

29 February 2016

SALE OF YAMASHITACHO OFFICE PROPERTY: AJA FREE CASH BALANCE GROWS TO APPROXIMATELY 14% OF NTA

Astro Japan Property Group (ASX: AJA) today announced the sale of an office property, Yamashitacho, from its 30 property portfolio for ¥2.1 billion (A\$25.9 million approx. at A\$1=¥81). 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 the same as the most recent ¥2.1 billion AJA book value of the asset as at 31 December 2015. The asset represented approximately 2.4% of AJA's portfolio by book value at 31 December 2015.

After making repayment of approximately ¥1.24 billion of debt principal required to release this asset under the loan agreement and netting against the sale proceeds the payment of loan and sale-related costs, net proceeds available to AJA are approximately ¥778 million (approx. A\$9.6 million).

Following the sale, the outstanding remaining loan amount for JPTN is ¥8.27 billion, which represents a loan-to-value ratio for JPTN of 56.5%, down from 57.0% as at 31 December 2015, using AJA's book values as at that date.

Mr Eric Lucas, Senior Advisor to AJA, said "This property is a 25 year-old, non-core asset in an office tenancy market that has shown sustained weakness. Given that the building also requires material ongoing capital expenditure, we believe it was appropriate to sell the property in the current strong market for second-tier assets.

The sale represents a continuation of our previously announced strategy to continue to rationalize the portfolio by selling smaller, older, non-strategic assets to free up capital for uses that will create more value."

Following this sale, AJA will have approximately \$59 million equivalent (almost all is held in Yen) in excess cash, equal to approximately 14% of AJA's 31 December 2015 net tangible assets (NTA). As outlined in the half year results presentation last week, AJA currently expects to use this capital for a combination of capital initiatives, including security buybacks and asset acquisitions.

Further Property Details

The property interest sold was the Yamashitacho property, which is a multi-tenanted office building. The property was originally built in 1991 and is located in Yokohama City, approximately 30 kilometres south of Tokyo.

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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 29 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.