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as Responsible Entity for Galileo Japan Trust  
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5 November 2007

ASX / Media Release

**GALILEO JAPAN TRUST  
ACQUISITION OF ¥3.41 BILLION OFFICE PROPERTY IN GREATER TOKYO**

Please find attached a Galileo Japan Trust (ASX code: GJT) announcement relating to the acquisition of a modern office investment for ¥3.41 billion (approximately A\$32.6 million)<sup>1</sup>.

**Investor and media enquiries:**

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**About Galileo Japan Trust**

The Trust is listed on the Australian Securities Exchange with an indirect interest in a portfolio of 25 Japanese Real Estate investments valued at approximately ¥89.4 billion (approximately A\$854 million)<sup>1</sup>. The acquisition detailed herein will increase the number of assets to 26 and total value to ¥92.8 billion (approximately A\$886 million)<sup>1</sup>. The combined portfolio is diversified by both sector and geography, however, retains a bias to Tokyo.

Further information on Galileo Japan Trust is available at [www.galileofunds.com.au/Japan](http://www.galileofunds.com.au/Japan)

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<sup>1</sup> Translated at ¥104.7, the rate used in the 30 June 2007 Financial Accounts

5 November 2007

**GALILEO JAPAN TRUST  
ACQUISITION OF ¥3.41 BILLION OFFICE BUILDING IN GREATER TOKYO**

**Key Transaction Highlights:**

- Forecast NOI property yield of 4.4%
- Assessed market rents are approximately 9% above current passing
- Acquisition will be fully debt funded at a weighted average cost of debt of 2.5%
- GJT's total assets increase 3.8% to ¥92.8 billion
- Geographical weighting (by value) to Greater Tokyo increases 1.7% to 56.0%
- Sector weighting (by value) to office increases 2.4% to 37.8%
- Settlement due 31 January 2008

Galileo Japan Funds Management Limited ("GJFML") as responsible entity for Galileo Japan Trust (ASX code: "GJT") is pleased to announce the acquisition of an indirect interest in a modern office investment located in Shin Yokohama, Japan for ¥ 3.41 billion (approximately A\$32.6 million).

"Nara 2" was completed in 1992 and comprises a total net rentable area of 4,050 square metres over 11 upper levels and one basement level. Typical upper floors are column free and have excellent natural light. The site is well positioned, approximately 300 metres from the Shin Yokohama JR and subway station.

Yokohama is Japan's second largest city and Shin Yokohama is the fastest growing of its three business submarkets. Shin Yokohama's vacancy as at July 2007 was estimated at 4.2% and has been steadily reducing since 2003 despite the total rentable floor space having increased over 5% during the same period, reflecting strong demand for the location.

Chief Operating Officer, Peter Murphy said, "We are very pleased to announce the acquisition of this modern office property in Greater Tokyo. The asset complements the Trust's existing office portfolio which has been performing strongly since IPO in December 2006 and provides further scope to grow underlying earnings with the property's assessed market rents 9% above average passing rents."

The property is being acquired at a discount to independent valuation with a forecast NOI property yield of approximately 4.4 %. The acquisition is being fully debt funded at an "all in" blended cost of approximately 2.5%. Significant capacity to debt fund additional accretive acquisitions has been maintained with gearing increasing to 53.6%<sup>2</sup>, still well below the Trust's stated limit of up to 60%.

Managing Director and Chief Executive Officer Mr Neil Werrett said, "This transaction is further evidence of the Group's strong sourcing capability in Japan with Galileo Japan Trust having acquired 5 assets post IPO in December 2006 and increasing the value of the portfolio by over 50%."

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<sup>2</sup> Calculated using the balance sheet as at 30 June 2007 adjusted to include the July and October 2007 acquisitions, and this transaction (translated at ¥104.7)

## PROPERTY OVERVIEW



### Nara 2

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Nara 2 is located in Yokohama City, Kanagawa Prefecture. Shin Yokohama is one of three major commercial centres in the Kanagawa Prefecture. The property is approximately 300 metres from Shin Yokohama station which is the only Shinkansen (bullet train) terminal in the Yokohama area.

### Address

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2-2-8 Shin Yokohama, Kouhoku-ku, Yokohama City, Kanagawa Prefecture

### Submarket

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Shin Yokohama

### Sector

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Office

### Acquisition summary

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Ownership interest	98.5%
Purchase price including brokerage (¥ billion)	3.41
Settlement date	31 January 2008
Forecast initial yield (%)	4.4
Forecast market yield (fully leased) (%)	4.8
Percentage of GJT portfolio by value (post transaction) (%)	3.7

### Independent valuation

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Valuer	Chika Riron Kenkyusyo Co. Ltd
Valuation (¥ billion)	3.45

### Property statistics

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Land area (square metres / tsubo)	701 / 212
Net rentable area (square metres / tsubo)	4,050 / 1,225
# of car spaces	33
Forecast Gross passing rent (¥ / month / tsubo) – fully leased	12,328
Gross market rent (¥ / month / tsubo)	14,000
Occupancy (%)	97.7
Year completed	1992
PML (%)	11.9

### Major tenant summary

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Tenant name	Lease Type	% of Total Rent	Lease expiry date
Noah KK	Standard	12	July 2009
Heichinrou Co Ltd	Standard	11	February 2008
Amphenol Japan	Standard	11	January 2008
Kitagawa Industries Co Ltd	Standard	11	April 2008
Inficon Co Ltd	Standard	11	April 2013