ASX/Media Release

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AGM ADDRESS TO SECURITYHOLDERS

Please find attached the Address to Securityholders to be delivered by the Chairman and the Senior Advisor at today's Annual General Meeting.

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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 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.

Astro Japan Property Group (AJA) - 2015 Annual General Meeting

Chairman's and Senior Advisor's Address

Chairman's Address – Mr Allan McDonald

Good morning and welcome to the Astro Japan Property Group's 2015 Annual General Meeting.

I am pleased to report some very significant achievements during the 2015 financial year, positioning the Astro Japan Property Group (Astro) soundly for the future. As we have mentioned in numerous presentations and at this meeting last year, our focus has been on enhancing the capital structure and refining the property portfolio. I will take a few minutes later in my address to summarise the major elements of the achievements in these areas and the Senior Advisor's Address will provide a detailed outline of the year's activities.

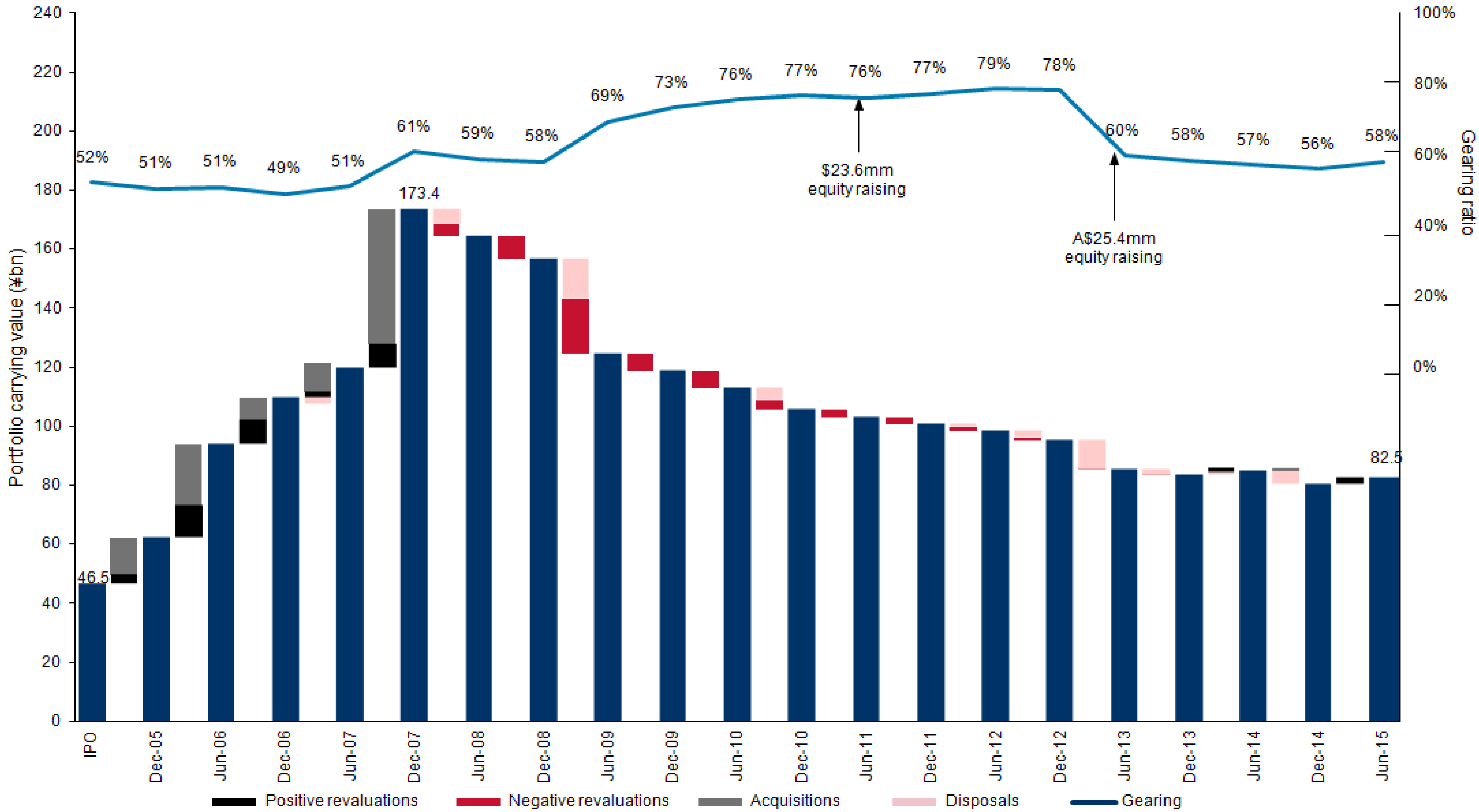
Firstly, let me deal with our financial results. Our underlying profit after-tax was $26.8 million for the year ended 30 June 2015, 0.8% lower than the previous year. Underlying profit after-tax is a measure which the Directors believe accurately and consistently reflects the underlying business performance of Astro. The negative impact of reduced net property income resulting from a number of 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. The result was also helped by lower asset management fees.

