



## ASX/Media Release

26 August 2015

### AJA FULL YEAR RESULTS - MEDIA RELEASE AND PRESENTATION

Please find attached the following documents relating to Astro Japan Property Group's Full Year Results to 30 June 2015:

1. Media Release
2. Results Presentation

AJA will present its full year results this afternoon at 4.00pm AEST. The results presentation will be hosted by Mr Eric Lucas, Senior Advisor to AJA. Dial-in details for participation in the conference call are on AJA's website, [www.astrojapanproperty.com](http://www.astrojapanproperty.com).

## ENDS

### Investor & Media Enquiries:

Eric Lucas  
Senior Advisor  
Phone: +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 31 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](http://www.astrojapanproperty.com).

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#### 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](http://www.astrojapanproperty.com)



ASX/Media Release

26 August 2015

## AJA FULL YEAR RESULTS TO 30 JUNE 2015

- Underlying profit after tax of A\$26.8 million, marginally down 0.8% on the prior year primarily as a result of a decline in net property income due to asset sales (representing 8.4% of portfolio book value since the start of FY2014)
- Statutory net profit after tax of A\$43.6 million, compared to A\$154.8 million for the prior year, largely due to A\$131.4 million profit on debt forgiveness recognised in the prior year
- Completed the refinance of all portfolio debt on favourable terms
- Year on year increase in the value of ongoing portfolio, however, as a result of property sales, 30 June 2015 portfolio size is ¥82.5bn (A\$877.5 million), down 1.7% from ¥83.9bn at 30 June 2014
- Distribution of 28.5 cps for the full year, in line with guidance
- NTA of A\$6.44 per security, up 8.4% from \$5.94

### Financial results

Astro Japan Property Group (ASX: AJA) today announced an underlying profit after tax of A\$26.8 million for the full year ended 30 June 2015, 0.8% lower than the prior year. The negative impact of reduced net property income, resulting from asset sales and an approximately 3% strengthening of the Australian dollar, was substantially offset by materially lower borrowing costs achieved through a series of refinancings and also lower asset management fees. Underlying profit after tax is a measure which the Directors believe accurately and consistently reflects the underlying business performance of AJA.

The underlying result for the full year reflects a decline in net property income to ¥4.4 billion, down 8.3% on the prior year in Yen terms (Australian dollar terms A\$46.1 million, down 11.2%) primarily due to asset sales. Excluding asset sales and the impact of currency movements, net property income decreased by only 1.9%. The decrease was almost completely due to the restructuring and extension of a single retail lease in Susono, as previously reported.

Statutory net profit after tax for the full year was A\$43.6 million, compared to A\$154.8 million in the prior year. The reduction is mainly driven by debt forgiveness of A\$131.4 million in the prior year, partially offset by upward revaluations of the property portfolio of A\$21.9 million compared to A\$12.1 million in the prior year. The increase in property values confirms a firming trend in Japanese asset values.

Distribution for the six months ended 30 June 2015 of 16 cents per stapled security is to be paid on 31 August 2015. The full year distribution of 28.5 cents per security was less than underlying earnings of 40.4 cents per stapled security, with the balance used for capital management purposes.

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## Portfolio Performance

Although the like-for-like portfolio value increased over the period, AJA's total portfolio value declined to ¥82.5 billion as at 30 June 2015 from ¥83.9 billion as at 30 June 2014, due to sales of assets having a book value of ¥4.2 billion (Daikanyama in July 2014, Yoshikawa in August 2014 and Aeon Mukomachi in September 2014). This was partially offset by an increase in fair value of approximately ¥2.4 billion for the full year and the purchase of the Matsudo Nitori carpark. In Australian dollar terms, the value of the portfolio decreased from A\$880.6 million at 30 June 2014 to A\$877.5 million at 30 June 2015. The weighted average capitalisation rate used by the independent valuers for the portfolio at 30 June 2015 has tightened from 5.5% at June 2014 to 5.3%.

Portfolio occupancy by area continues to remain high at 97.2% as at 30 June 2015 compared to 97.7% as at 30 June 2014.

Mr Eric Lucas, Senior Advisor to AJA, said "The continued positive trend in asset values is pleasing. With this trend comes more competition for acquisitions, however, we were able to increase our holding in Musashino Towers during the year to 52.4% through two transactions and then, post year end, acquired another interest, with AJA now holding 64%."

## Net Tangible Assets

As at 30 June 2015, NTA was A\$6.44 per security an increase of 8.4% compared to A\$5.94 per security as at 30 June 2014, with 36 cents per security of this increase due to the increase in valuations.

## Capital Management

During the period, all debt was refinanced for each of the special purpose property owning Japanese companies through which AJA has invested.

These refinancings have resulted both in a reduction of annual amortisation per security to approximately 2.76 cents, from a peak of approximately 21.5 cents, and an increase in the weighted average maturity of AJA's debt from 2.3 years at 30 June 2014 to 7.7 years at 30 June 2015. Gearing remains well within AJA's target range at 58%.

During the period AJA undertook an on-market security buy-back programme which commenced in October 2014 and ceased in April 2015. Under the programme AJA bought back and cancelled 1,618,886 stapled securities at an average price of \$4.89 per security. Following this programme, AJA undertook an off-market security buy-back programme which was successfully completed on 4 June 2015, with 4,940,400 stapled securities bought back at \$5.30 per security.

Mr Eric Lucas, Senior Advisor to AJA, said "Having completed the refinance of all of the portfolio debt on substantially improved terms during the period we have achieved an annual reduction in interest cost of approximately ¥103 million (A\$1.1 million) and saving on annual amortisation payments of approximately ¥835 million (A\$9.1 million) on a pro-forma annualised basis. Weighted average maturity of AJA's debt has substantially increased to 7.7 years, from 2.3 years at 30 June 2014."

## Outlook

The positive impact of the refinancings during the period, together with asset sales, provides surplus cash for AJA to manage for the benefit of securityholders. Further acquisitions and dispositions continue to be under consideration with the acquisition focus on longer-term cash flows from larger, younger assets. Dispositions will mainly seek to recycle capital from smaller non-strategic assets to improve portfolio age, quality and long-term portfolio transparency and value.

Further security buy-backs will also be considered if this is a more effective use of surplus cash than property acquisitions.

AJA expects to continue an ongoing programme of capital expenditure on the portfolio to maintain the highest possible rental outcomes, currently amounting to approximately 7 cents per security, fully funded from cash flows.

As a result of the expected full-year impact of refinancing and acquisition transactions undertaken in the past 12 months, underlying profit after tax is expected to increase by approximately 5%-6% based on budgeted portfolio performance and same foreign exchange rate as FY2015.

However, given recent Yen strength against the Australian dollar, based on a foreign exchange rate of A\$1=¥88, underlying profit after tax is expected to increase by approximately 12%-15% to between A\$30 million and A\$31 million.

Distribution guidance for the 6 months to 31 December 2015 is 17.5 cents per security.

**Ends**

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Astro Japan  
Property

# FULL YEAR RESULTS TO 30 JUNE 2015

**Eric Lucas, Senior Advisor**

26 August 2015





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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](http://www.astrojapanproperty.com).



# AGENDA

- Overview
- Capital structure
- Portfolio operating performance and leasing activity
- Outlook, AJA strategic priorities and goals
- Appendices







Astro Japan  
Property

# OVERVIEW



# OVERVIEW

## Financial Results

- Underlying profit after tax of A\$26.8 million, marginally down by 0.8% on the prior year. The negative impact of reduced net property income, resulting from asset sales (representing 8.4% of portfolio book value since the start of FY2014) and an approximately 3% strengthening of the Australian dollar, was substantially offset by materially lower borrowing costs achieved through a series of refinancings and also lower asset management fees
- Underlying profit after tax per security was up 0.5% to 40.4 cents of which 28.5 cps will be paid in distributions with the balance used for capital management purposes
- Statutory full year net profit after income tax of A\$43.6 million, compared to A\$154.8 million after income tax in the prior year, largely due to A\$131.4 million profit on debt forgiveness recognised in the prior year
- Net property income (NPI) of A\$46.1 million declined 11.2% on the prior year. In Yen terms, the NPI decline was 8.3%. This is largely due to asset sales of Daikanyama in July 2014, Yoshikawa in August 2014 and Aeon Mukomachi in September 2014 in addition to the four assets sold during the previous financial year (these seven assets accounted for approximately 10% of AJA's NPI) and to a lesser extent due to foreign exchange rate movements
- Excluding asset sales and currency movements, NPI decreased by 1.9%. This decrease is mainly due to a rent reduction and restructure of the Susono retail asset
- Improvement in the value of the portfolio as at 30 June 2015 was the primary factor in an 8.4% increase in NTA to \$6.44 cents per security



# OVERVIEW (CONT'D)

## Portfolio Update

- Values continue to show a positive trend, with an approximately 3% (¥2.4 billion) increase in the value of the portfolio for the full year. Of the 25 properties revalued during the year, 17 properties increased in value
- Closed the sale of three properties, one Tokyo office property, Daikanyama for ¥655 million (A\$6.9 million at A\$1=¥95) and two retail properties, Aeon Mukomachi for ¥3.45 billion (A\$35.6 million at A\$1=¥97) and Yoshikawa for ¥550 million (A\$5.8 million at A\$1=¥95)
- Net proceeds from all sales were used for the repayment of debt with the balance used for capital management purposes
- All assets sold at a premium to book value
  - ✓ Daikanyama – approx. 1% premium to book value
  - ✓ Yoshikawa – approx. 100% premium to book value
  - ✓ Aeon Mukomachi – approx. 7% premium to book value
- Acquired Matsudo Nitori Parking asset (to complement the Matsudo Nitori retail property) for ¥350 million (A\$3.5 million at A\$1=¥101) with a 20 year fixed lease to June 2023
- Acquired two additional interests in the TK owning Musashino Towers for ¥831 million (A\$8.8 million), increasing AJA's interest to 52.4%. An additional interest acquired post 30 June 2015, increasing AJA's interest to 64%



