

Starwood Capital Group responds to Invesco Office J-REIT Inc.'s opinion regarding the Tender Offer



Starwood Capital strongly believes:

- Opinion should focus on how to represent the best interests of unitholders and facilitate a constructive dialogue between Starwood Capital, the Investment Corporation and the Asset Manager
- Offer price implies a significant premium to market price as well as NAV per unit
- Offer process reflects best practice in fairness and objectivity
- Extending the offer period would not offer any further benefit to unitholders

TOKYO, April 22, 2021 Starwood Capital Group (“Starwood Capital”), a global private investment firm focused on real estate and energy infrastructure investments, on behalf of 101 LPS, an investment limited partnership and five other fund entities which are controlled affiliates of Starwood Capital (collectively, the “Offerors”), today addressed comments and questions posed by Invesco Office J-REIT, Inc. (the “Investment Corporation”) which has formed a Special Committee with respect to the Offerors’ Tender Offer to acquire all the Units of Invesco Office J-REIT (Ticker: 3298) listed on the J-REIT market of the Tokyo Stock Exchange and thereafter take Invesco Office J-REIT private (the “Tender Offer”).

Whilst Starwood Capital believes that most of the questions and information requests raised have already been addressed, it would welcome the opportunity to have an active and constructive dialogue with the Special Committee established by the Investment Corporation to address particular concerns.

The Offerors have undertaken a meticulous process to ensure the fairness and objectivity of the Tender Offer. Starwood Capital urges a review of the offer on its merits, and welcomes any opportunity to evaluate the Tender Offer with the Special Committee in order for them to present their impartial opinion to the Unitholders.

Although the Investment Corporation has requested an extension of the offer period, Starwood Capital believes that the comprehensive information already available in the registration documents and the 48 calendar-day duration of the 30 business-day offer period provides Unitholders with sufficient time to evaluate the offer. Upon thorough review of the situation, the Offerors have decided to decline the request for an extension and therefore the last day of the Tender Offer Period remains May 24, 2021.

Starwood Capital will continue to act in good faith and hopes to engage in a constructive dialogue with the Special Committee and the Asset Manager as a prelude to working with the existing Asset Manager over the long term upon successful privatization of the asset portfolio.

About the Tender Offer price

Starwood Capital's offer of JPY 20,000, unadjusted for the dividends for this current fiscal year ending April 2021 represents a 23.5% premium to the three-month average price and a 13.3% premium to the latest announced NAV per Unit.

Furthermore, the Tender Offer potentially provides unitholders an opportunity to monetize an estimated seven fiscal years of dividends upfront. This is estimated based on the difference between the Tender Offer Price and one-month average unit price prior to the announcement and applying the most recently expected dividends announced by the Investment Corporation for this coming fiscal year (May to October 2021). Additionally, we also note the fact that unitholders as of end of trading April 27, 2021 will also obtain the right to receive dividends for the current fiscal year (Fiscal year ending April 2021), prior to participating in the Tender Offer.

To view the full response, please click [here](#).

For further details regarding the Tender Offer and previously disclosed materials, 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 by controlled affiliates 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 Offerors' response to questions regarding the Tender Offer and has not been prepared as a solicitation for tendering or an offer to purchase under the 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. 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 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 Tender Offer is not 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 Offerors (except for the Offerors 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 Offerors 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 Offerors 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 Offerors as of the date of this press release, and except where required by applicable law, none of the Offerors 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 Tender Offer.