ASX/Media Release

24 February 2012

AJA - COMPANY INTERIM FINANCIAL REPORT

Astro Japan Property Group (ASX: AJA) earlier today announced its half year results to 31 December 2011 and released the Appendix 4D (Half Year Report) and the Interim Financial Report covering the operations of the Astro Group as a whole.

In accordance with the *Corporations Act 2001* (Cth), the Astro Group prepares two interim financial reports for release to the ASX: one report which covers the operations of the Astro Group as a whole (released earlier today); and another smaller report which covers only Astro Japan Property Group Limited and its controlled entity, which forms part of the stapled Astro Group (copy attached).

In accordance with ASX Listing Rule 4.2A, please find attached the Interim Financial Report for Astro Japan Property Group Limited and its controlled entity for the half year ended 31 December 2011.

ENDS

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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.

Astro Japan Property Group Limited

(ABN 25 135 381 663)

Interim Financial Report
31 December 2011

Important: These financial statements should be read in conjunction with the consolidated financial statements of the Astro Group for the half year ended 31 December 2011, which were released to the ASX on 24 February 2012

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the period ended 30 June 2011 and any public announcements made by Astro Japan Property Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules the *Corporations Act 2001* (Cth).

Through our website, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Astro Group. All press releases, financial reports and other information are available on our website: www.astrojapanproperty.com

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The Directors of Astro Japan Property Group Limited (ABN 25 135 381 663) ("AJCo"), present their report together with the consolidated financial statements of AJCo and its controlled entity ("AJCo Group") for the half year ended 31 December 2011.

The Astro Japan Property Group

The Astro Japan Property Group ("Astro Group") comprises Astro Japan Property Trust (ARSN 112 799 854) ("AJT") and its controlled entities and AJCo and its controlled entity. The shares in AJCo are stapled to the units in AJT on a 'one for one' basis and together are referred to as "stapled securities". AJCo and AJT are separate legal entities under the *Corporations Act 2001* (Cth) and are therefore required to comply with the reporting and disclosure requirements under the *Corporations Act 2001* (Cth), Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations. This report is in respect of the AJCo Group.

The registered office and principal place of business of AJCo is Suite 1 Level 14, 50 Pitt Street, Sydney NSW 2000.

Principal activities

The principal activities of AJCo remain unchanged from 30 June 2011 and are:
• ownership of Astro Japan Property Management Limited ("Responsible Entity") the Responsible Entity of AJT; and
• ownership of a 30% economic interest in Spring Investment Co., Ltd, ("Japan Asset Manager") which is the manager of the Astro Group's Japanese property interests.

Financial and operating review

AJCo Group made a profit before income tax of $945,935 for the half year ended 31 December 2011 (31 December 2010: loss before income tax $328,995).

Dividends

The Directors have not declared any dividends for the half year ended 31 December 2011 (31 December 2010: nil).

Significant changes in the state of affairs

In the opinion of the Directors, other than the items already noted in the Directors' Report, there were no changes in the state of affairs of AJCo that occurred during the half year under review.

Matters subsequent to the end of the half year

The Directors are not aware of any matter or circumstance occurring since 31 December 2011 not otherwise dealt with in the half year financial report that has significantly or may significantly affect the operations of the AJCo Group, the results of those operations, or the state of affairs of the AJCo Group in subsequent financial years.

Directors

The Directors of AJCo at any time during and since the period end are:

Directors	Independence Status	Date of Appointment	Date of Resignation
Allan McDonald	Independent Non-Executive Chairman	20 March 2009	
Paula Dwyer	Independent Non-Executive Director	20 March 2009	31 December 2011
John Pettigrew	Executive Director, Chief Financial Officer	20 March 2009	
Doug Clemson	Independent Non-Executive Director	31 December 2011	
Kate McCann	Independent Non-Executive Director	31 December 2011	

Auditor's independence declaration
The AJCo Group's lead auditor has provided a written declaration under section 307C of the *Corporations Act 2001* (Cth) that to the best of his knowledge and belief, there have been no contraventions of:

- the Auditor independence requirements of the *Corporations Act 2001* (Cth) in relation to the audit; and
- the applicable Australian code of professional conduct in relation to the audit.

