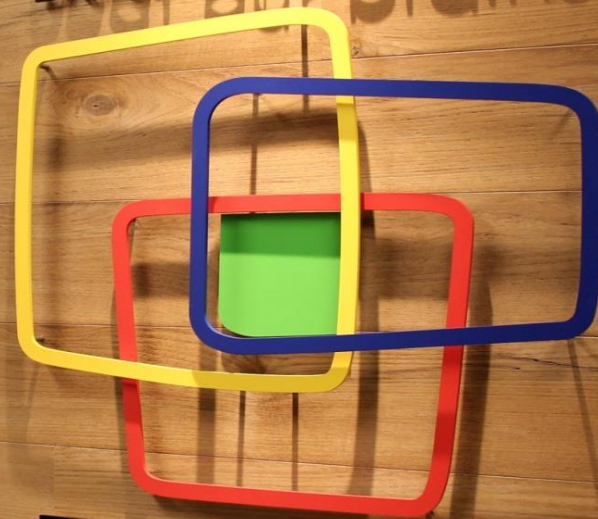


Beat our brains!



【English Summary】 Semi-Annual Report Fiscal Year Ending December 31, 2018

B-lot

Disclaimer: This English summary is only for reference purpose. When there are any discrepancies between original Japanese version and English version, the original Japanese version always prevails.



B-lot

3452 Tokyo Stock Exchange,
First Section

August 10, 2018

To Our Shareholders



B-Lot moved its stock listing up to the First Section of the Tokyo Stock Exchange in February 2018, and it is in a stage to further increase the company value.

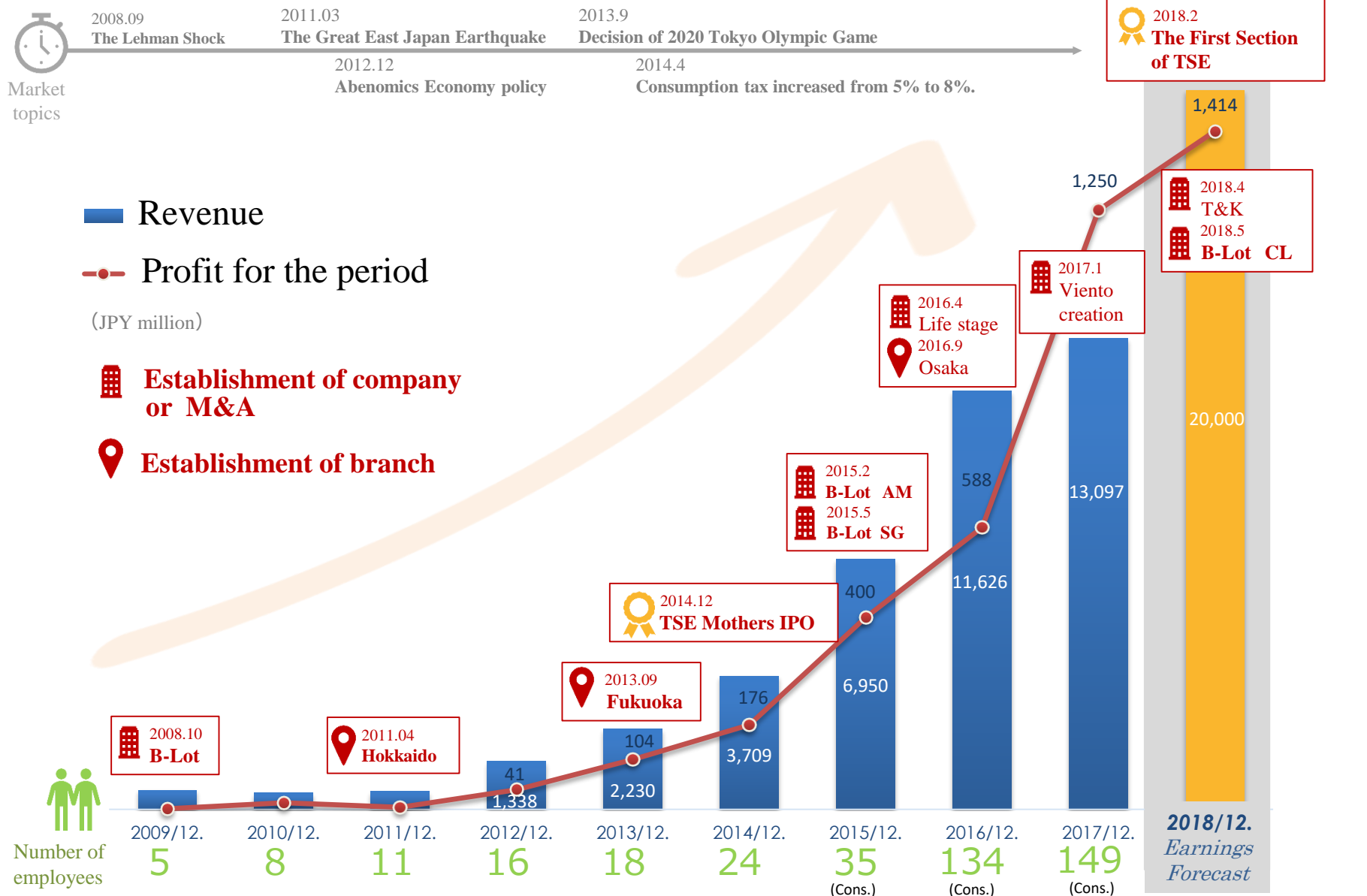
~ Impacts of Listing Change to the First Section of TSE ~

