

# **Semi-Annual Report**

## **Fiscal Year Ending Dec. 31, 2020**

### **【English Summary】**

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** Co.,Ltd.

3452 TSE, First Section

Aug.14,2020

We would like to express our sincere condolences to the families of those who have passed away due to the COVID-19.

In addition, we would like to extend our sympathies to the patients currently undergoing treatment, as well as their families, and sincerely thank all the medical workers who treat and care for those suffering from the COVID-19 around the world.

We join the rest of the world in hoping for an early end to the coronavirus infection, as well as for a quick restoration of socioeconomic activity.

we will continue working together to promote community and social contribution activities.

All members of B-lot Co., Ltd.

# *I . Performance Review*

|                              |                |
|------------------------------|----------------|
| <i>I. Performance Review</i> | <i>P.03-09</i> |
| <i>II. Business Summary</i>  | <i>P.10-19</i> |
| <i>III. Company Profile</i>  | <i>P.20-31</i> |

1. Progress toward our full-year target for consolidated net income budget.  
Planning to sell large projects in the second half.
2. Reached a record high of JPY 37.7bn in the total balance of properties for sale.  
Proactively purchase profitable property to secure rent income.
3. Offsetting the impact of COVID-19 through our core business.  
Aiming to meet our full-year earnings forecast.
4. Acquisition of the company with Investment Management Business, Entrustment-Based Agency Services for Transactions, and authorization.  
Expecting to start operation of REIT, that is to increase stable income and secure potential buyers.

## I-2. The impact of the COVID-19 infection

...Q2 FY12/20...

| Segment                  |                      | Impact                                                                                              | 1H results, current status                                                                  |                                                                      |
|--------------------------|----------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Investment development   | Property acquisition | ➤ Increase in number of projects introduced                                                         | ➤ Acquisition of 21 rental income properties                                                |                                                                      |
|                          | Property sale        | ➤ Fewer transactions involving large-scale hotel; small and medium-sized hotels unaffected          | ➤ Sold eight                                                                                |                                                                      |
|                          | Development project  | ➤ Change in business plan                                                                           | ➤ Changed use of accommodation facilities, postponed development of nursing care facilities |                                                                      |
| Consulting               | Brokerage            | ➤ No transaction from overseas investors due to restrictions on movement                            | ➤ Eight contracts closed. Market fluctuation producing opportunities                        |                                                                      |
|                          | Consignment sales    | ➤ Model room closed for about two months                                                            | ➤ Visitor numbers trending toward recovery impact expected to be minor                      |                                                                      |
| Management               | Rent income          | Housing                                                                                             | ➤ Essentially unaffected                                                                    | ➤ Steadily accumulating of income from outsourced business and rents |
|                          |                      | Stores/office                                                                                       | ➤ Some negotiations, application of security deposits                                       | ➤ Impact minor, despite concerns about cancellations                 |
|                          |                      | Lodging facility                                                                                    | ➤ Income down due to closure                                                                | ➤ Considering withdrawal from commission-only deals                  |
|                          | Golf courses         | ➤ Commission income down due to closure                                                             | ➤ Use of system refinancing, number of visitors rebounding                                  |                                                                      |
| Management (companywide) | Financing            | ➤ Public offering cancelled                                                                         | ➤ B-Lot group took out JPY4.1bn in long-term loans                                          |                                                                      |
|                          | Start-ups            | ➤ Successful M&A under more profitable circumstances<br>➤ Delay in crowdfunding business procedures | ➤ On track for REIT launch<br>➤ Prioritizing investment in management resources             |                                                                      |

～ Responding quickly to changes, thanks for all the supporting ～

## **Secure adequate cash and reduce fixed costs**

We secured JPY4.1bn in long-term working capital for the first half of the year.  
We continue to prepare finances for future risks and opportunities and reduce fixed costs across the group.

## **Focus on enhancing value and refurbishment projects**

Our group will continue to focus on the key areas of expertise: enhancing value and refurbishment projects.  
We will prioritize the purchase of profitable properties that generate rental income.

## **Expanding stable income**

We aim to expand stable sources of income and reinforce the management base.  
To do so, we will leverage the asset management subsidiary and REIT incorporation we acquired.

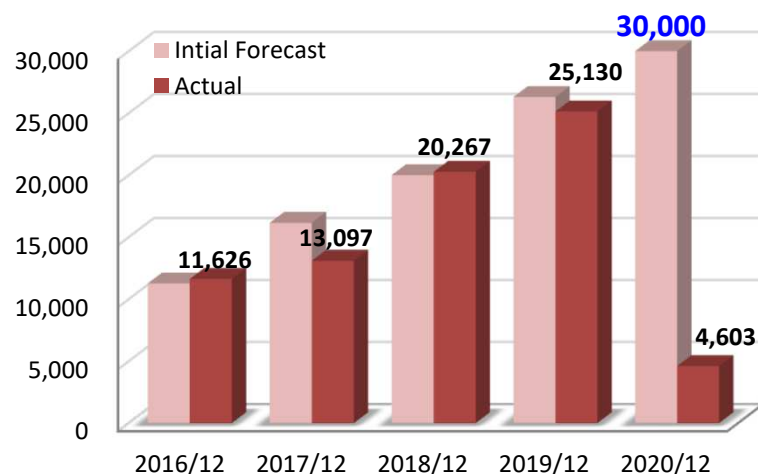
## ◆Medium-Term Targets (FY2020/12)

