

This is an English translation of the official announcement in Japanese that was released on November 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 Third 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): November 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 Third Quarter Ended September 30, 2015. (January 1, 2015 to September 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 third quarter ended September 30, 2015	4,305	—	512	—	405	—	252	—
The third quarter ended September 30, 2014	—	—	—	—	—	—	—	—

(Note: Comprehensive income was 249 million yen for the third quarter ended September 30, 2015)

	Basic earnings per share	Diluted earnings per share
The third quarter ended September 30, 2015	73.18	67.84
The third quarter ended September 30, 2014	—	—

(Note 1: Consolidated financial statement was made from the first quarter ended March 31, 2015. For this reason, the values from the third quarter ended September 30, 2014 and the rate of increase from the previous year are not stated.)

(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 September 30, 2015	10,016	2,281	22.8	588.17
As of December 31, 2014	—	—	—	—

(Note 1: Consolidated financial statement was made from the first quarter ended March 31, 2015. For this reason, the values from the third quarter ended September 30, 2014 and the rate of increase from the previous year are not stated.)

(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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2015 (January 1, 2015 to December 31, 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

1. 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.

2. Accounting treatment and special accounting treatments for quarterly consolidated financial statements: No

3. Changes in accounting policies and changes in accounting estimates

- (a) Changes in accounting policies: No
 (b) Changes in accounting policies due to other reasons: No
 (c) Changes in accounting estimates: No
 (d) 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)

Third quarter of fiscal year ending December 31, 2015	3,879,600 shares
Third quarter of fiscal year ended December 31, 2014	3,283,500 shares

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

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

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

Third quarter of fiscal year ending December 31, 2015	3,448,676 shares
Third quarter of fiscal year ended December 31, 2014	1,894,500 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 has prepared quarterly consolidated financial statements from the first three months of the fiscal year under review. The forward-looking statements contained in these materials, including outlook of future performance, are based on information currently available to the Company and on certain assumptions deemed to be reasonable 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 their 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 third quarter ended September 30, 2015, the Japanese economy experienced a modest recovery.

Although the US economy shows improvements in corporate performance and the European economy is on a moderate recovery track, there are increasing concerns about slowdown in Chinese and other emerging economies, including revival of debt problems in Greece. On the other hand, the Japanese economic recovery was spurred by improvements in corporate performance and employment environment, backed by the government's economic measures and monetary easing policy.

The real estate industry, in which B-Lot operates, is expected to continue to recover steadily, overcoming the challenging economic circumstances in the past few years. The price of land assessed by road rating rose partly due to expanding investment from overseas on the back of low interest rates and the weaker yen.

As a result, revenue was ¥4,305,006 thousand, operating profit was ¥512,121 thousand, and ordinary profit was ¥405,447 thousand. Net profit for the period was ¥252,370 thousand.

The performance by business segment is as follows:

Real Estate Investment and Development Business

The segment sold nine properties. The nine properties sold were eight in the Kanto (west) area, and one in Hokkaido, and consisted of three housing-related real estate properties, five retail and office floors, and one land lot.

The segment acquired thirteen properties, which consisted of seven housing-related real estate properties, four retail and office floors, and two land lots. (Six in the Kanto (west) area, four in Hokkaido, and one in the Kyushu area)

There were nineteen properties in inventory for the consolidated accounting period of the third quarter. These properties included property for a currently underway hotel revitalizing project, which is targeting foreign tourists for inbound expectations.

The segment also acquired three land lots, and all of them are part of a development project for a condominium and shops. A newly build shop was sold during the third period.

As a result, consolidated revenue for the third quarter ended September 30, 2015 was ¥ 3,746,021 thousand, and segment profit was ¥535,581 thousand.

Real Estate Consulting Business

In the Real Estate Consulting Business, contracts were concluded for a series of investment properties in many areas all over Japan.

There was a total of nineteen contracts, with nine in Kanto, six in Hokkaido, two in Kansai, and two in Kyushu.

As a result, consolidated revenue for the third quarter ended September 30, 2015 was ¥120,996 thousand, and segment profit was ¥43,503 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 40.

The breakdown of the areas where buildings were under management is as follows: 17 buildings in Kanto, 14 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 third quarter ended September 30, 2015 was ¥437,988 thousand, and segment profit was ¥227,115 thousand.

(2) Qualitative Information Regarding Financial Positions

1. Conditions of assets

Total assets for the third quarter ended September 30, 2015 were ¥10,016,125 thousand.