<div>Credibility</div> <div>Brand recognition</div>	Quality of information	Significant improvement Large property projects, overseas projects, various property types, projects that require naming B-Lot as a partner
	Service reliability	Significant improvement Needs for services regarding highly confidential inheritance cases, contracts for asset management and property management by referrals
	Volume of information & customer count	Drastic increase Thanks to our improved brand recognition, customers are choosing to do business with us
	Relationships with financial institutions	Further improved business relationships
	Recruitment	More opportunities to hire talented individuals

We ask for your continued guidance and support as we move forward with an aim of making great strides as B-Lot group.

B-Lot Co.,Ltd.
Makoto Miyauchi

Trends in Revenue and Net Profits





CONTENTS

I. Performance Review *P. 05–09*

II. Business Summary *P. 10–21*

III. Company Profile (Reference Material) *P. 22–27*

I. Performance Review



1. Sales results was in line with consolidated net profit forecast for this term.
We expect to sell large-scale properties in the second half to achieve the target as originally scheduled.
2. The outstanding balance of real estate for sale (including sales in process) has reached ¥18,876 million.
Steadily acquiring more variety of properties in types and areas.
3. Various development projects in major cities throughout Japan.
Expecting big contribution to the profit as well as vitalizing local economy.
4. Expanding into different business areas for new opportunities.
Started investing in logistics facilities, golf courses and M&A consulting business.

I-2. Annual Performance Forecast

...Q2 FY2018...

- i. B-Lot Group has entered into a stage of further growth.
- ii. We are focusing to enhance corporate value through expanding opportunities and seeking sustainable growth.

Consolidated Earnings Forecast

(Millions of yen)