(JPY in Millions)

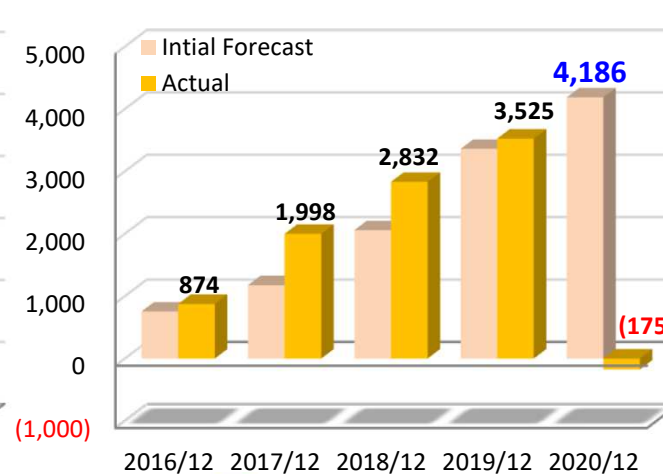
|                               | Performance | Forecast Period |                |
|-------------------------------|-------------|-----------------|----------------|
|                               | FY2019/12   | FY2020/12       | YoY change (%) |
| Consolidated Revenue          | 25,130      | 30,000          | 19.4           |
| Consolidated Operating Profit | 3,985       | 4,979           | 24.9           |
| Consolidated Ordinary Income  | 3,525       | 4,186           | 18.7           |
| Consolidated Net Profit       | 2,428       | 2,843           | 17.1           |

*Net profits have surpassed initial forecasts for the 5 consecutive years since IPO.*

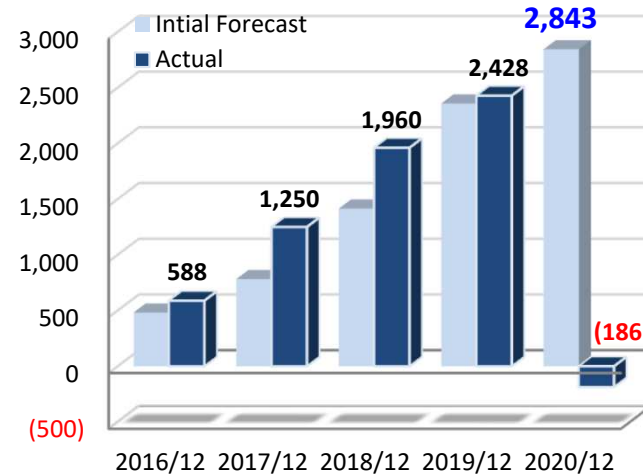
Revenue (JPY in Millions)



Ordinary Income (JPY in Millions)



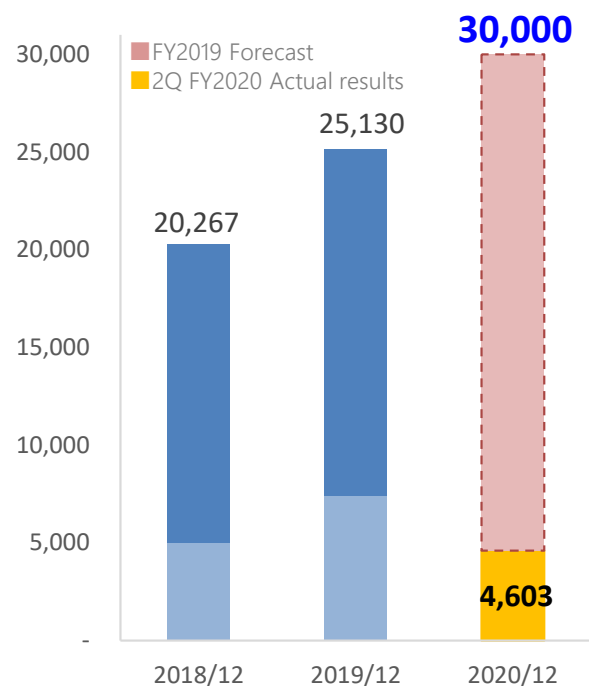
Net Profit (JPY in Millions)



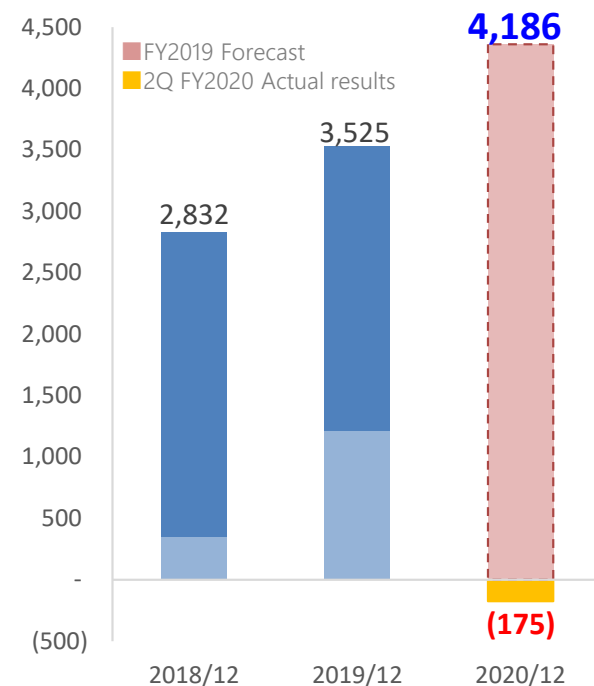
## Net profit and other KPI shows a sound growth



