

This is an English translation of the official announcement in Japanese that was released on May 13, 2015. The translation is prepared for the readers' convenience only. All readers are strongly encouraged to refer to the original Japanese version for more complete and accurate information. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.



## Consolidated Financial Results

### For the First Quarter of the Fiscal Year Ending December 31, 2015

Company name: B-Lot Company Limited Stock listing: TSE Mothers Section  
Ticker code: 3452 URL: <http://www.b-lot.co.jp/>  
Representative: Makoto Miyauchi, President  
Contact: Yoshimi Endo, Corporate Officer Phone: +81-3-6891-2525  
Submission of Quarterly Securities Report (Shihanki-Houkokusho): May 13, 2015 (scheduled)  
Commencement of dividend payments:  
Preparation of supplementary materials for quarterly financial results: No  
Holding of quarterly financial results meeting: No

(Note: All amounts have been rounded down to the nearest million yen)

#### 1. Consolidated Financial Results for the First Quarter Ended March 31, 2015. (January 1, 2015 to March 31, 2015)

##### 1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Ordinary income		Profit for the period	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
The first quarter ended March 31, 2015	2,858	—	367	—	339	—	218	—
The first quarter ended March 31, 2014	—	—	—	—	—	—	—	—

Note: Comprehensive income was 218 million yen for the first quarter ended March 31, 2015

	Basic earnings per share	Diluted earnings per share
The first quarter ended March 31, 2015	66.17 (¥)	60.42 (¥)
The first quarter ended March 31, 2014	—	—

Note 1: Consolidated financial statement was made from the first quarter ending December 31, 2015.

Note 2: Although the Company conducted a three-for-one share split for its common stock on April 16, 2015, the basic earnings per share is calculated on the assumption that the share split was conducted at the beginning of the fiscal year under review.

##### 2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio	Net assets per share
As of March 31, 2015	5,722 (¥ million)	1,202 (¥ million)	21.0 (¥ million)	362.26 (¥)
As of December 31, 2014	—	—	—	—

Note: Equity ratio was 1,212 million yen for the first quarter ending December 31, 2015.

## 2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended December 31, 2014	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2015	—	—	—	—	—
Fiscal year ending December 31, 2015 (Forecast)	—	—	—	—	—

Note:

- Revision to the most recently released earnings forecasts: No
- In its articles of incorporation, the Company sets the record date for dividends on the last day of the second quarter and the last day of the fiscal year. At the current moment, however, the expected amount of dividends on the record date at the end of the fiscal year has yet to be determined.

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2015 (December 1, 2014 to November 30, 2015)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	(¥million)	%	(¥million)	%	(¥million)	%	(¥million)	%	(¥)
Fiscal year ending December 31, 2015	5,401	45.6	509	34.7	430	45.8	250	41.8	228.80

Note:

- Revision to the most recently released earnings forecasts: No
- During the consolidated accounting period of the first quarter, B-Lot established "B-Lot Asset Management," a subsidiary that is 100% owned by B-Lot Co., Ltd. The Company prepared quarterly consolidated financial statements from the first quarter of the fiscal year under review, but it did not conduct any comparative analysis with the quarterly consolidated financial statements from 2014.

### \*Notes

- Changes in significant subsidiaries during the period (changes in specified subsidiaries that resulted in changes in the scope of consolidation): No Newly added: — Excluded: —
- Accounting treatment and special accounting treatments for quarterly consolidated financial statements: No
- Changes in accounting policies and changes in accounting estimates
  - Changes in accounting policies: No
  - Changes in accounting policies due to other reasons: No
  - Changes in accounting estimates: No
  - Changes or restatement of accounting estimates: No

#### 4) Number of issued shares (ordinary shares)

##### (a) Number of issued shares at the end of the period (including treasury shares)

As of December 31, 2015	3,319,500 shares
As of December 31, 2014	3,283,500 shares

##### (b) Number of treasury shares at the end of the period

As of December 31, 2015	—
As of December 31, 2014	—

##### (c) Average number of outstanding shares during the period (cumulative)

As of December 31, 2015	3,295,900 shares
As of December 31, 2014	1,710,000 shares

Note 1: Although the Company conducted a three hundred-for-one share split for its common stock on August 20, 2014, the number of share (common stock) is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year under review.