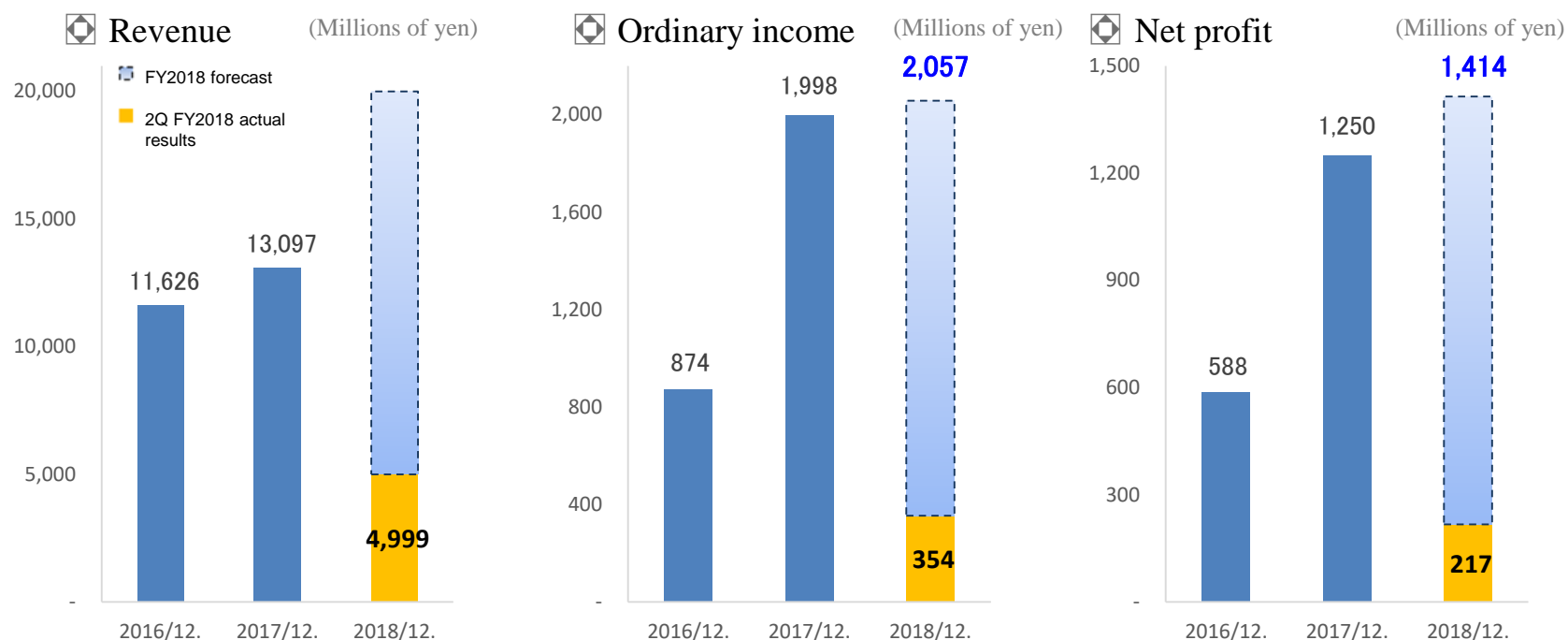
	Previous year's results	Forecast period	
	FY ended Dec. 2017	FY ending Dec. 2018	YoY change
Consolidated revenue	13,097	20,000	52.7%
Consolidated operating profit	2,365	2,512	6.2%
Consolidated ordinary income	1,998	2,057	3.0%
Consolidated net profit	1,250	1,414	13.1%

Note: The above forecasts are based on information available to the Company as of the date of this announcement.
The actual results for FY2018 may differ from the projection due to a variety of factors.

I-3. Performance Highlights

...Q2 FY2018...

Satisfactory performance against projection towards an increase in both revenue and profit for the 8th consecutive years.



Down **5.1%** YoY

Revenue: **¥4,999** million

Down **19.8%** YoY

Ordinary income: **¥354** million

Down **27.1%** YoY

Net profit: **¥221** million

Note: In this presentation, net profit attributable to shareholders of parent is shown as net profit.

I-4. Consolidated P&L ·BS Summary

...Q2 FY2018...

Consolidated P&L Summary (Millions of yen)

	Jun. 2017	Jun. 2018	YoY change
Revenue	5,270	4,999	△5.1%
(1) Real Estate Investment and Development business	4,174	3,957	△5.2%
(2) Real Estate Consulting business	640	633	△1.1%
(3) Real Estate Management business	454	407	△10.3%
Gross profit	1,669	1,668	△0.1%
SG&AM	1,050	1,094	4.2%
Operating income	619	573	△7.4%
(1) Real Estate Investment and Development business	613	542	△11.6%
(2) Real Estate Consulting business	222	194	△12.7%
(3) Real Estate Management business	218	274	25.9%
Other (company-wide expenses)	△434	△437	△0.6%
Ordinary income	441	354	△19.8%
Net profit for the period	303	221	△27.1%

Consolidated BS Summary (Millions of yen)

	Dec. 2016	Jun. 2017	YoY change
Assets	19,109	26,696	39.7%
Current assets	16,761	24,082	43.7%
Fixed assets	2,317	2,575	11.1%
Deferred assets	31	38	24.1%
Liabilities	15,100	22,436	48.6%
Current liabilities	9,137	9,351	2.3%
Fixed liabilities	5,962	13,085	119.4%
Net assets	4,009	4,259	6.2%
Total liabilities and net assets	19,109	26,696	39.7%

Notes: Consolidated B/S: T&K group is included in the B/S from Q2 FY2018.

The above revenue does not include internal transactions between segments.