# OVERVIEW (CONT'D)

## Capital Management

- All debt of the special purpose, property owning Japanese companies (SPCs) through which AJA has invested in Japan was refinanced during the period
- September 2014 completed the refinance of JPT Co., Ltd. (JPT) and JPT Corporate Co., Ltd. (JPTC) with two new 10 year loans. JPT was refinanced with a new ¥13.0 billion (A\$134 million) loan and JPTC with a new loan of ¥16.2 billion (A\$167 million)
- December 2014 completed the refinance of JPT Omega Co., Ltd. (JPTO) with a new 5 year financing of ¥3.13 billion (A\$31 million) with the existing lender
- January 2015 completed the refinance of JPT Scarlett Co., Ltd. (JPTS) with a new 5 year loan of ¥8.5 billion (A\$88.5 million)
- March 2015 completed the refinance of JPT Newton Co., Ltd. (JPTN) with a new 7 year loan of ¥9.6 billion (A\$104.3 million)
- Following the above refinancings:
  - ✓ Reduced interest cost to 1.29% at 30 June 2015 compared to 1.87% at June 2014, a saving of approximately ¥103 million<sup>1</sup> (A\$1.1 million)
  - ✓ reduced annual amortisation payments by approximately ¥835 million<sup>1</sup> (A\$9.1 million)
  - ✓ weighted average maturity of AJA's debt has increased from 2.3 years at 30 June 2014 to 7.7 years at 30 June 2015

<sup>1</sup> Pro-forma annualised figure

# OVERVIEW (CONT'D)

## Capital Management (cont'd)

- A portion of the additional funding raised from asset sales and loan refinancings outlined on the previous page was used to:
  - ✓ acquire Matsudo Nitori Parking asset for A\$3.5 million
  - ✓ increase AJA's interest in the Musashino Towers TK with A\$12 million investment
  - ✓ undertake an on-market security buy-back programme which commenced in October 2014 and ceased in April 2015. Under the programme AJA bought back and cancelled 1,618,886 stapled securities at an average price of \$4.89 per security (A\$7.9 million)
  - ✓ undertake an off-market security buy-back programme which successfully completed on 4 June 2015, and AJA bought back and cancelled 4,940,4000 stapled securities at \$5.30 per security (A\$26.2 million)
- Currently, after setting aside funding for the June 2015 distribution, AJA holds unrestricted cash equivalent to approximately A\$26.0 million



# OVERVIEW OF KEY FINANCIAL RESULTS

	Twelve months to 30 June 2015 <sup>1</sup>	Twelve months to 30 June 2014 <sup>2</sup>	Change
Net property income (¥)	¥4.4 bn	¥4.8 bn	-8.3%
Net property income (A\$)	\$46.1 m	\$51.9 m	-11.2%
Underlying profit after income tax (A\$)	\$26.8 m	\$27.0 m	-0.8%
Underlying profit after income tax per security (A¢)	40.4 ¢	40.2 ¢	0.5%
Net statutory profit / (loss) after income tax (A\$)	\$43.6 m	\$154.8 m	-71.8%
Weighted average stapled securities on issue	66,312,686	67,211,752	-1.3%
Distribution per security (A\$)	28.5¢	20.0 ¢	42.5%
	30 June 2015 <sup>3</sup>	30 June 2014 <sup>4</sup>	Change
Total assets (A\$)	\$1.01 bn	\$0.98 bn	3.1%
NTA per security (A\$)	\$6.44	\$5.94	8.4%

- Net property income declined 11.2% (8.3% in Yen terms) on the prior year, due largely to asset sales of Daikanyama in July 2014, Yoshikawa in August 2014 and Aeon Mukomachi in September 2014 in addition to the four assets sold during the previous financial year (these seven assets accounted for approximately 10% of AJA's NPI) and to a lesser extent due to foreign exchange rate movements
- Underlying profit after tax of A\$26.8m was down 0.8% on the prior year, primarily as a result of asset sales and the consequent decline in net property income and an approximately 3% strengthening of the Australian dollar, off-set by lower asset management fees and savings in borrowing costs achieved through refinancings during the year. Underlying profit after tax is a measure which Directors believe accurately and consistently reflects the underlying business performance of AJA
- Statutory net profit after tax of A\$43.6 million, compared to A\$154.8 million in the prior year. The change in the statutory result is mainly due to debt forgiveness of A\$131.4m recognised in the prior year, partially off-set by upward property revaluations of A\$21.9 million in the current period (compared to A\$12.1 million for the prior year) and foreign exchange rate gain on the fair value of the TKs of A\$3.8 million (compared to a loss of A\$15.8 million for the prior year)
- Full year distribution of 28.5 cps with the balance of underlying profit after income tax per security used for capital management purposes
- 60,652,466 securities on issue at 30 June 2015

<sup>1</sup> Average exchange rate for period of A\$1.00 = 95.55      <sup>3</sup> Exchange rate of A\$1.00 = 93.99 at 30 June 2015

<sup>2</sup> Average exchange rate for period of A\$1.00 = 92.79      <sup>4</sup> Exchange rate of A\$1.00 = 95.24 at 30 June 2014

# RECONCILIATION TO FINANCIAL STATEMENTS

	Year ended 30 June 2015 A\$	Year ended 30 June 2014 A\$
<b>Statutory Profit/ (loss) for the year</b>	<b>\$43.6 m</b>	<b>\$154.8 m</b>
Debt forgiveness	-	\$(131.4) m
Fair value adjustments to unlisted investments in Spring and JPTGK	\$(0.8) m	\$(0.7) m
Fair value adjustments to interest bearing debt	\$3.2m	-
Foreign currency translation impact on the fair value of the TKs	\$(3.8)m	\$15.8 m
TK operator share of TK distributions	\$0.1 m	\$0.1 m
Net fair value adjustment to investment properties	\$(21.9) m	\$(12.1) m
Net foreign currency (gain)/loss	\$(1.2) m	\$(0.3) m
(Gain)/loss on disposal of investment properties	\$(4.6) m	\$(5.3) m
Expenses associated with TK refinancings	\$5.0m	-
Impairment of Goodwill	\$0.4m	-
Deferred tax on fair value adjustments to investment property	\$6.8 m	\$6.1 m
<b>Underlying profit after tax</b>	<b>\$26.8 m</b>	<b>\$27.0 m</b>
	As at 30 June 2015 - A\$	As at 30 June 2014 - A\$
<b>Net assets</b>	<b>\$393.0 m</b>	<b>\$401.7 m</b>
Deferred tax	\$0.4 m	\$0.4 m
Intangible assets	\$(2.6) m	\$(3.0) m
<b>NTA</b>	<b>\$390.8 m</b>	<b>\$399.1 m</b>
NTA per security (A\$)	6.44	5.94
Percentage change (A\$)	8.5%	
Percentage change (A\$/Yen exchange rate)	1.3%	

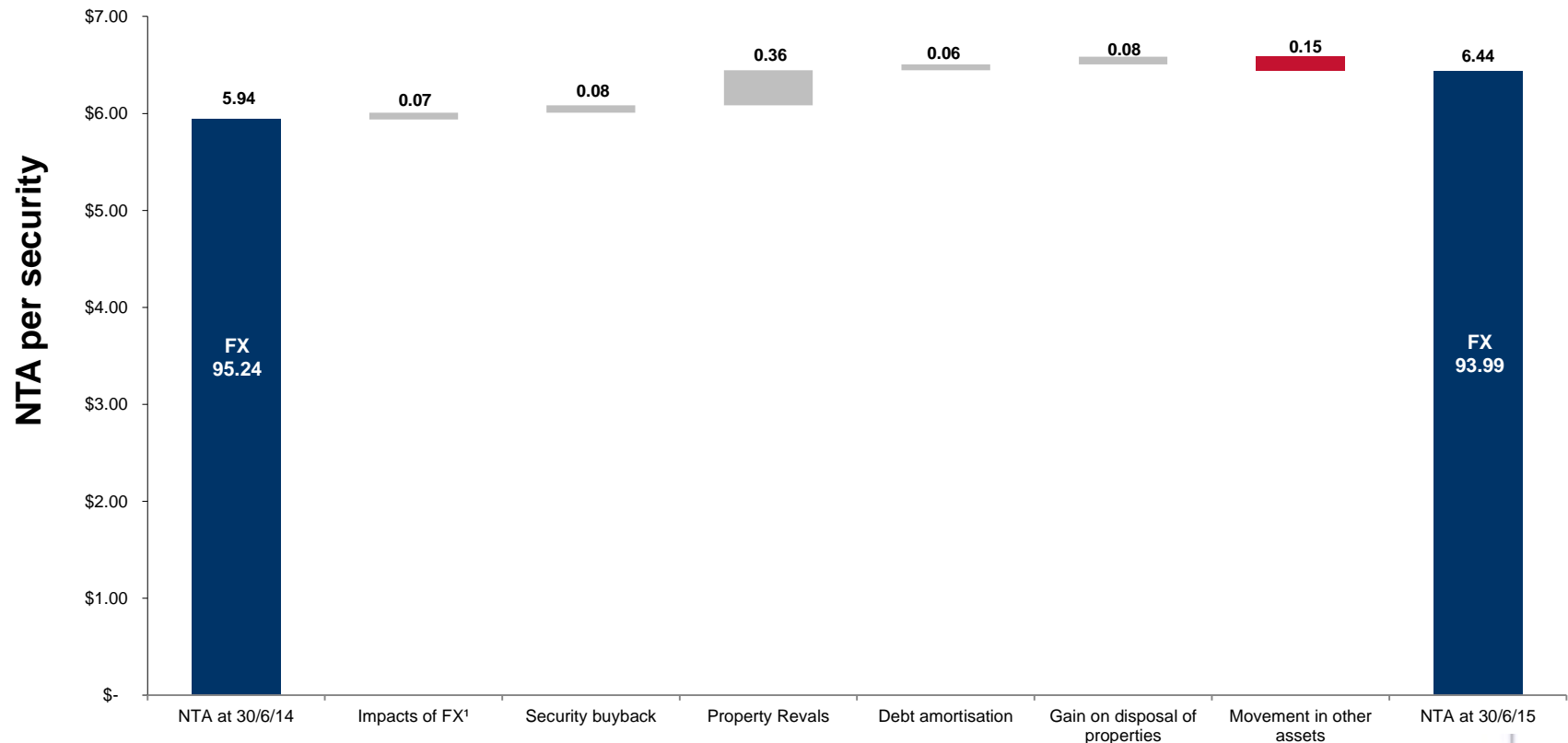
NOTE: The above calculations have not been subject to independent audit or review.



