



ASX/Media Release

24 August 2017

AJA FULL YEAR RESULTS PRESENTATION

Please find attached the Full Year Results Presentation relating to Astro Japan Property Group's Full Year Results to 30 June 2017.

ENDS

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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 29 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.

Astro Japan Property Group

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Astro Japan
Property

FULL YEAR RESULTS TO 30 JUNE 2017

24 August 2017



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Asset management services in Japan are generally undertaken by Spring Investment Co., Limited (“Spring”). Property level information contained in this Presentation has been provided by Spring. The Astro Group’s property interests are held via a Japanese Tokumei Kumiai structure, which is a contractual arrangement whereby the Astro Group has no ownership interest in the properties. Refer to the Astro Group website under About Us – Ownership Structure for more details, www.astrojapanproperty.com.



AGENDA

- Overview of Key Financial Results
- Portfolio operating performance and leasing activity
- Capital structure
- Cash acquisition of Property (TK) Interests by affiliates of Blackstone Real Estate
- Appendices





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Property

OVERVIEW



OVERVIEW OF KEY FINANCIAL RESULTS

	Twelve months to 30 June 2017 ¹	Twelve months to 30 June 2016 ²	Change
Net property income (¥)	¥4.49 bn	¥4.57 bn	-1.8%
Net property income (A\$)	\$54.6 m	\$53.8 m	1.5%
Underlying profit after income tax (A\$)	\$34.6 m	\$31.5 m	9.8%
Underlying profit after income tax per security (A¢)	57.0 ¢	51.9 ¢	9.8%
Net statutory (loss) / profit after income tax (A\$)	\$(12.4) m	\$132.1 m	N/A ⁵
Weighted average stapled securities on issue	60,652,466	60,652,466	- %
Distribution per security (A\$)	42.0¢	36.0¢	16.7%

	30 June 2017 ³	30 June 2016 ⁴	Change
Total assets (A\$)	\$1.24 bn	\$1.26 bn	-1.6%
NTA per security (A\$)	\$7.63	\$8.26	-7.6%

- Net property income increased 1.5%, decreasing 1.8% in Yen terms, on the prior year, the decrease in Yen terms driven mainly due to higher repair costs and a large vacancy in one office property which has since been largely filled
- Underlying profit after tax of A\$34.6 million was up 9.8% on the prior year, primarily as a result of lower asset management performance fees of \$1.1 million compared to \$5.1 million in the prior year, and a 3.2% stronger average A\$/¥ exchange rate compared to the prior year
Underlying profit after tax is a measure which Directors believe most accurately and consistently reflects the underlying business performance of AJA
- Statutory net loss after tax of A\$12.4 million, compared to a profit of A\$132.1 million in the prior year, almost solely due to non-cash foreign currency exchange rate translation losses and other foreign currency exchange losses
- Full year distribution of 42.0 cps with the balance of underlying profit after income tax per security used for capital management purposes

¹ Average exchange rate for period of A\$1.00 = ¥82.30 ³ Exchange rate of A\$1.00 = ¥86.07 at 30 June 2017

² Average exchange rate for period of A\$1.00 = ¥84.98 ⁴ Exchange rate of A\$1.00 = ¥76.67 at 30 June 2016

⁵ Percentage movement cannot be calculated as the result in the prior corresponding period was a net profit

RECONCILIATION TO FINANCIAL STATEMENTS

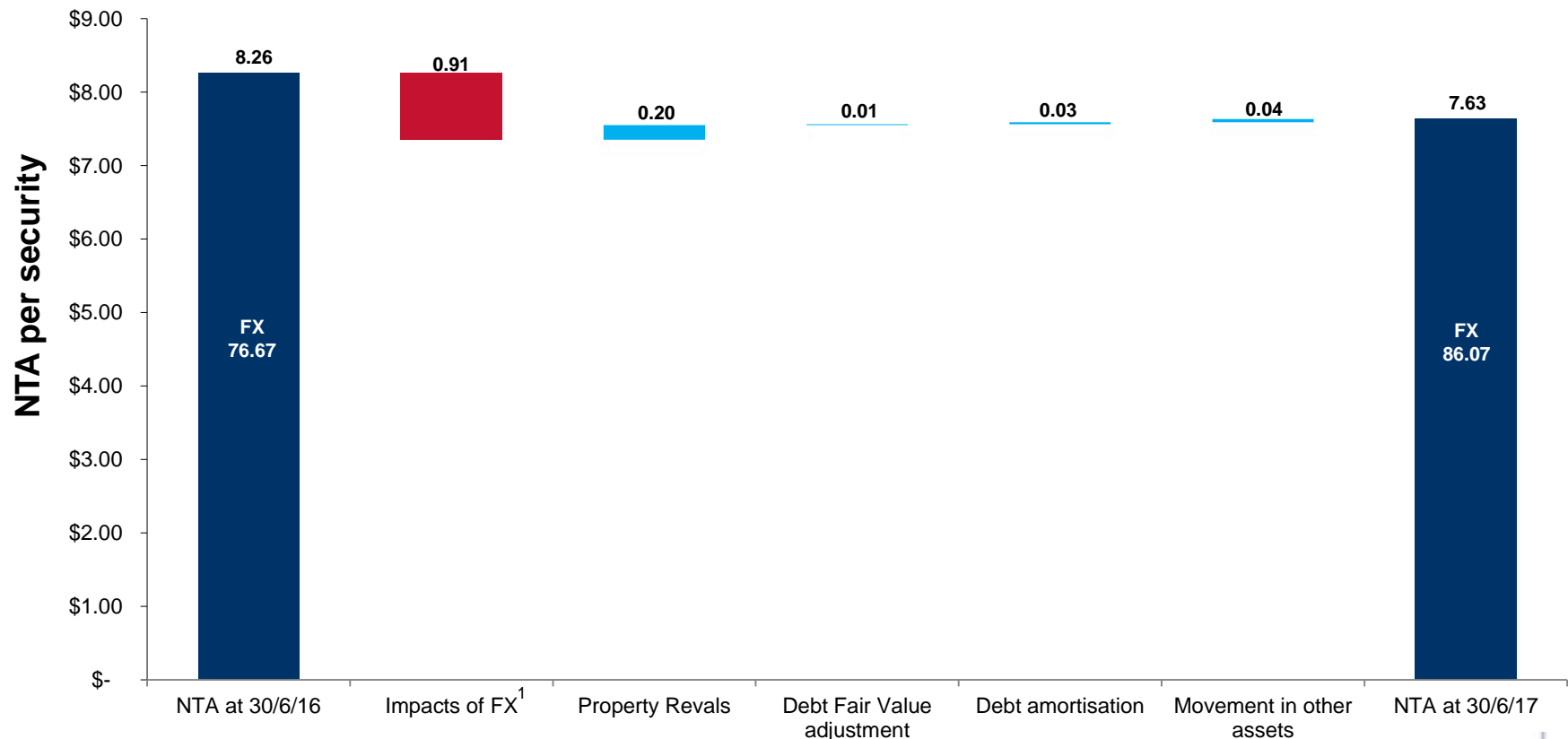
	Year ended 30 June 2017 A\$	Year ended 30 June 2016 A\$
Statutory (Loss) / Profit for the year	\$(12.4) m	\$132.1 m
Fair value adjustments to unlisted investments	\$0.5 m	\$0.9 m
Fair value adjustments to interest bearing debt	\$(0.6) m	\$3.8 m
Foreign currency translation impact on the fair value of the TKs	\$51.4 m	\$(82.3) m
TK operator share of TK distributions	-	\$0.1 m
Net fair value adjustment to investment properties	\$(8.6) m	\$(19.2) m
Net foreign currency (gain)/loss	\$4.1 m	\$(8.5) m
Loss/(gain) on disposal of investment properties	\$(0.2) m	\$0.2 m
Expenses associated with TK refinancings	-	\$0.8 m
Distribution income in relation to SSA disposal, net of tax	\$(3.0) m	-
Deferred tax on fair value adjustments	\$3.4 m	\$3.6 m
Underlying profit after tax	\$34.6 m	\$31.5 m
	As at 30 June 2017 - A\$	As at 30 June 2016 - A\$
Net assets	\$465.4 m	\$503.3 m
Deferred tax	\$- m	\$0.1 m
Intangible assets	\$(2.6) m	\$(2.6) m
NTA	\$462.8 m	\$500.8 m
NTA per security (A\$)	\$7.63	\$8.26
Percentage change (A\$)	(7.6)%	
Percentage change (A\$/Yen exchange rate)	(12.3)%	

NOTE: The above calculations have not been subject to independent audit or review.

