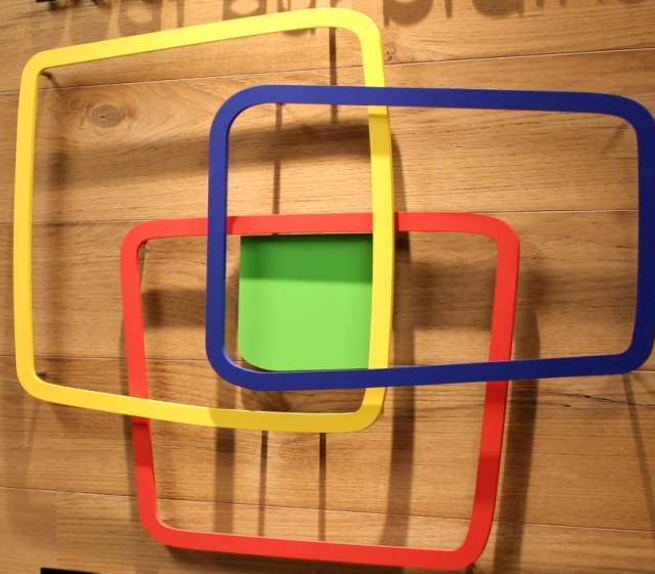


Beat our brains!



B-lot

Annual Report Fiscal Year Ended December, 2015



Company Limited

Tokyo Stock Exchange,
Mothers Section (Ticker Code. 3452)

April 8, 2016



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I. Performance Review



1. Achieved to increase both revenue and profit 5 consecutive year
Consolidated profit for the year rose 126.8% more than last year

2. Total balance of real estate for sale at December 2015 was 6,069 million yen.
Reached at record high!

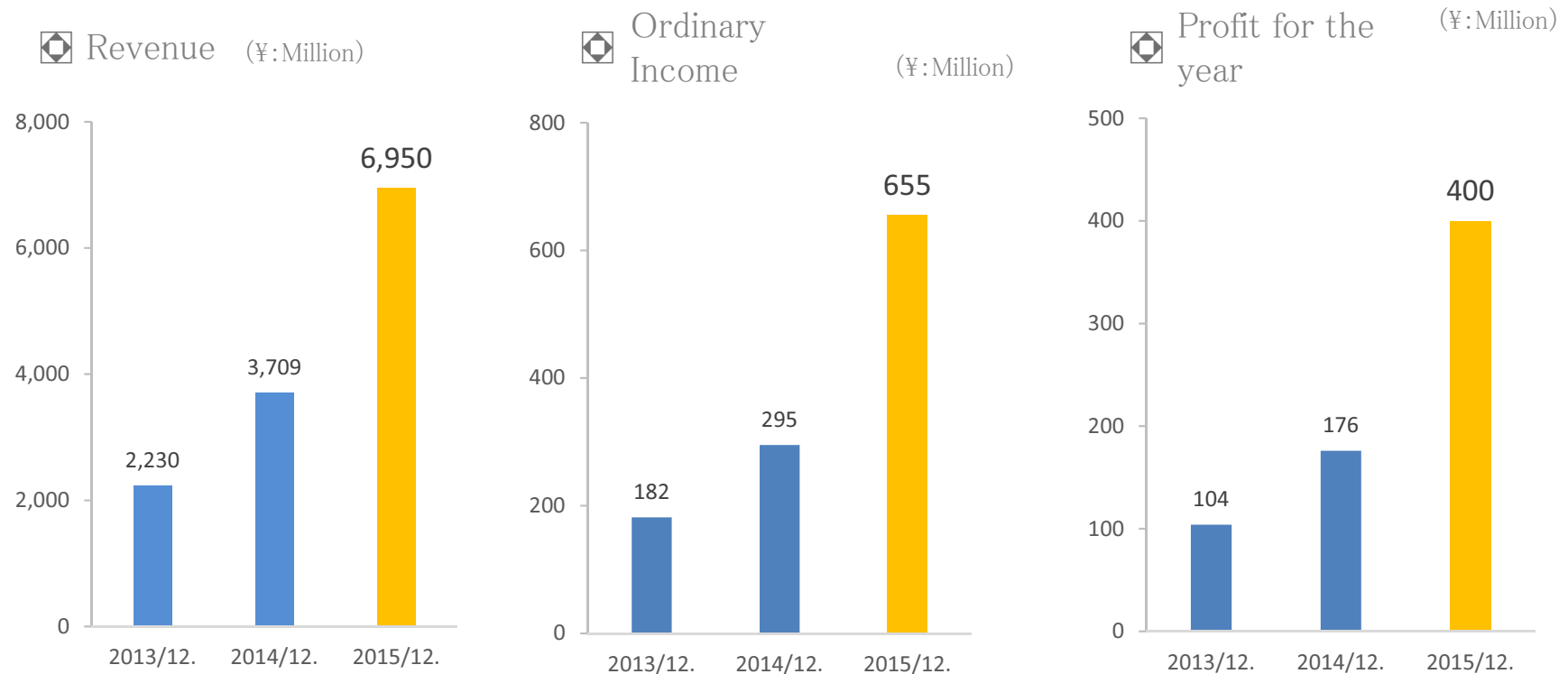
3. Officially started “Inbound Project” to attract foreign tourists and investors
Appeal to oversea investors as innovative developer of real estate revitalization.

4. Announced Mid-term earnings forecasts for the first time since the company is now on the next growth stage.
Plan to achieve 700 million yen by the end of FY 2017

I-2. Performance Highlights

...FY Ended Dec. 2015...