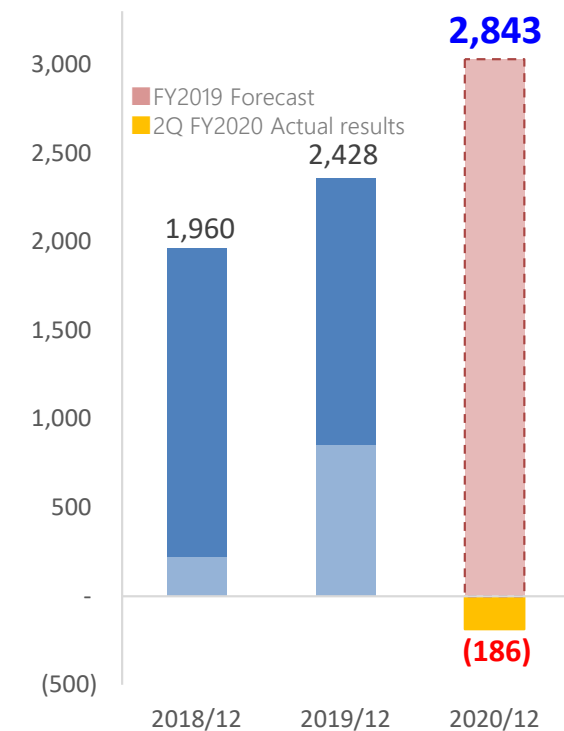
(JPY in Millions)



(JPY in Millions)



(JPY in Millions)



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



## I-6. Consolidated PL / BS Summary

...Q2 FY12/20...

| <i>Consolidated P&amp;L Summary</i>                 |                   |              |               |
|-----------------------------------------------------|-------------------|--------------|---------------|
|                                                     | (JPY in Millions) |              |               |
|                                                     | 2019/6.           | 2020/6.      | YoY change    |
| <b>Revenue</b>                                      | <b>7,375</b>      | <b>4,603</b> | <b>△37.6%</b> |
| (1) Real Estate Investment and Development business | 5,253             | 2,915        | △44.5%        |
| (2) Real Estate Consulting business                 | 691               | 673          | △2.6%         |
| (3) Real Estate Management business                 | 1,430             | 1,014        | △29.1%        |
| <b>Gross profit</b>                                 | <b>2,794</b>      | <b>1,738</b> | <b>△37.8%</b> |
| SG&A                                                | 1,408             | 1,519        | 7.9%          |
| <b>Operating income</b>                             | <b>1,386</b>      | <b>218</b>   | <b>△84.2%</b> |
| (1) Real Estate Investment and Development business | 992               | 191          | △80.7%        |
| (2) Real Estate Consulting business                 | 476               | 263          | △44.7%        |
| (3) Real Estate Management business                 | 466               | 320          | △31.3%        |
| Other (company-wide expenses)                       | △550              | △557         | 1.3%          |
| <b>Ordinary income</b>                              | <b>1,211</b>      | <b>△175</b>  | <b>—</b>      |
| <b>Net profit for the period</b>                    | <b>854</b>        | <b>△186</b>  | <b>—</b>      |

| <i>Consolidated BS Summary</i>          |                   |               |              |
|-----------------------------------------|-------------------|---------------|--------------|
|                                         | (JPY in Millions) |               |              |
|                                         | 2019/12.          | 2020/6.       | YoY change   |
| <b>Assets</b>                           | <b>33,555</b>     | <b>51,165</b> | <b>52.5%</b> |
| Current assets                          | 29,881            | 46,988        | 57.2%        |
| Fixed assets                            | 3,650             | 4,149         | 13.7%        |
| Deferred assets                         | 23                | 27            | 17.2%        |
| <b>Liabilities</b>                      | <b>25,401</b>     | <b>43,690</b> | <b>72.0%</b> |
| Current liabilities                     | 11,093            | 13,838        | 24.7%        |
| Fixed liabilities                       | 14,308            | 29,851        | 108.6%       |
| <b>Net assets</b>                       | <b>8,154</b>      | <b>7,475</b>  | <b>△8.3%</b> |
| <b>Total liabilities and net assets</b> | <b>33,555</b>     | <b>51,165</b> | <b>52.5%</b> |

The above revenue does not include internal transactions between segments.  
Consolidated balance sheet, including figures for LC Partners Co., Ltd.  
(now B-lot Asset Management Co., Ltd.)