Note 2: Although the Company conducted a three-for-one share split for its common stock on April 16, 2015, the number of share (common stock) is calculated on the assumption that the share split was conducted at the beginning of the previous fiscal year under review.

### \*Information on implementation of quarterly review procedures

This quarterly financial results report is excluded from the scope of the quarterly review procedures stipulated in the Financial Instruments and Exchange Act. At the time this quarterly financial results report was disclosed, the review procedures for quarterly consolidated financial statements stipulated in the Financial Instruments and Exchange Act had already been completed.

### \*Proper use of earnings forecasts and other notes

In association with the establishment of B-lot Asset Management Co., Ltd., the Company prepares the quarterly consolidated financial statements from the first three months of the fiscal year under review. The forward-looking statements, including outlook of future performance, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be responsible by the Company. Actual performance and other results may differ from these statements due to various factors. For the assumptions on which the earnings forecasts are based and cautions concerning the use, please refer to "Qualitative Information on Quarterly Consolidated Financial Performance (1) Qualitative Information Regarding Operating Results" on page 2 of the attached materials.

## Attached Materials

<b>1. Qualitative Information on Quarterly Consolidated Financial Performance.....</b>	<b>2</b>
(1) Qualitative Information Regarding Operating Results	
(2) Qualitative Information Regarding Financial Positions	
(3) Qualitative Information Regarding the Consolidated Earnings Forecast	
<b>2. Matters Related to Summary Information (Notes).....</b>	<b>3</b>
(1) Changes in Significant Subsidiaries during the Period	
(2) Special Accounting Methods for Preparing the Quarterly Consolidated Financial Statements	
(3) Changes in the Accounting Policy / Changes in Accounting Estimates and Modified Restatement	
<b>3. Overview of Important Information on Going Concern Assumptions.....</b>	<b>3</b>
<b>4. Quarterly Consolidated Financial Statements.....</b>	<b>4</b>
(1) Quarterly Consolidated Balance Sheets	
(2) Quarterly Consolidated Profit and Loss Statement and Consolidated Statements of Comprehensive Income.....	<b>6</b>
Quarterly Consolidated Profit and Loss Statement	
The first quarter ended March 31, 2015	
Consolidated Statements of Comprehensive Income	
The first quarter ended March 31, 2015.....	<b>7</b>
(3) Notes to Quarterly Consolidated Financial Statements.....	<b>8</b>
(Notes on Going Concern Assumptions)	
(Notes on Significant Changes in the Amount of Shareholders' Equity)	
(Segment Information, etc.)	
(Notes on Important Subsequent Events).....	<b>9</b>

## **1. Qualitative Information on Quarterly Consolidated Financial Performance**

In association with the establishment of B-lot Asset Management Co., Ltd., a wholly owned subsidiary of the Company, the Company prepares the quarterly consolidated financial statements from the first three months of the fiscal year under review. Therefore, the Company does not conduct a comparative analysis with the same period of the previous fiscal year.

### **(1) Qualitative Information Regarding Operating Results**

#### **Operating Results for the Period**

During the first quarter ended March 31, 2015, the Japanese economy experienced a modest recovery. This economic recovery was spurred by the weakening yen, rising stock prices, and improvements in corporate performance, particularly among major companies, despite concerns over the risks of an economic downturn overseas.

The favorable financing environment helped to re-vitalize the real estate market in the industry in which B-lot operates.

Competition in purchases also intensified further due to an increase in foreign investors from Asia and other regions. These developments lead to an upward trend in the real estate industry.

As a result, consolidated revenue for the three months ended March 31, 2015 was ¥2,858,342 thousand, operating profit was ¥367,199 thousand, and ordinary profit was ¥339,971 thousand. Net profit for the period was ¥218,092 thousand.

The performance by business segment is shown as follows:

#### **Real Estate Investment and Development Business**

The segment acquired four properties and sold five properties. The five properties sold consisted of one housing-related real estate property, three retail/office floors, and one land lot. There were eleven properties in inventory for the consolidated accounting period of the first quarter.

As a result, consolidated revenue for the three months ended March 31, 2015 was ¥ 2,739,259 thousand, and segment profit was ¥428,299 thousand.

#### **Real Estate Consulting Business**

In the Real Estate Consulting Business, contracts were concluded for a series of projects in Hokkaido and Kyushu. The number of properties mediated in the brokerage business stood at four.