5 Consecutive Years of Sales and Profit Growth supported by Real Estate Investment and Development Segment



87.4% increase (Yr/Yr)
Revenue 6,950 Million

122.1% increase (Yr/Yr)
Ordinary Income
655 Million

126.8% increase (Yr/Yr)
Net Income 400 Million

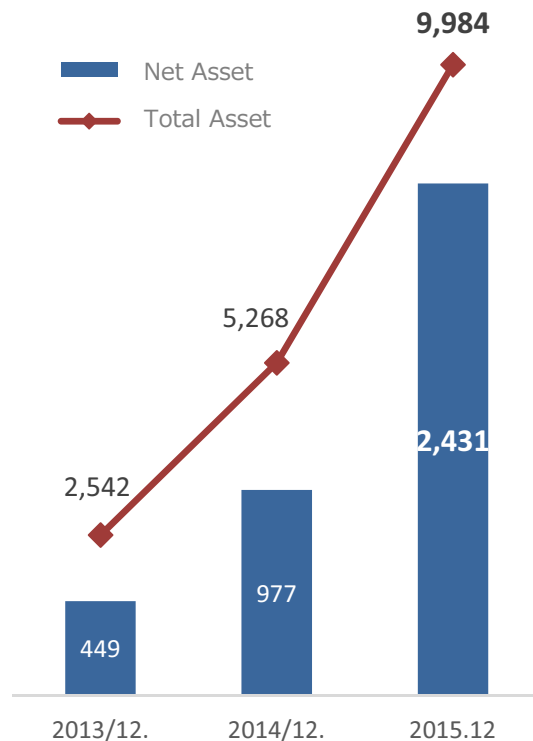
*Consolidated financial statement was created from 1Q of FY ending Dec.31.2015
The numbers for 2013 and 2014 were unconsolidated.

I-3. Performance highlights

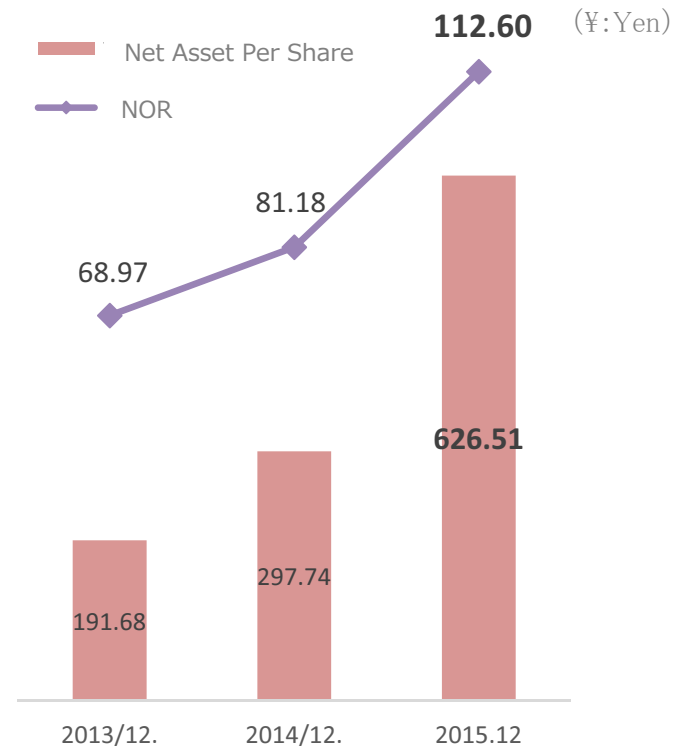
...FY Ended Dec. 2015...

Stronger Financial Position enables variety of financial strategies

Net and Total Assets (¥: Million)



Book Value Per Share and Earnings Per Share (¥: Yen)



Rapid growth in net assets and total assets

Book value per share has been improved continuously

*Consolidated financial statement was created from 1Q of FY ending Dec.31.2015
The numbers for 2013 and 2014 were unconsolidated.

*The above chart was calculated as if the company carried out three-for-one stock split at the beginning of fiscal year 2013

I-4. Consolidated P&L Summary

...FY Ended Dec. 2015...

Consolidated net income increased 16% more than the annual forecast after revising it up.

Consolidated P&L Summary

(¥ Million)

	2014/12.	2015/12.	Yr/Yr
Revenue	3,709	6,950	87.4%
①Investment business	3,236	6,137	89.6%
②Consulting business	197	171	△13.1%
③Management business	275	642	133.2%
Gross Profit	936	1,556	66.1%
SG&A expenses	558	756	35.4%
Operating Profit	378	800	111.5%
①Investment business	464	839	80.8%
②Consulting business	78	57	△26.5%
③Management business	88	283	219.9%
Other Expenses	△253	△381	50.2%

	2014/12.	2015/12.	Yr/Yr
Net income	295	655	122.1%
Profit for the period	176	400	126.8%

◆ Profit for the period increased substantially

◆ Cost of hiring increased due to more recruitment
◆ Expanding office space in Tokyo headquarter

◆ Rent income from short-term investment increased
◆ Big management deal closed by Asset Management Division

*Consolidated financial statement was created from 1Q of FY ending Dec.31.2015
The numbers for 2014 were unconsolidated.

I-5. Consolidate BS Summary

...FY Ended Dec. 2015...