NTA PER SECURITY

Movement over twelve months to 30 June 2017

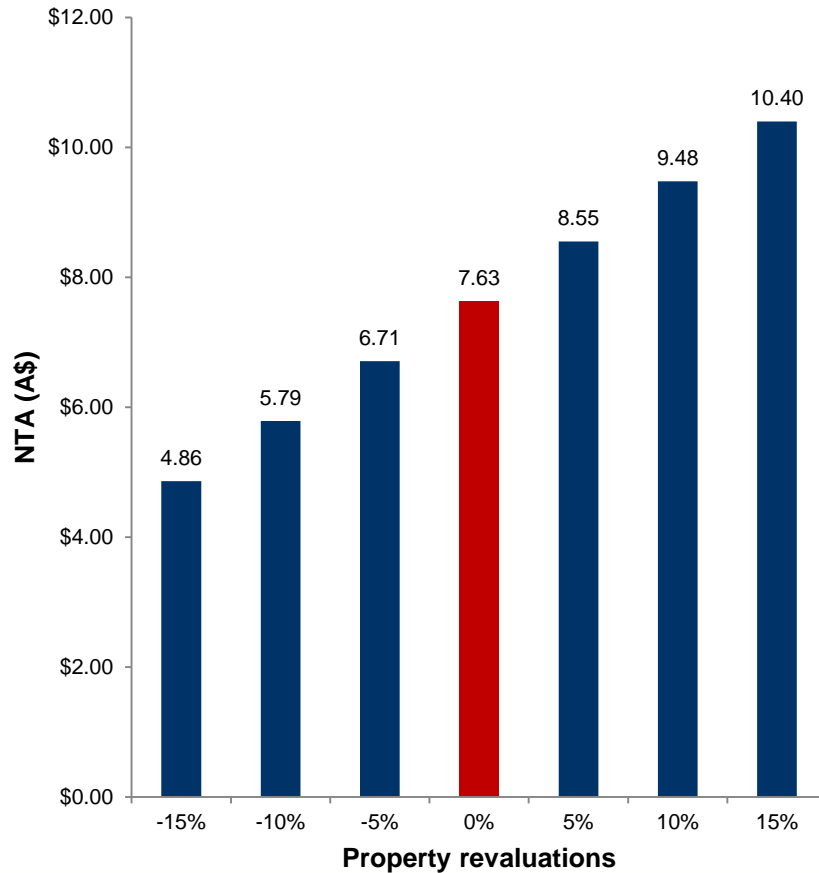
NTA movement - (A\$ per security)



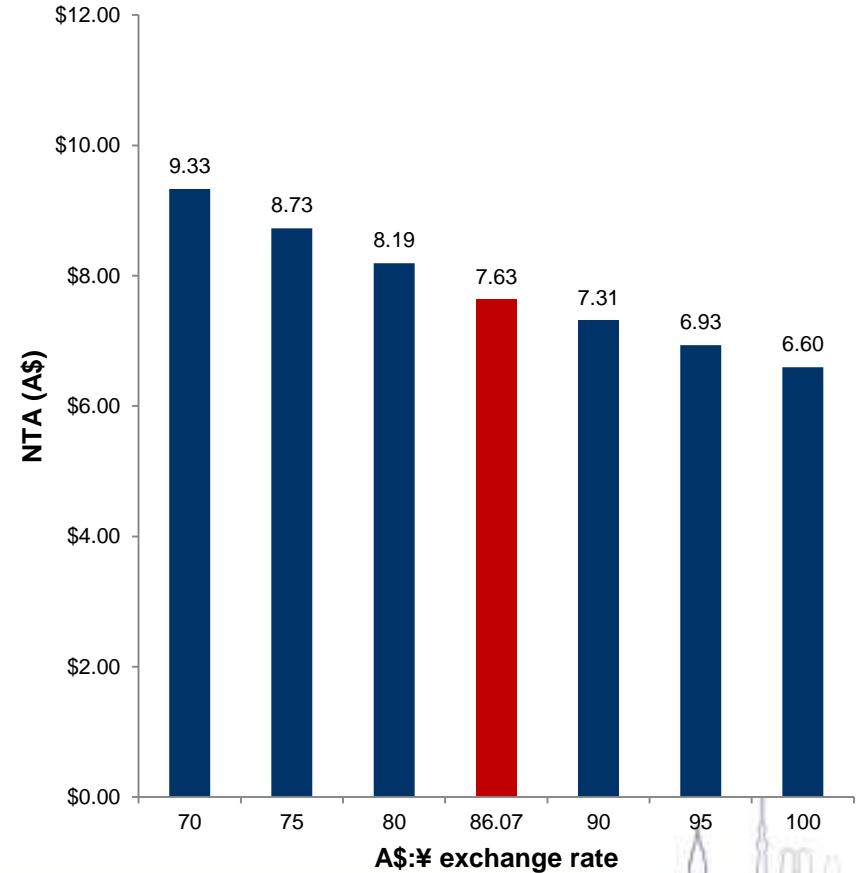
¹ Impacts of FX calculation is based on average Yen denominated net tangible assets

NTA SENSITIVITIES

NTA sensitivity to revaluations



NTA sensitivity to A\$:¥ exchange rate





Astro Japan
Property

PORTFOLIO OPERATING PERFORMANCE AND LEASING ACTIVITY



PORTFOLIO OVERVIEW

	30 June 2017	30 June 2016	Change
Portfolio carrying value	¥96.3 bn	¥83.0 bn	16.1%
Total number of properties	29	27	2
NRA (sqm)	264,845	174,358	51.9%
Occupancy by area	99.1%	99.1%	0.0%
Number of leases	153	156	-1.9%
% non-cancellable leases by income	51.1%	46.6%	4.4%
Weighted average term to expiry (WALE) (non-cancellable leases) – years	6.8 years	5.7 years	1.1 years

- Property portfolio carrying value has increased to ¥96.3bn at 30 June 2017 from ¥83.0bn at 30 June 2016 mainly due to asset acquisitions of ¥13.6bn (Kuretake Inn Asahikawa and Kuretake Inn Okayama in August 2016, Fukuoka in March 2017 and FKD Shopping Mall in April 2017), and an increase in fair value of approximately ¥1.0bn for the full year, offset by asset sales of ¥1.3bn (Sun No.5 in September 2016 and Round One Amagasaki in January 2017)
- The increase in fair values reflects marginally improved assumed market and actual rents and a slight tightening in cap rates
- Proportion of non-cancellable leases (mainly in retail assets) has increased to 51.1% by income, adding stability to AJA's medium-term portfolio income stream



MAIN COMPONENTS OF LIKE FOR LIKE PROPERTY REVENUE (LIKE FOR LIKE PORTFOLIO¹)

Property revenue (¥ million)	Twelve months to 30 June 2017	Twelve months to 30 June 2016	Change
Retail	3,072	3,080	-0.3%
Office	1,838	1,805	1.8%
Residential	637	644	-1.1%
Total portfolio	5,547	5,529	0.3%

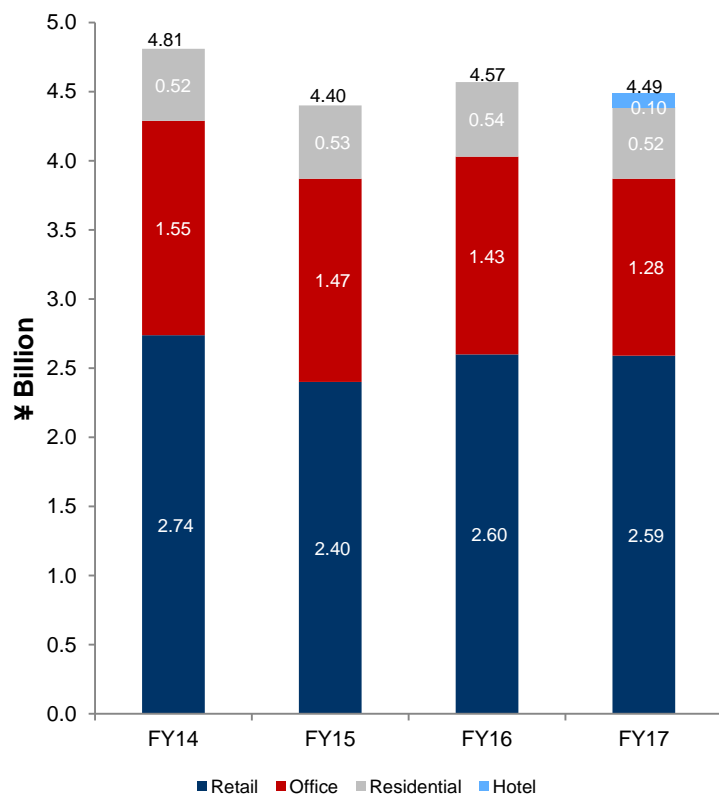
Occupancy by area	30 June 2017	30 June 2016	Change
Retail	99.2%	99.2%	0.0%
Office	95.4%	97.9%	-2.5%
Residential	100.0%	100.0%	0.0%
Total portfolio	98.6%	99.1%	-0.5%

- Property revenue increased slightly relative to the prior corresponding period on a like for like basis
- Period end occupancy decreased slightly relative to the prior period end on a like for like basis
- Office occupancy rate decrease mainly due to a decrease in occupancy at Higashi Totsuka, partially offset by the increased occupancy for OS Tsukiji

