

This is an English translation of the official announcement in Japanese that was released on August 12, 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 Second 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/>
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 Submission of Quarterly Securities Report (Shihanki-Houkokusho): August 12, 2015
 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 Second Quarter Ended June 30, 2015. (January 1, 2015 to June 30, 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 second quarter ended June 30, 2015	3,234	—	332	—	272	—	172	—
The second quarter ended June 30, 2014	—	—	—	—	—	—	—	—

(Note: Comprehensive income was 174 million yen for the second quarter ended June 30, 2015)

	Basic earnings per share	Diluted earnings per share
The second quarter ended June 30, 2015	52.27 (¥)	47.91 (¥)
The second quarter ended June 30, 2014	—	—

(Note 1: Consolidated financial statement was made from the first quarter ended March 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 June 30, 2015	8,190 (¥ million)	1,158 (¥ million)	14.1 (¥ million)	349.00 (¥)
As of December 31, 2014	—	—	—	—

(Note 1: Consolidated financial statement was made from the first quarter ended March 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. 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	—	0.00			
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	6,930	—	717	—	566	—	345	—	98.14

Note: Revision to the most recently released earnings forecasts: No

*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: —

Note. 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. We also have included B-Lot Singapore. Ltd. in the range of consolidation from the second quarter of the fiscal year.

- 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

- Number of issued shares (ordinary shares)

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

Second quarter of fiscal year ending December 31, 2015	3,319,500 shares
Second quarter of fiscal year ended December 31, 2014	3,283,500 shares

- Number of treasury shares at the end of the period

Second quarter of fiscal year ending December 31, 2015	—
Second quarter of fiscal year ended December 31, 2014	—

- Average number of outstanding shares during the period (cumulative)

Second quarter of fiscal year ending December 31, 2015	3,307,765 shares
Second quarter of fiscal year ended 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 shares (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 shares (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.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

In association with the establishment of B-Lot Asset Management Co., Ltd. and B-Lot Singapore Pte. Ltd., the Company prepares the quarterly consolidated financial statements from the first quarter ended June 30, 2015. 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 second quarter ended June 30, 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, backed by the government's economic measures and monetary easing policy.

The real estate industry, in which B-Lot operates, recovered steadily, overcoming the challenging economic circumstances in the past few years. Land prices rose partly due to expanding investment from overseas on the back of low interest rates and the weaker yen.

These developments lead to an upward trend in the real estate industry.

As a result, revenue was ¥3,234,647 thousand, operating profit was ¥332,261 thousand, and ordinary profit was ¥272,512 thousand. Net profit for the period was ¥172,898 thousand.

The performance by business segment is as follows:

Real Estate Investment and Development Business

The segment sold six properties. The six properties sold were all in the Kanto (west) area, and consisted of two housing-related real estate properties, three retail floors, and one land lot.

The segment acquired eight properties, which consisted of four housing-related real estate properties, two retail floors, and two land lots. (Three in the Kanto (west) area, three in Hokkaido, and two in the Kansai (east) area)

There were fourteen properties in inventory for the consolidated accounting period of the second quarter. These properties included two retail floors, and one property for a hotel revitalizing project.

All four land lots are part of a development project. The segment invested in a land lot in Niseko Town in Hokkaido for the first time. This lot is also part of the same project.

As a result, consolidated revenue for the second quarter ended June 30, 2015 was ¥ 2,955,282 thousand, and segment profit was ¥426,120 thousand.

Real Estate Consulting Business

In the Real Estate Consulting Business, contracts were concluded for a series of investment properties in all three areas. The number of properties mediated in the brokerage business stood at eight.

There was a total of eight contracts, with three in Kanto, three in Hokkaido, and two in Kyushu.

As a result, consolidated revenue for the second quarter ended June 30, 2015 was ¥49,900 thousand, and segment profit was ¥2,717 thousand.

Real Estate Management Business

In the Real Estate Management Business, the number of buildings under management in the real estate owned by clients increased to 39.

The breakdown of the areas where buildings were under management is as follows: 17 buildings in Kanto, 13 buildings in Hokkaido, and 9 buildings in Kyushu.

The segment acquired two new leasing properties to improve the profit of the segment.

As a result, consolidated revenue for the second quarter ended June 30, 2015 was ¥229,464 thousand, and segment profit was ¥109,147 thousand.