# NTA PER SECURITY

Movement over twelve months to 30 June 2015

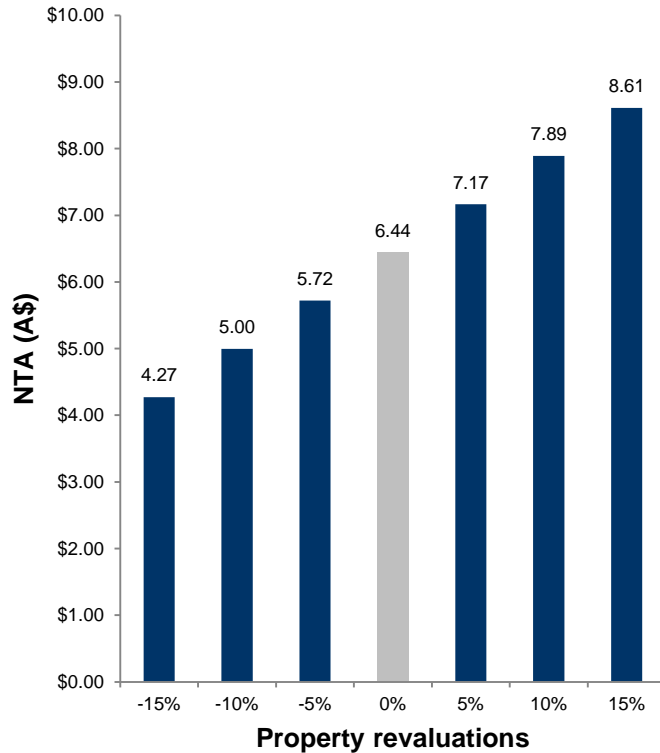
NTA movement - (A\$ per security)



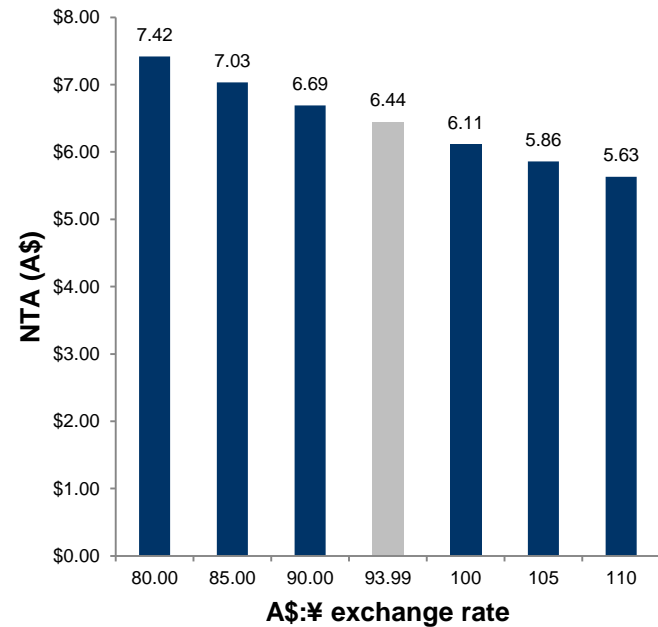
<sup>1</sup> Impacts of FX calculation is based on average Yen denominated net tangible assets

# NTA SENSITIVITIES

NTA sensitivity to revaluations



NTA sensitivity to A\$:¥ exchange rate





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# CAPITAL STRUCTURE



# PORTFOLIO CAPITAL STRUCTURE BY TK

As at 30 June 2015

	AJA value Jun 2015 (¥ bn) <sup>1</sup>	Loan amt (¥ bn)	LTV at Jun 2015	LTV covenant test	DSCR covenant test <sup>2</sup>	DSCR at Jun 2015	Maturity	Total interest rate	NPI per security 12 mths to 30 Jun 15 (¥) <sup>4</sup>	Debt Amortisation per security 12 mths to 30 Jun 15 (¥) <sup>4</sup>	Debt Amortisation per security 12 mths to 30 Jun 15 (A¢) <sup>4</sup>
JPT	19.7	13.0	66.0%	87.0%	Actual: No less than: 2.5x (1-3 yr) 1.8x (4-10 yr)	Actual: 5.66x	Sep 2024	1.42%	18.0	0.66	0.69
JPTC	26.4	16.2	61.3%	87.0%	Actual: No less than: 2.5x (1-5 yr) 1.5x (6-10 yr)	Actual: 5.05x	Sep 2024	1.42%	18.7	1.89	1.97
JPTS	14.5	8.5	58.6%	90.0%	Stress: No less than 1.5x	Stress: 2.41x	Jan 2020	1.41%	14.4	1.35	1.40
JPTN	16.7	9.6	57.4%	80.0%	Actual: No less than 1.5x Stress: No less than 1.2x	Actual: 5.57x Stress: 2.56x	Mar 2022	1.06%	10.8	1.69	1.76
JPTO	5.2	3.1	60.0 %	80.0%	Stress: No less than 1.1x	Stress: 1.52x	Dec 2019	0.57%	4.4	0.55	0.57
Portfolio	82.5	50.4	61.1%	N/A	N/A	N/A	N/A	1.29% <sup>3</sup>	66.3	6.14	6.39

<sup>1</sup> AJA value excludes Musashino Towers, as this is held by Arabesque S GK in which AJA has a 52% interest (gross value of which is ¥2.8 billion) and is not included as a consolidated segment

<sup>2</sup> Actual DSCR based on actual loan payment whereas Stress DSCR based on theoretical loan payment constants

<sup>3</sup> Weighted average interest rate as at June 2015 (1.87% at 30 June 2014). Variable rate based on 3 month JPY Tibor currently 0.17%. JPTN based on 3 month JPY Libor currently 0.09%

<sup>4</sup> Based on 66,312,686 weighted average stapled securities, current securities on issue 60,652,466



# PRO-FORMA PORTFOLIO CAPITAL STRUCTURE

(AS IF ALL FY2015 REFINANCINGS HAD BEEN COMPLETED ON 1 JULY 2014)

As at 30 June 2015

	AJA value Jun 2015 (¥ bn) <sup>1</sup>	Loan amt (¥ bn)	LTV at Jun 2015	LTV covenant test	DSCR covenant test <sup>2</sup>	DSCR at Jun 2015	Maturity	Total interest rate	Annual Debt Amortisation per security 12 mths to 30 Jun 15 (¥) <sup>4</sup>	Annual Debt Amortisation per security 12 mths to 30 Jun 15 (A\$) <sup>4</sup>
JPT	19.7	13.0	66.0%	87.0%	Actual: No less than: 2.5x (1-3 yr) 1.8x (4-10 yr)	Actual: 5.66x	Sep 2024	1.42%	0.00	0.00
JPTC	26.4	16.2	61.3%	87.0%	Actual: No less than: 2.5x (1-5 yr) 1.5x (6-10 yr)	Actual: 5.05x	Sep 2024	1.42%	0.00	0.00
JPTS	14.5	8.5	58.6%	90.0%	Stress: No less than 1.5x	Stress: 2.41x	Jan 2020	1.41%	0.70	0.76
JPTN	16.7	9.6	57.4%	80.0%	Actual: No less than 1.5x Stress: No less than 1.2x	Actual: 5.57x Stress: 2.56x	Mar 2022	1.06%	1.58	1.72
JPTO	5.2	3.1	60.0 %	80.0%	Stress: No less than 1.1x	Stress: 1.52x	Dec 2019	0.57%	0.26	0.28
Portfolio	82.5	50.4	61.1%	N/A	N/A	N/A	N/A	1.29% <sup>3</sup>	2.54	2.76

<sup>1</sup> AJA value excludes Musashino Towers, as this is held by Arabesque S GK in which AJA has a 52% interest (gross value of which is ¥2.8 billion) and is not included as a consolidated segment

<sup>2</sup> Actual DSCR based on actual loan payment whereas Stress DSCR based on theoretical loan payment constants

<sup>3</sup> Weighted average interest rate as at June 2015 (1.87% at 30 June 2014). Variable rate based on 3 month JPY Tibor currently 0.17%. JPTN based on 3 month JPY Libor currently 0.09%

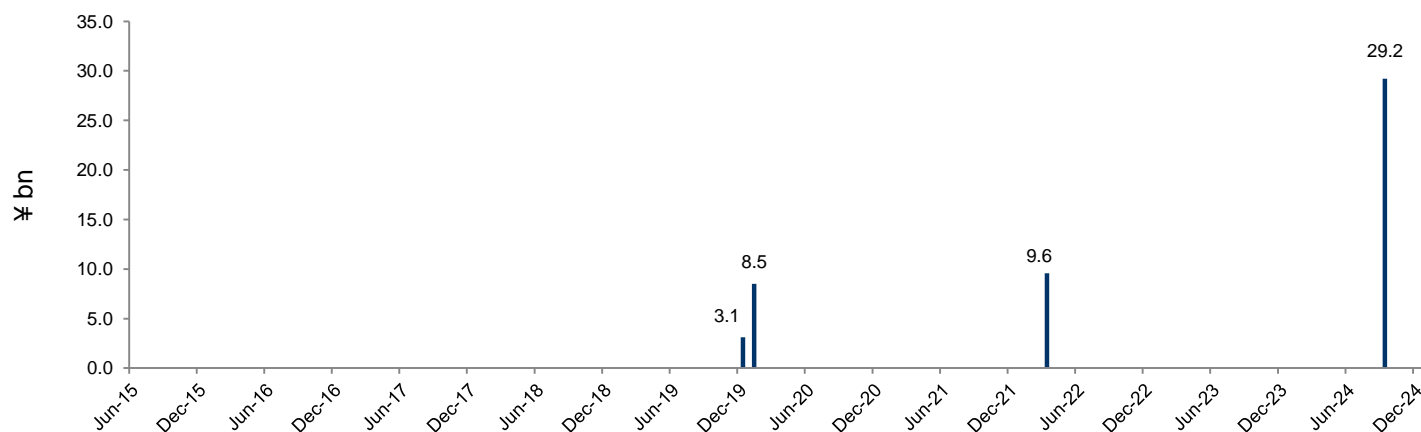
<sup>4</sup> Based on 60,652,466 stapled securities and forecast average exchange rate of A\$1=¥92, current securities on issue 60,652,466



# CAPITAL MANAGEMENT

	As at 30 June 2015	As at 31 December 2014
Number of non-recourse, asset specific loans, borrowed in ¥ in Japan	5	5
Weighted average portfolio interest rate	Approx 1.29%	Approx 1.91%
Proportion of AJA debt based on floating rate	Approx 58.4%	Approx 50.2%
Weighted average debt maturity	7.7 years	7 years
Annual debt amortisation	2.7 cps <sup>1</sup>	5.2 cps

**Debt Maturity Profile (¥ bn) as at 30 June 2015**



<sup>1</sup> Based on 60,652,466 stapled securities as at 30 June 2015 and exchange rate at 30 June 2015 of ¥93.99