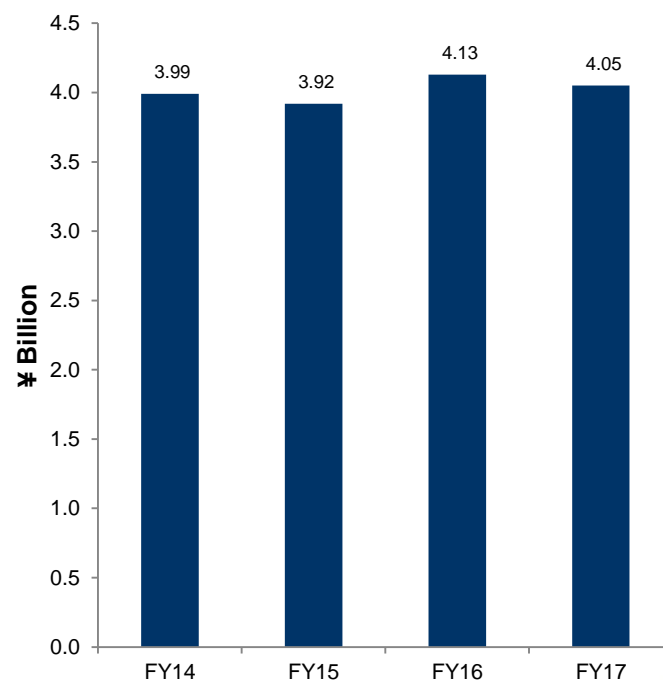
¹ Property revenue for the ongoing portfolio excludes any properties purchased or sold since June 2015

OPERATING PERFORMANCE

Actual Portfolio Net Property Income



**Like for Like Net Property Income
(Ongoing portfolio¹)**



¹ Net property income for the ongoing portfolio excludes any properties purchased or sold since June 2013

TOP 10 TENANTS

As at 30 June 2017

Tenant Name	Property	Industry	Lease type	% of Trust's total passing rent + CAM	Lease expiry date
Konan Shoji	Konan Home Centre	Trading / Retail	Fixed non-cancellable ¹	11.3%	March 2025
Fukudaya	FKD Utsunomiya	Department Store	Standard non-cancellable ²	8.9%	April 2047
Good Real Estate	Tosabori	Real Estate	Fixed non-cancellable ³	5.4%	March 2024
Matahari	Kawasaki Dice	Game Centre	Standard	3.6%	August 2023
City of Yokohama	JN	Government	Standard	3.5%	March 2018
Gaia	Shinjuku Fuji	Game Centre	Fixed cancellable	3.5%	July 2020
Jikei Space	Sekijomachi	School	Standard non-cancellable ⁴	3.1%	March 2022
Maxvalu Tokai	Susono	Retail	Fixed cancellable	3.1%	April 2024
Konami Sports & Life	Shibuya Konami	Fitness Club	Standard	2.8%	March 2019
Kyodo PR	Ginza Dowa	Advertising	Standard	2.8%	August 2018
TOTAL				47.9%	

¹ 8 year lease. The lease is non-cancellable during the term (until March 2025).

² 30 year lease. The lease is non-cancellable during the initial ten years (until April 2027).

³ 9.5 year lease. The lease is non-cancellable during the term (until March 2024).

⁴ 15 year lease. The lease is non-cancellable (until July 2018).



LEASING ACTIVITY

For the twelve months ended 30 June 2017

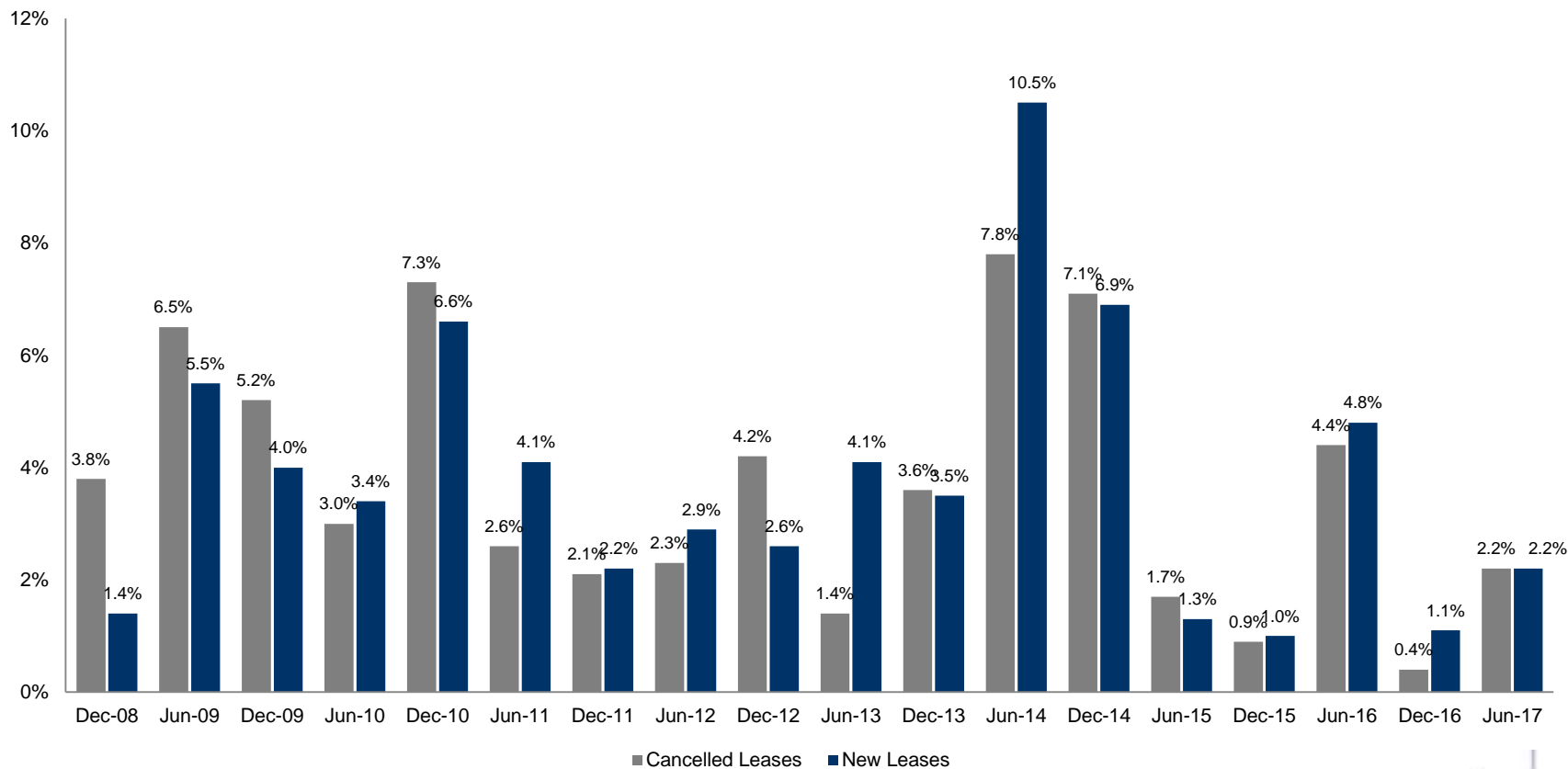
Leasing activity	No. of leases	% of NRA	% of portfolio income ¹
Expired / renewed leases			
Expired leases	(37)	(5.6)%	(14.6)%
Renewed leases	37	5.6%	14.6%
Net increase / (decrease) due to renewals	0	0.0%	0.0%
New / cancelled			
Cancelled leases	(11)	(20.9)%	(12.9)%
New leases	14	21.3%	14.8%
Net increase / (decrease) due to new / cancelled leases	3	0.4%	1.9%
Net increase / (decrease)	3	0.4%	1.9%
Ongoing leases: Rental Adjustments			
Net increase of rental adjustments for ongoing leases (3 leases, representing 4.2% of NRA)			0.0%
Net increase / (decrease) contract base at 30 June 2017	3	0.4%	1.8%

- All 37 leases that expired during the period (equivalent to 14.6% of portfolio income) were renewed by the existing tenants. Of the 37 renewed leases only one was at an increase to the previous rents with the balance at rents equal to the previous rents
- 11 leases were cancelled during the period and there were 14 new leases during the period which resulted in a net increase of 0.4% of NRA and a 1.9% increase of portfolio income
- Total increase of 1.8% in portfolio income due to net decrease in number of leases

¹ Rent and Common Area Maintenance (CAM) as a percentage of the portfolio at June 2017

