



ASX/Media Release

2 June 2015

ACQUISITION OF ADDITIONAL INTEREST IN A TOKYO PROPERTY, MUSASHINO TOWERS

Astro Japan Property Group (ASX: AJA) today announced that it has increased its interest in the Musashino Towers asset from 21% to approximately 29% with an additional equity investment of approximately ¥187 million (A\$2 million approx., at A\$1=¥95), funded from available cash.

As previously announced, the asset comprises the lower floor retail and commercial sections of two high-rise residential towers – Skygate Tower and Skycross Tower - located close to Mitaka station in western Tokyo. AJA's initial 21% interest in the asset was acquired on 29 March 2013.

The asset has a gross value of just over ¥5.3 billion (A\$56 million approx.) based on the most recent valuation as at 31 December 2014, and this acquisition of a further approximately 8% interest was made based on a price representing a small discount to that valuation.

The asset, completed in 2010, is held by a special purpose, property owning Japanese company into which AJA and co-investors contributed equity by a *tokumei kumiai* (TK) or Japanese partnership. The additional investment was arranged by AJA's Japan Asset Manager, Spring Investment Co., Ltd (Spring). The Spring group maintains the level of its initial investment in the TK, along with other private investors.

Mr Allan McDonald, Chairman of AJA, commented, "We are very pleased to have been able to take this opportunity to use some of our cash to increase AJA's interest in this asset, the value of which is substantially underpinned by long-term leases.

In addition to the current off-market tender buy-back offer which remains open until 2 June 2015, the Board continues to consider other capital initiatives, including additional property investment, in order to effectively utilise the current balance of approximately \$63 million equivalent of available cash."

Key property information is set out in the Appendix to this announcement.

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 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

Details of the Property

Property	Strata title of the following: <ul style="list-style-type: none">• Levels 1 to 5 plus basements 1 and 2 in Skygate Tower (28 floors)• Level 1 in Skycross Tower (31 floors)
Location	Mitaka in western Tokyo - in close proximity (200m, approx.) to Mitaka station on the JR Chuo line, connecting Tokyo via Shinjuku and Tachikawa. Mitaka Station is located about 20km west of Tokyo Station.
Total lettable area	9,524 sqm
Leasing/tenants	<p>100% occupancy, and all major tenants are well known, stock exchange listed companies or their subsidiaries. Leases are predominantly fixed term, fixed rent leases with more than 10 years remaining, except for the Lawson lease expiring in 2020.</p> <p>Tenant name, business type and area occupied:</p> <ul style="list-style-type: none">• Megalos Co., Ltd., Sports Club/Clinics, 4,154 sqm• Keio Corporation, Supermarket, 2,151 sqm• Lawson, Inc., Convenience Store, 202 sqm• NTT Le-Parc Corporation, Car Park, 3,016 sqm