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Property

# PORTFOLIO OPERATING PERFORMANCE AND LEASING ACTIVITY





# PORTFOLIO OVERVIEW

	30 June 2015	30 June 2014	Change
Portfolio carrying value	¥82.5 bn	¥83.9 bn	-1.7%
Total number of properties	30	32	-2
NRA (sqm)	195,338	227,921	-14.3%
Occupancy by area	97.2%	97.7%	-0.5%
Number of leases	196	229	-14.4%
% non-cancellable leases by income	42.3%	39.6%	2.7%
Weighted average term to expiry (WALE) (non-cancellable leases) – years	5.9 years	5.5 years	0.4 years

- Property portfolio carrying value has decreased to ¥82.5bn at 30 June 2015 from ¥83.9bn at 30 June 2014 mainly due to asset sales of ¥4.2bn (Daikanyama in July 2014, Yoshikawa in August 2014 and Aeon Mukomachi in September 2014), an increase in fair value of approximately ¥2.4bn for the full year and the purchase of Matsudo Nitori Parking for ¥0.4bn in December 2014
- Increase in asset 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 42.3% by income, adding stability to AJA's medium-term portfolio income stream
- Decrease in the number of leases during the period mainly the result of asset sales
- AJA's interest in Musashino Towers, purchased April 2013, is excluded from the consolidated portfolio data as it is owned by an entity in which AJA has a 52% interest and is not reported as a separate segment. AJA's interest in Musashino Towers has a gross carrying value of ¥2.8bn, NRA of 4,994sqm and 4 leases. Net distribution income from Musashino Towers for FY2015 (based on 21% interest) was A\$448,000



# MAIN COMPONENTS OF LIKE FOR LIKE PROPERTY REVENUE (LIKE FOR LIKE PORTFOLIO<sup>1</sup>)

Property revenue (¥ million)	Twelve months to 30 June 2015	Twelve months to 30 June 2014	Change
Retail	3,128	3,270	-4.3%
Office	2,216	2,215	0.0%
Residential	635	617	2.9%
<b>Total portfolio</b>	<b>5,979</b>	<b>6,102</b>	<b>-2.0%</b>

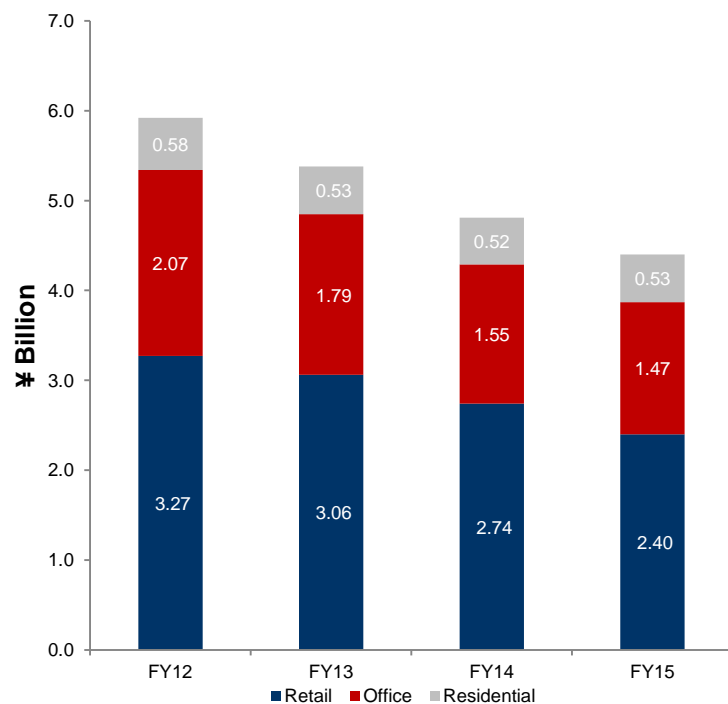
Occupancy by area	30 June 2015	30 June 2014	Change
Retail	99.2%	99.4%	-0.2%
Office	90.0%	93.1%	-3.1%
Residential	100.0%	100.0%	0.0%
<b>Total portfolio</b>	<b>97.1%</b>	<b>98.0%</b>	<b>-0.8%</b>

- Overall portfolio revenue was relatively stable compared to the prior year on a like for like basis, gains in residential assets partially offsetting a decline in retail assets
- Occupancy of like for like retail assets as at 30 June 2015 higher than a year before

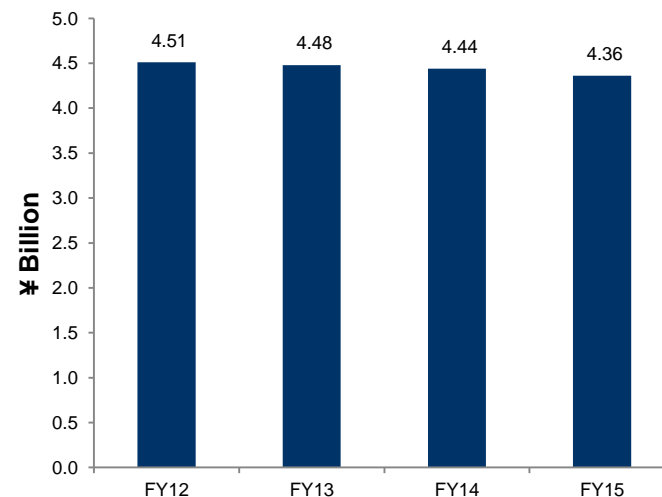
<sup>1</sup> Property revenue for the ongoing portfolio excludes any properties purchased or sold since June 2013

# OPERATING PERFORMANCE

**Net Property Income**



**Like for Like Net Property Income  
(Ongoing portfolio<sup>1</sup>)**



<sup>1</sup> Net property income for the ongoing portfolio excludes any properties purchased or sold since June 2011

# TOP 10 TENANTS

As at 30 June 2015

Tenant Name	Property	Industry	Lease type	% of Trust's total passing rent + CAM	Lease expiry date
Toyota Tsusho Corp / Konan Shoji	Konan Home Centre	Trading / Retail	Fixed non-cancellable <sup>1</sup>	11.1%	March 2025
Good Real Estate	Tosabori	Real Estate	Fixed non-cancellable <sup>2</sup>	5.6%	March 2024
Matahari	Kawasaki Dice	Game Centre	Standard	3.9%	August 2023
City of Yokohama	JN	Government	Standard	3.8%	March 2016
Gaia	Shinjuku Fuji	Game Centre	Fixed cancellable	3.7%	July 2020
Jikei Space	Sekijomachi	School	Standard non-cancellable <sup>3</sup>	3.4%	March 2022
Maxvalu Tokai	Susono	Retail	Fixed non-cancellable <sup>4</sup>	3.3%	April 2024
Konami Sports & Life	Shibuya Konami	Fitness Club	Standard	3.0%	March 2019
Kyodo PR	Ginza Dowa	Advertising	Standard	3.0%	August 2016
Nitori Holdings	Matsudo Nitori / Matsudo Nitori Parking	Retail	Standard non-cancellable <sup>5</sup> / Fixed non-cancellable <sup>6</sup>	2.7%	September 2024
<b>TOTAL</b>				<b>43.5%</b>	

<sup>1</sup> The property is 100% leased to Konan Shoji on a 20 year lease. For the first 12 years (until March 2017) the master lessee under a non-cancellable Fixed Term Lease is Toyota Tsusho Corporation pursuant to which Toyota Tsusho subleases to Konan Shoji. From the end of the 12 year master lease term the lease is directly with Konan Shoji.

<sup>2</sup> 9.5 year lease. The lease is non-cancellable during the term (until March 2024).

<sup>3</sup> 15 year lease. The lease is non-cancellable for five years (until July 2018).

<sup>4</sup> 10 year lease. The lease is non-cancellable during the initial three years (until April 2017).

<sup>5</sup> 20 year lease. The lease is non-cancellable during the term (until September 2024).

<sup>6</sup> 20 year lease. The lease is non-cancellable during the term (until June 2023).



# LEASING ACTIVITY

For the twelve months ended 30 June 2015

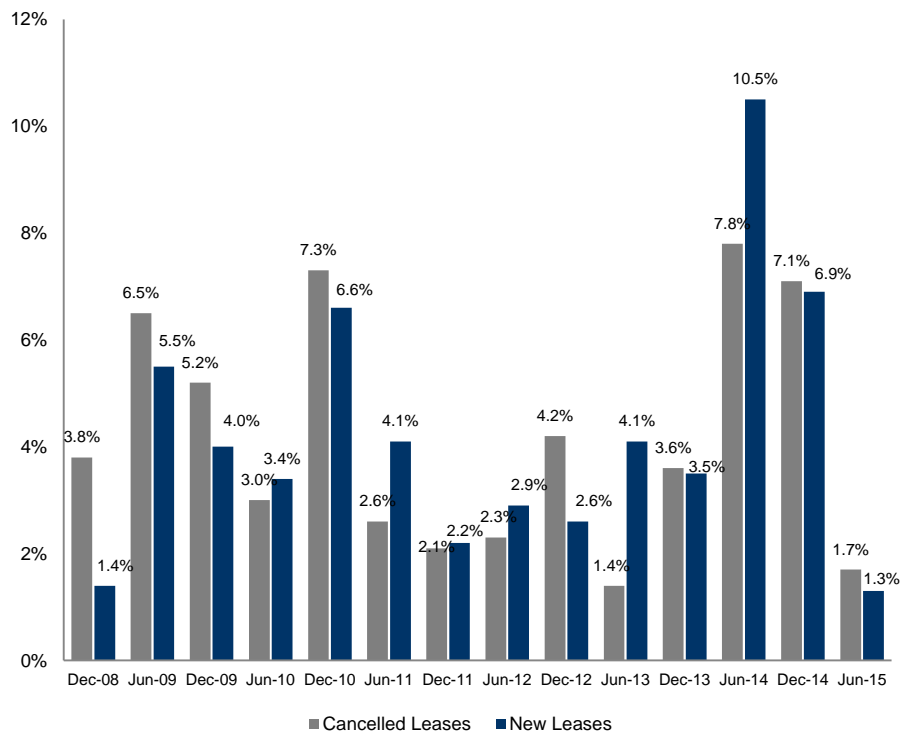
Leasing activity	No. of leases	% of NRA	% of portfolio income <sup>1</sup>
<b>Expired / renewed leases</b>			
Expired leases	(52)	(9.2)%	(17.5)%
Renewed leases	52	9.2%	17.5%
<b>Net increase / (decrease) due to renewals</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>New / cancelled</b>			
Cancelled leases	(26)	(8.8)%	(10.0)%
New leases	23	8.2%	8.7%
<b>Net increase / (decrease) due to new / cancelled leases</b>	<b>(3)</b>	<b>(0.6)%</b>	<b>(1.2)%</b>
<b>Net increase / (decrease) in occupied area</b>	<b>(3)</b>	<b>(0.6)%</b>	<b>(1.2)%</b>
<b>Ongoing leases: Rental Adjustments</b>			
Net decrease of rental adjustments for ongoing leases (3 leases, representing 2.4% of NRA)			(0.0)%
<b>Net increase / (decrease) contract base at 30 June 2015</b>	<b>(3)</b>	<b>(0.6)%</b>	<b>(1.2)%</b>

- All 52 leases that expired during the period (equivalent to 17.5% of portfolio income) were renewed by the existing tenants. Of the 52 renewed leases only one was at a decrease to the previous rents with the balance at rents equal to the previous rents.
- 26 leases were cancelled during the period and there were 23 new leases during the period which resulted in a net decrease of 0.6% of NRA and a 1.2% decrease of portfolio income.
- Total decrease in portfolio income due to cancelled leases 1.2% of portfolio income. Including leases for which rent changed during the lease term, total rent decrease in the portfolio income was 1.2%.