## *II. Business Summary*

|                              |                |
|------------------------------|----------------|
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## II- 1. Real Estate Investment Development Business

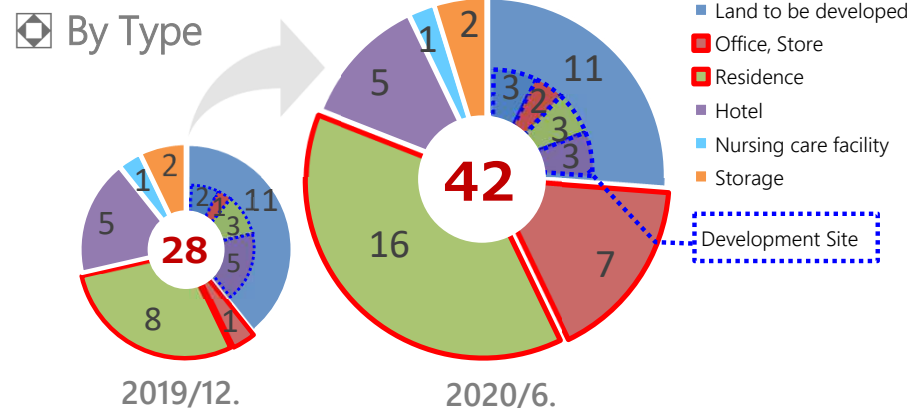
...Q2 FY12/20...

Business profit was JPY 191M(-80.7% YoY)

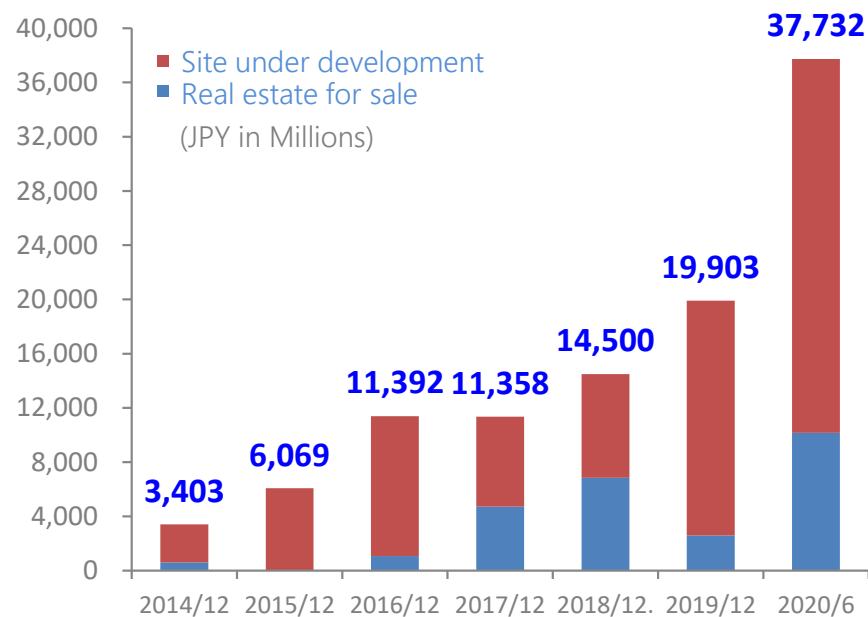
(JPY in Millions)

|                  | 2019/6. | 2020/6. | YoY change |
|------------------|---------|---------|------------|
| Revenue          | 5,253   | 2,915   | △44.5%     |
| Operating profit | 992     | 191     | △80.7%     |

Proactively purchase housing and offices, boosting the ratio to above 50% !



The outstanding balance of real estate for sale is record high



Sales of rental income investment property are holding steady !



Affluent market

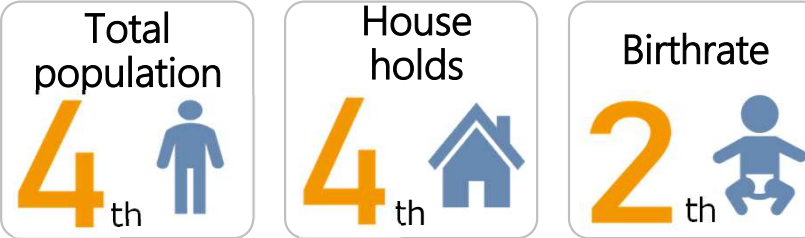
Stable asset management

# Branch office is established in NAGOYA!

## Four projects underway!



Arako / Residence



~ Aichi in Japan ~

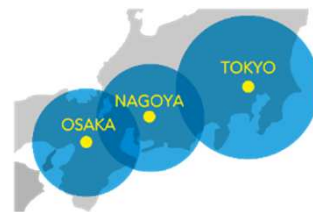


Source: Aichi Prefecture "数字でわかる! あいちの姿 (Understanding the numbers of Aichi)"

Linear Chuo Shinkansen  
to open in 2027!



