



## **THAKRAL CORPORATION LTD**

(Incorporated in the Republic of Singapore on 7 October 1993)  
(Company Registration No. 199306606E)

### **PRESS RELEASE**

#### **THAKRAL INVESTS IN TWO MORE JAPANESE PROPERTIES IN OSAKA**

- The Group continues to capitalise on demand uptrend in Japan's real estate sector
- New investments increase Thakral's portfolio to five investment properties in Japan

Singapore, 29 November 2017 – SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) has further expanded its real estate footprint in Japan with two new investment properties – the R Hotels Inn Osaka Kita Umeda and Namba retail redevelopment site in Japan's second largest city, Osaka.

As before, the investment in the two properties will be made via its pooled investment vehicle, Thakral Japan Properties Pte Ltd in which the Group holds about 50% interest.

The Group's existing investments in Japan include two office buildings – the Yotsubashi Nakano Building and Yotsubashi East Building – and Hotel Oaks Reaze Tsukamoto now re-branded as Best Western Osaka Tsukamoto Hotel, all located in Osaka.

The early entry has allowed the Group to enjoy the uplift in the capital values of the existing investments. Leveraging on the uplift of capital values in the portfolio, the Group was able to access additional funding and grow the portfolio.

Thakral expects the investments to generate positive returns for shareholders in line with the Group's strategy to continue to ride on the uptrend of Japan's real estate demand.

R Hotels Inn Kita Umeda is a 120-room business hotel which has recently been refurbished to the tune of JPY500 million (equivalent to about S\$6 million). It is located in the Kita Umeda area around 1 km north of the main Umeda area and Osaka Station and a 2-minute walk from Nakatsu Station. The hotel is positioned as a business hotel in the heart of the city.

The Namba retail redevelopment site is located at the heart of Osaka's retail district and has a gross area of 71.65 tsubo (about 237 square metres). There are plans for the development of a 3-storey retail building on the site for about JPY300 million (equivalent to about S\$3.6 million) which has been pre-leased to one of the leading retail chains in Japan.

Vacant possession of the site is expected to be obtained in March 2018 with construction scheduled to take nine months and completion within a year.

Mr. Inderbethyl Singh Thakral, Thakral’s Chief Executive Officer, said: “We believe it continues to be an opportune time for our investments in Japan – particularly in Osaka. The area’s unemployment rate dropped considerably, to 4 per cent last year, while the number of companies in Osaka grew 16 per cent in the 12 months through March. The city plans to host the 2025 World Expo, and is also looking to host Japan’s first casino resort, when they are legalized, which would increase its appeal to Asian tourists<sup>1</sup>.

The Japanese government has revised up its foreign tourists target to 40 million by 2020 and to 60 million by 2030<sup>2</sup>. Osaka is expected to be a key beneficiary of the tourism boom - as it is now Japan’s new hotspot for Asian tourists<sup>1</sup>.

Average commercial land prices in Japan have been going up – following a rise in business sentiment and a surge in foreign tourists.

Commercial land prices for the three largest cities of Tokyo, Osaka and Nagoya rose 3.5 percent this year, the sharpest increase since the global financial crisis in 2008<sup>3</sup>.

In view of this uptrend, the Group will continue to actively seek out new opportunities to invest in Japan to enhance returns on our capital.”



*Thakral Corporation Ltd has recently invested in two more properties, the R Hotels Inn Osaka Kita Umeda (left) and Namba retail redevelopment site (rendering of the proposed retail redevelopment site on the right) in Osaka, Japan’s second largest city.*

<sup>1</sup> Source: *Osaka is Japan’s new tourist hot spot for Asian visitors, The Straits Times, 13 October 2017*

<sup>2</sup> Source: <https://www.japanmacroadvisors.com/page/category/economic-indicators/gdp-and-business-activity/number-of-visitors-to-japan>

<sup>3</sup>Source: *Commercial land prices in major cities grow faster on tourism boom, The Japan Times, 19 September 2017*

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## **About Thakral**

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd has two divisions – Lifestyle Division and Investment Division.

The Group's Investment Division invests directly or with co-investors in real estate and other investment opportunities including property-backed financial instruments. The Group also earns income from the services rendered from the originating, packaging and managing of such projects. The Investment Division, through a joint venture, has expanded its businesses into development and management of retirement living resorts in Australia under the GemLife brand.

The Group's Lifestyle Division has continued to re-focus on marketing and distributing brands in the beauty, wellness and lifestyle categories, working with leading ecommerce platforms as well as traditional retailers. The Lifestyle Division's partners include beauty and personal care device brands MTG Refa, Panasonic, Philips and Braun, skin care brands Canvas and Leaders, cosmetic brand Color Me, wellness brands MTG SIXPAD and Style Seat and Slendertone as well as lifestyle brands Apple, DJI and Skullcandy.

Greater China, including Hong Kong, Southeast Asia and India are key markets for the Lifestyle Division and Australia and Japan for the Investment Division.

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by Stratagem Consultants Pte Ltd*

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