II. Business Summary (Q2 of FY2018)



II-1. Real Estate Investment and Development

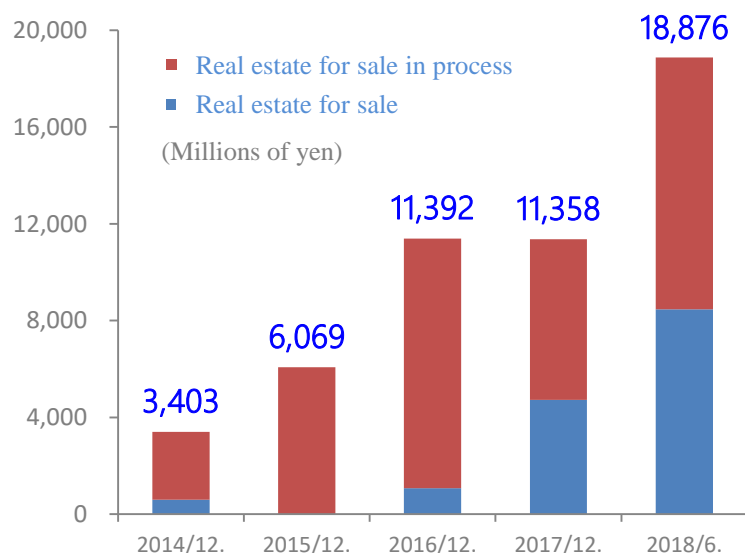
...Q2 FY2018...

YoY Segment profit increased $\triangle 11.6\%$

(Millions of yen)

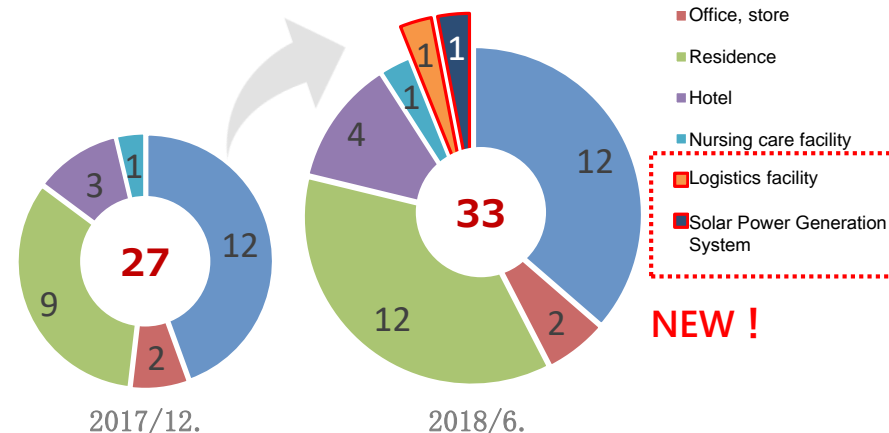
Segment	2017/6.	2018/6.	YoY change
Revenue	4,174	3,957	$\triangle 5.2\%$
Operating profit	613	542	$\triangle 11.6\%$

The outstanding balance of real estate for sale is record high!

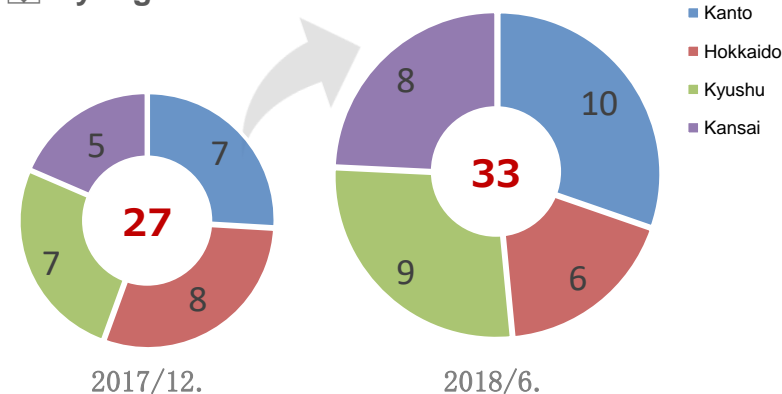


Breakdown of properties for sale

By type



By region



Hotel development

By foreseeing market trends, we focus to develop innovative accommodations such as boutique hotels, capsule hotels, and budget hotels.