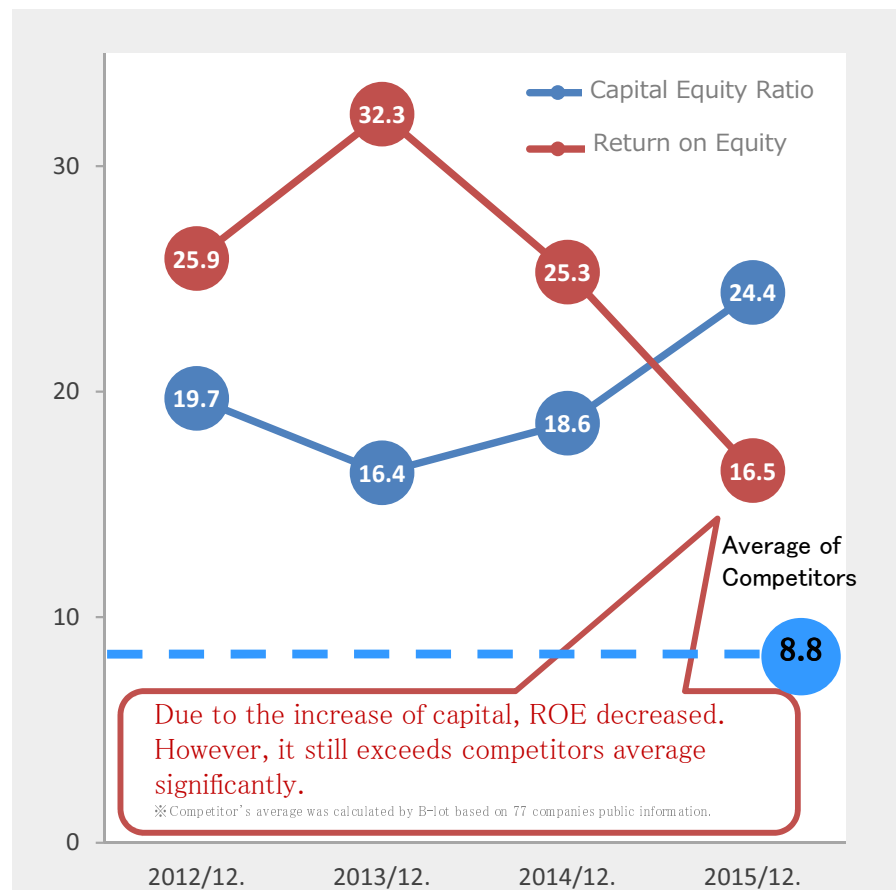
- i . Fixed Assets Increased by acquiring 2 new rental properties
- ii . Capital ratio improved by accumulating profit and fund procurement

☒ Consolidate Balance Sheet Summary (¥ Million)

	2014/12.	2015/12.	Yr/Yr
Assets	5,268	9,984	89.5%
Current assets	5,014	8,343	66.4%
Fixed Assets	254	1,632	542.4%
Deferred Assets	—	9	—
Liabilities	4,290	7,553	76.0%
Short term borrowings	3,085	1,836	△40.5%
Long term borrowings	1,204	5,716	374.5%
Net Assets	977	2,431	148.7%
Total liabilities and equity	5,268	9,984	89.5%

*Consolidated financial statement was created from 1Q of FY ending Dec.31.2015
The numbers for 2014 were unconsolidated.

☒ Equity Ratio and ROE (%)



II. Business Summary



II-1. Real Estate Investment and Development

...FY Ended Dec. 2015...

Segment revenue 80.8% increase

(¥: Million)

	2014/12	2015/12	Yr/Yr
Revenue	3,236	6,137	89.6%
Segment Profit	464	839	80.8%

Sold 13 properties. Average sold price higher and more diversified buildings.

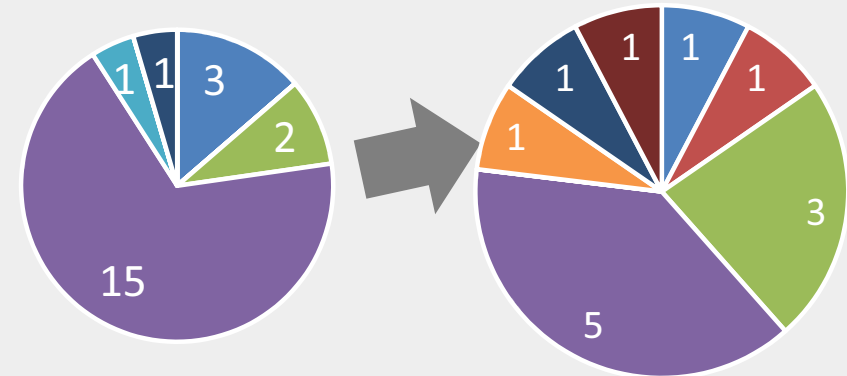
(¥: Million)

	2014/12	2015/12	(Yr/Yr)
Average sold price	146	471	220.7%

	Turnaround period	
Most recent 3 years	231days	7.7 months

Breakdown for Sold Properties

- Condo Unit
- Income SF
- Land
- Hotel Development
- Office
- Retail Development
- Residential
- Residential Development



FY ended 12/2014

FY ended 12/2015

Competitive in Tokyo-Metropolitan area (8 buildings)



Chiyoda-ku, Tokyo Retail & Office Bldg



Chiyoda-ku, Tokyo Retail & Office Bldg



Minato-ku, Tokyo Retail Bldg

※Rental Income during the holding period belongs to Real Estate Management segment

II-1. Real Estate Investment and Development

...FY Ended Dec. 2015...