(2) Qualitative Information Regarding Financial Positions

1. Conditions of assets

Total assets for the second quarter ended June 30, 2015 were ¥8,190,966 thousand.

2. Conditions of liabilities

Total liabilities amounted to ¥7,032,462 thousand for the second quarter ended June 30, 2015.

3. Conditions of total assets

Consolidated net assets for the second quarter ended June 30, 2015 were ¥1,158,504 thousand.

(3) Qualitative Information Regarding the Consolidated Earnings Forecast

There are no changes in the consolidated earnings forecast, as announced in the "Notice Regarding the Changes in Earnings Forecasts," on June 22, 2015.

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. We also have included B-Lot Singapore Pte. Ltd. in the range of consolidation from the second quarter of the fiscal year.

(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 June 30, 2015	
Assets	
Current assets	
Cash and deposits	494,408
Accounts receivable	22,174
Real estate for sale	428,744
Real estate for sale in progress	4,961,244
Deferred tax assets	19,247
Others	645,376
Total current assets	6,571,196
Fixed assets	
Tangible fixed assets	
Properties (Net amount)	692,874
Plot of land	167,240
Others	3,294
Total tangible fixed assets	863,409
Intangible fixed assets	
Lease hold	659,133
Others	124
Total intangible fixed assets	659,257
Investment properties and others	85,720
Total fixed assets	1,608,386
Deferred assets	11,384
Total assets	8,190,966
Liabilities	
Current liabilities	
Short term borrowings	949,900
Current portion of long term borrowings	333,264
Current payable corporate bonds	60,000
Unpaid income tax and other	114,164
Provision for bonuses for directors and corporate auditors	10,200
Provision for after costs	2,543
Others	291,812
Total current liabilities	1,761,884
Fixed liabilities	
Long term borrowings	4,645,040
Corporate bonds	540,000
Others	85,536
Total fixed liabilities	5,270,577
Total liabilities	7,032,462
Net assets	
Shareholders' equity	
Share capital	408,175
Capital reserves	329,190
Retained earnings	419,976
Total equity	1,157,342
Total of other comprehensive income	
Currency translation adjustment	1,162
Other comprehensive income	1,162
Total net assets	1,158,504
Total liabilities and equity	8,190,966

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

Quarterly Consolidated Profit and Loss Statement

(¥thousand)

The second quarter ended June 30, 2015	
Revenue	3,234,647
Cost of revenue	2,529,661
Gross profit	704,986
Selling, general and administrative expenses	372,725
Operating profit	332,261
Non-operating profit	
Interest income	3,171
Commission income	13
Dividends income	5
Total of non-operating income	3,191
Non-operating expenses	
Interest expense	56,296
Others	6,643
Total of non-operating expenses	62,939
Operating income	272,512
Income before income tax	272,512
Corporate income, inhabitant and enterprise taxes	111,090
Deferred income taxes	-11,476
Total of corporate tax	99,613
Income before minority interests	172,898
Profit for the period	172,898

Consolidated Statements of Comprehensive Income
(¥ thousand)

The second quarter ended June 30, 2015	
Income before minority interests	172,898
Other comprehensive income	
Currency translation adjustment	1,162
Total comprehensive income for the period	1,162
Comprehensive income for the period	174,061
(Breakdown)	
Comprehensive income attributable to owners of the parent	174,061

(3) Condensed Consolidated Statement of Cash Flows

(¥thousand)

The second quarter ended June 30, 2015	
Cash flows from operating activities	
Profit before tax	272,512
Depreciation expenses	19,023
Increase (decrease) in provision for bonuses	10,200
Increase (decrease) in provision for after costs	-1,758
Interest and dividend income	-3,177
Interest expenses and corporate bonds	56,296
Other non-operating profits and losses	6,643
Increase (decrease) in trade receivables	-18,347
Increase (decrease) in inventories	-1,986,664
Increase (decrease) in other current assets	44,746
Increase (decrease) in other non-current assets	-14,799
Increase (decrease) in other current liabilities	40,431
Increase (decrease) in other non-current liabilities	48,084
Others	607
Subtotal	-1,526,200
Interest and dividends income received	3,177
Interest expenses	-68,942
Corporate tax and other expenses	-80,091
Cash flows from operating activities	-1,672,057
Cash flows from investing activities	
Payment into time deposits	-11,050
Proceeds from the withdrawal of time deposits	600
Purchase of properties, plants and equipment	-830,741
Purchase of intangible assets	-502,013
Payments of loans receivable	-90,000
Increase (decrease) in investments and other assets	-16,669
Cash flows from investment activities	-1,449,874
Cash flows from financing activities	
Proceeds from short-term borrowings	1,671,232
Repayment of short-term borrowings	-3,407,033
Proceeds from long-term borrowings	3,833,000
Repayment of long-term borrowings	-84,862
Proceeds from the issuance of corporate bonds	586,952
Proceeds from the issuance of common stock	6,804
Cash flows from financing activities	2,606,092
Net increase (decrease) in cash and cash equivalents	-515,839
Cash and cash equivalents at the beginning of period	1,007,747
Cash and cash equivalents at the end of period	491,908