GINZA



120

beds

**IMANO TOKYO
GINZA HOSTEL**

KYOTO



113

beds

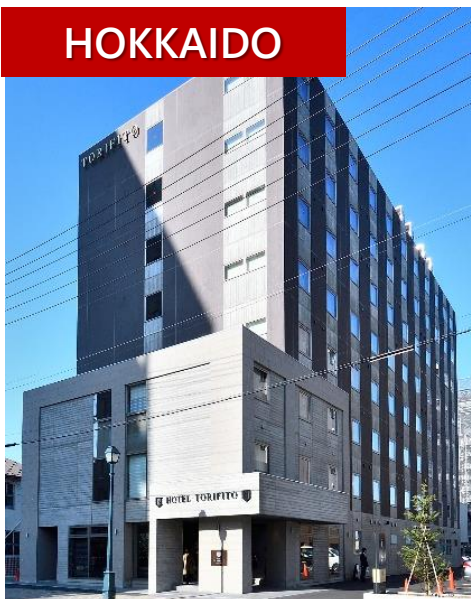
**IMANO KYOTO
KIYOMIZU HOSTEL**

Two new hotels completed in March 2018

While proceeding our development projects for the past couple of years with strong confidence of its future potential, Hokkaido and Okinawa are becoming much more popular tourist destinations now.

2018.04 GRAND OPEN!!

HOKKAIDO



128

rooms

Hotel Torifito Otaru Canal

2018.04 GRAND OPEN!!

OKINAWA



132

rooms

TISSAGE HOTEL by NEST NAHA



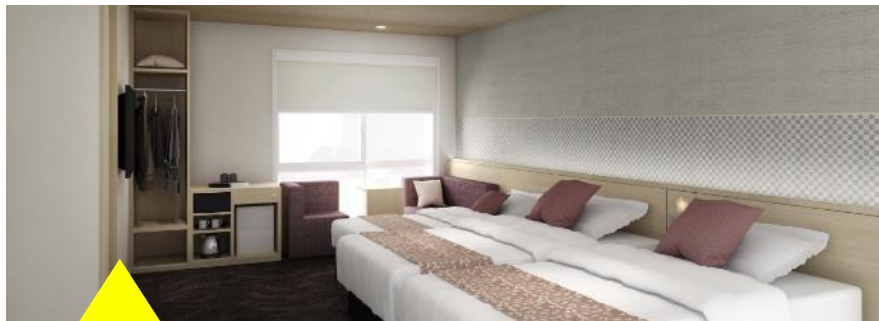
Hotel construction completed in June 2018 in Kyoto.

Redeveloped old capsule hotels to new concept capsules with saunas under the °C brand.

2018.08 GRAND OPEN!!

2017.12/ 2018.4 OPEN!!

KYOTO



95
rooms

NEST HOTEL
KYOTO SHIJO KARASUMA

EBISU/ GOTANDA



EBISU
162
capsule

GOTANDA °C
164
capsule

°C (pronounced "doe-see")
EBISU/GOTANDA



Upcoming properties for sale

Bigger scale properties which bring higher gross profit are planned to be sold in Q3 and Q4.

2017.7

Tokyo



2017.9

Kyoto



2017.12

Tokyo



2018.3

Naha



2018.3

Otaru



2018.4

Tokyo



2018.6

Kyoto



2018.6

Tokyo



2018.11

Fukuoka



2019~

Fukuoka



and more...

Coming Soon

2019.3

Osaka

2019.7

Fukuoka

2020~

Fukuoka

Hostel

Residence

Hotel

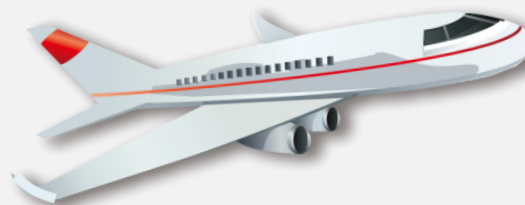
To facilitate foreign investment in Japan

Entered into the 3rd year, Singapore subsidiary has been contributing strongly to the group profits. Steadily build overseas investor base and close deals with repeat customers.

Private Event@SG



Viewing



Sold out !



【Reference】 Urban development masterplan in Fukuoka



Source: Nomura Research Institute's "Growth potential city ranking"



**Access time to city center
from international airports**

No.1 out of 13 cities in Japan and Asia



City potential

No.1 out of 100 cities in Japan in 2017



**Number of international
passengers**

No.1 among nationwide ports in 2017



**Rate of increase in the
number of foreign residents**

No.1 among 21 major cities in Japan, 2010
to 2017



**Number of international
conferences held**

No.1 in Japan in 2016



Number of inbound tourists
**Record high for five
consecutive years**

(8.53 million people on Fukuoka-Haneda line in 2017)

【Reference】 Urban development masterplan in Fukuoka



Image rendering of 24-story building to be build on the former Daimyo Elementary School site