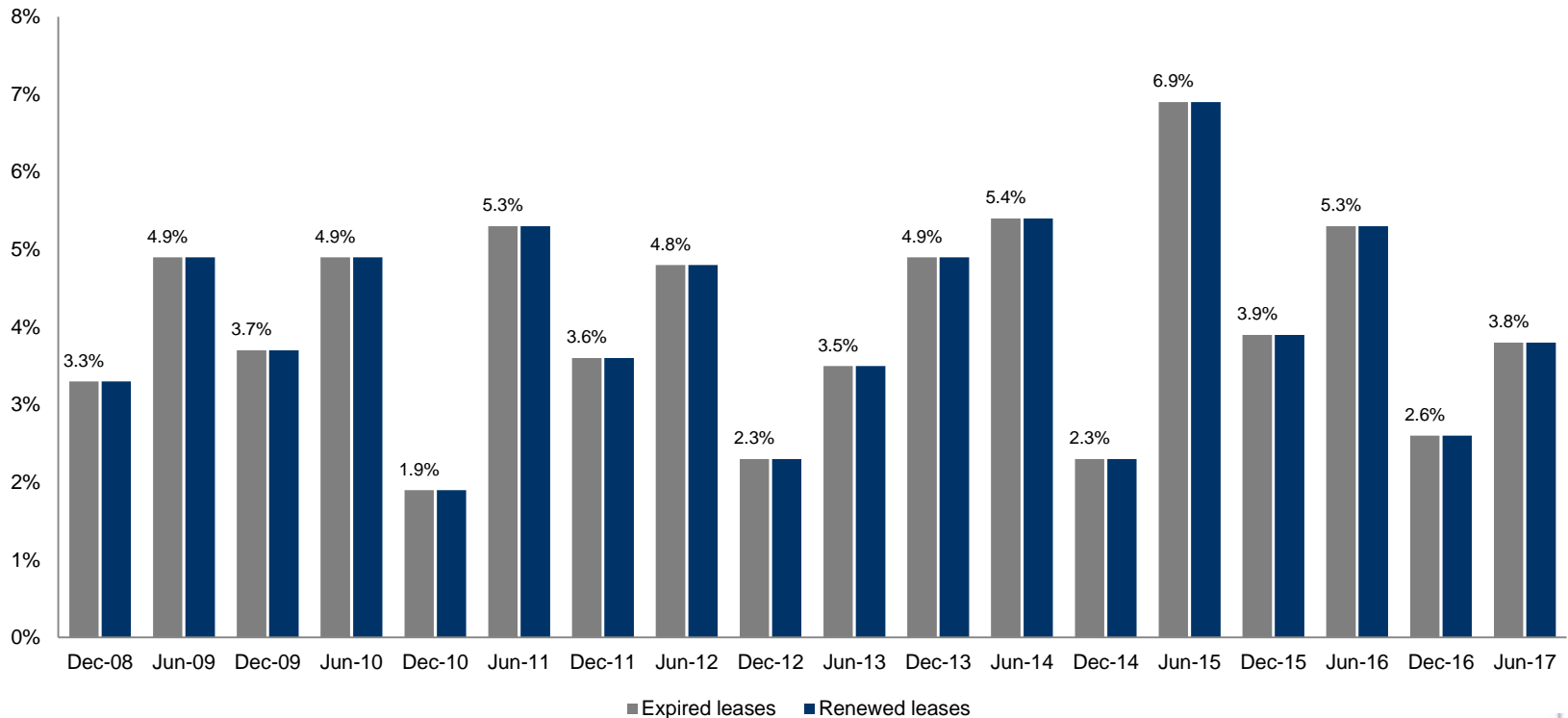
LEASING ACTIVITY COMPARISON

Cancelled and New leases (% of NRA)



LEASING ACTIVITY COMPARISON (CONT'D)

Expired and Renewed leases (% of NRA)

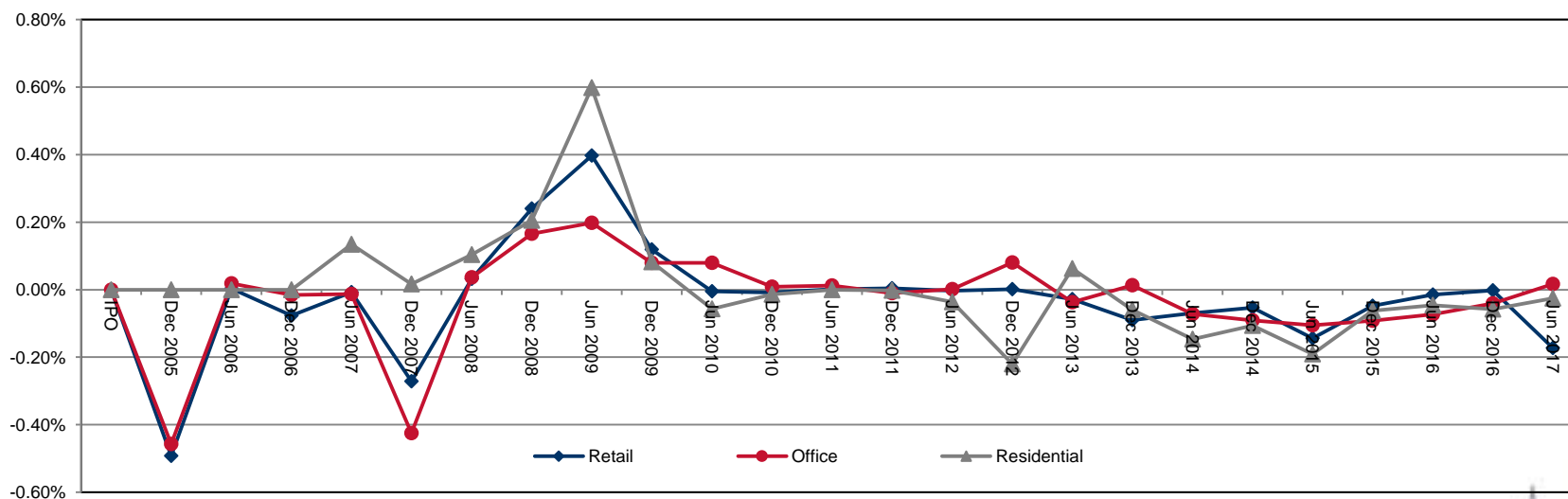


PROPERTY REVALUATIONS

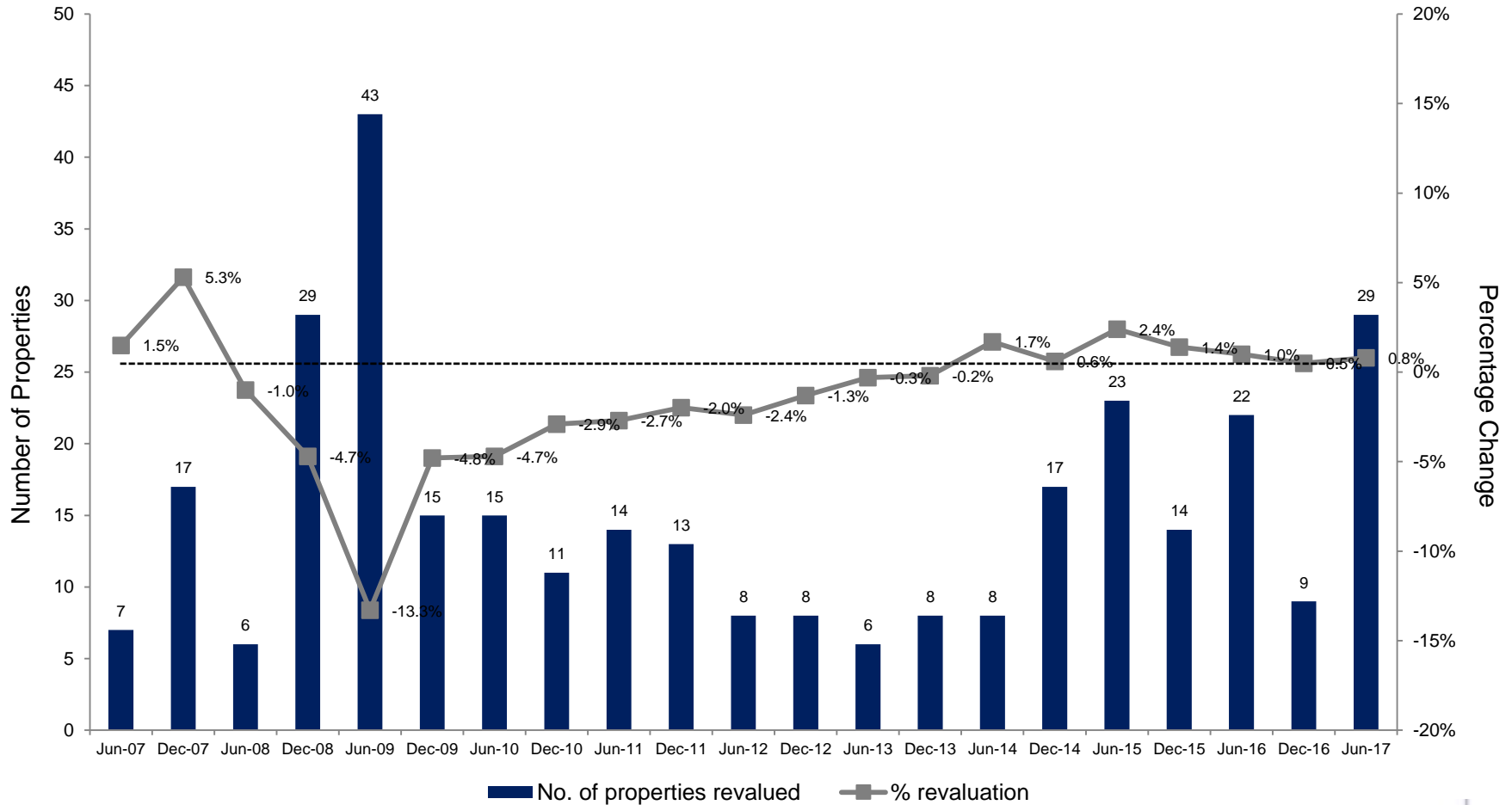
- Weighted average capitalisation rates used by independent valuers for the portfolio have continued to tighten since 30 June 2013