The declaration is provided on page 3 and forms part of this Directors' Report.

Basis of preparation
The half year financial report for the AJCo Group as at 31 December 2011 has been prepared on a going concern basis as the Directors, after reviewing AJCo's going concern status, have concluded that AJCo has reasonable grounds to expect to be able to pay its debts as and when they become due and payable.

Dated 24 February 2012.

Signed in accordance with a resolution of the Directors.

Allan McDonald
Director
Astro Japan Property Group Limited

pwc

Auditor's Independence Declaration

As lead auditor for the review of Astro Japan Property Group Limited for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Astro Japan Property Group Limited and the entities it controlled during the period.

TJO Peel
Partner
PricewaterhouseCoopers

Sydney
24 February 2012

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half year ended to 31 December 2011

	Note	31 Dec 11 $	31 Dec 10 $
Revenue			
Revenue		805,196	930,862
Financing income		165,165	112,980
Share of net profit of associate		922,490	954,907
Total revenue and other income		**1,892,851**	**1,998,749**
Expenses			
Operating expenses		(946,916)	(1,105,717)
Financing costs		-	(22,027)
Impairment of goodwill		-	(1,200,000)
Total expenses		**(946,916)**	**(2,327,744)**
Profit/(loss) before income tax		**945,935**	**(328,995)**
Income tax benefit/(expense)		(288,121)	(271,637)
Profit/(loss) for the period		**657,814**	**(600,632)**
Other comprehensive income			
Foreign exchange translation differences		513,417	(555,173)
Total comprehensive income/(expense) for the period		**1,171,231**	**(1,155,805)**
Total comprehensive income/(expense) for the year is attributable to:			
Members of the Company		1,171,231	(1,155,805)
Basic and diluted earnings/(losses) per share	2	1.13¢	(1.18¢)

The consolidated statement of comprehensive income is to be read in conjunction with the Notes to the financial statements set out on pages 8 to 11.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2011

	Note	31 Dec 11 $	30 Jun 11 $
Current assets			
Cash and cash equivalents		5,252,155	5,011,826
Trade and other receivables		1,446	-
Prepaid insurance		371,509	554,072
Fees receivable - related party - AJT		136,665	193,294
Loan receivable - related party - AJT		2,098,937	1,472,431
Total current assets		**7,860,712**	**7,231,623**
Non-current assets			
Property, plant and equipment		62,149	69,589
Investment in associate accounted for using the equity method	3	5,888,133	5,426,524
Intangible assets		3,028,163	3,034,253
Deferred tax asset		16,016	22,319
Total non-current assets		**8,994,461**	**8,552,685**
Total assets		**16,855,173**	**15,784,308**
Current liabilities			
Trade and other payables		94,040	129,319
Provisions		30,391	25,584
Deferred lease incentive		3,745	1,472
Current tax liabilities		263,413	324,379
Total current liabilities		**391,589**	**480,754**
Non-current liabilities			
Deferred lease incentive		19,252	21,667
Deferred tax liability		5,858	14,644
Total non-current liabilities		**25,110**	**36,311**
Total liabilities		**416,699**	**517,065**
Net assets		**16,438,474**	**15,267,243**
Equity			
Contributed equity	4	27,332,821	27,332,821
Reserves		(854,431)	(1,367,848)
Retained profits/(accumulated losses)		(10,039,916)	(10,697,730)
Total equity		**16,438,474**	**15,267,243**

The consolidated statement of financial position is to be read in conjunction with the Notes to the financial statements set out on pages 8 to 11.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2011

