



31 March 2009

The Manager
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Release

Rubicon Japan Trust (ASX: RJT) – Notification of Default Notice (Rubicon TK1 Guodo Kaisha (TK1))

In the Directors Report for the Interim Financial Report lodged with the ASX and dated 12 March 2009 (Directors Report), Rubicon Asset Management Limited (RAML) as responsible entity (RE) of Rubicon Japan Trust (RJT) advised that the TK1 CSC Series 1 Loan Facility (¥13.7 billion) (TK1 Loan Facility) would be in breach of its indebtedness covenant on the lodgement of the Interim Financial Statements (Default). The Servicer of the TK1 Loan Facility (ORIX Asset Management & Loan Services Corporation) (Servicer) has served a notice of Default in relation to that breach. The notice was dated 30 March 2009, and TK1 has been given thirty days to cure the Default.

As disclosed in the Directors Report, TK1 recently negotiated an amendment to the TK1 Loan Facility, which was approved by the majority of the controlling class of bondholders, and was intended to remedy the Default and extend the term of the TK1 Loan Facility, which matures in November 2009. In previous discussions and correspondence with the trustee for the bondholders under the securitisation program relating to the TK1 Loan Facility, Wells Fargo Bank, NA (Trustee), the Trustee advised RAML that the amendments to the TK1 Loan Facility could be made with the approval of the Trustee, acting on the instructions of the majority of the controlling class of bondholders. However, in the finalization of the documentation, the Trustee has raised doubt as to whether in giving its consent, it must act on the instructions of the majority of the controlling class, or all bondholders, to enable the amendment to be made. This has delayed the amendment to the TK1 Loan Facility for a period yet to be determined. As a result of the receipt of the notice of Default it may be that further consents may also be required under the terms of the securitisation program in order to complete the amendment of the TK1 Loan Facility. Formal translation and legal advice is being currently being sought in this regard. Discussions with the Trustee are ongoing (and continuing formal legal advice is being sought) to determine what form of consent is legally required and from whom, and whether that consent will be forthcoming.

The delay in finalization of the amendment to the TK1 Loan Facility, has resulted in a delay in the execution of the Rubicon TK2 Gouda Kaisha (TK2) Shinsei Bank renegotiated facilities, as the amendment to the TK1 Loan Facility was a condition precedent for the TK2 restructure, as detailed in the Directors Report. Accordingly, the TK2 Preference Equity Facility (PTK) is due to expire today, meaning that unless an agreement can be reached with Shinsei to the contrary ¥4.9 billion will become immediately repayable by TK2. Non-payment of this amount will, on the expiry of all applicable notice and cure periods, result in an event of default under the TK2 senior debt facility of (¥46.6 billion) described in the Directors Report, which could result in the TK2 senior debt facility becoming immediately repayable. TK2 and Shinsei Bank are working together on a solution to this delay and whether the date

for repayment of the PTK can be extended. TK2 is not currently in a position to repay the PTK or the senior facility.

Finally, the National Australia Bank (NAB) has waived the covenant breaches under its corporate facility to RJT that occurred due to the revaluation of the real estate portfolio of TK1, TK2 and RHA Asia Gouda Kaisha (TK 3), as identified in the Directors Report. NAB has also agreed to an extension of the current facility subject to confirmation of the TK1 and TK2 loan restructures described above. The serving of the notice of Default by the Servicer under the TK1 Loan Facility constitutes an event of default under the NAB facility. This means that the NAB facility (A\$1.5 million) may also become immediately repayable. RJT is working closely with NAB to determine whether they are willing to waive this new event of default and to extend the facility despite the delay in finalising the TK1 and TK2 restructures.

As indicated in the Directors' Report, each of TK1, TK2 and TK3 need to finalise the restructure of their debt facilities in order to remedy the default referred to in the notice of Default, overcome existing breaches of financial covenants caused by the revaluation of the real estate portfolio and extend the terms of the facilities. If this can not be done, the TK1, TK2 and TK3 loan facilities could be accelerated and the security over the loan portfolio could be enforced. If this was to occur, the value of RJT's TK investments would be significantly reduced. Accordingly, RAML and the manager of the real estate portfolio (Allco Real Estate Asset Management KK) are closely monitoring the situation and assessing the continuing solvency of RJT, the manager and the TKs.

RAML requests that the suspension of the quotation of the units in RJT continue.