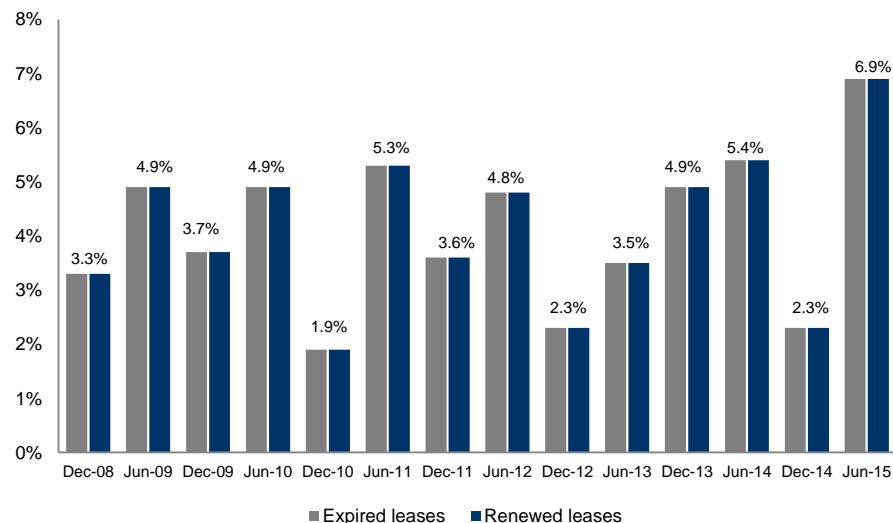
<sup>1</sup> Rent and Common Area Maintenance (CAM) as a percentage of the portfolio at June 2015

# LEASING ACTIVITY COMPARISON

Cancelled and New leases (% of NRA)



Expired and Renewed leases (% of NRA)

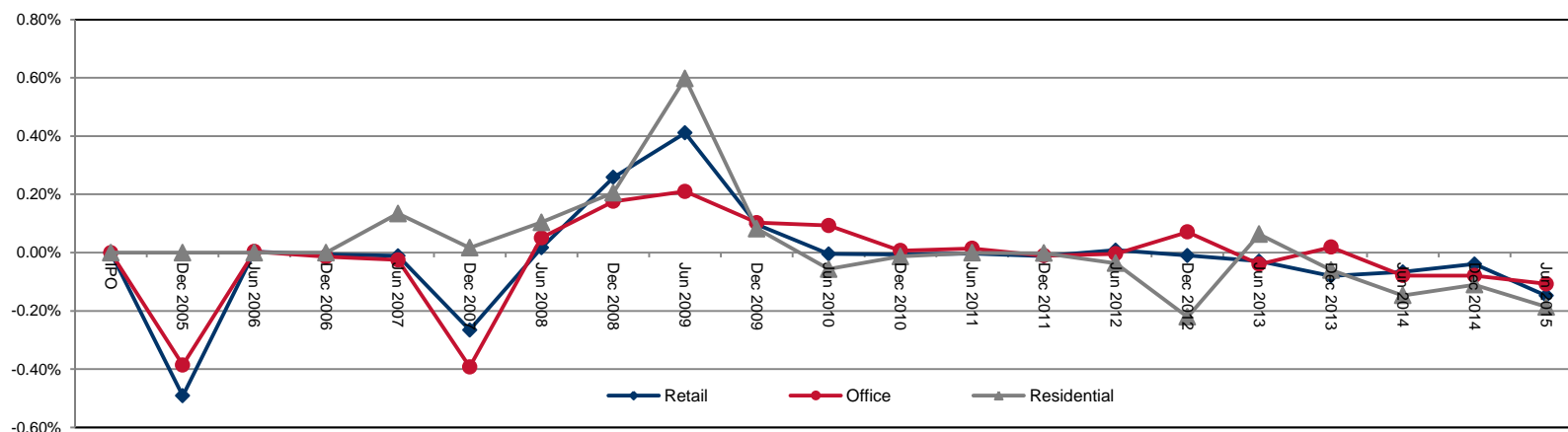


# PROPERTY REVALUATIONS

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

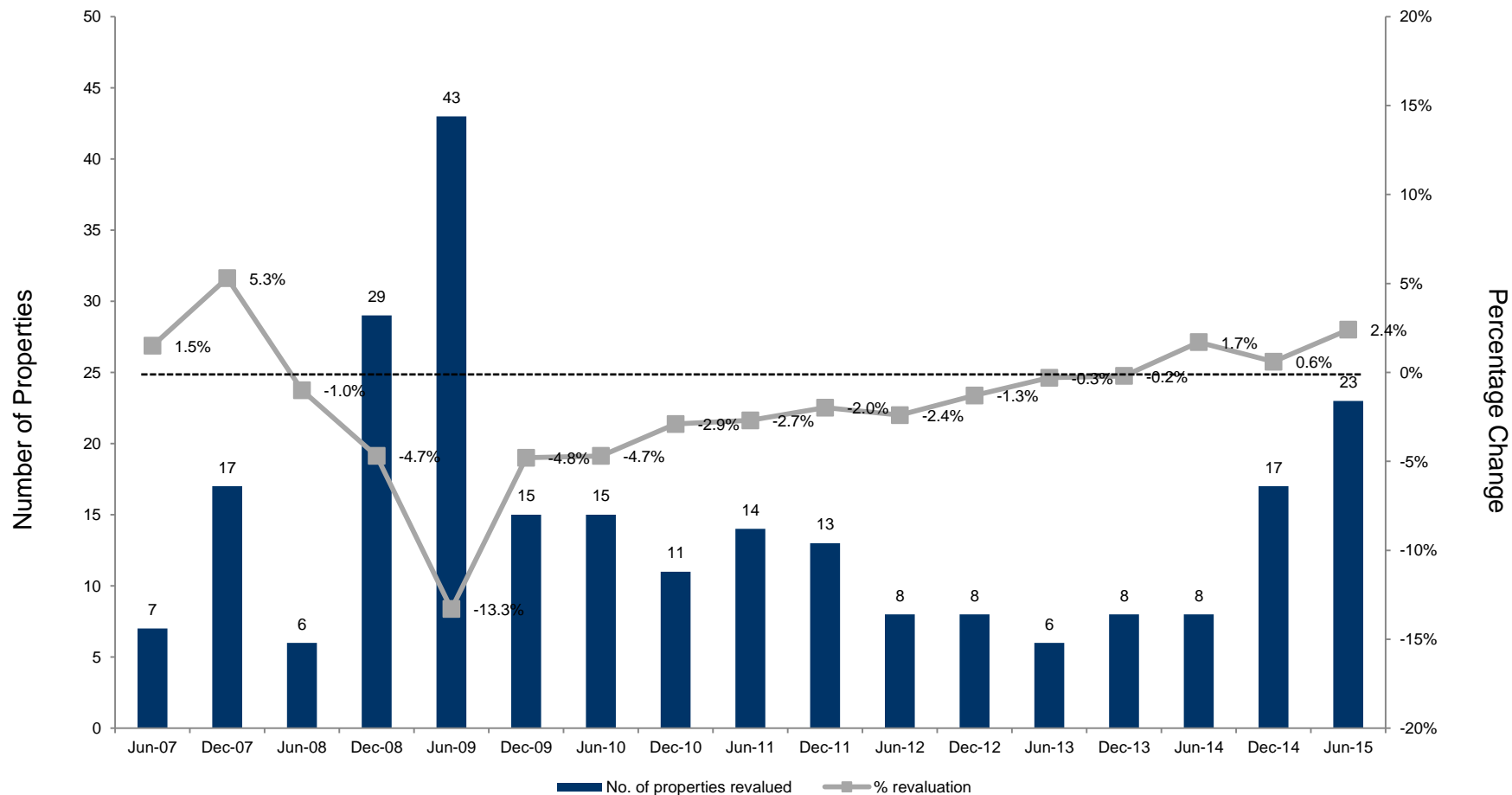
Valuers' Capitalisation Rates by Segment	June 2015	June 2014
Retail	5.29%	5.56%
Office	5.14%	5.33%
Residential	5.51%	5.80%
<b>Total</b>	<b>5.26%</b>	<b>5.51%</b>

