



ASX/Media Release

11 October 2012

LOAN REFINANCING FOR JPT

Astro Japan Property Group (ASX: AJA) today announces execution of the major documents for the refinancing of the ¥12.4 billion senior loan to JPT Co., Ltd. (JPT) with a new, five year, financing of ¥13.5 billion (A\$168.8 million, approx at A\$1=¥80). The new lenders, two major Japanese banks, are unrelated to the existing lender. One lender will make a senior loan of ¥13 billion to which the other lender's ¥500 million participation will be subordinated.

The new financing will replace a loan entered in 2010, and will result in material reductions in both interest cost and amortisation, details of which are provided below. The additional funding raised from the new financing will be used mainly to collateralise unfunded tenant security deposits.

JPT is one of the five special purpose, property-owning Japanese companies (SPCs) in which AJA has an economic interest. JPT owns over 25% of AJA's properties by book value as at 30 June 2012.

The documentation for the new financing includes a number of conditions to be satisfied prior to completion of the refinancing, and therefore completion cannot be certain. However, there is currently no reason to expect that these conditions cannot be satisfied, and therefore completion of the refinancing is expected to occur in November 2012.

Key Terms of the new JPT financing

A table showing the key terms of the new JPT financing compared to the key terms of the current loan is set out in the Appendix.

The new all-in interest rate will be 1.13% (assuming 3 month JPY Tibor at 0.33%), compared with 2.15% presently payable under the current loan. Additionally, the level of annual amortisation decreases to approximately 3.8 cents per security (cps) compared to 6.7 cps paid in the 12 months to 30 June 2012, which was scheduled to increase to 12.3 cps in the 12 months to 30 June 2013 under the current loan.

Overall, the reduction in interest costs and level of amortisation are expected to improve AJA's 2013 cash flow by approximately 8.1 cps or by 10.8 cps on a full year, pro-forma basis.

Mr Allan McDonald, Chairman of AJA, commented, "We are extremely pleased that these favourable financing terms have been pro-actively negotiated by our asset manager, with the current loan not having been due to expire until March 2015. This amply illustrates the Group's strategy of seeking to take advantage of improving debt markets and asset liquidity in Japan to

Astro Japan Property Group

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increase cashflow and returns. We will continue to look for other opportunities to improve AJA's capital efficiency."

Distribution Guidance

Notwithstanding the anticipated completion of the JPT refinancing, AJA will not be in a position to issue an update on the distribution guidance announced on 29 August 2012 until the outcome of the refinancing of certain assets owned in the JPTD and JPTA SPCs is known. As previously announced, the current lender to these two SPCs has agreed a standstill under the loan arrangements until 31 October 2012.

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 40 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.

Appendix

Comparison of key terms under the current JPT loan and new JPT financing

	Loan amount / financing (¥ bn)	LTV covenant test	DSCR covenant test ²	Maturity	All-in interest rate (%)	Debt Amortisation
JPT – current loan	12.4 ¹	None	Over 1.28x an assumed stress constant rate of 6.5%	March 2015	2.15%	Yen 594m (12.3 cps) for 12 months to 30 June 2013 and thereafter
JPT – new financing	13.5	79% (note: LTV at 30 June 2012 would have been 54.7%)	Over 1.28x an assumed stress constant rate of 6.1% (note: DSCR at 30 June 2012 would have been 1.58x)	September 2017	1.13%	Yen 180m (3.8 cps) per annum

¹ Loan amount as at 1 October 2012 following loan amortisation of approx ¥143m post 30 June