

31 January 2017

SALE OF ROUND ONE AMAGASAKI RETAIL PROPERTY

Astro Japan Property Group (ASX: AJA) today announced the sale of a retail property in its 28 property portfolio, Round One Amagasaki, for ¥830 million (A\$9.7 million approx. at A\$1=¥86). Financial close of this transaction has been completed. AJA's interest in the building was held through the special purpose, property owning Japanese company, JPT Newton Co. Ltd (JPTN).

The sale price is a 3.8% premium to the most recent ¥800 million AJA book value of the asset as at 30 June 2016. The asset represented approximately 1.0% of AJA's portfolio by book value at 30 June 2016.

After making repayment of approximately ¥730 million of debt principal and netting against the sale proceeds the payment of loan and sale-related costs, net proceeds available to AJA are approximately ¥35 million (approx. A\$407,000).

Following the sale, the outstanding remaining loan amount for JPTN is approximately ¥7.088 billion, which represents a loan-to-value ratio for JPTN of 55.8%, down from 59.0% as at 30 June 2016, using AJA's book values as at that date.

Mr Eric Lucas, Senior Advisor to AJA, said "With the tenant, Round One, unlikely to continue its long-term occupancy, the sale of the Amagasaki property is a further step in our strategy to rationalise the portfolio by taking advantage of the robust asset markets in Japan to sell smaller, older, non-strategic assets to free up capital for uses that we expect will create more value.

Following this sale, AJA will have approximately \$44 million equivalent (almost all is held in Yen) in excess cash, equal to approximately 8.0% of AJA's 30 June 2016 net tangible assets. This excess cash provides the Board with significant flexibility in implementing capital management initiatives, including property investment."

Further Property Details

The property interest sold was the Round One Amagasaki property, a small single tenant retail building over six levels. The property was originally built in September 1998, and is located approximately 700 metres from Hanshin Deyashiki station.

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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.