Birth of Super Mega-Region  
Becoming a huge economic metropolitan area

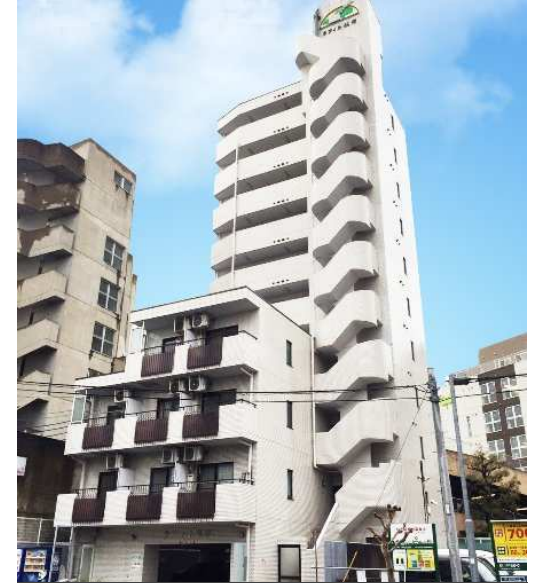


Mobile population

**70<sup>M</sup>** ppl

Concentration of urban functions,  
good liveable

Passing on an attractive city to the next generation



Irinaka / Residence



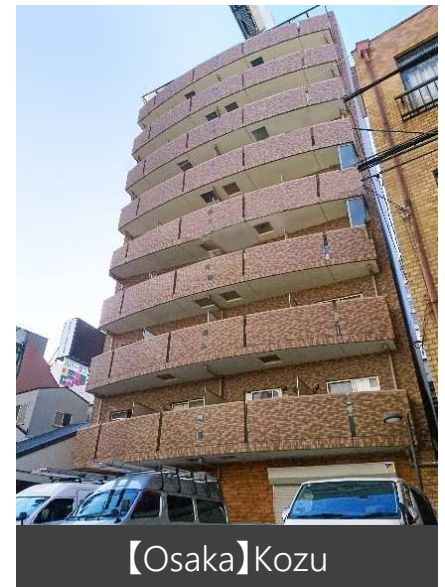
Sakurayama / Residence



Amagasaka / Residence



# Upcoming Properties





## II-2. Real Estate Consulting Business

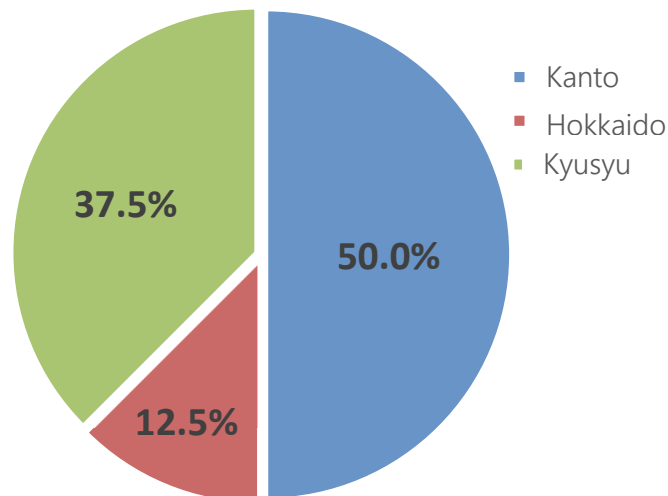
...Q2 FY12/20...

Business profit was JPY 263M(-44.7% YoY)

(JPY in Millions)

|                  | 2019/6. | 2020/6. | YoY change |
|------------------|---------|---------|------------|
| Revenue          | 691     | 673     | △2.6%      |
| Operating profit | 476     | 263     | △44.7%     |

Percentage of Brokerage/Consulting by area



\*The above figures are in B-Lot (non-consolidated).

Collaboration with 7 major companies,  
Handling sales of large, new-build condominiums



### PROUD CITY HIYOSHI

Units as Sales Agent

**1320** units

Along the Toyoko line  
Housing/commerce/  
health/learning  
One of the largest housing  
complex projects

野村不動産

人に、街に、明るい未来を  
関電不動産開発

Panasonic Homes  
パナソニックホームズ株式会社



### BRANZ TOWER TOYOSU

Units as Sales Agent

**1152** units

4 minutes walk from  
Toyosu Station  
A tower condo where  
people have always  
wanted to live

東急不動産

NIPPO

大成建設グループ  
大成有楽不動産

JR西日本プロパティーズ

For a Lively World

## II-3. Real Estate Management Business

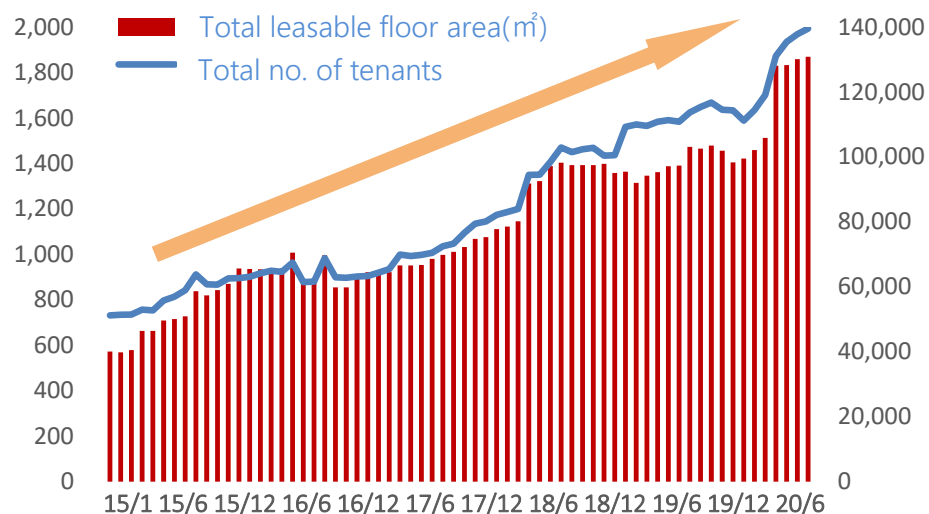
...Q2 FY12/20...