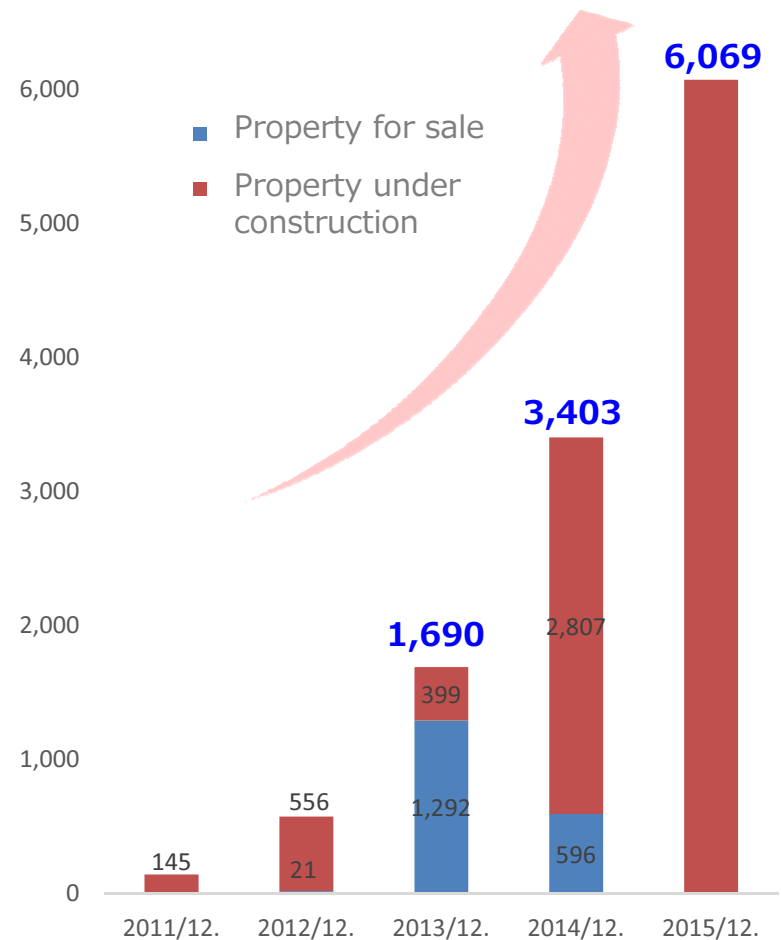
Area and category is much diversified than competitors

Balance of real estate for sale at record high!!

Breakdown of investing properties as of FY ended December 31, 2015



Balance of real estate for sale (¥:Million)



II-2. Real Estate Consulting

...FY Ended Dec. 2015...

Segment revenue 26.5% down

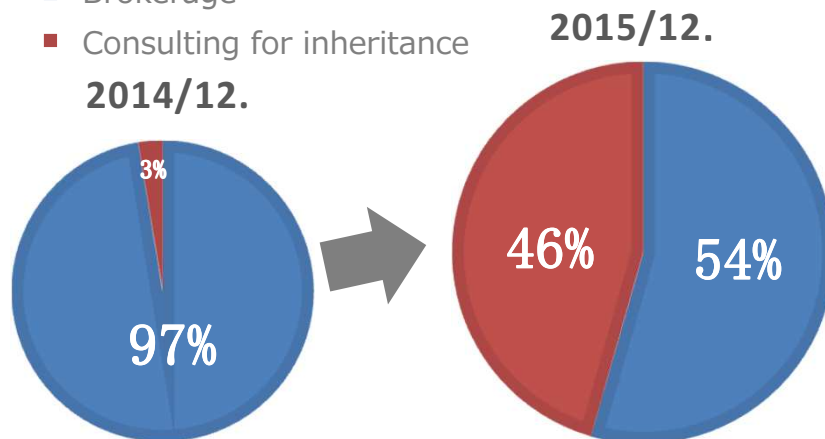
(¥: Million)

	2014/12	2015/12	Yr/Yr
Revenue	197	171	△13.1%
Segment Profit	78	57	△26.5%

Consulting for inheritance increased

Breakdown by revenue

- Brokerage
- Consulting for inheritance



Advanced knowledge of finding good investment properties in regional cities

Providing asset advisory service based on long-term relationship

Strictly Confidential

Brokerage	23
-----------	----

Kanto	11
Hokkaido	8
Kyusyu	4
Kansai	0

Consulting of inheritance	6
---------------------------	---

Kanto	4
Hokkaido	0
Kyusyu	0
Kansai	2

Sapporo, Hokkaido is popular because;

-Value of property is relatively higher than other area, so there is an advantage of depreciation benefit

-Lower risk of earthquake.
Good for asset allocation

Osaka and Kyoto are popular because;

-Aiming for capital gain by recent increase of foreign tourists

-Better ROI compare to Tokyo

II-3. Real Estate Management

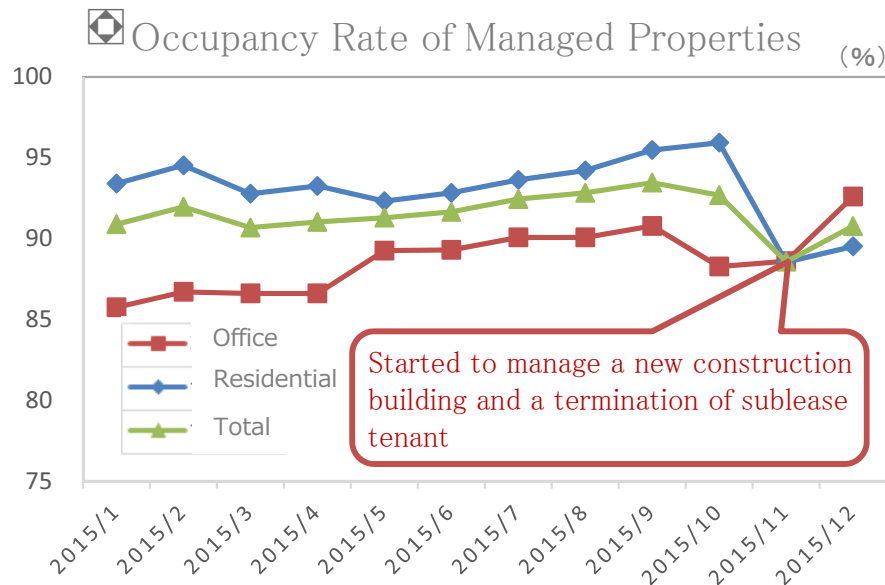
...FY Ended Dec. 2015...