Importantly, this result reflects stabilisation following previous weakness in net rental income, with like-for-like net rent down only 1.9%, almost entirely from the restructuring and extension of a single retail lease in the Susono asset. For the future, there is some early evidence of potential rental growth, albeit small, linked to the efforts of the Japanese Government to stimulate and reflate the economy.

This improvement has been reflected in a tightening of capitalisation rates used by valuers, resulting in an increase in the book value of the Group's portfolio at June 2015 by nearly $22 million, representing about 36 cents per security. This has been the main driver for an uplift in net tangible assets per security from $5.94 to $6.44 as at June, 2015. Significant weakening of the Australian dollar against the Japanese Yen since the June accounting date, has further increased the Australian dollar NTA.

As I indicated to you last year, capital management is a key focus for the Group. Interests in our 31 properties are held through 5 special purpose companies. To take advantage of improved conditions in both the banking and property markets in Japan, our asset manager, Spring Investment, succeeded in refinancing the debt of all those companies during the year, resulting in a reduction in the weighted average interest rate from 1.87% at June 2014 to 1.29% at June 2015. Importantly, amortisation – the amount of debt that must be repaid to lenders each year – has been substantially reduced as a result of these refinancings, meaning Astro's annual debt repayments are lower by approximately $9.1 million. The new loans also mean an increase in the weighted average maturity of all the Astro debt from 2.3 years to 7.7 years. Gearing remains well within our target range at 58%, as detailed in the chart now on the screen.

PORTFOLIO VALUE / GEARING SINCE IPO



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

With funds realised from some opportunistic asset sales and through the debt refinancings, we bought back and cancelled a total of 6.56 million AJA securities during the year through both on-market and off-market ASIC approved buy-back programs. This represented 10% of securities previously on issue. Directors considered this to be the best use of available funds, resulting as it did in an improvement in earnings and NTA per security for securityholders.

With available excess funds remaining, we will continue to consider further capital management strategies, as Mr Lucas will outline.

Distributions

A final distribution of 16 cents per security (cps) was paid on 31 August, 2015, bringing total distributions for the year to 28.5 cps, an increase of 42% compared to 20 cps for the previous year.

The Board reaffirms its ongoing emphasis on continuity of the highest prudent level of distributions to security holders and is proud to have been able to maintain an unbroken record of half yearly distributions since the Group was listed in 2005.

As announced on 26 August, distribution guidance for the six months to 31 December, 2015 is 17.5 cps, with further guidance to be given, if appropriate, when current volatility in currency markets stabilises sufficiently to give some clarity on the impact for the Group. The FY2015 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. AJA expects to continue an ongoing programme of capital expenditure on the portfolio funded from cash flows, currently amounting to approximately 7 cents per security per year, to maintain the highest possible rental outcomes.

Outlook

The longer term outlook for the Group is of course influenced by the success of the Japanese Government's strategy to stimulate the Japanese economy, which so far has produced limited improvements. Whilst the 2014 sales tax increase has clearly acted as a brake on economic activity, the restarting of Japan's nuclear power generating capacity will assist in enhancing the productivity of manufacturers and utilities which have borne extremely high energy costs during most of the period since 2011. Global economic volatility makes forecasting difficult, however with the post-GFC portfolio rationalisation and pro-active refinancing of all Astro's liabilities we believe the Group is positioned to withstand some economic downside but at the same time take advantage of opportunities which arise.