There was total of four contracts with two in Hokkaido and two in Kyushu.

As a result, consolidated revenue for the three months ended March 31, 2015 was ¥19,580 thousand, segment profit was ¥76thousand.

#### **Real Estate Management Business**

In the Real Estate Management Business, the number of buildings under management in the real estate owned by clients stood at 37. The breakdown of the areas where buildings were under management is as follows: 16 buildings in Kanto, 12 buildings in Hokkaido, and 9 buildings in Kyushu.

As a result, consolidated revenue for the three months ended March 31, 2015 was ¥ 99,501thousand, and segment profit was ¥46,893 thousand.

### **(2) Qualitative Information Regarding Financial Positions**

#### **1. Conditions of assets**

Total assets for the first quarter ended March 31, 2015 were ¥5,722,353 thousand.

#### **2. Conditions of liabilities**

Total liabilities amounted to ¥4,519,817 thousand for the first quarter ended March 31, 2015.

#### **3. Conditions of total assets**

Consolidated net assets for the first quarter ended March 31, 2015 were ¥1,202,536 thousand.

### **(3) Qualitative Information Regarding the Consolidated Earnings Forecast**

In regards to the consolidated earnings forecast, as announced in the "Notice Regarding the Establishment of a 100% owned Subsidiary," on February 13, 2015 we established B-lot Asset Management Co., Ltd., a company that handles the asset management business of real estate, and have made it a wholly owned subsidiary. Although we disclosed our earnings forecast on a non-consolidated basis on February 13, 2015, the earnings forecast is presented on a consolidated basis in this document.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Changes in Significant Subsidiaries during the Period**

There were no changes in the specified subsidiaries that accompany a change in the range of consolidation.

Although this does not fall under a change in specified subsidiaries, we have included B-lot Asset Management Co., Ltd. in the range of consolidation from the first three months of the fiscal year under review, reflecting the fact that it was established during that same period.

### **(2) Special Accounting Methods for Preparing the Quarterly Consolidated Financial Statements:**

No items to report.

### **(3) Changes in the Accounting Policy / Changes in Accounting Estimates and Modified Restatement:**

No items to report.

## **3. Overview of Important Information on Going Concern Assumptions**

No items to report.

#### 4. Quarterly Consolidated Financial Statements

##### (1) Quarterly Consolidated Balance Sheets

(¥ thousand)

As of March 31, 2015	
<b>Assets</b>	
Current assets	
Cash and deposit	1,065,105
Accounts receivable	13,802
Real estate for sale	203,598
Real estate for sale in progress	3,822,748
Deferred tax assets	20,427
Others	328,790
Total current assets	5,454,382
<b>Fixed assets</b>	
Tangible fixed assets	
Properties (Net amount)	46,116
Others	3,777
Total current assets	49,893
Intangible fixed assets	
Lease holdings	157,119
Others	144
Total intangible fixed assets	157,264
Investment properties and others	60,813
Total fixed assets	267,971
<b>Total assets</b>	<b>5,722,353</b>

(¥ thousand)

As of March 31, 2015

<b>Liabilities</b>	
Current liabilities	
Short term borrowings	869,899
Current portion of long-term borrowings	596,255
Unpaid income tax and other	136,255
Provision for bonuses	12,150
Provision for bonuses for directors and corporate auditors	4,800
Provision for after costs	4,969
Others	278,903
Total current liabilities	1,903,232
<b>Fixed liabilities</b>	
Long term borrowings	2,579,053
Others	37,531
Total fixed liabilities	2,616,585
Total liabilities	4,519,817
<b>Net assets</b>	
Shareholders' equity	
Share capital	408,175
Capital reserves	329,190
Retained earnings	465,170
Total equity	1,202,536
Total net assets	1,202,536
<b>Total liabilities and equity</b>	<b>5,722,353</b>

**(2) Quarterly Consolidated Profit and Loss Statement and Consolidated Statements of Comprehensive Income**  
Quarterly Consolidated Profit and Loss Statement

(¥ thousand)