Valuers' Capitalisation Rates by Segment	June 2017	June 2016
Retail	4.98%	5.16%
Office	4.78%	4.80%
Residential	5.32%	5.40%
Hotel	5.76%	N/A
Total	4.99%	5.08%

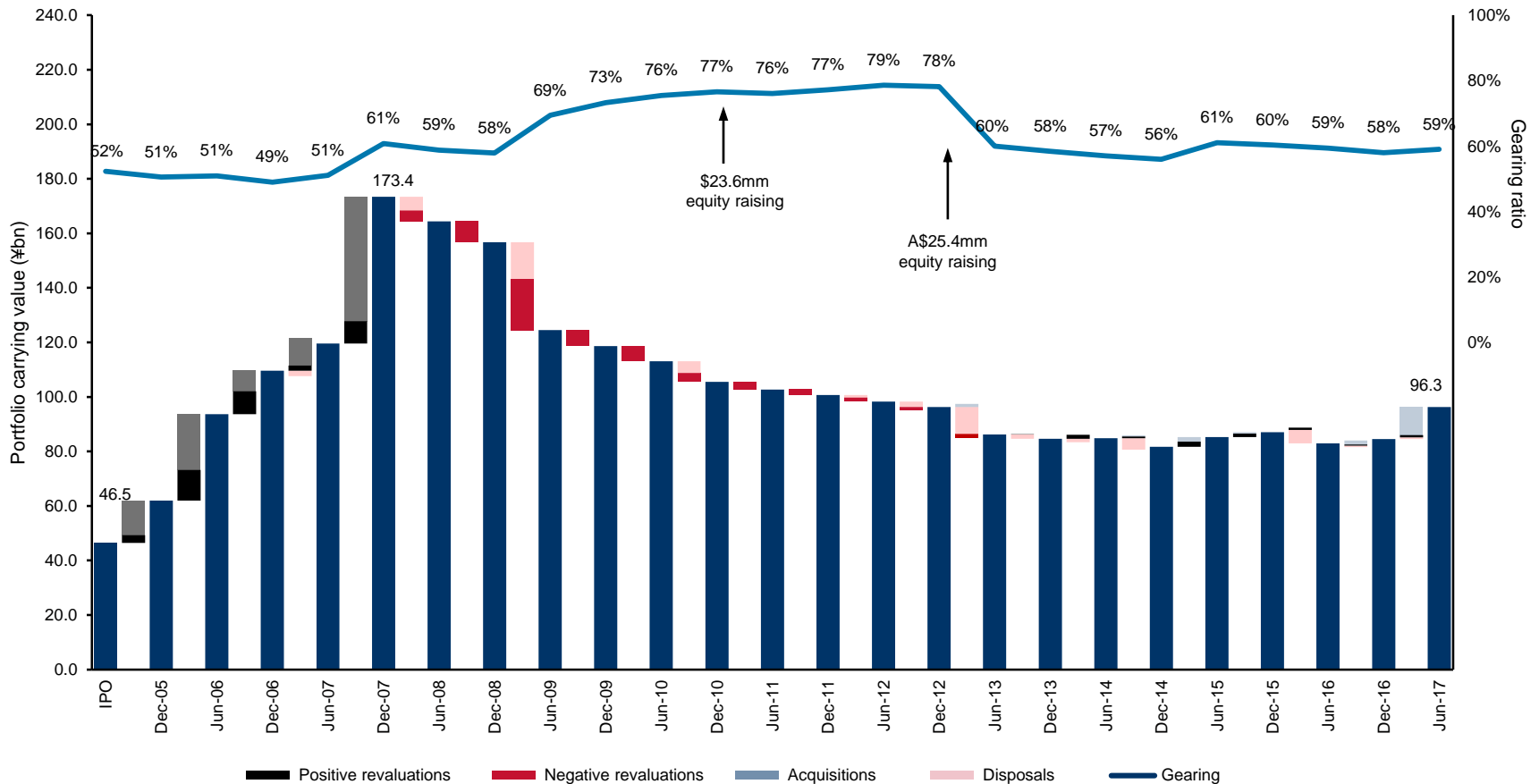
Changes in Valuers' Direct Capitalisation Rates



HISTORICAL TREND OF PORTFOLIO VALUATION



PORTFOLIO VALUE / GEARING SINCE IPO¹



¹Gearing represents interest bearing debt to gross property values

PORTFOLIO YIELD DATA AS AT 30 JUNE 2017

Asset class	Original NOI yield / purchase price	Current NOI yield / current book value June 2017
Retail	5.5%	5.3%
Office	5.3%	5.3%
Residential	5.6%	5.7%
Hotel	6.2%	5.5%
Total	5.5%	5.4%

Weighted average valuation cap rates ¹ June 2017
5.0%
4.8%
5.3%
5.8%
5.0%

¹ Cap rate used by valuers for NCF (underlying income less leasing fees less capex)





Astro Japan
Property

CAPITAL STRUCTURE



PORTFOLIO CAPITAL STRUCTURE BY TK

As at 30 June 2017

	AJA value Jun 2017 (¥ bn)	Loan amt (¥ bn)	LTV at Jun 2017	LTV cove- nant test	DSCR covenant test ²	DSCR at Jun 2017	Maturity	Total interest rate	NPI per security 12 mths to 30 Jun 17 (¥) ⁴	Debt Amortisation per security 12 mths to 30 Jun 17 (¥) ⁴	Debt Amortisation per security 12 mths to 30 Jun 17 (Ac) ⁴
JPT	21.3	13.0	61.1%	87.0%	Actual: No less than: 2.5x (1-3 yr) 1.8x (4-10 yr)	Actual: 6.32x	Sep 2024	1.36%	16.7	-. ⁵	-
JPTC	27.6	16.2	58.7%	87.0%	Actual: No less than: 2.5x (1-5 yr) 1.5x (6-10 yr)	Actual: 5.93x	Sep 2024	1.36%	22.2	-	-
JPTS	12.2	6.5	53.4%	90.0%	Stress: Over 1.5x	Stress: 2.90x	Jan 2020	1.55%	12.1	0.70	0.86
JPTN	12.9	7.1	54.7%	80.0%	Actual: No less than 1.5x Stress: No less than 1.2x	Actual: 4.91x Stress: 2.31x	Mar 2022	1.08%	12.3	1.28	1.57
JPTO	5.3	3.1	58.3 %	80.0%	Stress: Over 1.1x	Stress: 1.48x	Dec 2019	0.46%	4.7	0.26	0.32
JPTGK ¹	3.6	2.1	58.3%	N/A	Actual: No less than 2.6x	Actual: 4.00x	Nov 2025	1.20%	3.0	0.36	0.44
JPKT	1.5	-	0.0%	N/A	N/A	N/A	N/A	N/A	1.4	-	-
WBF&S	1.7	1.3	78.3%	80.0%	Stress: N/A until Oct 2020, from Jan 2021 no less than 1.093x	N/A	Mar 2022	1.26%	0.3	-. ⁶	-
FKD&S	10.2	8.0	78.4%	80.0% ⁸	Actual: N/A until Jul 2017, from Oct 2017 No less than 2.8x	N/A	Apr 2025	2.13%	1.3	-. ⁷	-
Portfolio	96.3	57.3	59.5%	N/A	N/A	N/A	N/A	1.40% ³	74.0	2.60	3.19

¹ Represents the 64% interest held in JPTGK (Arabesque S GK), which owns the Musashino Towers property, and has been included as a separate segment from 1 July 2015

² Actual DSCR based on actual loan payment whereas Stress DSCR based on theoretical loan payment constants

³ Weighted average interest rate as at June 2017 of 1.40% (1.27% at 30 June 2016). Variable rate based on 3 month JPY Tibor currently 0.06%. JPTN based on 3 month JPY Libor currently 0.004%

⁴ Based on 60,652,466 weighted average stapled securities, current securities on issue 60,652,466

⁵ Debt amortisation payments on the JPT loan commence in FY18 at a rate of ¥130m per annum or ¥2.14 per security

⁶ Debt amortisation payments on the WBF&S loan commence in FY18 at a rate of ¥13m per annum or ¥0.21 per security