Segment profit 219.9% increase

(¥:Million)

	2014/12	2015/12	Yr/Yr
Revenue	275	642	133.2%
Segment Profit	88	283	219.9%

Managed Properties: Average 91.4% occupancy



Build and maintain long-term relationship with clients

Owners	# of buildings	Breakdown
Regular customers	7	16.3%
Referrals	15	34.9%
Internal (Investment & Development)	9	20.9%
Internal (Consulting)	12	27.9%
Total	43	100.0%

※Regular customers are those who order more than 2 properties

Regular customers and referrals 51.2%

Internal 48.8%

7 buildings increased in 2015

Sold



Under Management

Chuo-ku, Fukuoka Apartment Building

Sold



Under Management

Sapporo, Hokkaido Apartment Building

III. Earnings Forecasts & Five Priority Measures



III-1. Mid-term Earnings Forecasts

- i . 1 Year has passed after IPO at TSE mothers section.
B-lot is now on next growth stage
- ii . Aim to increase company's value by proactive business development and sustainable growth

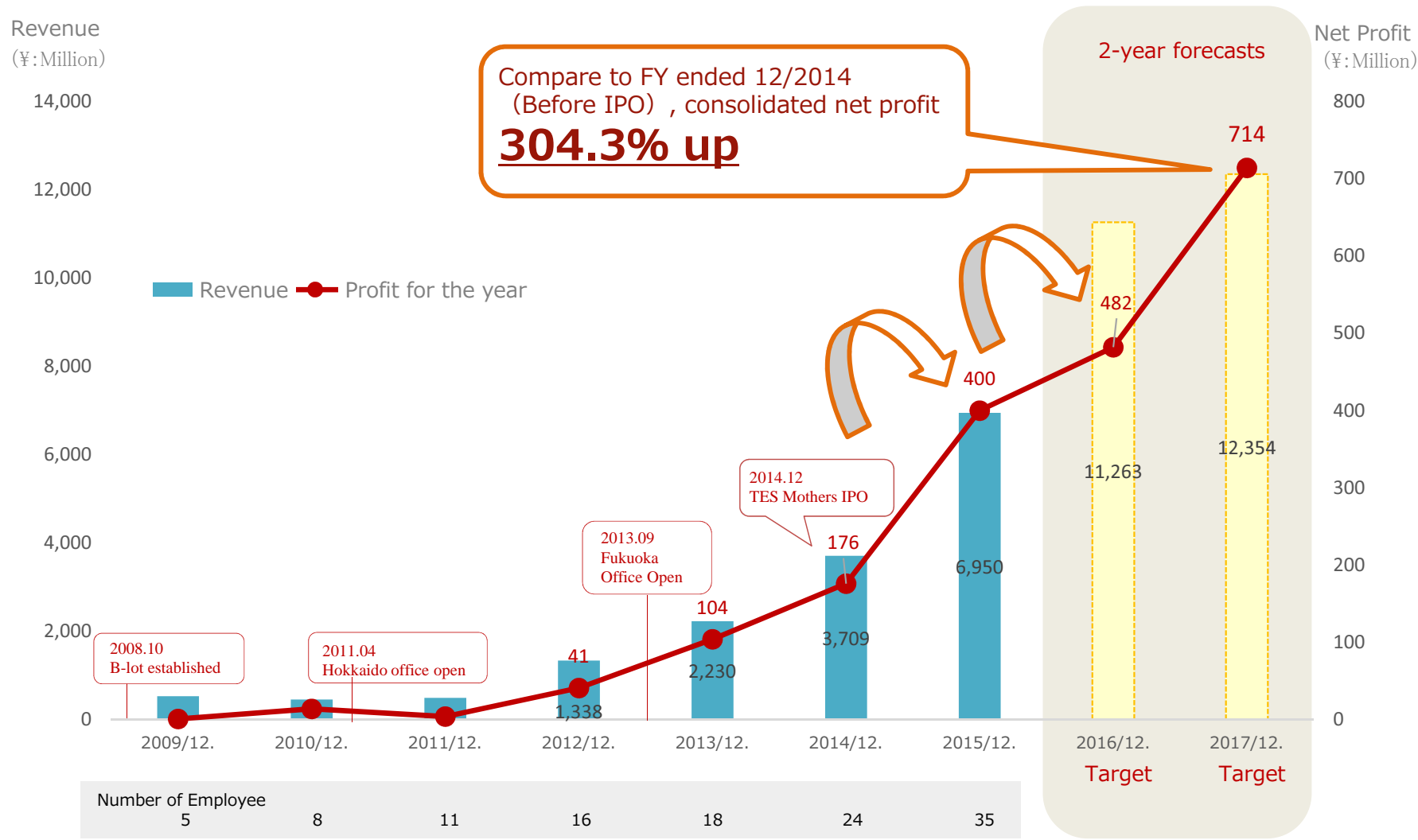
2 Years Consolidated Earnings Forecasts (2016-2018)

(¥: Million)

	Result of last year	Plan Period		
	FY Dec, 2015	FY ended Dec, 2016	FY ended Dec, 2017	Compare to FY 2015
Consolidated Revenue	6,950	11,263	12,354	77.7%
Consolidated Operating Profit	800	974	1,361	70.1%
Consolidated Ordinary Income	655	735	1,100	67.9%
Consolidated Profit for the year	400	482	714	78.3%

*The earning forecast above is based on the company information as of today. The actual result for 2016 to 2018 may differ from the projection.

