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ASX/Media Release

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AJA ANNOUNCES UNDERWRITTEN EQUITY RAISING OF A$23.6 MILLION

Astro Japan Property Group (ASX: AJA) today announced a fully underwritten institutional placement of new stapled securities to raise A$23.6 million (¥2.0 billion, approx. at A$1=¥83).

The proceeds of the equity raising, plus a portion of existing AJA cash reserves, will be used to reduce the current loan principal of the ¥20.1 billion senior loan to JPT Corporate Co., Ltd. (JPTC) by ¥2.5 billion and to pay the costs associated with the raising and loan revision. JPTC is the Japanese special purpose company which holds three assets, representing approximately 24% of AJA's property interests by book value.

In consideration of this reduction of the JPTC loan principal, revised terms of the JPTC loan have been negotiated with the lender, which include an extension of the loan maturity until March 2016 from the current maturity of December 2012, as well as the following favourable terms:

- an interest margin on the extended loan of 1.0%, unchanged from that under the current loan in place since 2007;
- covenants that leave JPTC with substantial headroom, as set out below; and
- amortisation to stay unchanged at ¥125 million per quarter.

Following successful completion of the equity raising, negotiations of formal loan documentation with the lender are expected to be completed prior to the end of March.

Under the institutional placement, AJA will issue approximately 7.6 million stapled securities (representing 15% of stapled securities on issue) at an issue price of A$3.09 per stapled security. The issue price represents a 4.3% discount to the closing price of the AJA stapled securities on 10 March 2011.

New stapled securities issued under the institutional placement will rank equally with existing fully paid stapled securities. Major securityholder and Senior Advisor to AJA, Mr Eric Lucas, has confirmed his intention to participate in the placement to a level that will at least maintain his existing percentage securityholding.

The institutional placement, which is fully underwritten by Merrill Lynch, will be conducted on Friday 11 March 2011. AJA's stapled securities have today been placed in a trading halt to allow for completion of the institutional placement, with trading in AJA's stapled securities expected to recommence on Monday 14 March 2011.

Key Terms of the Revised JPTC Loan

Term:	5 years from the end of March 2011 (maturity March 2016)
Loan Amount:	¥17,583 million
Interest Margin:	1.0% (unchanged)
Base Rate:	3 month JPY LIBOR (unchanged)
Upfront Fee:	50 bps of ¥17,583 million payable at revision of the loan in March 2011 and another 50 bps payable by the end of September 2011
LTV Covenant:	85% once only in Feb 2013. If not satisfied interest margin will increase by 1.0%. 90% from Feb 2013
DSCR Test:	No less than 1.1x a constant rate of 4.0%
Amortisation:	¥125 million quarterly from April 2011 (unchanged)

Upon the repayment of ¥2.5 billion in loan principal, the LTV of the JPTC loan will reduce to 69.6% based on AJA's book values as at 31 December 2010. Based on the reduced loan principal, the current pro-forma DSCR is approximately 1.9x.

Mr Allan McDonald, Chairman of AJA, said "We are extremely pleased that these favourable loan terms have been negotiated, including an extended maturity profile, relaxed LTV covenant and a very favourable interest cost for our third refinancing of long-term senior debt, well ahead of JPTC's loan maturity date. Following completion of this expected JPTC refinance, in the last 12 months we will have refinanced debt supporting approximately 70% of the property assets in which AJA has an economic interest - representing NTA of about A$6.15 per security - with a weighted average debt maturity of 4.4 years."

"Due to its capital structure, AJA has not been forced to access equity markets to strengthen its balance sheet in the wake of the global financial crisis. The Board, however, believes it is now prudent and appropriate to raise equity in order to take advantage of this current opportunity to secure such attractive extended terms for the loan supporting one of AJA's three core portfolios."

Following the JPTC loan revision:

- overall portfolio pro-forma gearing (interest bearing debt / investment property) will be 74.2% (compared to 76.6% at 31 December 2010);
- weighted average portfolio debt maturity will be 3.1 years with the next debt maturity not until May 2012 (increased from 2.5 years at 31 December 2010); and
- weighted average portfolio interest rate will be approximately 2.37% assuming 3 month JPY LIBOR rate is 0.189%. Approximately 55.6% of AJA's debt will be based on a floating rate.

The Appendix illustrates AJA's pro-forma debt maturity profile following the expected JPTC refinance.

Impact of Equity Raising and JPTC Refinance

The table below provides a pro-forma assessment of the impact of the A$23.6 million institutional placement and JPTC refinance based on the Group's financial performance for the period ended 31 December 2010.

	Period ended 31 December 2010	Pro-forma assuming A$23.6m equity raising & JPTC refinance
Securities on issue (post consolidation)	50.8m	58.4m
FFO per security	¥30.8	¥27.1
Net operating profit after tax per security	45.6¢	39.8¢
Distribution per security	22.5¢	20.0¢
Economic NTA per security[1]	A$6.51	A$6.07
A-IFRS NTA per security	A$5.65	A$5.31

[1] Economic NTA reflects an economic calculation based on the fact that, due to the non-recourse nature of the asset-specific debt in each of the five special purpose investment vehicles (TKs) which are consolidated by the Group, the effective NTA of any TK cannot be less than zero as a result of a TK's debt liabilities being greater than the value of its assets

Distribution Guidance

AJA's distribution guidance of 45 cents per security remains unchanged from the guidance provided with the half year results announcement on 25 February 2011, excluding the dilutionary effect of the equity raising. Allowing for the impact of the equity raising, the distribution for the second half of the 2011 financial year is expected to be 20.0 cents per security, resulting in a total expected distribution of 42.5 cents per security for the 2011 financial year.

Based on current market conditions, the Board continues to anticipate that there will be no significant difference in operating performance in the second half of the 2011 financial year.

Institutional Placement Indicative Timetable

Event	Date
Trading halt commences	Friday 11 March 2011
Institutional Placement	Friday 11 March 2011
AJA stapled securities recommence trading	Monday 14 March 2011
Settlement of Institutional Placement (via DvP)	Thursday 17 March 2011
Allotment of stapled securities under Institutional Placement and normal trading of those new stapled securities expected to commence on the ASX	Friday 18 March 2011

Note: AJA reserves the right to amend any or all of these dates at its absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws.

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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 41 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.

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APPENDIX: AJA PRO-FORMA DEBT MATURITY PROFILE (¥BN)