

Starwood Capital Group announces plans to acquire all Units (*toushiguchi*), for ¥20,000 per Unit, of Invesco Office J-REIT



*Announcement made as part of reporting the acquisition
of a minority stake in Invesco Office J-REIT*

- Planned Tender Offer Price implies a premium to the Net Asset Value of JPY17,684 per Unit, as disclosed in the FYE October 2020 financials
- Invesco Office J-REIT unitholders would receive a 14.68% and 23.71% premium to one-month and three-month average trading price respectively
- Privatization will enable long-term investment to improve properties

TOKYO, April 2, 2021 Starwood Capital Group ("Starwood Capital"), a global private investment firm focused on real estate and energy infrastructure investments, today announced that 101 LPS, an investment limited partnership, and five other fund entities managed by Starwood Capital (collectively, the "Joint Holders"), reported that the Joint Holders had acquired collective beneficial ownership of approximately 5.07% of the outstanding Units of Invesco Office J-REIT, Inc. ("Invesco Office J-REIT") (TSE ticker 3298) as of March 26, 2021 in a large shareholder report filed with the Kanto Local Finance Bureau. The Joint Holders reported that they hold these Units with the intention to acquire control of Invesco Office J-REIT's management, and thereafter take Invesco Office J-REIT private. The Joint Holders plan to set a Tender Offer price of 20,000 JPY per Unit.

The intended Tender Offer price implies a 13.10% premium to the FYE October 2020 NAV of JPY 17,684 per Unit, and represents a premium of 14.09% to the closing price of Invesco Office J-REIT Units on April 1, 2021, a 14.68% premium to the one-month average trading price per Unit, and a 23.71% premium to the three-month average trading price per Unit.

In light of the structural disruptions to office sector demand caused by COVID-19 and the likely near- to medium-term volatility that the global market may face, Starwood Capital believes that as a private, well-capitalized company, it will be better able to aggressively tackle lease roll-overs, optimize the capital structure and commence capital intensive asset management initiatives at Invesco Office J-REIT.

"This offer will allow unitholders to realize immediate attractive value for their holdings, at a

premium above the current net asset value,” said Kevin Lee, Tokyo-based Managing Director and head of Real Estate for Asia at Starwood Capital. “At the same time, by privatizing the portfolio we can implement long-term value improvements to the properties that can be better achieved within a private, non-listed ownership structure, as opposed to a publicly-listed REIT. We look forward to engaging constructively with the current asset manager regarding our offer and their continued role, and believe these improvements will benefit all stakeholders of Invesco Office J-REIT—showing our strong, long-term commitment to the Japan market, where we have placed our APAC headquarters.”

For further details regarding the planned Tender Offer once available, please visit <https://www.starwoodjapantob.jp/>.

Starwood Capital made its first investment in Japan in 2001, and from 2001-2011, through multiple Starwood Capital funds, invested in hospitality, industrial, multifamily and office sectors with a cumulative transaction value close to US\$900 million. In January 2020, Starwood Capital moved its Asian head office from Hong Kong to Tokyo, and in January 2021 Starwood Capital announced its first transaction in Japan from the new head office.

Internationally, Starwood Capital has invested in more than 30 countries, building and growing assets ranging from high-profile public hotel platforms through to residential home portfolios and in-house property management companies, as well as establishing a strong track-record in public-to-private transactions.

About Starwood Capital Group

Starwood Capital Group is a private investment firm with a core focus on global real estate, energy infrastructure and oil & gas. The Firm and its affiliates maintain 16 offices in seven countries around the world, and currently have approximately 4,000 employees. Since its inception in 1991, Starwood Capital Group has raised over US\$55 billion of equity capital, and currently has in excess of US\$75 billion of assets under management. Through a series of comingled opportunity funds and Starwood Real Estate Income Trust, Inc. (SREIT), a non-listed REIT, the Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Starwood Capital also manages Starwood Property Trust (NYSE: STWD), the largest commercial mortgage real estate investment trust in the United States, which has successfully deployed over US\$63 billion of capital since inception and manages a portfolio of over US\$17 billion across debt and equity investments.

Over the past 29 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. Additional information can be found at starwoodcapital.com

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Disclaimers

Solicitation

This press release is a publication for the purpose of announcement of the planned Tender Offer and has not been prepared as a solicitation for tendering or an offer to purchase under the planned Tender Offer. When tendering as a unitholder, please make sure you make such decision based on your own judgment after reviewing the Tender Offer Registration Statement relating to the Tender Offer, once it becomes available, because it will contain important information. This press release is not and does not constitute a solicitation for offers to sell or purchase securities. Neither this press release (in whole or in part) nor its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, and this press release may not be relied on at the time of entering into any such agreement.

U.S. Law

The planned Tender Offer will be conducted in compliance with the procedures and information disclosure standards set out in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “Act”), but those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the planned Tender Offer will not be subject to Section 13(e) or Section 14(d) of the United States Securities Exchange Act of 1934 (as amended, the “United States Securities Exchange Act of 1934”) or the rules promulgated thereunder, and as such the Tender Offer will not be conducted in compliance with those procedures or standards. The financial information referenced on this press release comes from financial statements prepared in accordance with the accounting standards of Japan, and those financial statements may not include the same level of

information as would be included in financial statements of a company required to prepare its financial statements in compliance with generally accepted accounting principles of the United States. The Joint Holders (except for the Joint Holders that are limited partnerships established in the State of Delaware in the United States) and Invesco Office J-REIT are entities established outside of the United States and their directors reside outside of the United States, so it may be difficult to exercise any rights or make any demands against such individuals or entities on the grounds of a violation of the federal securities laws of the United States. It also may not be possible to bring action against an entity that is based outside of the United States or its directors in a court outside of the United States on the grounds of a violation of the federal securities laws of the United States. Additionally, there is no guarantee that an entity outside the United States or its affiliates may be compelled to subject themselves to the jurisdiction of a United States court.

The Joint Holders and any “covered person” as such term is defined in Rule 14e-5(c)(3) under the United States Securities Exchange Act of 1934 are prohibited, before the commencement of the Tender Offer or during the purchase period of the Tender Offer, to purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of the Units on its own account or the account of its client unless and then only to the extent permitted by Japanese laws related to financial instruments transactions and other applicable laws and regulations in the ordinary course of its business and in accordance with the requirements of Rule 14e-5(b) of the United States Securities Exchange Act of 1934. Such permitted purchases may be executed at the market price in an on-the-market transaction or at a negotiated price in an off-the-market transaction. If information regarding such a permitted purchase is disclosed in Japan, that information will also be disclosed in the English language.

Language

Unless otherwise provided, all of the procedures concerning the Tender Offer will be conducted in the Japanese language. All or a subset of the documents related to the Tender Offer may be prepared in the English language, but if there is a discrepancy between that English language document and the corresponding Japanese language document, the Japanese language document will prevail.

Forward-Looking Statements

This press release may include forward-looking statements. Actual results may materially differ from these forward-looking statements due to known or unknown risks, uncertainties, and other factors. None of the Joint Holders and their respective affiliates can provide any assurances that such forward-looking statement will ultimately be correct. The forward-looking statements on this press release have been prepared based on information that is available to the Joint Holders as of the date of this press release, and except where required by applicable law, none of the Joint Holders and any of their respective affiliates has an obligation to update or correct those statements in order to reflect future events or circumstances.

Other Jurisdictions

Depending on the country or region, the publication of this press release may be restricted under the applicable laws. Please take note of such restrictions and comply with them. The publication of this press release shall only be considered as publication of information and shall not be considered as a solicitation for offers to sell or purchase securities in connection with the planned Tender Offer.