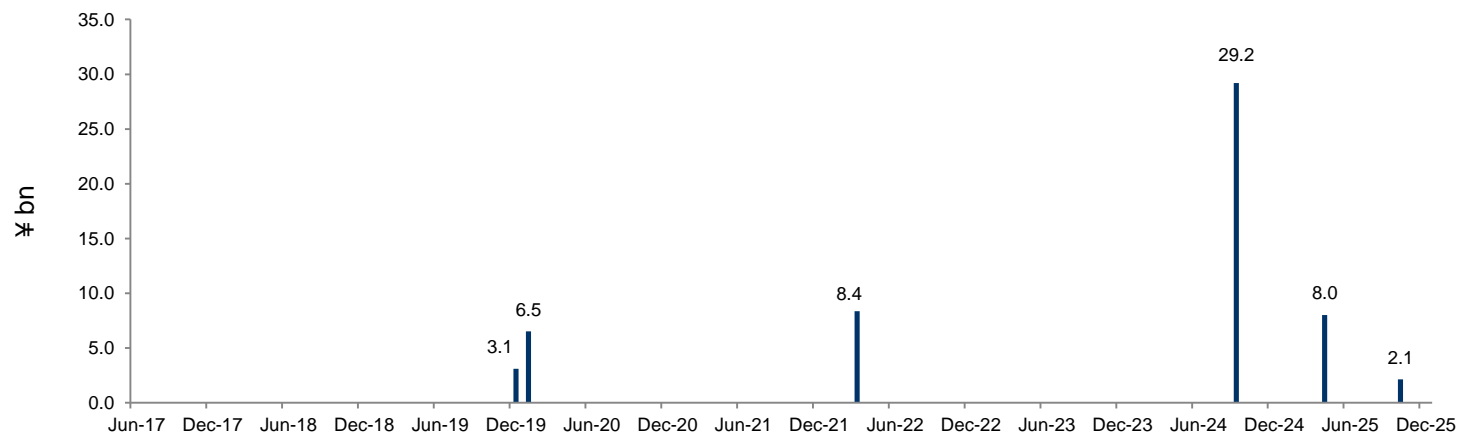
⁷ Debt amortisation payments on the FKD&S loan commence in FY18 at a rate of ¥65m per annum or ¥1.07 per security

⁸ LTV covenant test is applied to the senior debt loan only

CAPITAL MANAGEMENT

	As at 30 June 2017
Number of non-recourse, asset specific loans, borrowed in ¥ in Japan	8
Weighted average portfolio interest rate	Approx 1.40%
Proportion of AJA debt based on floating rate	Approx 45.9%
Weighted average debt maturity	6.2 years
FY18 committed annual debt amortisation	6.9 cps ¹

Debt Maturity Profile (¥ bn) as at 30 June 2017



¹ Based on 60,652,466 stapled securities as at 30 June 2017, exchange rate at 30 June 2017 of ¥86.07, and includes the amortisation on the JPT, WBF&S and FKD&S loans due to commence in FY18



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Property

CASH ACQUISITION OF PROPERTY (TK) INTERESTS BY AFFILIATES OF BLACKSTONE REAL ESTATE



OVERVIEW OF PROPOSAL

- AJA has entered into agreements with funds managed by Blackstone Real Estate ('Blackstone') that will, subject to the satisfaction of conditions, result in:
 - Blackstone acquiring all of the properties held by AJA by purchase of AJA's TK interests for net cash consideration of ¥37.908 billion;
 - net proceeds from the sale of the TK Interests being returned to Astro Group securityholders; and
 - AJA being delisted from the ASX and the constituent entities of AJA being wound up (collectively, the 'Proposal')
- The Proposal implies a property portfolio valuation of ¥98.642 billion, reflecting a 2.38% premium to the 30 June 2017 book values
- It is expected that Astro Group securityholders will receive net consideration of approximately A\$7.18 as a result of the Proposal ('Proposed Consideration')¹ in October 2017. In addition, Astro Group securityholders will also receive:
 - the normal half yearly distribution payable at the end of August 2017 of 21 cents per security; and
 - distributions currently estimated at 14 cents per security following the wind-up of Astro Group (targeted prior to January 2018)
- The proposal will be considered at an EGM scheduled for 13 September 2017 and the AJA Directors unanimously recommend the Proposal and intend to vote in favour of the resolutions in relation to AJA securities they own or control, in the absence of a superior proposal

1. Assuming an exchange rate of ¥88.5:\$A1. Based on hedging arrangements detailed in the Explanatory Memorandum, Proposed Consideration may be between \$7.11 - \$7.38, depending on the exchange rate at the Implementation Date. In the event that the Transaction does not complete and the JPY appreciates beyond ¥86.17:\$A1, Astro would have a residual FX exposure under the arrangements described in Section 5.1.3 the Explanatory Memorandum.

OVERVIEW OF PROPOSAL (CONT'D)

- The Proposal will be implemented via a sale of AJA's TK Interests, followed by a delisting of AJA and each of the constituent entities of AJA being wound up
- A condition of the Proposal requires termination of existing asset management (AM) agreements between the TK Operators and the asset manager, Spring
- Arrangements have been agreed with Spring Group entities to facilitate the Proposal and procure that termination
- Material conditions precedent to the implementation of the Proposal include:
 - securityholder approval;
 - TK financier consents; and
 - no material adverse change in the underlying assets

	¥ bn	A\$m ¹	A\$ per security ¹
Blackstone implied value for portfolio	98.642	1,114.6	18.38
Provisions ²	(58.782)	(664.2)	(10.95)
Facilitation and Termination Payment payable to Spring Group	(1.952)	(22.1)	(0.36)
Net consideration from Blackstone	37.908	428.3	7.06
Disposal fee payable to Spring	(0.247)	(2.8)	(0.05)
Receipt for AJCo's interest in the Spring TK Agreement	0.523	5.9	0.10
Net liquid assets in Australia	0.797	9.0	0.15
Estimated transaction costs	(0.418)	(4.7)	(0.08)
Net consideration to AJA securityholders	38.563	435.7	7.18

1. Assuming an exchange rate of ¥88.5:\$A1. Based on hedging arrangements detailed in the Explanatory Memorandum, Proposed Consideration may be between \$7.11 - \$7.38, depending on the exchange rate at the Implementation Date. In the event that the Transaction does not complete and the JPY appreciates beyond ¥86.17:\$A1, Astro would have a residual FX exposure under the arrangements described in Section 5.1.3 the Explanatory Memorandum.
2. Includes provisions for loans, other assets and liabilities, payment to TK Operators, withholding taxes and debt break and financing costs. All of these, other than payment to TK Operators, have been provisioned for in Astro Group's financial statements; however, the amounts provisioned for are different for withholding taxes, and debt break and financing costs due to the value of the Proposal. In addition includes ¥18.3m for an acquisition tax on the Fukuoka hotel that was not accounted for in AJA's 30 June 2017 accounts but will be payable after 30 June 2017.

INDICATIVE TIMETABLE

Event	Date
Announcement of Proposal	1 August 2017
Notice of Meeting, Explanatory Memorandum and Independent Expert's Report sent to securityholders	On or about 9 August 2017
AJA securityholders' meeting to vote on the resolutions to implement the Proposal	13 September 2017
Implementation date	Target 4 October 2017
Delisting date and AJT and AJCo to commence wind up	Target 10 October 2017
Note: Indicative timetable subject to change	



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APPENDICES



INCOME STATEMENT

	30 Jun 2017 \$'000	30 Jun 2016 \$'000	30 Jun 2017 ¥ '000	30 Jun 2016 ¥ '000
Net Property Income				
Property revenue	71,613	71,661	5,883,661	6,085,804
Property expenses	(16,966)	(17,903)	(1,394,475)	(1,518,845)
Net property income	54,647	53,758	4,489,186	4,566,959
Interest income	54	109	4,471	9,305
Distribution income	527	2,090	26,925	177,602
Other income	10	186	854	15,696
Total income	55,238	56,143	4,521,436	4,769,562
Expenses				
Asset Management fees	(6,205)	(10,262)	(511,719)	(836,076)
Borrowing expense	(8,657)	(8,485)	(711,699)	(720,616)
Other expenses	(4,913)	(4,238)	(403,399)	(360,545)
Total Expenses	(19,775)	(22,985)	(1,626,817)	(1,917,237)
Underlying profit before tax	35,463	33,158	2,894,619	2,852,325
Income tax expense, net of deferred tax on fair value adjustments	(913)	(1,698)	(70,185)	(144,371)
Underlying profit after tax	34,550	31,460	2,824,434	2,707,954
Non underlying items				
Fair value adjustment to unlisted investments	(506)	(862)	(41,633)	(73,263)
Fair value adjustments to interest bearing debt	590	(3,815)	49,602	(326,532)
Foregin currency translation impact on the fair value of the TKs	(51,358)	82,291	-	-
TK operator share of TK distributions	(39)	(65)	(3,286)	(5,416)
Net fair value adjustment of investment properties	8,573	19,187	733,116	1,592,302
Net foreign currency gain	(4,057)	8,510	(333,827)	723,173
Gain on disposal of investment properties	165	(193)	13,733	(14,572)
Distribution income in relation to SSA disposal, net of tax	3,042	-	261,800	-
Expenses associated with TK refinancings	-	(779)	-	(68,753)
Deferred tax on fair value adjustments	(3,384)	(3,600)	(280,029)	(236,015)
Net non underlying profit	(46,974)	100,674	399,476	1,590,924
Net AIFRS accounting profit	(12,424)	132,134	3,223,910	4,298,878