III-1. Chart of Mid-Term Earnings Forecasts



【Market topics】

- 2008.09 Global Financial Crisis
- 2011.03 The Great East Japan Earthquake
- 2012.12 The Second Abe Cabinet Started
- 2013.09 Tokyo was selected as host city for 2020 Olympic
- 2014.04 Consumption Tax raised
- 2014.10 Additional monetary easing by Bank of Japan

III-2. Management Policies = 5 Priority measures =

1. Monetizing measures for inbound demand

Build and realize measures for inbound demand that take advantage of the business opportunities arising from Japan's tourism-oriented nation strategy, such as hotel conversions, development solutions, and investment coordination for the wealthy from overseas.

2. Strengthening the external cooperative network

From business partnerships with promising companies to achieve efficient and smooth area development and build new business models, and strengthen these partnerships.

3. Strengthening the financial base

Prepare for market fluctuations and aim to diversify fund raising, including by shifting to long-term financing. Continue to acquire income properties toward securing stable earnings.

4. Training young and new graduate employees

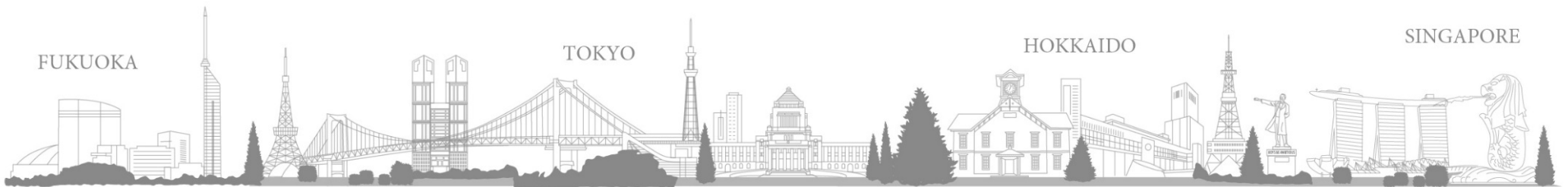
Alongside the increase in the number of business opportunities, recruit and train new graduates and young employees generation due to our business rapid growth.

5. Establishing a corporate governance system

Strengthen the governance system, including by appointing independent directors familiar with management and the industry

Close up!

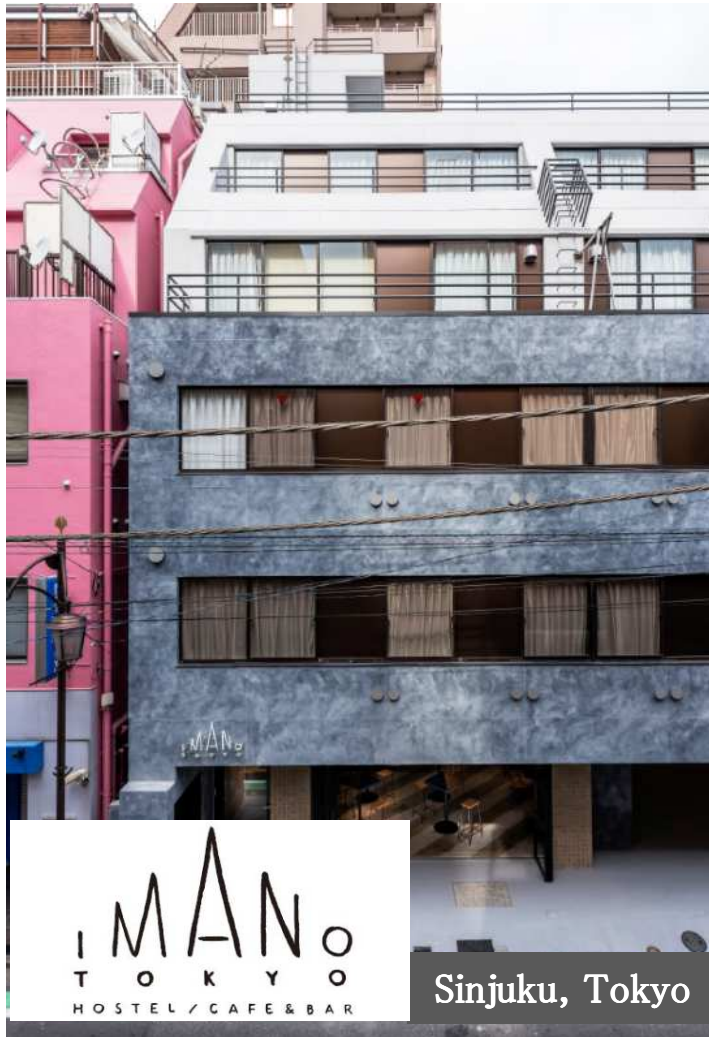
Innovative Real Estate Development “Inbound” Project



