

Completion of Tender Offer for Invesco Office J-REIT by Sponsor Group—JCR Will Monitor Future Trend and Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the completion of the tender offer by Invesco Group for Invesco Office J-REIT, Inc. (security code: 3298).

- (1) It was announced that the tender offer for Invesco Office J-REIT, Inc. (the "Investment Corporation"), which was conducted by Invesco Group, sponsor of the Investment Corporation, with a deadline of yesterday, has been completed and that the sponsor will acquire 65.07% of the investment units. Going forward, the Investment Corporation plans to convene a meeting of unitholders by the end of October, and reorganization will take place with a view to going private through the purchase of all investment units, including the squeeze-outs of minority unitholders.
- (2) Prior to the completion of the tender offer, the Investment Corporation announced in the "Notice concerning the Statement of Opinion (Support) on Tender Offer by Invesco Group" released on June 17 that the Investment Corporation has received a commitment letter from Sumitomo Mitsui Banking Corporation and Mizuho Bank, Ltd., its main creditors, under certain conditions, regarding a refinancing loan to be made to the Investment Corporation with a maximum amount almost equivalent to the total amount of interest-bearing liabilities. Therefore, JCR believes that the redemption possibility of existing borrowings and investment corporation bonds being affected is limited.
- (3) In assessing the creditworthiness of the Investment Corporation, JCR incorporates the high level of expertise and governance structure of the sponsor and the asset management company, in addition to the current portfolio and financial conditions, into the rating. Although the tender offer by the sponsor group is not expected to cause any change in the Investment Corporation's structure of asset management for the time being, JCR considers it is necessary to confirm how the Invesco Group will formulate a series of strategies including the redemption of existing debts, such as refinancing plans in connection with the reorganization, and also treatment of investment corporation bonds, particularly existence of subordination of the borrowings.
- (4) JCR thinks at present that there will not be any specific movements until the convocation and resolution of the unitholders' meeting, but JCR will keep an eye on the reorganization and the movements of the parties concerned associated with the tender offer, and monitor the impact on the rating.

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<Reference>

Issuer: Invesco Office J-REIT, Inc.

Long-term Issuer Rating: AA- Outlook: Stable

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