September 2019.
	3	"Rent gap" = (Market average rent –portfolio average rent) / market average rent.
	4	Otowa Prime Building and additional portion of Techno Wave 100 acquired in FP11 were excluded to be able to compared with the portfolio in FP10.
	5	The chart shows the number of lease contracts renewed or to be renewed for office space, and the rate-difference percentage of in-place rents and the market rents, which is evaluated by CBRE.

Note (2)

P23	1	The definition of “Grade A“ is as follows: location is in the central 5 wards; GFA is 10,000 tsubo or more and NLA is 6,500 tsubo or more; typical floor plate is greater than 500 tsubo; building age is less than 11 years.
	2	The definition of “Grade B“ is as follows: location is in the Tokyo 23 wards; GFA is 2,000 to 7,000 tsubo; typical floor plate is greater than 200 tsubo; there are no criteria in terms of building age but building structure should satisfy new seismic criteria.
	3	Vacancy rate is as at the end of December each year.
P24	1	As at the end of November 2019.
	2	The cumulative investment amount above is based on the total acquisition price and includes the track record of the assets under the Asset Manager’s management when the Invesco Group acquired the Asset Manager from American International Group in December 2010.
	3	IOJ does not guarantee that it will acquire those properties.
	4	The figure is in terms of value.
P26	1	Including the financial instruments business operators.
	2	The number of investors under each category is shown in parentheses.
	3	Prepared by IGRE based on disclosed data as at the end of November 2019.
P28	1	Adjusted EPU = (Net income before tax for the subject fiscal period (before the adjustments of consumption tax and deduction of asset management fee (2), as well as after the addition of amortization amount related to goodwill or reduction of profit caused by negative goodwill) + loss carried forward from the last fiscal period) / the total number of issued and outstanding investment units as of the end of the subject fiscal period.
P30	1	Invesco Real Estate ESG Objectives on page 30 is an excerpt from “Invesco Real Estate ESG Objectives”. For details, please refer to “Invesco Real Estate ESG program summary” on page 53.
P34	1	“Leased area” represents the part of the total leased area stated in the relevant lease agreement pertaining as at the end of October 2019 that is reflecting the portion of IOJ’s ownership.
	2	“Ratio of leased area” represents the percentage of each tenant’s leased area to the total leased area of all the managed assets as at the end of October 2019, rounded to one decimal place.
	3	“Not disclosed” is undisclosed because the permission from the tenant to disclose its name is not obtained.
	4	The chart shows the breakdown of tenants by type of business based on the total number of tenants excluding residential tenants as at the end of October 2019 based on the leased area stated on agreements. The total ratio may not add up to 100.0% because the numbers are rounded to one decimal place.
P36	1	As percentage of unitholders ratio is rounded to one decimal place, the total of the ratio may not be 100.0%.
	2	Including financial instruments business operators.
	3	Figures described in “% of units issued” are rounded down to one decimal place.
	4	HSBC BANK PLC A/C CLIENTS, NON TREATY 1 holds 261,435 units as trustee for the benefit of Invesco Investments (Bermuda) Ltd. Invesco Investments (Bermuda) Ltd. is a subsidiary of Invesco Ltd., the parent company of the Asset Manager. In addition to the above, Invesco Investments (Bermuda) Ltd. has lent 7,677 units to SMBC Nikko Securities Inc. based on the “Investment Units Lending Agreement” due to the new issuance of investment units through a public offering.
P42	1	The average NOI yield is calculated by total annualized NOI of the 19 assets divided by total purchase price of them. However, we have applied adjustments to treat certain capitalized property-related taxes as expenses.
	2	As CS Tower Annex was disposed of on March 20, 2019, the purchase price for CS Tower is calculated by deducting the purchase price of CS Tower Annex.
	3	The purchase price corresponds to the total portion which IOJ acquired on May 1, 2018 and on May 22, 2019. For the appraisal value, it was based on the real estate appraisal report evaluating the two portions as entire property.
P43	1	The appraisal value and direct cap rate for Otowa Prime Building and additional acquisition portion of Techno Wave 100 are as at the time of its acquisition.
	2	The upper row corresponds to the portion which IOJ acquired on May 1, 2018 and the lower row corresponds to the portion which IOJ acquired on May 22, 2019. For the appraisal value in FP11, it was based on the real estate appraisal report evaluating the two portions which IOJ acquired on May 1, 2018 and on May 22, 2019 as entire property.
P44	1	Average gross floor area of each building.
	2	Based on the purchase price.
	3	“FFO per unit” is calculated as follows: FFO per unit = (Net income + depreciation expense – gain on sales of property) / the number of units issued and outstanding.
	4	“AFFO per unit” is calculated as follows: AFFO per unit = (Net income + depreciation expense – gain on sales of property – capital expenditures) / the number of units issued and outstanding.
P49	1	Based on disclosed data as of November 29, 2019. “Peer J-REITs ” includes “Nippon Building Fund Inc.”, “Japan Real Estate Investment Corporation.”, “Global One Real Estate Investment Corporation”, ”Kenedix Office Investment Corporation”, “Ichigo Office REIT Investment Corporation“, “Daiwa Office Investment Corporation” and “Japan Excellent, Inc.”.
	2	“AUM Growth” is calculated as the percentage increase in AUM between the latest disclosed financial period and six financial periods before.
	3	“NOI yield after depreciation” of peer J-REITs average and J-REIT average are calculated by the following formula: total NOI /operating days × 365 days/ total purchase price as of November 29, 2019.
	4	“Dividend yield” of peer J-REITs average and J-REIT average are calculated by the following formula: each J-REIT’s current DPU forecast as of November 29, 2019/ operating days of the fiscal period × 365 days/ share price as of November 29, 2019.
	5	“DPU growth” is calculated by the simple average of the percentage increase in dividend yield between the current financial period and four financial periods before. However, dividend growth for IOJ and Peer J-REITs are calculated base on adjusted DPU which subtracted profit from disposition.
	6	“P/NAV” of peer J-REITs average and J-REIT average are calculated using the following formula: total market capitalization divided by total NAV. Calculated using share price as of November 29,. In addition, IOJ’s P/NAV is calculated by actual NAV (¥17,334) in FP11.
	7	“Daily Trading Volume” of peer J-REITs average and J-REIT average are the simple averages of the daily traded volumes of each investment unit from December 1, 2017 to November 29, 2019.
P50	1	Risk measure is represented by Standard Deviation and Expected Return is represented by Long-term Average.
	2	SAP-Sapporo, SEN-Sendai, SAI-Saitama, TKO-Tokyo, YOK-Yokohama, NAG- Nagoya, KYO-Kyoto, OSA-Osaka, KOB-Kobe, HIR-Hiroshima and FUK-Fukuoka.

Memo

Disclaimer

- This document is solely intended to provide information and is not intended to solicit securities or special product investment products.
- This document includes forward-looking information, such as plans, strategies and future performance. Such descriptions are based on current assumptions and beliefs, and involves known and unknown risks, uncertainties, and other factors. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking information.
- Financial information contained in this presentation has been prepared based on Japanese generally acceptable accounting principles.
- The information contained in this document is not audited and there is no assurance regarding the accuracy, certainty and consistency of the information.
- Although much attention has been paid to the inclusion of all relevant information in this document, there may be errors and omissions. Therefore, they are subject to correction or amendment without prior notice.
- Duplication or reproduction of any information herein without the prior consent of IOJ or IGRE is strictly prohibited.