BALANCE SHEET

	30 Jun 17 (A\$'000)	30 Jun 2016 (A\$'000)	30 Jun 2017 (¥'000)	30 Jun 2016 (¥'000)
Assets				
Cash and cash equivalents	37,889	107,020	3,261,233	8,205,168
Restricted cash ¹	52,980	48,279	4,560,165	3,701,526
Trade and other receivables	16,032	4,330	1,379,928	331,979
Financial assets at FVTPL	2,259	3,781	194,440	289,887
Investment properties	1,119,348	1,081,950	96,346,015	82,952,542
Deferred tax asset	7,483	7,303	644,087	559,917
Intangible assets	2,600	2,600	223,791	199,341
Other assets	852	897	73,334	68,773
Total assets	1,239,443	1,256,160	106,682,992	96,309,131
Liabilities				
Payables and other liabilities	14,131	20,691	1,216,302	1,586,368
Tenant deposits	50,941	47,987	4,384,662	3,679,138
Distribution payable	12,737	10,917	1,096,316	837,001
Interest bearing debt at fair value	668,529	647,745	57,542,520	49,662,271
Current tax liabilities	1,494	858	128,594	65,782
Deferred tax liabilities	26,169	24,623	2,252,453	1,887,833
Total liabilities	774,001	752,821	66,620,847	57,718,393
Net assets	465,442	503,339	40,062,145	38,590,738
Net tangible asset per security	\$7.63	\$8.26		
Gearing ratio (interest bearing debt (at par)/property value)	59.5%	59.4%		

¹ Restricted cash consists of cash in trust (e.g. tenant security deposits) and lender reserves (e.g. cash required under loan agreements for items such as capex and repairs)



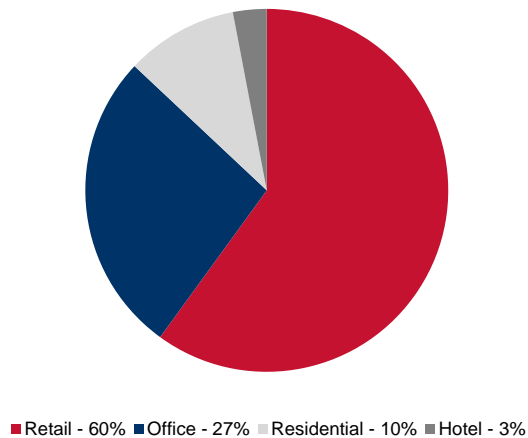
PORTFOLIO OVERVIEW

	Retail		Office		Residential		Hotel		Portfolio	
	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
Number of properties	14	14	8	9	4	4	3	N/A	29	27
Carrying value (¥ bn)	57.9	47.4	25.7	26.0	9.6	9.5	3.2	N/A	96.3	83.0
Net Rentable Area (tsubo)	59,465	34,756	9,546	9,788	8,199	8,199	2,906	N/A	80,115	52,743
Net Rentable Area (sqm)	196,578	114,896	31,556	32,357	27,105	27,105	9,606	N/A	264,845	174,358
% of portfolio by value	60.1%	57.2%	26.7%	31.4%	9.9%	11.4%	3.3%	N/A	100.0%	100.0%
% of portfolio by area	74.2%	65.9%	11.9%	18.6%	10.2%	15.5%	3.6%	N/A	100.0%	100.0%
Number of leases	68	68	78	84	4	4	3	N/A	153	156
Occupancy by area	99.5%	99.2%	95.4%	98.0%	100.0%	100.0%	100.0%	N/A	99.1%	99.1%

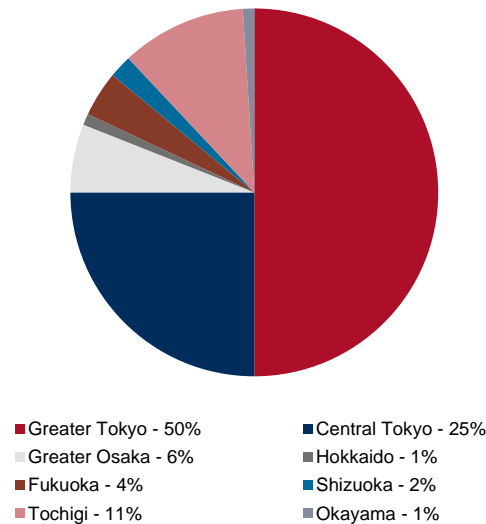


PORTFOLIO DIVERSIFICATION

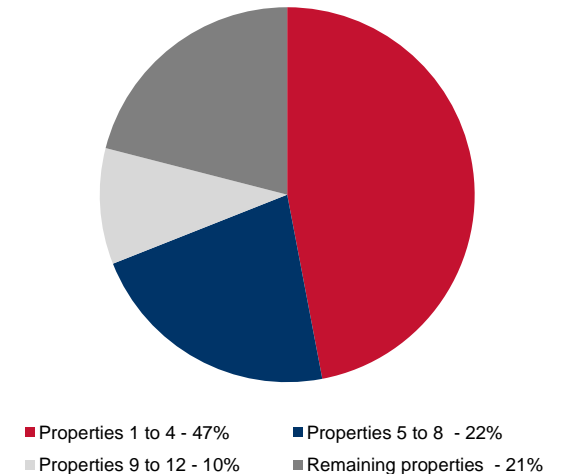
Asset class diversification (by value)



Geographic diversification (by value)



Asset diversification (by value, largest to smallest)



- Over 75% concentration of properties in Central and Greater Tokyo



TOP 10 PROPERTIES

Property	Property Type	Carrying Value 30 June 2016 ¥ billions	% of portfolio	Occupancy by area
Kawasaki Dice	Retail	14.2	14.7%	100.0%
Konan Home Centre	Retail	12.3	12.8%	100.0%
FKD Utsunomiya	Retail	10.2	10.6%	100.0%
Ginza Dowa	Office	9.0	9.3%	100.0%
JN	Office	8.3	8.6%	100.0%
Tosabori	Residential	5.1	5.3%	100.0%
Shinjuku Fuji	Retail	4.3	4.5%	100.0%
Musashino Towers	Retail	3.7	3.8%	100.0%
Sekijomachi	Residential	2.6	2.7%	100.0%
Shibuya Konami	Retail	2.4	2.4%	100.0%
Total		72.0	74.7%	



PORTFOLIO ASSETS BY SPC AS AT 30 JUNE 2017

JPT			JPTS			JPTC			JPTN			JPTO		
Carrying value			Carrying value			Carrying value			Carrying value			Carrying value		
Property	30 Jun 17 ¥bn	% of portfolio	Property	30 Jun 17 ¥bn	% of portfolio	Property	30 Jun 17 ¥bn	% of portfolio	Property	30 Jun 17 ¥bn	% of portfolio	Property	30 Jun 17 ¥bn	% of portfolio
Konan	12.3	12.8	Shinjuku Fuji	4.3	4.5	Kawasaki Dice	14.2	14.7	Shibuya Konami	2.4	2.4	Sekijomachi	2.6	2.7
Home Centre Ginza Dowa	9.0	9.3	Takadanobaba	1.7	1.8	JN	8.3	8.6	Tsudanuma	2.2	2.2	Matsudo Nitori	2.3	2.4
			OS Tsukiji	1.3	1.4	Tosabori	5.1	5.3	Harajuku Bell Pier	1.8	1.9	Matsudo Nitori Parking	0.4	0.4
			G-Clef Kamata	1.2	1.3				Susono	1.7	1.7			
			Prime Kanda	1.2	1.2				Forest Kita Aoyama	1.6	1.7			
			Asakusa	1.2	1.2				Higashi Totsuka	1.5	1.6			
			Kajicho Ekimae	0.7	0.8				Motomachi	0.9	1.0			
			Nishi Kasai	0.6	0.6				Round One Nara	0.8	0.9			
Total	21.3	22.1	Total	12.1	12.6	Total	27.6	28.6	Total	12.9	13.4	Total	5.3	5.5

JPTGK			JPKT			WBF			FKD		
Carrying value			Carrying value			Carrying value			Carrying value		
Property	30 Jun 17 ¥bn	% of portfolio	Property	30 Jun 17 ¥bn	% of portfolio	Property	30 Jun 17 ¥bn	% of portfolio	Property	30 Jun 17 ¥bn	% of portfolio
Musashino Towers	3.7	3.8	Kuretake Inn Okayama	0.8	0.9	WBF Fukuoka	1.7	1.7	FKD Utsunomiya	10.2	10.6
			Kuretake Inn Asahikawa	0.7	0.7						
Total	3.7	3.8	Total	1.5	1.6	Total	1.7	1.7	Total	10.2	10.6