**Changes in Valuers' Direct Capitalisation Rates**

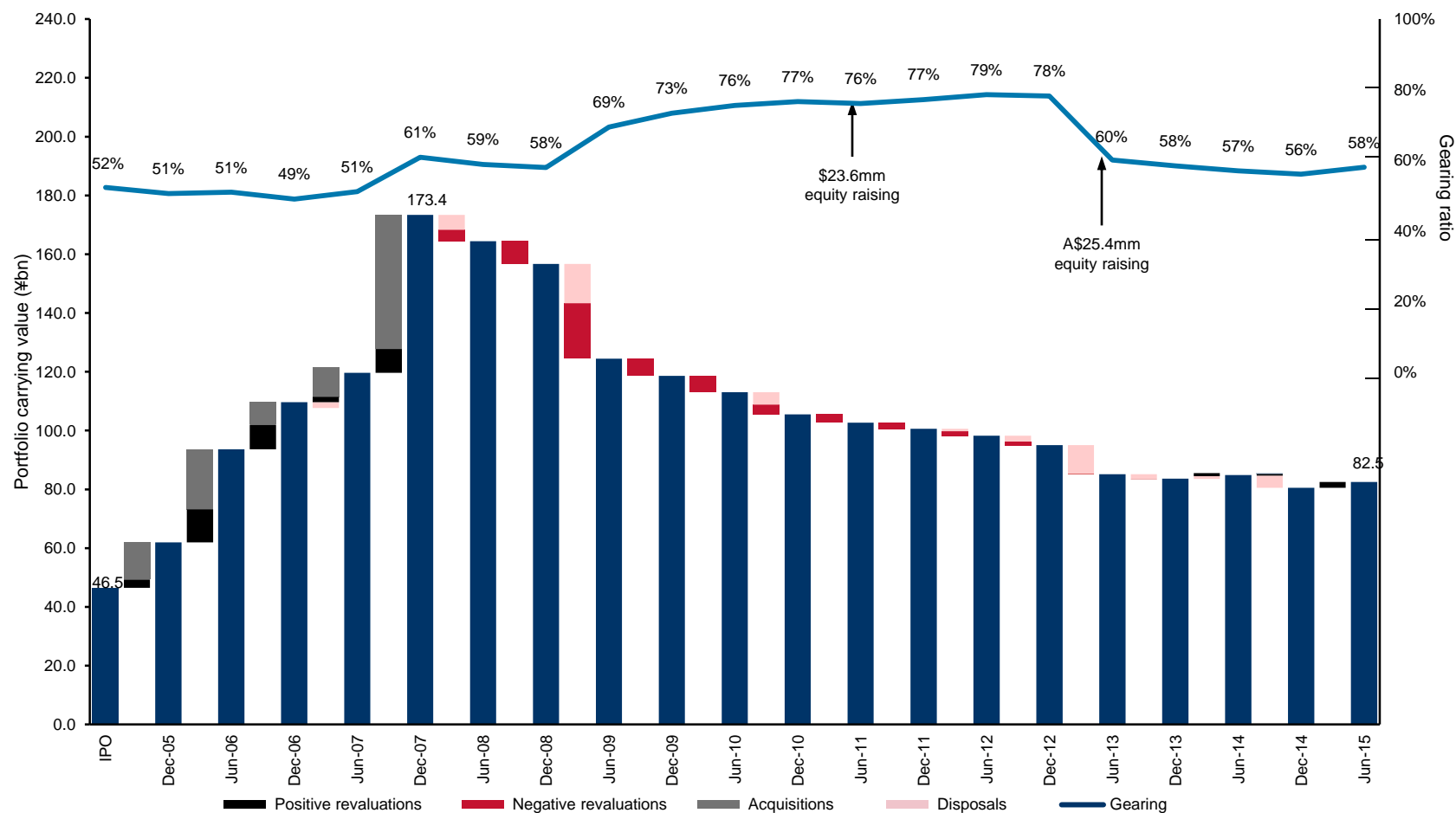




# HISTORICAL TREND OF PORTFOLIO VALUATION



# PORTFOLIO VALUE / GEARING SINCE IPO



NOTE: Gearing ratio of 58% is net of surplus cash held at 30 June 2015

# PORTFOLIO YIELD DATA AS AT 30 JUNE 2015

Asset class	Original NOI yield / purchase price	Current NOI yield / current book value June 2015
Retail	5.3%	5.4%
Office	5.0%	5.4%
Residential	5.5%	6.1%
<b>Total</b>	<b>5.2%</b>	<b>5.5%</b>

Weighted average valuation cap rates <sup>1</sup> June 2015
5.3%
5.1%
5.5%
<b>5.3%</b>

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





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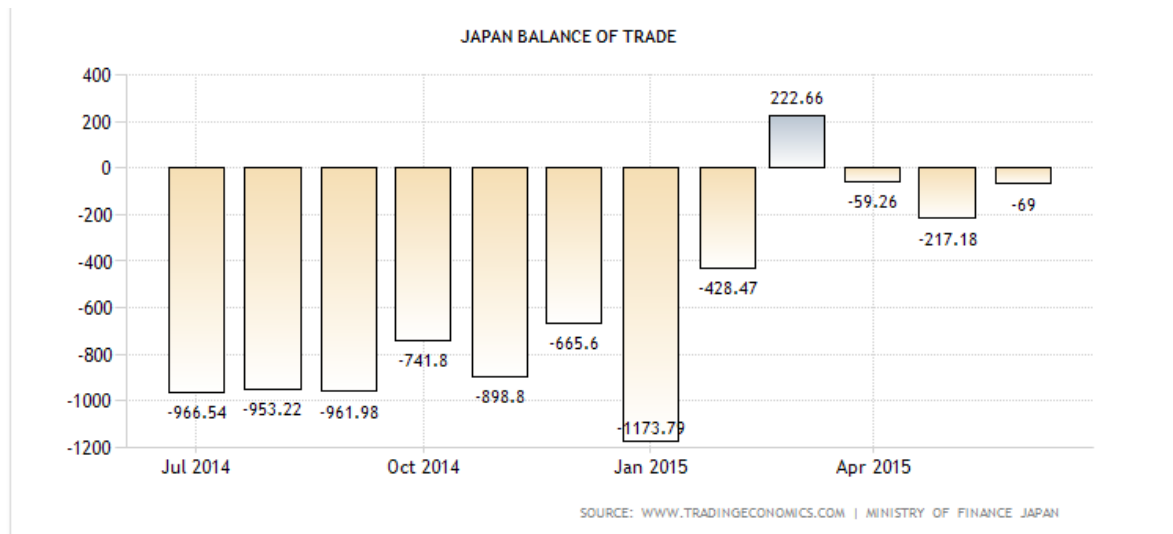
# OUTLOOK



# OUTLOOK

## Overall Japanese market and economic outlook

- Japan experienced the worst trade deficit on record in 2014 with a weakening of the Yen and continued increased purchases of fossil fuels following the post-earthquake nuclear shutdown in 2011. There has been a recovery in 2015, with further improvement expected because of recent large declines in energy prices and as Japan restarts its nuclear power generation with operators meeting new safety standards



# OUTLOOK (CONT'D)

## Overall Japanese market and economic outlook

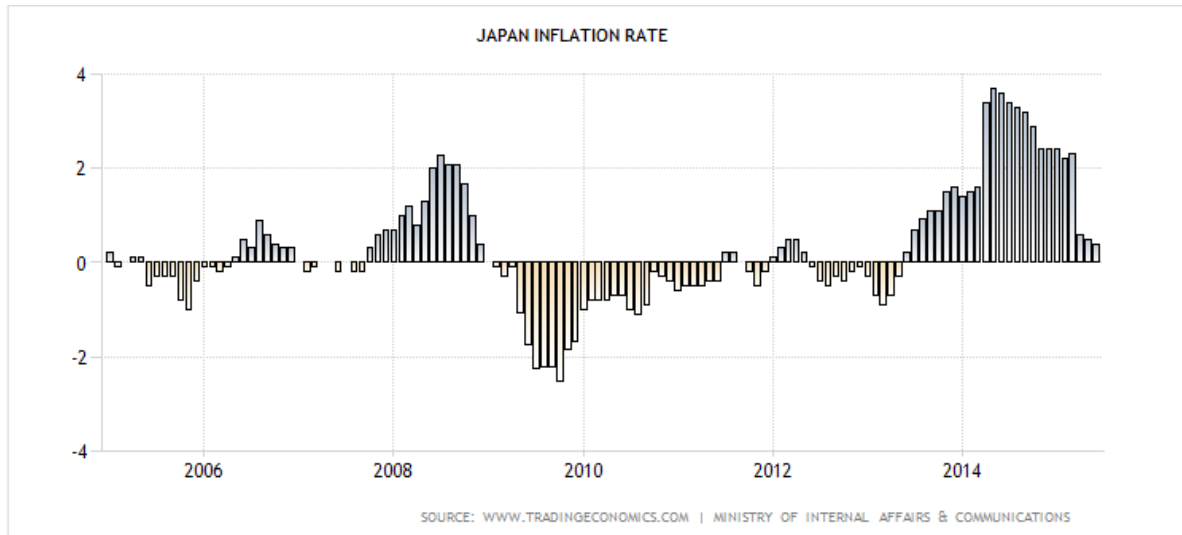
- Gross Domestic Product (GDP) in Japan contracted 0.40 % in the second quarter of 2015 over the previous quarter as exports declined and consumers cut back spending



# OUTLOOK (CONT'D)

## Overall Japanese market and economic outlook

- The inflation rate for the June quarter was 0.4%, down for the third consecutive quarter but still in positive territory. On 15 July, the central bank trimmed its growth forecast for the year through to March, 2016 from 2% to 1.7%, while keeping its projection that inflation will reach its 2% goal around the 6 months to September next year





# AJA STRATEGIC PRIORITIES AND GOALS

- With debt re-financed on greatly improved and extended terms in the past 12 months and security buy-backs already conducted, AJA looks to manage its cash surplus to further increase returns
- Further acquisitions and dispositions continue to be under consideration. Acquisition focus is on longer-term cash flows from larger, younger assets. Dispositions will mainly seek to recycle capital from smaller non-strategic assets, to improve portfolio age, quality and long-term portfolio transparency and value
- As forecast, surplus cash from refinancing and asset sales has been deployed on three fronts; security buy-backs, leveraged property investments providing higher yields (Musashino Towers) and increased distributions to securityholders from an annual rate of 25 cents per security to 32 cents per security so far. All these areas continue to be under consideration for future deployment of surplus cash
- AJA expects to continue an ongoing program of capital expenditure on the portfolio to maintain the highest possible rental outcomes, currently amounting to approximately 7 cents per security, fully funded from cash flows
- As a result of the expected full-year impact of refinancing and acquisition transactions undertaken in the past 12 months, underlying profit after tax is expected to increase by approximately 5%-6% based on budgeted portfolio performance and same foreign exchange rate as FY2015
- However, given recent Yen strength against the Australian dollar, based on foreign exchange rate of A\$1=¥88, underlying profit after tax is expected to increase by approximately 12%-15% to between A\$30 million and A\$31 million
- Distribution guidance for the 6 months to 31 December 2015 is 17.5 cents per security





