



ASX/Media Release

7 December 2012

Update on transaction dealing with JPTD and JPTA loan maturities: Sale of Ginowan property and extension of Standstill Period relating to remaining properties

Astro Japan Property Group (ASX: AJA) provides a further update on the transaction dealing with the maturities of the loan to JPT Direct Co., Ltd (JPTD) and the loan to JPT August Co., Ltd (JPTA) which have been subject to a standstill agreement that provides, among other things, for settlement of the loans and release of up to 11 properties, as announced on 29 June 2012.

As announced on 6 November 2012, agreement has been reached with the common lender to JPTD and JPTA on an immediate settlement in relation to 3 of the 11 properties and an extension to the standstill period under the loan arrangements to 15 December 2012 (extendable at AJA's option until 31 December), during which time the parties would progress a transaction in relation to the remaining 8 properties.

1. Sale of Ginowan property

AJA today announced the sale of Ginowan, a retail asset owned by JPTD, for ¥2 billion (A\$23.5 million at A\$=¥85). This was one of the remaining 8 properties yet to be settled. Financial close of this transaction has been completed. The Ginowan property is a road side shopping centre consisting of 4 buildings, located in Ginowan-shi, Okinawa.

The sale price represents a 1.2% premium to the most recent AJA book value of the asset (as at 30 June 2012) of ¥1.98 billion.

Agreement was reached with the common lender to JPTD and JPTA that the net proceeds of ¥1.78 billion will be applied to reduce the balance owed as the settlement price for the now 7 properties which remain to be settled. Otherwise the basic structure of the settlement arrangement remains as before.

2. Extension of standstill arrangement for remaining 7 properties

AJA has exercised its option with the lender to extend the standstill period to 31 December to enable additional time to resolve issues relating to funding of the transaction for the remaining 7 properties yet to be settled. As before, during this period, neither the JPTD nor JPTA loan can be placed into default by the lender on the basis of it having matured.

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 1 Level 14, 50 Pitt Street, Sydney NSW 2000, Australia

T +61 2 8987 3900 F +61 2 8987 3999

W www.astrojapanproperty.com

The 7 properties yet to be settled are listed in the Appendix and have a current book value of approximately ¥12.2 billion (A\$143.5 million).

If, during the extended standstill period, the lender receives a net payment of ¥8.36 billion (A\$98.35 million) ('Settlement Price'), then the lender will release its security over the 7 properties, and those properties will continue to be part of AJA's portfolio.

As before, the Settlement Price for the 7 properties is subject to adjustment for ongoing items such as interest, and property income and expenses. However, based upon current forecasts of the Japan Asset Manager, these adjustments are not expected to alter the Settlement Price by a material percentage.

In the case where the balance of the Settlement Price is not paid by 31 December, the transaction for the 7 properties will not proceed, and these properties will be taken over by the lender and will cease to form part of AJA's portfolio.

There can be no certainty that the transaction in relation to the 7 properties will be completed, as it is dependent on AJA closing funding on satisfactory terms with respect to all 7 properties within the extended standstill period.

Depending on the finalisation of the debt funding arrangements, AJA may seek to raise equity in order to fund part of the remaining Settlement Price. Based on current market conditions, AJA expects that, if such equity were to be raised, the transaction would be positive for AJA's NTA, earnings and distributable cash as compared to the scenario of not retaining the 7 properties.

AJA will announce details regarding proposed funding arrangements once the terms of senior debt are finalised, following which the AJA Board will be in a position to determine the structure and terms of any equity raising.

ENDS

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 36 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

7 Properties yet to be settled

Property	Current TK	AJA Book Value June 2012 Yen (¥)
Retail		
Shibuya Konami	JPTD	2,322,683,800
Susono	JPTD	2,265,066,782
Sapporo Co-op	JPTD	1,110,000,000
Tsudanuma	JPTD	1,967,339,404
Round One Amagasaki	JPTA	1,339,307,656
Round One Nara	JPTA	1,020,990,000
Office		
Yamashitacho	JPTD	2,171,630,000
Total AJA Book Value June 2012		12,197,017,642

3 Properties retained on 6 November 2012

Property	Current TK	AJA Book Value June 2012 Yen (¥)
Retail		
Matsudo Nitori	JPTD	2,210,000,000
Yoshikawa	JPTD	308,000,000
Residential		
Sekijomachi	JPTA	2,480,000,000
Total AJA Book Value June 2012		4,998,000,000

Ginowan Property disposed on 7 December

Property	Current TK	AJA Book Value June 2012 Yen (¥)
Retail		
Ginowan	JPTD	1,976,465,747