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

However, given recent Yen strengthening against the Australian dollar, and assuming a foreign exchange rate in line with recent levels around A$1=¥88, underlying profit after tax for FY 2016 is expected to increase by approximately 12%-15% to between A$30 million and A$31 million.

Before moving to the Senior Advisor's address and formal business of the meeting, I would like to thank all securityholders for their ongoing support and also thank my fellow Directors, our management team and our Asset Manager for ongoing dedication.

I will now hand over to Eric Lucas, our Senior Advisor, who will provide commentary in relation to the Astro Group's recent developments and outlook.

Senior Advisor's address – Mr Eric Lucas

Thank you Allan.

Good morning and once again welcome to our 2015 Annual General Meeting.

As I previously foreshadowed, the focus for the 2015 financial year was to complete the restructuring and refinancing of our loans through a combination of asset sales and extensive negotiations with both existing and new lenders. In Japan we have the advantage of a large number of banks and other institutions lending against real estate and our team at Spring Investment, Astro's asset manager in Japan, regularly investigates finance opportunities for each of the five special purpose companies through which Astro has invested in its property portfolio.

I am pleased to say that over the past year or so these efforts have achieved excellent outcomes.

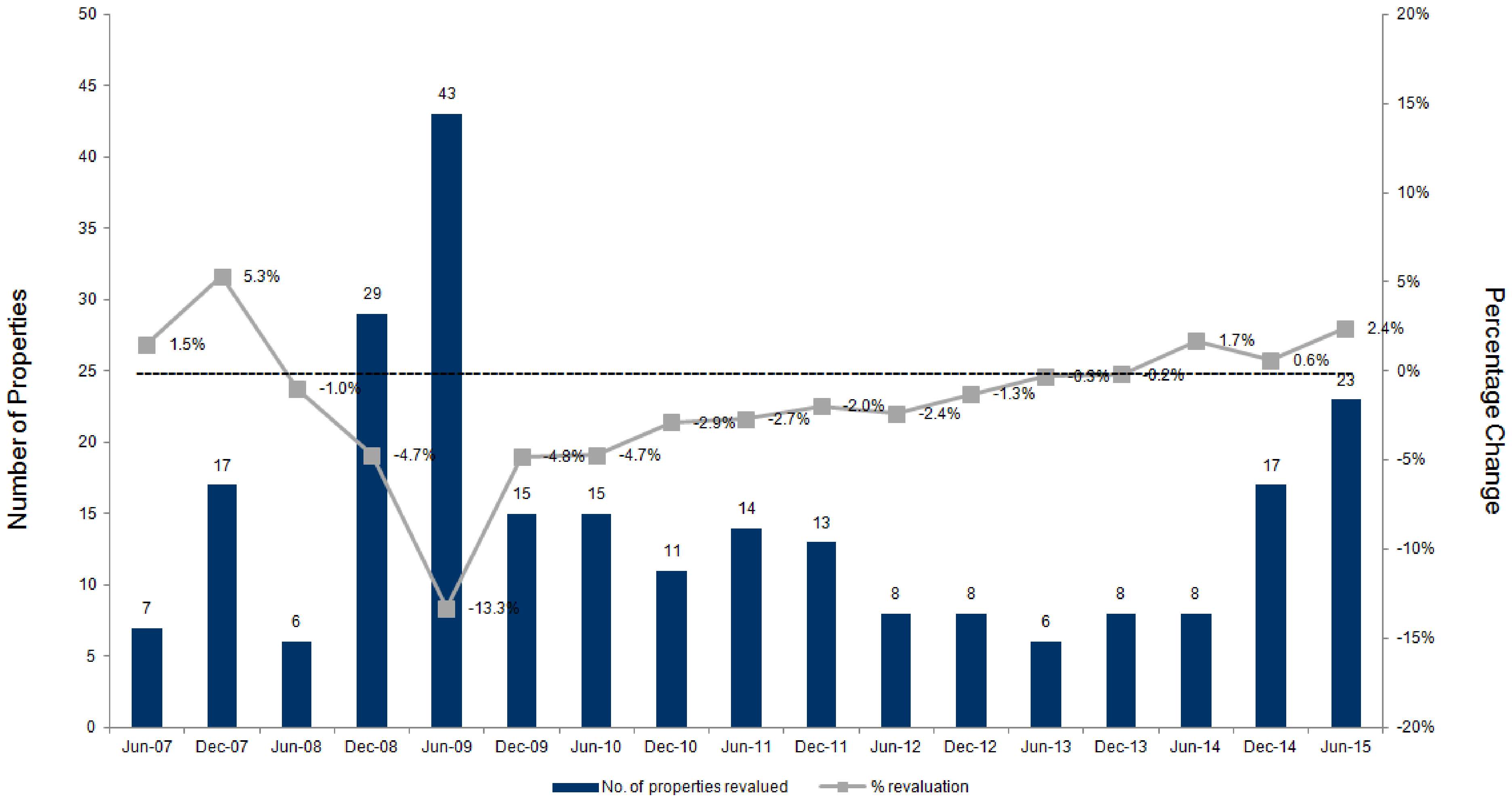
The Chairman has already summarised the significant benefits from our debt refinancings, with reduced interest costs, extended maturity terms and a major reduction in annual debt amortisation. An additional benefit of our capital management initiatives is that we were able to free up over $65 million equivalent of cash for use in our business. With Astro's market price at a substantial discount to NTA, we deployed $34 million of this cash to buy-back and cancel 6.56 million Astro securities at an average price of $5.20. This initiative improves both earnings and NTA per security for the remaining 60.65 million securities on issue.