Business profit was JPY 320M(-31.3% YoY)

(JPY in Millions)

|                  | 2019/6. | 2020/6. | YoY change |
|------------------|---------|---------|------------|
| Revenue          | 1,430   | 1,014   | △29.1%     |
| Operating profit | 466     | 320     | △31.3%     |

Increase in number of repeat orders from existing customers



More stable income due to acquisition of asset management company

May

Acquisition of investment management company /REIT incorporation

July

Have investment advisory capabilities, merged with subsidiary

Expansion of asset management business

1. 75% increase in assets under management
2. More asset types increased



Commercial facility  
( Hokkaido )



Commercial facility  
( Aichi )

3. Expansion of customer segment from overseas to domestic investors
4. Preparing to launch the REIT project. increase stable income and securing potential buyers



**Close up!**

～ Strategy for increasing stable profits ～





# Over JPY10bn highest on record, acquisition of excellent property from REIT long-term holding !

Record acquisition  
price

**JPY10bn**

Good location  
*connected to  
Station*

Stable  
**Profitable**

Acquisition route



## Basic information

|          |                                                              |
|----------|--------------------------------------------------------------|
| Location | Toyotsu Town, Suita City, Osaka                              |
| Access   | Midosuji Subway Line [ Esaka Station ]<br>Directly connected |
| Type     | Office/Store                                                 |

## Building

|                    |                                                        |
|--------------------|--------------------------------------------------------|
| Completion         | March 1975                                             |
| Building structure | SRC twenty-story building with two stories underground |
| Total floor area   | 33,316.53m <sup>2</sup>                                |

## Land

|           |                        |
|-----------|------------------------|
| Site area | 3,929.31m <sup>2</sup> |
|-----------|------------------------|

*Leveraging B-Lot's strengths*

- 1 High proportion of tenants moved in after global financial crisis  
*strong lease-upgrade potential*
- 2 Over 33,000 sqm, common space available  
*Realize potential value*
- 3 Osaka branch established in 2019, utilize the network  
*Review maintenance costs to boost earnings*

# 【REIT】 Launching within the year

## Investment Strategy

< Major investment target >

- Diversified investment utilized
- Group relationships throughout Japan



Sustainable  
business base

Office Building



High convenience  
Diverse needs

Commercial  
Facilities



Indispensable for  
daily life

Residential

Long-term stable

Own and manage assets with high  
social significance

## Growth Strategy

< Strategic point >

- Flexible and proactive investment
- Demonstrate the collective strength of the group

Maximize value

- ✓ Introducing next-generation operating model; achieve differentiation/branding through operating efficiency

REIT-Grade Value Up

- ✓ Optimize the group's experience, knowledge, and expertise to improve properties that are acquired

Focus on rural  
revitalization

- ✓ Stay one step ahead of market forecasts through diversified perspective, pioneering real estate market to meet future needs