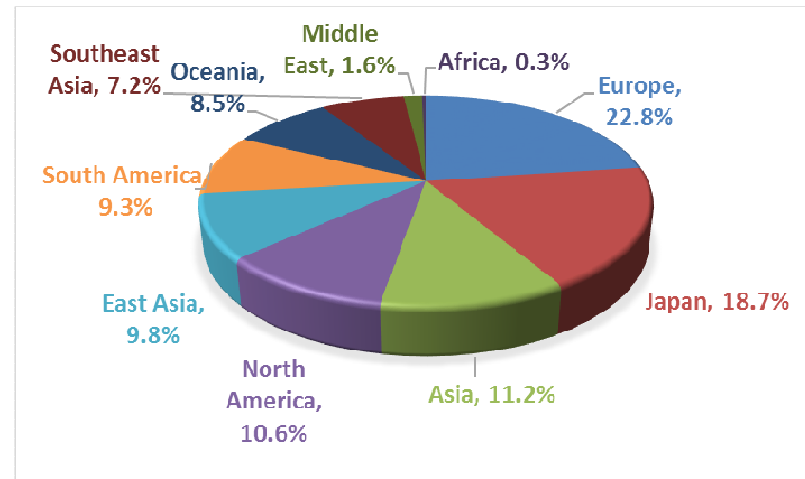
III-3. “Inbound” Project

**Best
Use**

Holding and operating a Hostel converted from Office building



81.3% of guests are inbound tourists on December, 2015



※photos were taken on October 31, 2015

III-3. “Inbound” Project

Development

New Hotel Construction Project. The very first “nine hours” hotel in Tokyo

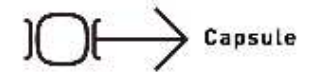
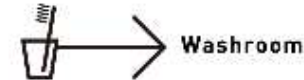
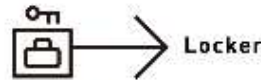
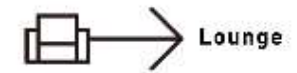
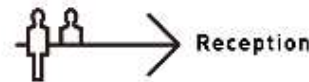


Design Image

About “nine hours”

- Total over 700,000 guests stayed in 3 locations
- Well known as a modern and stylish capsule hotel at Narita Airport

9h
nine hours | 総合



QUALITY



Design Image



Location; Hyakunincho 1Chome in Shinjuku
Only 2minutes from JR Yamanote Line “Shin-Okubo” Station

This compact hotel development makes the space maximized and will accommodate approximately 200 people

※Plan might be changed without any notice

III-3. “Inbound” Project

Development

Hotel Condominium in Niseko, Hokkaido Targeting and Appealing to Oversea Investors.



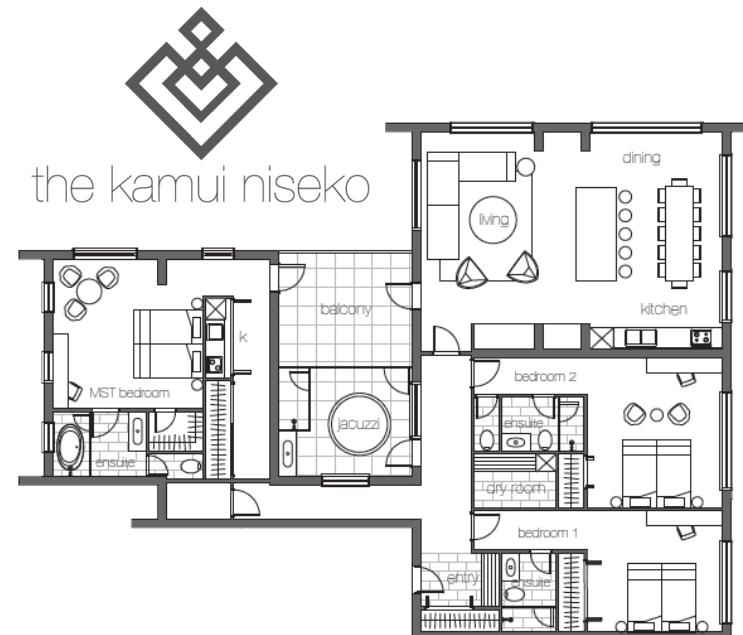
Design Image



Design Image

The project is undergoing with partner companies.

Niseko in Hokkaido has been recognized internationally as world-class ski resort by its powder snow. Today it attracts not only skiers, but also outdoor enthusiasts, nature lovers and gourmet travelers.



※Plan might be changed without any notice

=Business Area=

Expanding Business Area to all over Japan,
especially focusing on Kansai Area



*The buildings above include invested properties, managed properties and rental buildings as of February 10, 2016

IV. Company Profile



IV-1. Company Profile =as of December 31, 2015=

Company Name	B-Lot Company Limited
Head Office	2-19-10, Shimbashi, Minato-ku, Tokyo, 105-0041 Japan
Establishment	October 10, 2008
Capital	932,082,618 JPY
President	Makoto Miyauchi
Number of Employee	35 employees (Consolidated, as of December 2015)
Listed Date	December 11, 2014 (Japan Stock Exchange Mothers Section Ticker code:3452)
Offices and Subsidiaries	Hokkaido, Fukuoka B-Lot Asset Management Co., Ltd (100% Subsidiaries) B-Lot Singapore Pte. Ltd. (100% Subsidiaries)
Licenses	Real Estate business license, Registered Financial Instrument Business (Type 2 Financial Instrument Business, Advisor and Agency)



IV-2. Board of Directors



Makoto Miyauchi Representative Director and President (Born in February 1969)

Acquired BA in Political Science at Keio University, Tokyo and MBA at University of Washington, Seattle.