PORTFOLIO SNAPSHOT AS AT 30 JUNE 2017

	Carrying Value					Occupancy by area	
	Jun-17	Dec-16	Jun-16	%	% of portfolio post revaluations	Actual	Actual
	¥ billions	¥ billions	¥ billions	Change (Jun-16 to Jun-17)		Jun-17	Jun-16
Retail	57.9	47.6	47.4	22.2%	60.1%	99.5%	99.2%
Office	25.7	25.7	26.0	-1.2%	26.7%	95.4%	98.0%
Residential	9.6	9.6	9.5	1.1%	9.9%	100.0%	100.0%
Hotel	3.2	1.5	N/A	N/A	3.3%	100.0%	N/A
Portfolio	96.3	84.5	83.0	16.0%	100.0%	99.1%	99.1%

Retail							
Kawasaki Dice	14.2	14.0	13.8	2.9%	14.7%	100.0%	100.0%
Konan Home Centre	12.3	12.0	12.0	2.5%	12.8%	100.0%	100.0%
FKD Utsunomiya	10.2	N/A	N/A	N/A	10.6%	100.0%	N/A
Shinjuku Fuji	4.3	4.3	4.3	0.0%	4.5%	100.0%	100.0%
Musashino Towers	3.7	3.5	3.5	5.7%	3.8%	100.0%	100.0%
Shibuya Konami	2.4	2.4	2.4	0.0%	2.4%	100.0%	100.0%
Matsudo Nitori	2.3	2.3	2.3	0.0%	2.4%	100.0%	100.0%
Tsudanuma	2.2	2.0	2.0	10.0%	2.2%	100.0%	100.0%
Harajuku Bell Pier	1.8	1.8	1.8	0.0%	1.9%	100.0%	100.0%
Susono	1.7	1.7	1.7	0.0%	1.7%	100.0%	100.0%
Motomachi	0.9	0.9	1.0	-10.0%	1.0%	40.5%	40.5%
Round One Nara	0.8	0.8	0.8	0.0%	0.9%	100.0%	100.0%
Round One Amagasaki	N/A	0.8	0.8	N/A	N/A	N/A	100.0%
Kajicho Ekimae	0.7	0.7	0.7	0.0%	0.8%	100.0%	100.0%
Matsudo Nitori Parking	0.4	0.4	0.4	0.0%	0.4%	100.0%	100.0%
Retail sub total/average	57.9	47.6	47.4	22.2%	60.1%	99.5%	99.2%



PORTFOLIO SNAPSHOT AS AT 30 JUNE 2017 (CONT'D)

	Carrying Value					Occupancy by area	
	Jun-17	Dec-16	Jun-16	%	% of portfolio post revaluations	Actual	Actual
	¥ billions	¥ billions	¥ billions	Change (Jun-16 to Jun-17)		Jun-17	Jun-16
Office							
Ginza Dowa	9.0	9.0	8.9	1.1%	9.3%	100.0%	100.0%
JN	8.3	8.3	8.2	1.2%	8.6%	100.0%	100.0%
Takadanobaba	1.7	1.7	1.7	0.0%	1.8%	100.0%	100.0%
Forest Kita Aoyama	1.6	1.5	1.5	6.7%	1.7%	100.0%	100.0%
Higashi Totsuka	1.5	1.5	1.5	0.0%	1.6%	74.7%	93.6%
OS Tsukiji	1.3	1.3	1.3	0.0%	1.4%	100.0%	86.5%
Prime Kanda	1.2	1.2	1.2	0.0%	1.2%	100.0%	100.0%
Asakusa	1.2	1.1	1.1	9.1%	1.2%	100.0%	100.0%
Sun No.5	N/A	N/A	0.5	N/A	N/A	N/A	100.0%
Office sub total/average	25.7	25.7	26.0	-1.2%	26.7%	95.4%	98.0%
Residential							
Tosabori	5.1	5.2	5.1	0.0%	5.3%	100.0%	100.0%
Sekijomachi	2.6	2.6	2.6	0.0%	2.7%	100.0%	100.0%
G-Clef Kamata	1.2	1.2	1.2	0.0%	1.3%	100.0%	100.0%
Nishi Kasai	0.6	0.6	0.6	0.0%	0.6%	100.0%	100.0%
Residential sub total/average	9.6	9.6	9.5	1.1%	9.9%	100.0%	100.0%
Hotel							
WBF Fukuoka	1.7	N/A	N/A	N/A	1.7%	100.0%	N/A
Kuretake Inn Okayama	0.8	0.8	N/A	N/A	0.9%	100.0%	N/A
Kuretake Inn Asahikawa	0.7	0.7	N/A	N/A	0.7%	100.0%	N/A
Hotel sub total/average	3.2	1.5	N/A	N/A	3.3%	100.0%	N/A
Total/average	96.3	84.5	83.0	16.0%	100.0%	99.1%	99.1%



PORTFOLIO VALUATION SUMMARY

	Portfolio Carrying Value		Date	Direct Cap Overall Cap Rate	DCF Discount Rate	DCF Terminal Cap Rate	Method
	30/06/2017 ¥ billions	% of portfolio		%	%	%	
Retail	57.9	60.1%		5.0%	4.8%	5.2%	
Office	25.7	26.7%		4.8%	4.5%	4.9%	
Residential	9.6	9.9%		5.3%	5.1%	5.5%	
Hotel	3.2	3.3%		5.8%	5.7%	6.0%	
Portfolio	96.3	100.0%		5.0%	4.8%	5.2%	

Retail							
Kawasaki Dice	14.2	14.7%	30/04/2017	4.4%	4.2%	4.5%	DCF
Konan Home Centre	12.3	12.8%	30/04/2017	5.3%	5.2%	5.5%	DCF
FKD Utsunomiya	10.2	10.6%	30/04/2017	4.7%	4.5%	4.9%	DCF-50% DC-50%
Shinjuku Fuji	4.3	4.5%	30/04/2017	5.8%	5.1%	6.3%	DCF
Musashino Towers	3.7	3.8%	30/04/2017	4.8%	4.6%	4.9%	DCF
Shibuya Konami	2.4	2.4%	30/04/2017	4.5%	4.2%	4.7%	DCF-50% DC-50%
Matsudo Nitoe	2.3	2.4%	30/04/2017	5.3%	5.1%	5.5%	DCF-50% DC-50%
Tsudanuma	2.2	2.2%	30/04/2017	5.7%	5.6%	6.1%	DCF
Harajuku Bell Pier	1.8	1.9%	30/04/2017	4.2%	4.0%	4.3%	DCF
Susono	1.7	1.7%	30/04/2017	6.2%	6.0%	6.4%	DCF-50% DC-50%
Motomachi	0.9	1.0%	30/04/2017	5.7%	5.2%	5.6%	DCF
Round One Nara	0.8	0.9%	30/04/2017	6.8%	6.2%	7.2%	DCF
Kajicho Ekimae	0.7	0.8%	30/04/2017	5.5%	5.0%	5.6%	DCF
Matsudo Nitoe Parking	0.4	0.4%	30/04/2017	5.3%	5.1%	5.5%	DCF- 75% DC -25%
Total retail	57.9	60.1%		5.0%	4.8%	5.2%	



PORTFOLIO VALUATION SUMMARY (CONT'D)

	Portfolio Carrying Value		Date	Direct Cap Overall Cap Rate	DCF Discount Rate	DCF Terminal Cap Rate	Method
	30/06/2017 ¥ billions	% of portfolio					
Office							
Ginza Dowa	9.0	9.3%	30/04/2017	4.2%	3.9%	4.3%	DCF
JN	8.3	8.6%	30/04/2017	4.8%	4.6%	5.0%	DCF-50% DC-50%
Takadanobaba	1.7	1.8%	30/04/2017	5.0%	4.8%	5.4%	DCF-50% DC-50%
Forest Kita Aoyama	1.6	1.7%	30/04/2017	4.3%	4.2%	4.4%	DCF
Higashi Totsuka	1.5	1.6%	30/04/2017	6.8%	6.0%	6.3%	DCF
OS Tsukiji	1.3	1.4%	30/04/2017	5.1%	4.8%	5.1%	DCF
Prime Kanda	1.2	1.2%	30/04/2017	5.3%	5.1%	5.4%	DCF
Asakusa	1.2	1.2%	30/04/2017	5.9%	5.7%	5.9%	DCF
Total office	25.7	26.7%		4.8%	4.5%	4.9%	
Residential							
Tosabori	5.1	5.3%	30/04/2017	5.0%	4.7%	5.0%	DCF
Sekijomachi	2.6	2.7%	30/04/2017	5.7%	5.5%	6.1%	DCF-50% DC-50%
G-Clef Kamata	1.2	1.3%	30/04/2017	5.5%	5.3%	5.6%	DCF
Nishi Kasai	0.6	0.6%	30/04/2017	6.0%	6.1%	6.4%	DCF
Total residential	9.6	9.9%		5.3%	5.1%	5.5%	
Hotel							
WBF Fukuoka	1.7	1.7%	30/04/2017	5.3%	5.4%	5.5%	DCF-70% DC -30%
Kuretake Inn Okayama	0.8	0.9%	30/04/2017	6.2%	6.0%	6.4%	DCF-50% DC -50%
Kuretake Inn Asahikawa	0.7	0.7%	30/04/2017	6.3%	6.1%	6.5%	DCF-50% DC -50%
Total hotel	3.2	3.3%		5.8%	5.7%	6.0%	