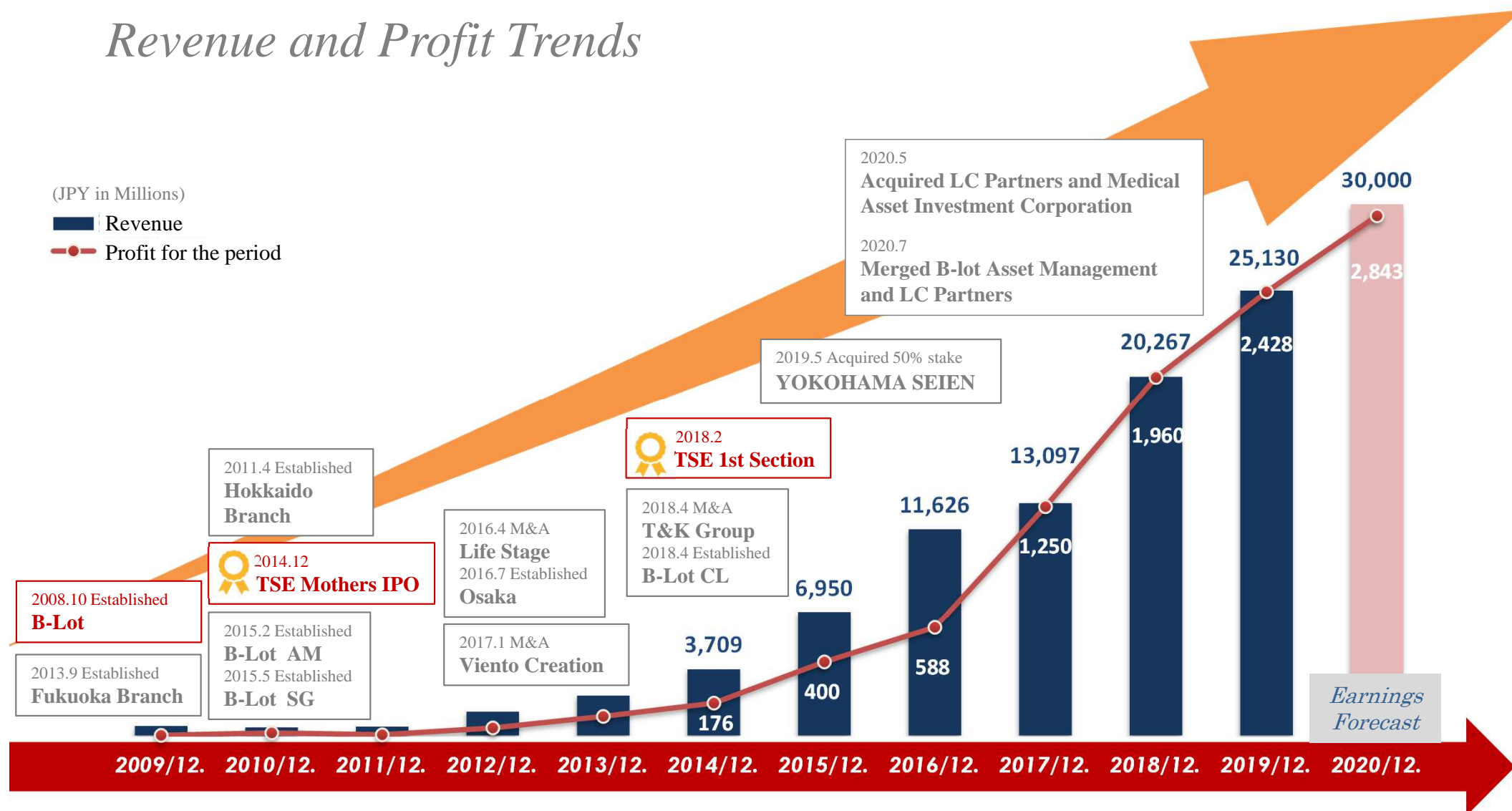
Achieve stable growth

- ✓ Increase property acquisition opportunities by utilizing the Group's network to acquire property in an ongoing manner

year **2023** **List** as a public company

year **2025** Target investment assets of **JPY100bn**

# Revenue and Profit Trends



***B-Lot Channel, Now Streaming!***



B-Lot YouTube

Search

「B-Lot Channel」

「History of B-Lot」

# *III. Company Profile*

|                              |                |
|------------------------------|----------------|
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|                    |                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name       | B-Lot Company Limited                                                                                                                                                                                                                                                                                                                                                 |
| Head Office        | 1-11-17, Shimbashi, Minato-ku, Tokyo, 105-0041 Japan                                                                                                                                                                                                                                                                                                                  |
| Establishment      | October 10, 2008                                                                                                                                                                                                                                                                                                                                                      |
| Capital            | JPY 1,034,220,533                                                                                                                                                                                                                                                                                                                                                     |
| President          | Makoto Miyauchi                                                                                                                                                                                                                                                                                                                                                       |
| Number of Employee | 72employees (180 as Consolidated)                                                                                                                                                                                                                                                                                                                                     |
| Listed Date        | December 11, 2014 (TSE Mothers Section : 3452)<br>February 02, 2018 (TSE, 1st Section : 3452)                                                                                                                                                                                                                                                                         |
| Offices            | Hokkaido, Nagoya, Osaka , Fukuoka                                                                                                                                                                                                                                                                                                                                     |
| Subsidiaries       | B-Lot Asset Management Co., Ltd (100% Subsidiary)<br>LC Partners Co., Ltd (100% Subsidiary)<br><small>*7/1 Merged with Blot Asset Management Co., Ltd.</small><br>B-Lot Singapore Pte., Ltd. (100% Subsidiary)<br>LIFE STAGE CO.,LTD. (100% Subsidiary)<br>Viento Creation Co.,Ltd. (100% Subsidiary)<br>T&K Co.,Ltd.<br>B-Lot Capital Link Co.,Ltd (100% Subsidiary) |







## **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.



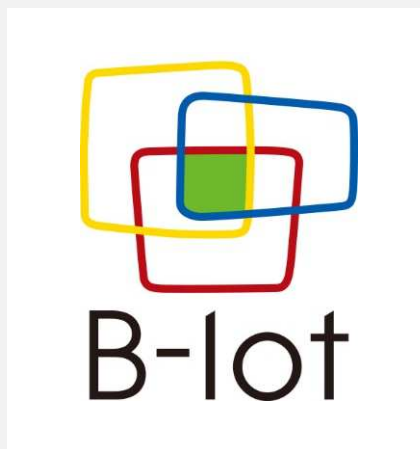
## **Shinichi Hasegawa** Director and Deputy President (Born in July 1972)

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.



The logo is ...  
a symbol of our foundation.



The rounded corners of the squares express flexibility and balance.

The company was established in October 2008, and all three founders had different areas of expertise and networks.

President Makoto Miyauchi has a strong background in finance, Deputy President Shinichi Hasegawa's has extensive expertise in consulting and customer development and Deputy President Masahiro Mochizuki is skilled in property revitalization (acquisition and sales). Previously, they managed a real estate company listed on the TSE 1st Section.

In December 2014, B-Lot listed on the TSE Mothers market with 27 employees, just six years and two months after its founding, which was faster than any other real estate company following the global financial crisis.

