

ASX/Media Release

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AJA asset manager Spring Investment Co., Ltd. sells interest in J-REIT manager

Astro Japan Property Group (ASX: AJA) today announced that its Japan asset manager, Spring Investment Co., Ltd (Spring), in which AJA has a 25% interest, has disposed of its shareholding in Sekisui House SI Asset Management, Ltd. (SSA). SSA is the manager of the Tokyo Stock Exchange listed REIT, Sekisui House SI Residential Investment Corporation (TSE code 8973) which owns residential Japanese assets with a book value in excess of ¥200 billion (A\$2.3 billion approx.).

Spring acquired its 25% shareholding in SSA (formerly known as Joint Capital Partners) in 2010 in joint venture with leading Japanese real estate developer Sekisui House, Ltd. (TSE code 1928), which owns 75% of SSA. Spring has sold its 25% interest to Sekisui House and SSA now becomes Sekisui House's 100% subsidiary.

Details of the sale are confidential, however, reflecting the very substantial growth in SSA's business over the past 7 years, the transaction price is at a significant premium to the book value of Spring's investment. In recognition of the success of this joint venture and in order to maintain the business relationship, Sekisui House will make a small investment in Spring. This investment will not impact AJA's 25% economic interest in Spring.

AJA's 25% profit participation in Spring's business for FY17 will be substantially increased by this one-off transaction.

Mr Eric Lucas, Senior Adviser to AJA and CEO of Spring, said "Our business relationship with Sekisui House and the investment in SSA have been very successful. Respecting Sekisui's wishes to rationalize its REIT management interests, Spring has agreed to divest its interest in SSA. We are very pleased that Spring will continue to have an ongoing capital relationship with Sekisui House following the sale."

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Astro Japan Property Group

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About Astro Japan Property Group (AJA)

Astro Japan Property Group is a listed property group which invests in the Japan real estate market. It currently holds interests in a portfolio comprising 27 retail, office, residential and hotel properties. Asset management services in Japan are generally undertaken by Spring Investment Co., Ltd.

AJA is a stapled entity comprising Astro Japan Property Trust (ARSN 112 799 854) and Astro Japan Property Group Limited (ABN 25 135 381 663). For further information please visit our website: www.astrojapanproperty.com.