Tenjin Big Bang Development PJ

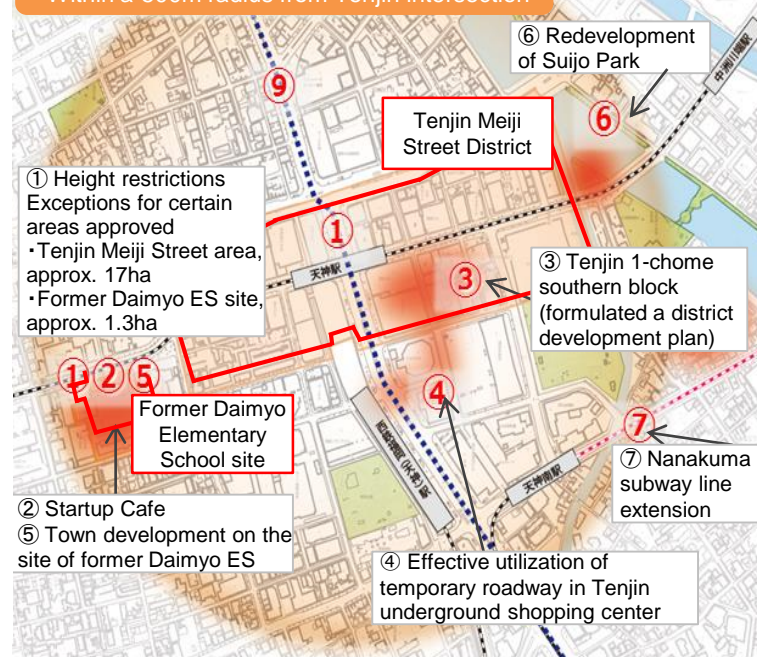
In ten years leading up to 2024, we aim to initiate rebuilding of 30 privately-owned buildings to create new space and employment opportunities.

Reference: Estimated effects of rebuilding

- Total floor space: **approx. 1.7-fold increase** (444,000m² to 757,000m²)
- No. of employees: **Approx. 2.4-fold increase** (39,900 to 97,100)
- Construction investment effects: **¥290 billion**
- Economic ripple effects: **¥850 billion** per year

Scope of Tenjin Big Bang Project

Within a 500m radius from Tenjin intersection



Hakata Old Town Preservation PJ



Cultivate the history of Fukuoka City to advance to the next generation

Ropponmatsu PJ (Former Kyusyu Univ site)



II-2. Real Estate Consulting

...Q2 FY2018...

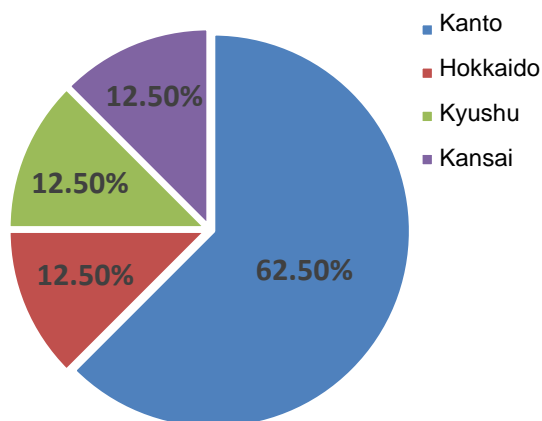
YoY Segment profit decreased $\triangle 12.7\%$

(Millions of yen)

Segment	2017/6.	2018/6.	YoY change
Revenue	640	633	$\triangle 1.1\%$
Operating profit	222	194	$\triangle 12.7\%$