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# APPENDICES



# INCOME STATEMENT

	30 Jun 2015 – \$'000	30 Jun 2014 – \$'000	30 Jun 2015 – ¥ '000	30 Jun 2014 – ¥ '000
<b>Net Property Income</b>				
Property revenue	63,757	73,403	6,088,742	6,805,203
Property expenses	(17,706)	(21,520)	(1,691,244)	(1,998,221)
<b>Net property income</b>	<b>46,051</b>	<b>51,883</b>	<b>4,397,498</b>	<b>4,806,982</b>
Interest income	153	162	14,565	14,817
Distribution income	2,023	2,057	193,300	190,904
Other income	15	210	1,408	19,508
<b>Total income</b>	<b>48,242</b>	<b>54,312</b>	<b>4,606,771</b>	<b>5,032,211</b>
<b>Expenses</b>				
Asset Management fees	(6,012)	(7,450)	(574,118)	(697,970)
Borrowing expense	(9,446)	(12,975)	(904,487)	(1,201,213)
Other expenses	(3,995)	(4,494)	(381,674)	(418,630)
<b>Total Expenses</b>	<b>(19,453)</b>	<b>(24,919)</b>	<b>(1,860,279)</b>	<b>(2,317,813)</b>
<b>Underlying profit before tax</b>	<b>28,789</b>	<b>29,393</b>	<b>2,746,492</b>	<b>2,714,398</b>
Income tax benefit/(expense), net of deferred tax on fair value adjustments to investment property and unlisted investments	(1,994)	(2,380)	(190,519)	(220,868)
<b>Underlying profit after tax</b>	<b>26,795</b>	<b>27,013</b>	<b>2,555,973</b>	<b>2,493,530</b>
<b>Non underlying items</b>				
Fair value adjustment to the unlisted investments in JPTGK and Spring	787	678	75,150	62,922
Fair value adjustments to interest bearing debt	(3,232)	-	(308,525)	-
Foreign currency translation impact on the fair value of the TKs	3,842	(15,834)	-	-
TK operator share of TK distributions	(73)	(90)	(6,992)	(8,458)
Debt forgiveness	-	131,386	-	12,005,907
Net fair value adjustment of investment properties	21,876	12,164	2,071,551	1,159,384
Net foreign currency gain/(loss)	1,152	293	110,041	27,202
Gain/(loss) on disposal of investment properties	4,566	5,324	440,107	493,500
Expenses associated with TK refinancings	(4,971)	-	(480,063)	-
Impairment of goodwill	(400)	-	(38,220)	-
Deferred tax on fair value adjustments to investment property and unlisted investments	(6,780)	(6,114)	(651,840)	(573,710)
<b>Net non underlying profit/(loss)</b>	<b>16,767</b>	<b>127,807</b>	<b>1,211,209</b>	<b>13,166,747</b>
<b>Net AIFRS accounting profit/(loss)</b>	<b>43,562</b>	<b>154,820</b>	<b>3,767,182</b>	<b>15,660,277</b>



# BALANCE SHEET

	30 Jun 2015 (A\$'000)	30 Jun 2014 (A\$'000)	30 Jun 2015 (¥'000)	30 Jun 2014 (¥'000)
<b>Assets</b>				
Cash and cash equivalents	59,632	29,372	5,605,038	2,797,333
Restricted cash <sup>1</sup>	38,278	41,213	3,597,895	3,925,048
Trade and other receivables	2,840	3,177	266,942	302,571.43
Financial assets at FVTPL	19,251	9,645	1,809,475	918,571.43
Investment properties	877,521	880,607	82,481,530	83,867,333
Deferred tax asset	4,061	7,309	381,709	696,095
Intangible assets	2,600	3,000	244,384	285,714
Other assets	952	1,392	89,482	132,571
<b>Total assets</b>	<b>1,005,135</b>	<b>975,715</b>	<b>94,476,455</b>	<b>92,925,238</b>
<b>Liabilities</b>				
Payables and other liabilities	11,076	15,844	1,041,075	1,508,952
Tenant deposits	41,440	43,375	3,895,103	4,130,952
Distribution payable	9,705	6,721	912,210	640,095
Interest bearing debt	536,376	497,792	50,416,017	47,408,762
Current tax liabilities	412	870	38,725	82,857
Deferred tax liabilities	13,085	9,378	1,229,909	893,143
<b>Total liabilities</b>	<b>612,094</b>	<b>573,980</b>	<b>57,533,039</b>	<b>54,664,762</b>
<b>Net assets</b>	<b>393,041</b>	<b>401,735</b>	<b>36,943,416</b>	<b>38,260,476</b>
Net tangible asset per security	\$6.44	\$5.94		
Gearing ratio (interest bearing debt/property value)	61.1%	57.0%		

<sup>1</sup> 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)



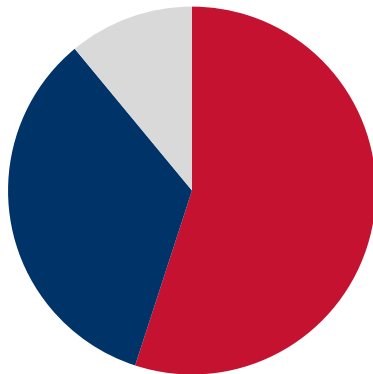
# PORTFOLIO OVERVIEW

	Retail		Office		Residential		Portfolio	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
Number of properties	14	15	12	13	4	4	30	32
Carrying value (¥ bn)	45.0	47.2	28.4	28.2	9.1	8.5	82.5	83.9
Net Rentable Area (tsubo)	37,196	46,770	13,694	13,976	8,199	8,199	59,089	68,946
Net Rentable Area (sqm)	122,963	154,612	45,270	46,204	27,105	27,105	195,338	227,921
% of portfolio by value	54.6%	56.3%	34.4%	33.6%	11.0%	10.1%	100.0%	100.0%
% of portfolio by area	62.9%	67.8%	23.2%	20.3%	13.9%	11.9%	100.0%	100.0%
Number of leases	69	99	123	126	4	4	196	229
Occupancy by area	99.2%	98.8%	90.0%	92.6%	100.0%	100.0%	97.2%	97.7%



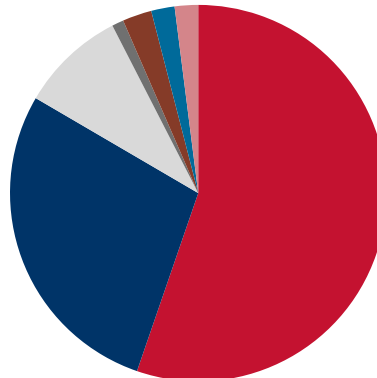
# PORTFOLIO DIVERSIFICATION

Asset class diversification (by value)



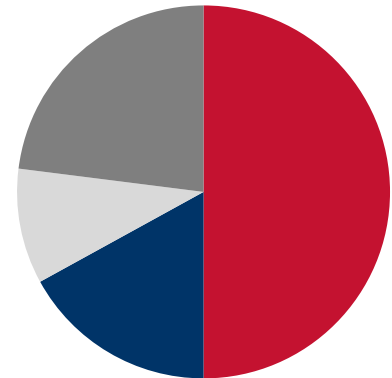
■ Retail - 55% ■ Office - 34% ■ Residential - 11%

Geographic diversification (by value)



■ Greater Tokyo - 55% ■ Central Tokyo - 28%  
 ■ Greater Osaka - 9% ■ Hokkaido - 1%  
 ■ Fukuoka - 3% ■ Shizuoka - 2%  
 ■ Aichi - 2%

Asset diversification (by value, largest to smallest)



■ Properties 1 to 4 - 50% ■ Properties 5 to 8 - 17%  
 ■ Properties 9 to 12 - 10% ■ Remaining properties - 23%

- Post property revaluations in June 2015 and asset sales, all segments remain substantially unchanged from June 2014
- Over 80% concentration of properties in Central and Greater Tokyo



# TOP 10 PROPERTIES

Property	Property Type	Carrying Value 30 June 2015 ¥ billions	% of portfolio	Occupancy by area
Kawasaki Dice	Retail	13.7	16.6%	100.0%
Konan Home Centre	Retail	11.8	14.3%	100.0%
JN	Office	8.0	9.7%	92.7%
Ginza Dowa	Office	7.9	9.6%	100.0%
Tosabori	Residential	4.7	5.7%	100.0%
Shinjuku Fuji	Retail	4.2	5.1%	100.0%
Sekijomachi	Residential	2.6	3.1%	100.0%
Shibuya Konami	Retail	2.4	2.8%	100.0%
Matsudo Nitori	Retail	2.2	2.7%	100.0%
Yamashitacho	Office	2.2	2.7%	71.2%
<b>Total</b>		<b>59.7</b>	<b>72.4%</b>	



# PORTFOLIO ASSETS BY TK AS AT 30 JUNE 2015

	JPT		JPTS			JPTC			JPTN			JPTO		
	Carrying value 30 Jun 15 ¥bn	% of portfolio	Property	Carrying value 30 Jun 15 ¥bn	% of portfolio	Property	Carrying value 30 Jun 15 ¥bn	% of portfolio	Property	Carrying value 30 Jun 15 ¥bn	% of portfolio	Property	Carrying value 30 Jun 15 ¥bn	% of portfolio
Property														
Konan Home Centre	11.8	14.3	Shinjuku Fuji	4.2	5.1	Kawasaki Dice	13.7	16.6	Shibuya Konami	2.4	2.8	Sekijomachi	2.6	3.1
Ginza Dowa	7.9	9.6	Takadanobaba	1.6	1.9	JN	8.0	9.7	Yamashitacho	2.2	2.7	Matsudo Nitori	2.2	2.7
			Sun Ace Tokugawa	1.3	1.6	Tosabori	4.7	5.7	Tsudanuma	1.9	2.3	Matsudo Nitori Parking	0.4	0.5
			OS Tsukiji	1.2	1.5				Susono	1.8	2.2			
			Prime Kanda	1.2	1.4				Higashi Totsuka	1.6	1.9			
			G-Clef Kamata	1.2	1.4				Harajuku Bell Pier	1.6	2.0			
			Asakusa	1.1	1.3				Forest Kita Aoyama	1.4	1.7			
			Sapporo Co-op	1.0	1.2				Round One Amagasaki	1.3	1.5			
			Kajicho Ekimae	0.7	0.8				Motomachi	1.1	1.3			
			Nishi-Kasai	0.6	0.7				Round One Nara	1.0	1.2			
			FT Nihombashi	0.5	0.6				Sun No. 5	0.5	0.6			