A former banker (at Sanwa Bank - currently MUFG) with expertise in project financing, property loans, and securitization.

Established B-Lot to start new real estate and financial businesses in 2008.

A well-known, influential business executive in Japan.



Shinichi Hasegawa Director and Deputy President (Born in July 1972)

Acquired BA in Commercial Science at Sapporo Gakuin University.

Has been responsible mainly for purchase and sales real estate brokerage business .

Made tremendous contribution for Sun Frontier Fudousan Co., Ltd.(TSE first section 8934) to be listed in the JASDAQ Stock Exchange in 5 years and in the Tokyo Stock Exchange in 8 years since its incorporation. Assumed the Deputy President of B-Lot in 2008.

Set up new branches in Singapore & Hokkaido by himself and creates new investment networks.



Masahiro Mochizuki Director and Deputy President (Born in October 1972)

Acquired BA in Real Estate at Meikai University.

Established a new business field in real estate value-up called “Re-planning” in 2001, responsible for purchasing, improving value, selling, and securitizing properties.

Specialized in ‘revitalization and conversion business on real estate’.

Has dealt more than 150 transactions, becoming a most recognized authority in the field of real estate value-up. Held a number of seminars mainly about revitalization.

IV-3. Management Policies

Mission

We at B-Lot shall contribute to society by creating businesses that provide value to society in the fields of real estate and finance. In these activities, while following social norms, we shall pursue profit and realize long-term sustainable growth for all stakeholders as a “company needed by society.”

Be professional

We shall always make decisions rapidly with sound judgment based on insight and expert knowledge. To ensure this professionalism, we shall give ample attention to gaining expert knowledge, collecting market information, and devoting ourselves to the study of our field.

Enjoy

We shall make the uninteresting fascinating. We shall genuinely enjoy work and proactively conduct business with creativity and flexibility. To ensure this spirit of enjoyment, every member of the B-Lot shall place emphasis on partnership and teamwork in our relationships with each other and with everyone else.

Beat our brains

“Think hard” and “utilize our experience”

Our resolution is “to think hard and utilize our experience to bring joy to customers and contribute to the betterment of society.”

The logo is a symbol of our foundation. The red symbolizes “passion and a fighting spirit,” the yellow symbolizes “brightness and a smile,” the blue symbolizes “sincerity and a spirit of fairness,” and the green symbolizes “total harmonization and originality.” The rounded corners of the squares express flexibility and balance and the way they interlink with each other expresses the person-to-person bonds that make up the partnerships and teamwork that the B-Lot cherishes more than anything.

Core Values

Vision

Beat our brains!

B-lot

IV-4. Business Outline

Our businesses are grouped into three main segments.



We have built intensive relationships with high-quality investors.

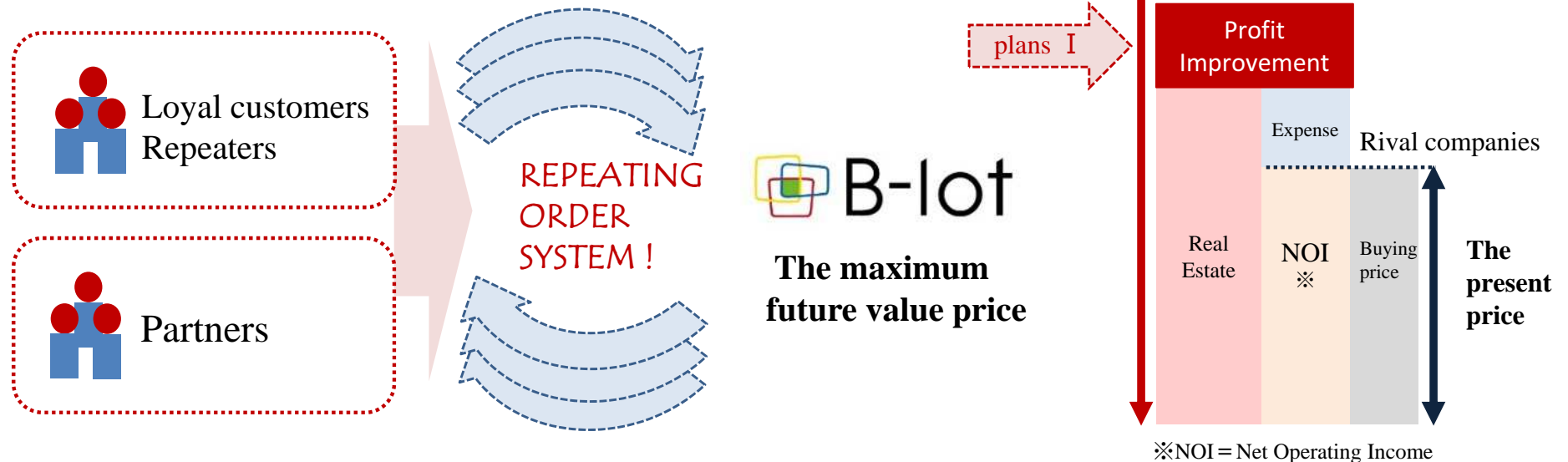
IV-5. Our Strengths

We have various 'revitalization plans' in many property types.

- ① Search for and find undervalued properties
- ② Provide the 'maximum value plan'
- ③ Fulfill its process as planned

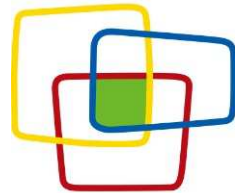
Note!

We are able to buy properties at higher prices because of our more various and sophisticated revitalization plans.



• • • **For more information** • • •

Beat our brains!



B-lot

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