	Note	31 Dec 11 $	31 Dec 10 $
Cash flows from operating activities			
Receipt of responsible entity fees		948,007	959,642
Payments to suppliers & employees		(816,728)	(1,094,648)
Interest received		116,384	112,979
Japanese withholding tax paid		(194,859)	(6,003)
Australian income tax paid		(156,711)	(35,902)
Net cash (outflow)/inflow from operating activities		**(103,907)**	**(63,932)**
Cash flows from investing activities			
Investment income received from associate		974,297	30,015
Purchase of property, plant and equipment		(3,555)	(400)
Net cash inflow/(outflow) from investing activities		**970,742**	**29,615**
Cash flows from financing activities			
Loan (to)/from AJT		(626,506)	279,859
Net cash inflow/(outflow) from financing activities		**(626,506)**	**279,859**
Net increase/(decrease) in cash and cash equivalents		**240,329**	**245,542**
Cash and cash equivalents at the beginning of the reporting period		5,011,826	4,893,988
Cash and cash equivalents at the end of the reporting period		**5,252,155**	**5,139,530**

The consolidated statements of cash flows are to be read in conjunction with the Notes of the financial statements set out on pages 8 to 11.

	Note	Contributed Equity	Reserves	Retained profits/ (accumulated losses)	Total
		$	$	$	$
Balance at 1 July 2010		**26,440,633**	**(606,215)**	**(6,938,630)**	**18,895,788**
Foreign exchange translation differences		-	(555,174)	-	(555,174)
Net income/(expense) recognised directly in equity		**-**	**(555,174)**	**-**	**(555,174)**
Profit/(loss) for the period		-	**-**	**(600,631)**	**(600,631)**
Total comprehensive income/(expense) for the period		-	**(555,174)**	**(600,631)**	**(1,155,805)**
Closing balance at 31 December 2010		**26,440,633**	**(1,161,389)**	**(7,539,261)**	**17,739,983**
Balance at 1 July 2011		**27,332,821**	**(1,367,848)**	**(10,697,730)**	**15,267,243**
Foreign exchange translation differences		-	513,417	-	513,417
Net income/(expense) recognised directly in equity		**-**	**513,417**	**-**	**513,417**
Profit/(loss) for the period		-	**-**	**657,814**	**657,814**
Total comprehensive income/(expense) for the period		-	**513,417**	**657,814**	**1,171,231**
Closing balance at 31 December 2011		**27,332,821**	**(854,431)**	**(10,039,916)**	**16,438,474**

The consolidated statement of changes in equity is to read in conjunction with the Notes to the financial statements set out on pages 8 to 11.

1. Statement of Significant Accounting Policies

(a) Basis of preparation

Astro Japan Property Group Limited ("AJCo") is domiciled in Australia. The AJCo Group comprises AJCo and its controlled entity, Astro Japan Property Management Limited.

This general purpose consolidated financial report for the half year reporting period ended 31 December 2011 has been prepared in accordance with AJCo's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the financial report for the period ended 30 June 2011 and any public announcements made by AJCo during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001* (Cth). The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

The consolidated financial report for the AJCo Group as at 31 December 2011 has been prepared on a going concern basis as the Directors of AJCo, after reviewing AJCo's going concern status, have concluded that AJCo has reasonable grounds to expect to be able to pay its debts as and when they become due and payable.

The financial report was authorised for issue by the Directors on 24 February 2012. AJCo has the power to amend and reissue this financial report.

The financial statements are presented in Australian dollars.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the financial report for the period ended 30 June 2011. No significant changes to the AJCo Group's financial performance, position or accounting principles have occurred as a result of the application of the new and amended standards, mandatory for annual reporting periods beginning on or after 1 July 2011.

(c) New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2011 reporting periods. The AJCo Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*
(effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect AJCo's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9 shortly. The AJCo Group is yet to assess its full impact. However, initial indications are that it is unlikely to have a material impact on AJCo.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The AJCo Group is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The AJCo Group will apply the amendment from 1 July 2012. It is currently evaluating the impact of the amendment.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (effective 1 July 2012)

In September 2011, the AASB made an amendment to AASB 101 Presentation of Financial Statements which requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. This will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The AJCo Group intends to adopt the new standard from 1 July 2012.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

In addition to the above, further amendments to accounting standards have been proposed as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes). These amendments are set out below:

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective for annual reporting periods beginning on or after 1 January 2013)

These recently issued or amended standards are not expected to have a significant impact on the amounts recognised in these financial statements when they are restated on application of these new accounting standards.

IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* (effective 1 July 2013)

In May 2011, the IASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. The AASB is expected to issue equivalent Australian standards shortly.

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 Consolidated and Separate Financial Statements, and SIC-12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. While the AJCo Group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

IFRS 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. IFRS 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. As the AJCo group is not party to any joint arrangements, this standard will not have any impact on its financial statements.

IFRS 12 sets out the required disclosures for entities reporting under the two new standards, IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28. Application of this standard by The AJCo group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to AJCo's investments .

Amendments to IAS 28 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a “partial disposal” concept. The AJCo group is still assessing the impact of these amendments.

The AJCo Group does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) and Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) (effective 1 January 2014 and 1 January 2013 respectively)

In December 2011, the IASB made amendments to the application guidance in IAS 32 Financial Instruments: Presentation, to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. These amendments are effective from 1 January 2014. They are unlikely to affect the accounting for any of the AJCo Group's current offsetting arrangements. However, the IASB has also introduced more extensive disclosure requirements into IFRS 7 which will apply from 1 January 2013. The AASB is expected to make equivalent changes to IAS 32 and AASB 7 shortly. When they become applicable, the AJCo Group will have to provide a number of additional disclosures in relation to its offsetting arrangements. The AJCo Group intends to apply the new rules for the first time in the financial year commencing 1 July 2013.

2. Earnings/(losses) per stapled security

	31 Dec 11 $	31 Dec 10 $
Basic and diluted	1.13¢	(1.18¢)
Profit/(loss) attributable to Securityholders used in calculating basic and diluted earnings per security	657,814	(600,632)
Weighted average number of Securities used as denominator in calculating basic and diluted earnings per Security[1]	58,445,002	50,821,741

The weighted average number of Securities used as denominator in calculating basic and diluted earnings/(losses) per Securities shown above is based on the number of Securities on issue during the period.

[1] The December 2010 weighted average number of securities and EPSs have been adjusted for the security consolidation effective 19 January 2011. Refer to note 4(a) for further details on the security consolidation.

3. Investments in associate accounted for using the equity method

Name of company	Principal Activity	Economic interest	31 Dec 11 $	30 Jun 11 $
Spring Investment Co., Ltd.	Asset Management	30%	5,888,133	5,426,524

AJCo has a 30% economic interest in Spring Investment Co, Ltd. ("Japan Asset Manager"). The investment is held in Japanese Yen. The initial interest is 30%, reducing to 25% over time once the preferred entitlement is paid in full. Until the preferred entitlement is fully paid, AJCo's share of profit as calculated under the TK agreement with the Japan Asset Manager ("Spring TK Agreement") is the lower of 100% of the net profit of the Japan Asset Manager or 30% of the adjusted net profit of the Japan Asset Manager (adjusted net profit is calculated by adding back the bonus expenses for the period to the net profit of the Japan Asset Manager). Preferred entitlement refers to a preferred distribution commencing 1 January 2012 from the Japan Asset Manager, up to ¥90 million per year from available profits, payable until a total of ¥314 million has been paid. The Japan Asset Manager has voluntarily begun preferred entitlement payments prior to 1 January 2012, and as at 31 December 2011 the balance of the preferred entitlement was ¥206m. AJCo's economic interest in the Japan Asset Manager may also vary to the extent to which it participates in any future capital raising by the Japan Asset Manager.

The Japan Asset Manager is incorporated in Japan and has a 31 December reporting date.

	31 Dec 11 $	30 Jun 11 $
Movements in carrying amounts		
Carrying amount at the beginning of the financial period	**5,426,524**	**6,093,764**
Share of net profit of associate	922,490	1,901,111
Effect of changes in exchange rates	513,417	(761,633)
Distribution paid from Spring	(974,298)	(904,468)
Return of capital - preferred entitlement paid down	-	(902,250)
	5,888,133	**5,426,524**
Share of associate's profits[1]		
Income	1,546,218	3,204,911
Expenses	(623,728)	(1,303,800)
Share of Associate's net profit recognised	**922,490**	**1,901,111**

[1] Based on the formula for the AJCo Group's entitlement to the Japan Asset Manager's profit under the Spring TK Agreement, as outlined above, the AJCo Group is entitled to 30% of the adjusted net profit of the Japan Asset Manager for the half year ended 31 December 2011.

