

6 June 2016

REDUCTION IN EARNINGS GUIDANCE DUE TO EXPECTED PERFORMANCE FEE

Astro Japan Property Group (ASX: AJA) refers to previous guidance announced on 24 February 2016 that FY2016 underlying profit after tax was expected to be between 53 cents per security (cps) and 55 cps (\$32 million and \$33.5 million), assuming an average foreign exchange rate of ¥82:A\$1 for the second half and no material performance fee payable to the Japan Asset Manager.

As a result of the increasingly strong likelihood that a performance fee will be payable to the Japan Asset Manager based on AJA's substantial out-performance of the ASX 200 Property Accumulation Index (Index) during this financial year, the AJA Board now advises that FY2016 underlying profit after tax is now expected to be between 47.8 cps and 51.1 cps (\$29 million and \$31 million, still 8-15% higher than FY2015). This guidance assumes an average foreign exchange rate of ¥85.5:A\$1 for the current financial year.

The fee is based on performance over each 12 month period to 30 June and thus can only be calculated at close of business on 30 June 2016, but based on current trading levels it is expected to be in the range of \$4 million to \$6 million. The AJA security price has performed strongly over the current period, increasing from \$4.94 on 1 July 2015 to \$7.01 as at close of trading on Friday, 3 June 2016.

This will be the third consecutive year in which such a fee has been paid based on out-performance of the AJA security price and distributions over the Index. AJA's aggregate total return (including re-investment of distributions) has been substantially ahead of the Index, if calculated on the same basis, since AJA's IPO in 2005.

The AJA Board confirms that the portfolio operating performance is broadly in line with expectations when guidance was given in February and there is no change in distribution guidance for H2 FY2016 at 18 cents per security, with full year distribution expected to be 36 cents per security, an increase of 26.3% on FY2015. AJA holds surplus cash of \$63 million equivalent (mostly held in Yen).

AJA expects to announce its full year results on Wednesday, 24 August 2016 at 11.00am.

ENDS

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

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 27 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.