

ASX/Media Release

5 December 2014

COMPLETION OF LOAN REFINANCING FOR JPTO AND ACQUISITION OF ADDITIONAL MATSUDO NITORI PARKING ASSET

Astro Japan Property Group (ASX: AJA) today announced completion of the refinancing of the ¥2.721 billion (A\$26.9 million, approx at A\$1=¥101) loan to JPT Omega Co., Ltd. ('JPTO') with a new, five year, senior loan of ¥3.130 billion (A\$31 million). The new loan is being provided by the existing lender, a major Japanese bank. JPTO is one of the six special purpose, property owning Japanese companies in which AJA has an economic interest.

The additional funding raised from the new financing has been used to fund the purchase price and reserves and expenses associated with the acquisition by JPTO of underlying land of a multi-level parking structure ('Matsudo Nitori Parking') that is leased to Nitori, the single tenant of the Matsudo Nitori retail property owned by JPTO. The acquisition of the Matsudo Nitori Parking property was completed today for a purchase price of ¥350 million (A\$3.5 million). The seller was a Japanese company unrelated to Nitori. The ground lease of the Matsudo Nitori Parking property is a 20 year fixed term lease to June 2023, under which Nitori has already deposited rent for the entire term.

The Matsudo Nitori Parking asset is in close proximity to the Matsudo Nitori retail property, and by now owning both assets, JPTO controls adequate parking to comply with the Japanese laws governing large retail stores such as this one. Although AJA's existing Matsudo Nitori property has its own on-site parking, the capacity of the Matsudo Nitori Parking asset has, since the opening of the Matsudo Nitori store, satisfied both the need for adequate parking on busy trading days and the legal requirements.

As evidenced by the improved new financing terms, consolidation of ownership of all related parking removes potential future uncertainty and adds additional stability to the Matsudo Nitori retail property.

Key Terms of the new JPTO financing

A table showing the key terms of the new JPTO financing compared to the key terms of the previous loan is set out in the Appendix.

The new all-in interest rate is 0.58% (assuming 3 month JPY Tibor at 0.18%), compared to 0.78% payable under the previous loan. Additionally, the level of annual amortisation decreases from approximately 2% of the old loan amount p.a. to 0.5% of the new loan amount p.a., or to approximately 0.23 cents per security (cps) compared to 0.80 cps paid in the 12 months to 30 June 2014.

Overall, the transaction is expected to increase cash flow from JPTO by approximately 0.5 cps for FY2015 or 0.8 cps on a full year, pro-forma basis.

Astro Japan Property Group

Astro Japan Property Group Limited ABN 25 135 381 663

Astro Japan Property Management Limited ABN 94 111 874 563 AFSL 283142

as responsible entity of the Astro Japan Property Trust ARSN 112 799 854

Suite 4, Level 10, 56 Pitt Street, Sydney NSW 2000, Australia

T +61 2 8987 3900 F +61 2 8987 3999

W www.astrojapanproperty.com

ENDS

Investor & Media Enquiries:

Eric Lucas
Senior Advisor
Phone: +61 2 8987 3900 (Australia)
+81 3 3238 1671 (Japan)

John Pettigrew
Chief Financial Officer
Phone: +61 2 8987 3902

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 30 retail, office and residential 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.

APPENDIX

Comparison of key terms under the previous JPTO loan and new financing

	Loan amount (¥ bn)	LTV covenant test	DSCR covenant test	Maturity	Current all-in interest rate	Debt Amortisation
Previous loan	2.721	80%	Over 1.1 times	July 2018	0.78% - floating rate is based on 3 month JPY Tibor (currently 0.18%) plus 0.6% margin	¥57 m (0.80 cps) per annum (p.a.)
New loan	3.130	80%	Over 1.1 times	December 2019	0.58% - floating rate is based on 3 month JPY Tibor (currently 0.18%) plus 0.4% margin	¥16 m (0.23 cps) per annum (p.a.)