Summarised financial position of associate[2]		
Current assets	853,529	1,293,923
Non-current assets	2,221,601	2,008,105
Total assets	**3,075,130**	**3,302,028**
Current liabilities	312,829	374,604
Total liabilities	**312,829**	**374,604**
Net assets as reported by associate	**2,762,301**	**2,927,424**

[2] The above summary of financial position of associate represents 30% of the associate's assets and liabilities.

4. Contributed equity

	31 Dec 11 No.	31 Dec 10 No.
Securities on issue	58,445,002	508,212,161

Movements in number of securities	Number
Number at 1 July 2010	508,212,161
10 to 1 consolidation of securities	(457,390,420)
Issue of securities	7,623,261
Number at 30 June 2011	**58,445,002**
Number at 1 July 2011	58,445,002
Number at 31 December 2011	**58,445,002**

Movements in contributed equity	$
Balance at 1 July 2010	26,440,633
10 to 1 consolidation of stapled securities transaction costs	(2,494)
Issue of stapled securities, net of issue costs	894,682
Balance at 30 June 2011	**27,332,821**
Balance at 1 July 2011	27,332,821
Balance at 31 December 2011	**27,332,821**

(a) Consolidation of securities
At the Annual General Meeting on 10 November 2010 securityholders voted in favour of a consolidation of the Astro Group stapled securities. The Astro Group consolidated every 10 stapled securities into 1 stapled security with effect from 19 January 2011. Where the consolidation resulted in a fraction of a security being held by a securityholder, that fraction was rounded up to the nearest whole security. Following the consolidation there were 50,821,741 stapled securities on issue.

(b) Equity raising
On 14 March 2011, the Astro Group completed a fully underwritten institutional placement of 7,623,261 new stapled securities at an issue price of $3.09 per stapled security. A total of approximately $23,556,000 was raised with total transaction costs of $514,000. As part of the placement, AJCo issued 7,623,261 shares (stapled on a one for one basis to units in AJT) at $0.12 per share to raise $914,791 with total transaction costs of $20,109.

5. Contingent assets and liabilities

The AJCo Group has no contingent assets or liabilities which are individually material, or category of contingent assets or liabilities which are material.

6. Lease commitments

The AJCo Group has non-cancellable leases in respect of the office premises and office equipment. Both leases are for a duration of 5 years and are classified as Operating Leases. The minimum lease payments are as follows:

	31 Dec 11 $	30 Jun 11 $
No later than 1 year	121,358	119,086
Later than 1 year and no later than 5 years	227,925	287,011
Total lease commitments	**349,283**	**406,097**

7. Events occurring after the end of the reporting period

The Directors are not aware of any matter or circumstance occurring since 31 December 2011 not otherwise dealt with in the financial report that has significantly or may significantly affect the operations of AJCo Group, the results of those operations, or the state of affairs of AJCo Group in subsequent financial years.

1 In the opinion of the Directors of Astro Japan Property Group Limited (AJCo):

a) the Financial Statements and Notes are in accordance with the *Corporations Act 2001* (Cth), including:

i) giving a true and fair view of the financial position of the AJCo Group as at 31 December 2011 and of its performance for the half year ended 31 December 2011; and

ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

b) there are reasonable grounds to believe that AJCo will be able to pay its debts as and when they become due and payable.

Dated 24 February 2012.

This declaration is made in accordance with a resolution of the Directors.

F A McDonald
Director
Astro Japan Property Group Limited

Independent auditor's review report to the stapled security holders of Astro Japan Property Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astro Japan Property Group Limited (the company), which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Astro Japan Property Group Limited Group (the consolidated entity). The consolidated entity comprises both the company and the entity it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Astro Japan Property Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Astro Japan Property Group Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

TJO Peel

TJO Peel
Partner

Sydney
24 February 2012