# PORTFOLIO SNAPSHOT AS AT 30 JUNE 2015

	Carrying Value					Occupancy by area	
	Jun-15	Dec-14	Jun-14	%	% of portfolio post revaluations	Actual	Actual
	¥ billions	¥ billions	¥ billions	Change (Jun-14 to Jun-15)		Jun-15	Jun-14
Retail	45.0	44.1	47.2	-4.7%	54.6%	99.2%	98.8%
Office	28.4	27.8	28.2	0.7%	34.4%	90.0%	92.6%
Residential	9.1	8.7	8.5	7.1%	11.0%	100.0%	100.0%
<b>Portfolio</b>	<b>82.5</b>	<b>80.5</b>	<b>83.9</b>	<b>-1.7%</b>	<b>100.0%</b>	<b>97.2%</b>	<b>97.7%</b>

<b>Retail</b>							
Kawasaki Dice	13.7	13.5	13.0	5.4%	16.6%	100.0%	97.5%
Konan Home Centre	11.8	11.1	11.1	6.3%	14.3%	100.0%	100.0%
Shinjuku Fuji	4.2	4.2	4.3	-2.3%	5.1%	100.0%	100.0%
Aeon Mukomachi <sup>1</sup>	N/A	N/A	3.2	N/A	N/A	N/A	100.0%
Shibuya Konami	2.4	2.4	2.4	0.0%	2.8%	100.0%	100.0%
Matsudo Nitori	2.2	2.2	2.2	0.0%	2.7%	100.0%	100.0%
Tsudanuma	1.9	1.9	2.0	-5.0%	2.3%	100.0%	100.0%
Susono	1.8	1.8	1.8	0.0%	2.2%	100.0%	100.0%
Harajuku Bell Pier	1.6	1.6	1.6	0.0%	2.0%	94.3%	100.0%
Round One Amagasaki	1.3	1.3	1.3	0.0%	1.5%	100.0%	100.0%
Motomachi	1.1	1.1	1.3	-15.4%	1.3%	40.5%	69.3%
Sapporo Co-op	1.0	1.0	1.1	-9.1%	1.2%	100.0%	100.0%
Round One Nara	1.0	1.0	1.0	0.0%	1.2%	100.0%	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	N/A	N/A	0.5%	100.0%	N/A
Yoshikawa <sup>1</sup>	N/A	N/A	0.3	N/A	N/A	N/A	90.4%
<b>Retail sub total/average</b>	<b>45.0</b>	<b>44.1</b>	<b>47.2</b>	<b>-4.7%</b>	<b>54.6%</b>	<b>99.2%</b>	<b>98.8%</b>
Musashino Towers <sup>2</sup>	2.8	1.1	1.0	N/A		100.0%	100.0%

<sup>1</sup> Sold during FY2015

<sup>2</sup> AJA's interest in Musashino Towers, purchased April 2013, is excluded from the consolidated portfolio data as it is owned by an entity in which AJA has a 52% interest and is not included as a consolidated segment



# PORTFOLIO SNAPSHOT AS AT 30 JUNE 2015 (CONT'D)

	Carrying Value					Occupancy by area	
	Jun-15	Dec-14	Jun-14	%	% of portfolio post revaluations	Actual	Actual
	¥ billions	¥ billions	¥ billions	Change (Jun-14 to Jun-15)		Jun-15	Jun-14
Office							
JN	8.0	7.8	7.8	2.6%	9.7%	92.7%	100.0%
Ginza Dowa	7.9	7.7	7.5	5.3%	9.6%	100.0%	100.0%
Yamashitacho	2.2	2.3	2.2	0.0%	2.7%	71.2%	91.5%
Higashi Totsuka	1.6	1.6	1.6	0.0%	1.9%	93.6%	90.5%
Takadanobaba	1.6	1.5	1.5	6.7%	1.9%	92.4%	92.4%
Forest Kita Aoyama	1.4	1.4	1.4	0.0%	1.7%	100.0%	100.0%
Sun Ace Tokugawa	1.3	1.2	1.1	18.2%	1.6%	83.4%	69.3%
OS Tsukiji	1.2	1.1	1.1	9.1%	1.5%	100.0%	100.0%
Prime Kanda	1.2	1.1	1.1	9.1%	1.4%	85.7%	100.0%
Asakusa	1.1	1.1	1.2	-8.3%	1.3%	100.0%	100.0%
Daikanyama Takara¹	N/A	N/A	0.6	N/A	N/A	N/A	67.1%
FT Nihombashi	0.5	0.5	0.6	-16.7%	0.6%	66.7%	100.0%
Sun No.5	0.5	0.5	0.5	0.0%	0.6%	100.0%	100.0%
Office sub total/average	28.4	27.8	28.2	0.7%	34.4%	90.0%	92.6%
Residential							
Tosabori	4.7	4.5	4.4	6.8%	5.7%	100.0%	100.0%
Sekijomachi	2.6	2.5	2.5	4.0%	3.1%	100.0%	100.0%
G-Clef Kamata	1.2	1.1	1.1	9.1%	1.4%	100.0%	100.0%
Nishi Kasai	0.6	0.5	0.5	20.0%	0.7%	100.0%	100.0%
Residential sub total/average	9.1	8.7	8.5	7.1%	11.0%	100.0%	100.0%
Total/average	82.5	80.5	83.9	-1.7%	100.0%	97.2%	97.7%

<sup>1</sup> Sold during FY2015



# PORTFOLIO VALUATION SUMMARY

	Portfolio Carrying Value		Date	Direct Cap Overall Cap Rate	DCF Discount Rate	DCF Terminal Cap Rate	Method
	30/06/2015 ¥ billions	% of portfolio		%	%	%	
Retail	45.0	54.6%		5.3%	5.0%	5.5%	
Office	28.4	34.4%		5.1%	4.9%	5.3%	
Residential	9.1	11.0%		5.5%	5.3%	5.7%	
<b>Portfolio</b>	<b>82.5</b>	<b>100.0%</b>		<b>5.3%</b>	<b>5.0%</b>	<b>5.5%</b>	

<b>Retail</b>							
Kawasaki Dice	13.7	16.6%	30/06/2015	4.5%	4.3%	4.6%	DCF
Konan Home Centre	11.8	14.3%	30/06/2015	5.5%	5.3%	5.7%	DCF
Shinjuku Fuji	4.2	5.1%	30/06/2015	5.9%	5.2%	6.4%	DCF
Shibuya Konami	2.4	2.8%	30/06/2015	5.0%	4.7%	5.2%	DCF-50% DC-50%
Matsudo Nitoni	2.2	2.7%	30/06/2015	5.5%	5.3%	5.7%	DCF-50% DC-50%
Tsudanuma	1.9	2.3%	30/06/2015	6.1%	5.9%	6.4%	DCF
Susono	1.8	2.2%	30/06/2015	5.7%	6.2%	6.6%	DCF-50% DC-50%
Harajuku Bell Pier	1.6	2.0%	30/06/2015	4.6%	4.4%	4.7%	DCF
Round One Amagasaki	1.3	1.5%	30/06/2015	6.5%	6.0%	7.0%	DCF
Motomachi	1.1	1.3%	30/06/2015	5.7%	5.2%	5.6%	DCF
Sapporo Co-op	1.0	1.2%	30/06/2015	6.3%	6.1%	6.5%	DCF- 75% DC -25%
Round One Nara	1.0	1.2%	30/06/2015	6.8%	6.2%	7.2%	DCF
Kajicho Ekimae	0.7	0.8%	30/06/2015	5.6%	5.1%	5.7%	DCF
Matsudo Nitoni Parking	0.4	0.5%	30/06/2015	5.5%	5.3%	5.7%	DCF- 75% DC -25%
<b>Total retail</b>	<b>45.0</b>	<b>54.6%</b>		<b>5.3%</b>	<b>5.0%</b>	<b>5.5%</b>	
Musashino Towers <sup>1</sup>	2.8	N/A	30/06/2015	5.1%	4.9%	5.3%	DCF- 70% DC -30%

<sup>1</sup> AJA's interest in Musashino Towers, purchased April 2013, is excluded from the consolidated portfolio data as it is owned by an entity in which AJA has a 52% interest and is not included as a consolidated segment



# PORTFOLIO VALUATION SUMMARY (CONT'D)

	Portfolio Carrying Value		Date	Direct Cap Overall Cap Rate	DCF Discount Rate	DCF Terminal Cap Rate	Method
	30/06/2015 ¥ billions	% of portfolio					
<b>Office</b>							
JN	8.0	9.7%	30/06/2015	4.9%	4.7%	5.1%	DCF-50% DC-50%
Ginza Dowa	7.9	9.6%	30/06/2015	4.3%	4.1%	4.5%	DCF
Yamashitacho	2.2	2.7%	30/06/2015	5.6%	5.4%	5.9%	DCF-50% DC-50%
Higashi Totsuka	1.6	1.9%	30/06/2015	7.2%	6.2%	6.5%	DCF
Takadanobaba	1.6	1.9%	30/06/2015	5.3%	5.1%	5.7%	DCF-50% DC-50%
Forest Kita Aoyama	1.4	1.7%	30/06/2015	4.8%	4.7%	4.9%	DCF
Sun Ace Tokugawa	1.3	1.6%	30/06/2015	6.8%	6.6%	7.2%	DCF
OS Tsukiji	1.2	1.5%	30/06/2015	5.3%	5.0%	5.3%	DCF
Prime Kanda	1.2	1.4%	30/06/2015	5.4%	5.2%	5.5%	DCF
Asakusa	1.1	1.3%	30/06/2015	6.0%	5.8%	6.0%	DCF
FT Nihombashi	0.5	0.6%	30/06/2015	6.1%	5.4%	5.9%	DCF
Sun No.5	0.5	0.6%	30/06/2015	5.9%	5.6%	6.1%	DCF
<b>Total office</b>	<b>28.4</b>	<b>34.4%</b>		<b>5.1%</b>	<b>4.9%</b>	<b>5.3%</b>	
<b>Residential</b>							
Tosabori	4.7	5.7%	30/06/2015	5.2%	4.9%	5.2%	DCF
Sekijomachi	2.6	3.1%	30/06/2015	5.9%	5.7%	6.3%	DCF-50% DC-50%
G-Clef Kamata	1.2	1.4%	30/06/2015	5.6%	5.4%	5.7%	DCF
Nishi Kasai	0.6	0.7%	30/06/2015	6.1%	6.2%	6.5%	DCF
<b>Total residential</b>	<b>9.1</b>	<b>11.0%</b>		<b>5.5%</b>	<b>5.3%</b>	<b>5.7%</b>	