As noted by the Chairman, with a firming trend in Japanese property prices, our property values showed an increase over the full year, with a total of 17 properties revalued upwards. Reflecting the improvement in market sentiment, the weighted average capitalisation rate used by the independent valuers for the portfolio at June 2015 tightened to 5.3% from 5.5% at June 2014.

However, as a result of ¥4.2 billion of asset sales during the 12 months to June 2015, the total value of Astro's portfolio declined to ¥82.5 billion as at June 2015 from ¥83.9 billion at June 2014. In Australian dollar terms the value of the portfolio decreased very marginally from $880.6 million at June 2014 to $877.5 million at June 2015.

The chart on the screen shows the trend of recovery in property values for our portfolio, with increases in values beginning from 2014 following 6 years of downward revaluations since the GFC in 2008.

HISTORICAL TREND OF PORTFOLIO VALUATION



The continued positive trend in asset values is of course welcome, however with this trend comes more competition for acquisitions. Nevertheless, we were able to increase our holding in the Musashino Towers asset during the year from a 21% interest to a 52.4% interest through two acquisitions and then, post year end, we acquired another interest, with Astro now holding a 64% interest in this property.

We also made a small strategic acquisition of the underlying land on which a multi-story car park is built, providing parking for customers of the Matsudo Nitori retail asset which was already owned by Astro. The car park is leased to Nitori on a 20 year fixed term lease to June 2023, under which Nitori has deposited rent for the entire lease term. Approximately $15.4 million of surplus funds were used for the Musashino and Nitori acquisitions.

Taking advantage of an improvement in property values, we sold three properties during the year, all having, in Spring's view, limited growth potential and having some capital expenditure and/or potential tenancy issues. We sold Daikanyama in July, 2014, Yoshikawa in August, 2014 and Aeon Mukomachi in September, 2014 for a total consideration of the equivalent of $48.3 million, all at premiums to book values. After repaying debt and meeting sales expenses, these sales released about $14 million equivalent of cash.

Across the portfolio of 31 remaining properties, occupancy levels remain strong, and we have seen marginal improvement in some rents. However, in common with other landlords, we are yet to see broad-based rent level improvement. This may well occur over time if the concerted efforts to reflate the Japanese economy are successful. Whilst our net property income in A$ terms was down about 11% on the previous year, this was largely the result of asset sales and foreign exchange rate movements. Excluding asset sales and currency movements, net property income was down only 1.9%, and as the Chairman noted this was almost completely due to the restructuring and extension of a single retail lease in the Susono asset.