2. Conditions of liabilities

Total liabilities amounted to ¥7,734,251 thousand for the third quarter ended September 30, 2015.

3. Conditions of total assets

Consolidated net assets for the third quarter ended September 30, 2015 were ¥2,281,873 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. We will inform you immediately should the need to revise the consolidated business forecast arise in the future.

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 September 30, 2015	
Assets	
Current assets	
Cash and deposits	1,648,307
Accounts receivable	22,379
Real estate for sale	386,769
Real estate for sale in progress	5,403,429
Deferred tax assets	28,904
Others	856,602
Total current assets	8,346,391
Fixed assets	
Tangible fixed assets	
Properties (Net amount)	669,096
Plot of land	167,240
Others	9,618
Total tangible fixed assets	845,954
Intangible fixed assets	
Lease hold	659,133
Others	103
Total intangible fixed assets	659,236
Investment properties and others	154,409
Total fixed assets	1,659,600
Deferred assets	10,133
Total assets	10,016,125
Liabilities	
Current liabilities	
Short term borrowings	849,546
Current portion of long term borrowings	374,949
Current payable corporate bonds	60,000
Unpaid income tax and other	125,445
Provision for bonuses for directors and corporate auditors	15,600
Provision for bonuses	18,940
Provision for after costs	2,309
Others	398,834
Total current liabilities	1,845,624
Fixed liabilities	
Long term borrowings	5,236,564
Corporate bonds	540,000
Others	112,062
Total fixed liabilities	5,888,626
Total liabilities	7,734,251
Net assets	
Shareholders' equity	
Share capital	932,082
Capital reserves	853,097
Retained earnings	499,448
Total equity	2,284,628
Total of other comprehensive income	
Currency translation adjustment	-2,754
Other comprehensive income	-2,754
Total net assets	2,281,873
Total liabilities and equity	10,016,125

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

Quarterly Consolidated Profit and Loss Statement

(¥thousand)

The third quarter ended September 30, 2015	
Revenue	4,305,006
Cost of revenue	3,230,427
Gross profit	1,074,579
Selling, general and administrative expenses	562,457
Operating profit	512,121
Non-operating profit	
Interest income	5,459
Commission income	18
Dividends income	5
Others	18
Total of non-operating income	5,501
Non-operating expenses	
Interest expense	92,676
Others	19,499
Total of non-operating expenses	112,175
Operating income	405,447
Income before income tax	405,447
Corporate income, inhabitant and enterprise taxes	174,373
Deferred income taxes	-21,296
Total of corporate tax	153,076
Income before minority interests	252,370
Profit for the period	252,370

Consolidated Statements of Comprehensive Income
(¥thousand)

The third quarter ended September 30, 2015	
Income before minority interests	252,370
Other comprehensive income	
Currency translation adjustment	-2,754
Total comprehensive income for the period	-2,754
Comprehensive income for the period	249,616
(Breakdown)	
Comprehensive income attributable to owners of the parent	249,616

(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)

The third quarter ended September 30, 2015

1.) Amount of dividend payments

No items to report.

2.) Of the dividends whose record date belongs to the third quarter of the current fiscal year, those dividends for which the effective date belongs to the next quarter of the current fiscal year

No items to report.

3.) Significant change in the amount of shareholders' equity

In accordance with the resolution made at the Board Meeting held on June 22, 2015, we increased 360,000 shares through issue of new shares by public offering for consideration with the period of payment on July 14, 2015 and 38,100 shares through new shares offering by paid-in third-party allotment which shall be implemented with respect to secondary offering of shares by way of over-allotment with the period of payment on August 7, 2015. As a result, capital and capital reserves increased 507,724 thousand yen, respectively. In addition, we also increased 162,000 shares through issue of new shares upon exercise of subscription rights to shares. As a result, capital and capital reserves increased 15,633 thousand yen, respectively.

As a result, capital stock for the third quarter ended September 30, 2015 was ¥932,082 thousand, and capital reserve was ¥853,097 thousand.

(Segment Information, etc.)

[Segment Information]

The third quarter ended September 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	3,746,021	120,966	437,988	4,305,006	—	4,305,006
Internal sales between individual segments or amount transfer	—	—	—	—	—	—
Total	3,746,021	120,996	437,988	4,305,006	—	4,305,006
Segment profit	535,581	43,503	227,115	806,200	-294,079	512,121

(Notes)

1. The adjustment of minus 294,079 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.