

30 September 2016

SALE OF SUN NO.5 OFFICE PROPERTY

Astro Japan Property Group (ASX: AJA) today announced the sale of the smallest office property in its 29 property portfolio, Sun No.5, for ¥487 million (A\$6.3 million approx. at A\$1=¥77). Financial close of this transaction has been completed. AJA's interest in the building was held through the special purpose, property owning Japanese company, JPT Newton Co. Ltd (JPTN).

The sale price is a 4.2% premium to the most recent ¥467 million AJA book value of the asset as at 30 June 2016. The asset represented approximately 0.6% of AJA's portfolio by book value at 30 June 2016.

After making repayment of approximately ¥368.5 million of debt principal required to release this asset under the loan agreement and netting against the sale proceeds the payment of loan and sale-related costs, net proceeds available to AJA are approximately ¥90 million (approx. A\$1.2 million).

Following the sale, the outstanding remaining loan amount for JPTN is approximately ¥7.86 billion, which represents a loan-to-value ratio for JPTN of 58.1%, down from 59.0% as at 30 June 2016, using AJA's book values as at that date.

Mr Eric Lucas, Senior Advisor to AJA, said "The sale of the Sun No.5 property continues our strategy to rationalise the portfolio by using the robust asset markets in Japan to sell smaller, older, non-strategic assets to free up capital for uses that we expect will create more value.

Following this sale, AJA will have approximately \$46 million equivalent (almost all is held in Yen) in excess cash, equal to approximately 9.0% of AJA's 30 June 2016 net tangible assets. This excess cash provides the Board with significant flexibility in implementing capital management initiatives, including property investment."

Further Property Details

The property interest sold was the Sun No.5 property, a small multi-tenanted office building occupying leasehold land. The property was originally built in May 1983 and is adjacent to the Muromachi/Honcho office areas in central Tokyo, where the head office of the Bank of Japan and the main store of the Mitsukoshi department store chain are located.

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Astro Japan Property Group

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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 28 retail, office, residential and hotel 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.