The first quarter ended March 31, 2015	
<b>Revenue</b>	2,858,342
<b>Cost of revenue</b>	2,303,851
<b>Gross profit</b>	554,491
<b>Selling, general and administrative expenses</b>	187,291
<b>Operating profit</b>	367,199
<b>Non-operating profit</b>	
Interest income	1,552
Commission income	7
<b>Total of non-operating income</b>	1,559
<b>Non-operating expenses</b>	
Interest expense	27,135
Others	1,651
<b>Total of non-operating expenses</b>	28,787
<b>Operating income</b>	339,971
<b>Income before income tax</b>	339,971
Corporate income, inhabitant and enterprise taxes	133,762
<b>Deferred income taxes</b>	-11,884
<b>Total of corporate tax</b>	121,878
<b>Income before minority interests</b>	218,092
<b>Profit for the period</b>	218,092



Consolidated Statements of Comprehensive Income  
(¥thousand)

The first quarter ended March 31, 2015	
<b>Income before minority interests</b>	218,092
Total comprehensive income for the period	218,092
(Breakdown)	
Comprehensive income attributable to owners of the parent	218,092

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)  
No items to report.

(Notes on Significant Changes in the Amount of Shareholders' Equity)  
No items to report.

(Segment Information, etc.)

[Segment Information]

The First Quarter Ended March 31, 2015

Information regarding net sales and income or loss by reporting segment

					Adjustment (Note 1)	Amount stated in consolidated statements of income(Note 2)
	Real estate investment business	Real estate consulting business	Real estate management business	Total		
Revenue						
Revenue from external customers	2,739,259	19,580	99,501	2,858,342	—	2,858,342
Internal sales between individual segments or amount transfer	—	—	—	—	—	—
Total	2,739,259	19,580	99,501	2,858,342	—	2,858,342
Segment profit	428,299	76	46,893	475,269	-108,070	367,199

(Notes)

1. The adjustment of minus 108,070 thousand yen posted in the segment income (loss) includes corporate expenses that are not distributed to each reportable segment.
2. The segment profits are adjusted to the operating income reported on the quarterly consolidated statement of income.

## **(Notes on Important Subsequent Events)**

### **(Share Split)**

In accordance with the resolution made at the Board of Directors meeting held on March 16, 2015, we decided to conduct a share split, effective as of April 16, 2015.

#### **1. Purpose of Conducting Share Split**

The purpose of the share split is to improve the liquidity of the Company's stocks and expand its investor base by reducing the price of the share-trading units.

#### **2. Overview of the Share Split**

##### **(1) Splitting of Share**

The Company split the common stock held by those on the list of stockholders and the list of actual shareholders as of April 15, 2015 at a ratio of 3 shares for each share held.

##### **(2) Increase in the Number of Shares with the Share Split**

1. Total number of issued shares before the share split	1,106,500 shares
2. Increased number of shares after the share split	2,213,000 shares
3. Total number of issued shares after the share split	3,319,500 shares
4. Total number of authorized shares after the share split	6,000,000 shares

##### **(3) Date of the Share Split**

1. Date Announced: March 31, 2015
2. Date of Criteria: April 15, 2015
3. Effective Date: April 16, 2015

##### **(4) Adjustment of Stock Acquisition Rights**

Associated with the share split, the exercise price of stock acquisition rights was adjusted at the same time as when the stock acquisition rights came into force on April 26, 2015, as described below.

	Strike price before adjustment	Strike price after adjustment
1 <sup>st</sup> stock acquisition rights	¥567	¥189
3 <sup>rd</sup> stock acquisition rights	¥567	¥189
4 <sup>th</sup> stock acquisition rights	¥710	¥237

### **(Establishment of important subsidiary)**

The company decided at a Board of Directors meeting held on May 13, 2015 to establish a subsidiary. The details regarding this subsidiary are provided below.

#### **1. Purpose of Establishment**

There has been increased activity in the area of real estate investments outside Japan in recent years. B-Lot decided to establish a subsidiary in Singapore to uncover new business opportunities, and to develop new clients in the real estate investment business and real estate consulting business.

#### **2. Overview of the Subsidiary**

- (1) Company name: B-Lot Singapore Pte., Ltd.
- (2) Location: Singapore
- (3) Executive: Managing Director Shinichi Hasegawa (Executive of B-lot)
- (4) Details of business: Real estate consulting business
- (5) Capital: SGD 500,000 (not fixed)
- (6) Capital structure: B-lot holds 100% of the shares
- (7) Date of Establishment: May 15, 2015