(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 second quarter ended June 30, 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	2,955,282	49,900	229,464	3,234,647	—	3,234,647
Internal sales between individual segments or amount transfer	—	—	—	—	—	
Total	2,955,282	49,900	229,464	3,234,647	—	3,234,647
Segment profit	426,120	2,717	109,147	537,985	-205,724	332,261

(Notes)

1. The adjustment of minus 205,724 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 Meeting held on June 22, 2015, we made decisions on new shares and the secondary offering of shares. We also decided the offer and selling price for issuance on July 7, 2015.

The public offering and third-party allotment were paid on July 14, 2015 and August 7, 2015, and the amount of capital and capital reserves has been increased.

1. New Shares by Offering (Public Offering)

1. Type and number of issued shares	Ordinary shares, 360,000 shares
2. Issuance price	¥2,697 per share
3. Total issuance price	970,920 thousand yen
4. Payment amount	¥2,553.50 per share
5. Total payment amount	919,260 thousand yen
6. Increase in capital	459,630 thousand yen
Increase in capital reserves	459,630 thousand yen
7. Subscription period	July 8, 2015 to July 9, 2015
8. Period for payment	July 14, 2015

2. Secondary Offering of Shares (by Way of Underwriting)

1. Type and number of issued shares	Ordinary shares, 230,000 shares
2. Selling price	¥2,697 per share
3. Total selling price	620,310 thousand yen
4. Underwriting price	¥2,533.50 per share
5. Total underwriting price	587,305 thousand yen
6. Subscription period	July 8, 2015 to July 9, 2015
7. Period of payment	July 15, 2015

3. Secondary Offering of Shares (by Way of Over-allotment)

1. Type and number of issued shares	Ordinary shares 88,500 shares
2. Selling price	¥2,697 per share
3. Total selling price	238,684 thousand yen
4. Subscription period	July 8, 2015 to July 9, 2015
5. Period of payment	July 15, 2015

4. New shares offering by Third-party Allotment

1. Type and number of offering issued shares	Ordinary shares 38,100 shares
2. Payment amount	¥2,553.50 per share
3. Total payment amount	97,288 thousand yen
4. Increase in capital	48,644 thousand yen
Increase in capital reserves	48,644 thousand yen
5. Subscription date	July 31, 2015
6. Date of payment	August 7, 2015
7. Share allocation	SBI

5. Use of the Procured Funds

We plan to allocate all the funds raised from the capital increase through a public offering and the capital increase through a private placement to the purchases of real estate for sale and real estate for sale in progress in the Real Estate Investment and Development Business, and capital investment in real estate for rent in the Real Estate Management Business. The payments are planned for the fiscal year ending December 31, 2015 and the fiscal year ending December 31, 2016. We plan to flexibly acquire real estate, including real estate that has yet to be sold, by assessing the profitability of individual properties, but the properties to be acquired using the raised funds and the timing of payment for these properties have yet to be determined. A portion of the raised funds may be allocated after the fiscal year ending December 31, 2016. We have acquired real estate for sale and real estate for sale in progress, and have made capital investments in real estate in rent, using our own funds and borrowings from financial institutions. We have acquired real estate flexibly, taking advantage of the increasing number of loans for real estate acquisitions from financial institutions and low interest rates in recent years. We will make the most of the funds raised through the capital increases and will acquire real estate flexibly, obtaining loans from financial institutions in accordance with the circumstances. We will invest the raised funds mainly in safe financial instruments until they are allocated to specific purchases or capital expenditures.