Steadily growth in each region

Number of closed deals by region



Condominiums

Monetize group synergy effect by investing in bulk condominiums



◇ PLEAGIA KYOTO YAMASHINA HIGASHINO ◇

B-lot Co.,Ltd. → LIFESTAGE

Seller

- ① Sales activities
- ② Brokerage
- ③ Marketing

II-3. Real Estate Management

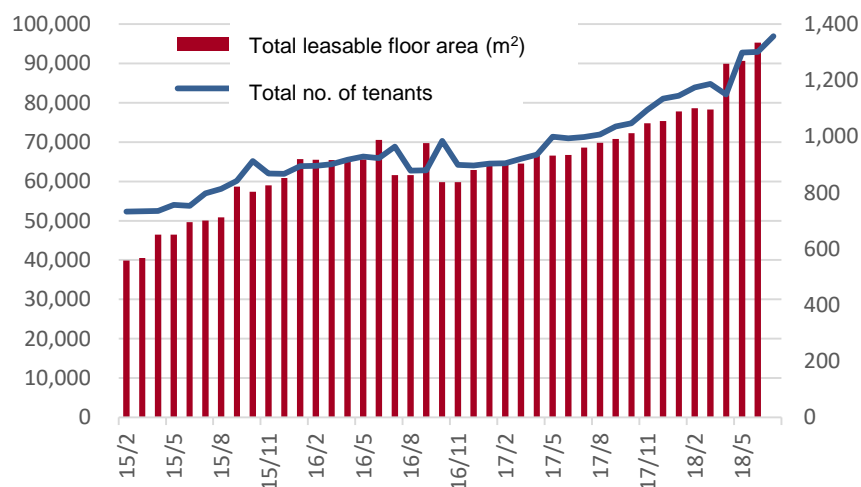
...Q2 FY2018...

YoY Segment profit increased 25.9%

(Millions of yen)

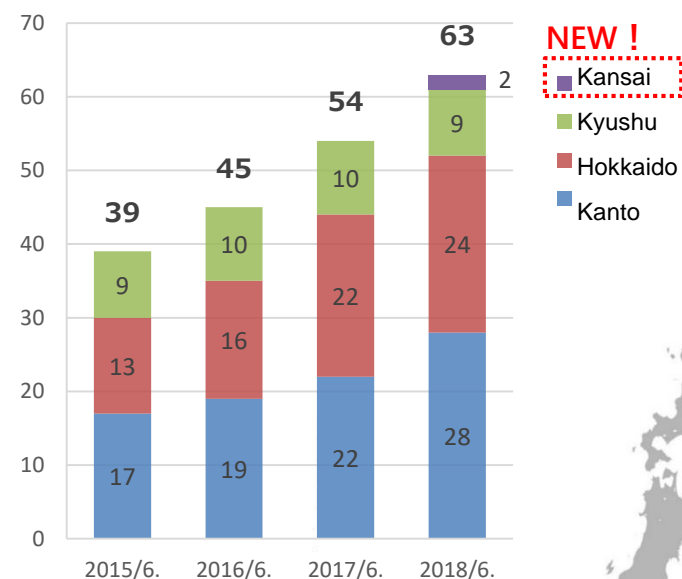
Segment	2017/6.	2018/6.	YoY change
Revenue	454	407	△10.3%
Operating profit	218	274	25.9%

No. of tenants and total floor area



Steadily increasing number and region of managing buildings

Number of managing buildings (by region)



of managing buildings rose from 39 in FY2015 to 63 in FY2018.

Expansion into new business areas

Solar Power Generation System



Holding Solar Power Generation System in Ibaragi

Logistics Facilities



Holding Logistics facilities in Osaka

Accommodation



Revitalizing residential building for private lodging(Minpaku) in Osaka

Healthcare, Medical Facilities




Holding Senior Nursing Home in Kamakura

Leisure and Sports



Acquired Golf operating company T and K

About B-Lot - Our Strengths



B-Lot (the name combines “brain” and “guys of hands-on approach”)

About B-Lot - Company Profile as of June.30, 2018 -

Company name	B-Lot Company Limited
Address	8F Shimbashi Marine Building, 2-19-10, Shimbashi, Minato-ku, Tokyo 1050004 Japan
Date of Incorporation	October 10, 2008
Capital Amount	JPY1,014,365,033
President	Makoto Miyauchi
Employees	54 (Consolidated 207)
Stock Listings	Tokyo Stock Exchange, First Section (Ticker code:3452)
Branches & Subsidiaries	Hokkaido Branch , Fukuoka Branch B-Lot Asset Management Co.,Ltd. (100% owned Subsidiary) B-Lot Singapore Pte. Ltd. (100% owned Subsidiary) Viento Creation, Life Stage, B-Lot Capital Link, T and K Incorporated



About B-Lot - Our Businesses -

Our businesses are grouped into three main segments.



We have built intensive relationships with high-quality investors.

About B-Lot - Our Strengths -

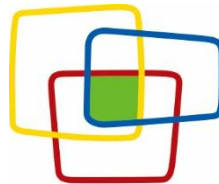
The revitalization and development business is the largest contributor.

This business involves acquiring of properties that are undervalued due to various reasons and reselling these properties after adding value through renovation and/or resolving issues.