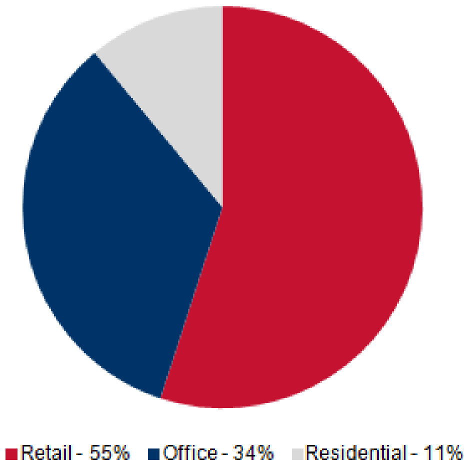
Despite the challenging operating environment, the Astro Japan Group portfolio occupancy by area decreased only marginally to 97.2% compared to 97.7% at 30 June 2014, reflecting a focus on keeping or finding tenants even if at the expense of rental levels in the short term.
At the end of the financial year, Astro Japan Group's portfolio had 196 leases, down from 229 as at June 2014, mainly as a result of asset sales. Over 43% of revenues are derived from the top 10 tenants. The portion of total portfolio net property income derived from non-cancellable leases has increased to over 42%, up from 39% as at June 2014, mainly in our retail assets, contributing stability to Astro's medium term portfolio income stream.

We continue to believe that the key to the portfolio is the diversity of the property cash flows provided by a balance between retail and office with a small residential component, a predominance of assets located within the Greater Tokyo area, and a combination of longer-term, non-cancellable leases and 'standard' leases which are cancellable usually on several months' notice.

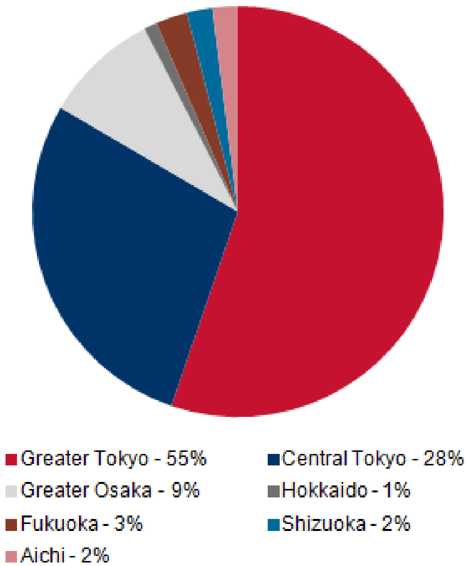
The diversity of the portfolio is now shown on the screen.

PORTFOLIO DIVERSIFICATION

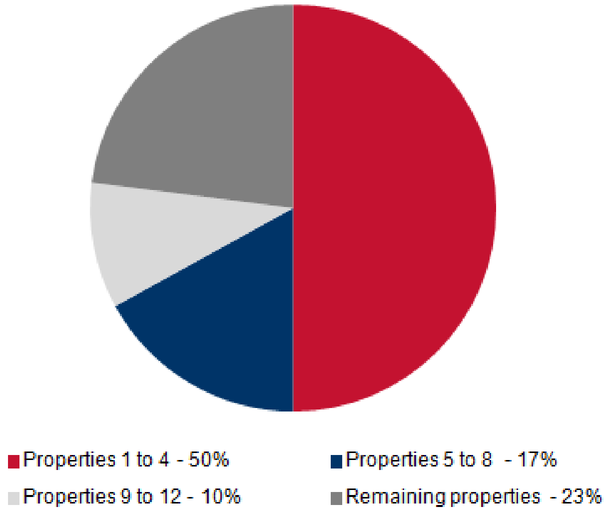
Asset class diversification (by value)



Geographic diversification (by value)



Asset diversification (by value, largest to smallest)



Outlook

Let me add a few words to the Chairman's comments on the outlook for Astro. With debt re-financed on greatly improved and extended terms, we are now looking to manage our cash surplus to further increase returns. Further acquisitions and dispositions remain under consideration with acquisition focus being 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 you will note from Resolution 4, we consider further security buy-backs as a potentially important continuing element of our capital management strategy. It is important to remember however that whilst we are seeking your approval for the flexibility to conduct further buy-backs, they will only be conducted if Directors are satisfied that this is the best use of surplus funds at the relevant times.

With the economic picture in Japan having stabilised, and with increasing signs that broad-based deflation in Japan may be at or close to an end, we will continue our efforts to maximise operating performance and to manage your capital prudently.

Thank you once again for your ongoing support.