Acquisition of properties
with problems



Utilize know-how



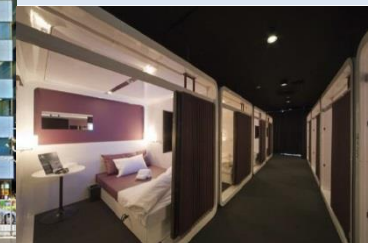
B-lot

- Raise revenue
- Cut down expense
- Rectify illegality
- Improve cap rate



Our Strengths

Revitalization
planning
+
Abilities to
fulfill as planned.



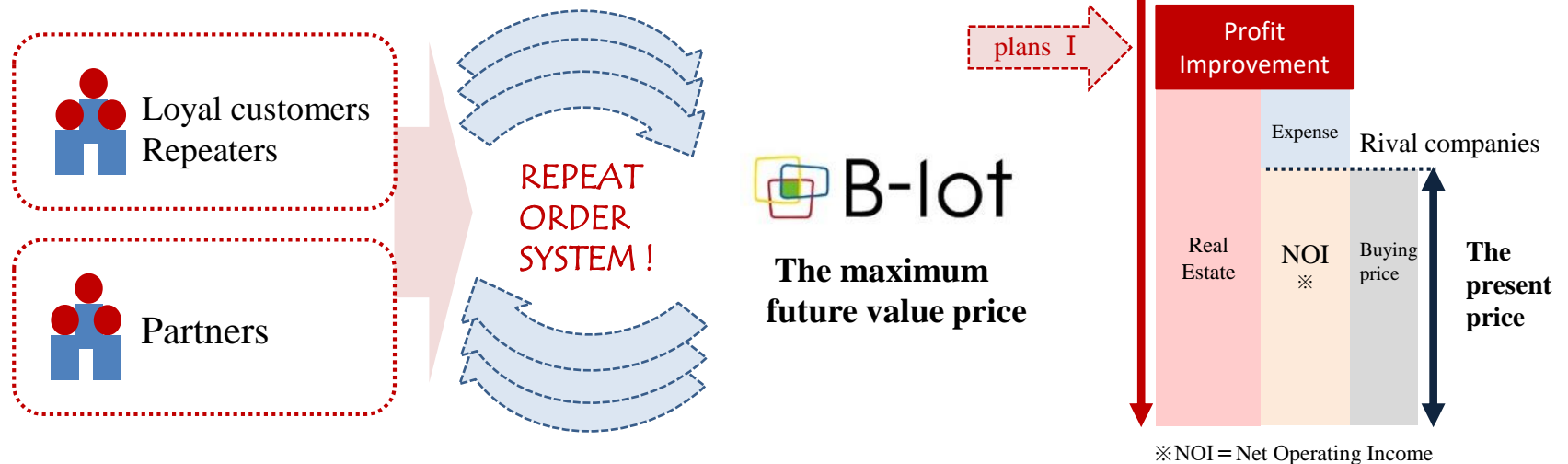
About B-Lot - Our Strengths -

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.



We have expanded our regional coverage from Tokyo to Sapporo, Fukuoka and Osaka.

We have a dedicated team with in-depth knowledge in this area.

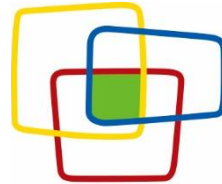
GROWTH STRATEGY

Our core market (transaction size of JPY50mn - 5,000 mn) is a niche segment, in which the major property developers and brokers are not active.

The size of the market is large, and we have substantial potential to grow at a rapid pace.

We are also engaged in a wide range of activities, from renovation of existing buildings to development of new buildings. Our increased track record in a variety of diversified projects should further enhance our market presence going forward.

Handwriting practice area with 12 horizontal dashed lines.



B-lot

..... **Contact us**

Corporate Planning Department

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Fax : +81 3-6891-2522

E-mail ir@b-lot.co.jp

URL : <http://en.b-lot.co.jp/>

DISCLAIMER

Except for historical facts, all plans, forecasts, strategies and other information contained herein are forward-looking statements. Forward-looking statements include but are not limited to descriptions of performance containing words such as or similar to “believe,” “expect,” “plan,” “strategy,” “anticipate,” “forecast,” and “estimate,” and are based on judgments derived from the information available to the Company at the time of publication. Various factors could cause results to differ materially from any projections presented herein. The Company reserves the right to maintain or change its projections regardless of any new information, conditions or changes in performance. These materials are for informational purposes only, and should not be construed as a recommendation to invest in the Company.