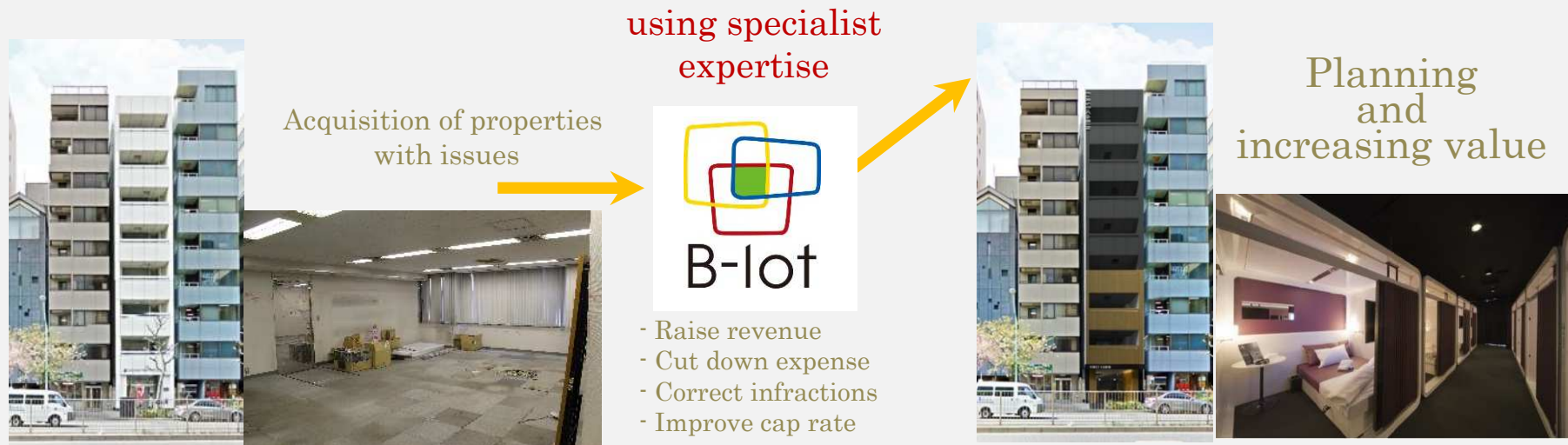
In February 2018, the company transferred its listing to the TSE 1st Section.

**With 3 core businesses, B-Lot build close relationships with high-net-worth clients**





**Acquire properties with profitability and regulatory issues  
→solve these issues, thereby increasing property value**



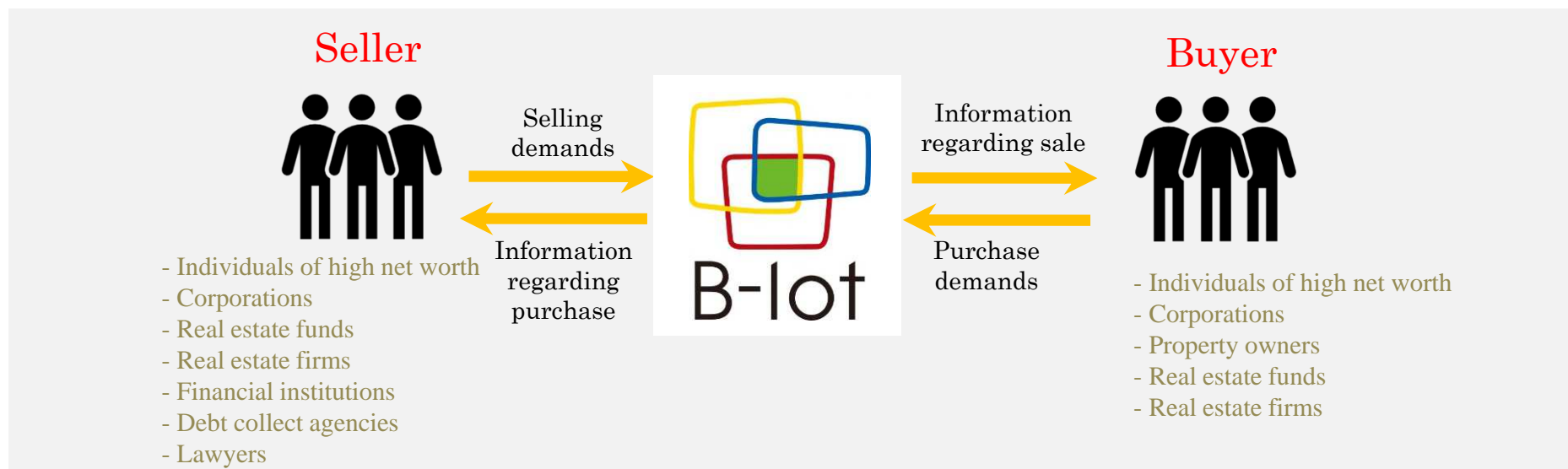
## Revitalization

B-Lot sees potential in buildings that are highly costly, have low value or have been used illegally or maintained poorly. Our investment team will make those buildings shine again with creative planning based on deep knowledge of and specialized expertise in real estate.

## Development

B-Lot catches the latest trends in real estate and implements creative plans in developing products. Even in a tough market, we develop sites with reasonable prices through our strong and solid networks.

**Build close and long-term relationships with individuals of high net worth and corporations, potential buyers in a competitive real estate market**



Brokerage

Consulting

B-Lot offers comprehensive consulting services such as trust beneficiary interest transactions, brokerage of property sales, leasing, proposals for property exchanges and effective utilization of unused land and rent negotiation services.

Our consulting team always carefully listens to clients needs and concerns in order to provide optimal and unique solutions tailored to them. This enables us to build life-long relationships with our clients.

**From property management to structured projects, B-Lot offers services tailored to each client**

#### Asset management



##### Real estate securitization

B-Lot arranges and proposes structure for clients who want to set up an SPC for real estate purchase.

##### Asset management

B-Lot uses its experience in brokerage and evaluating and managing properties, as well as its specialized knowledge in asset finance and networks, to provide asset management services.

#### Property management

##### Leasing management

Account services

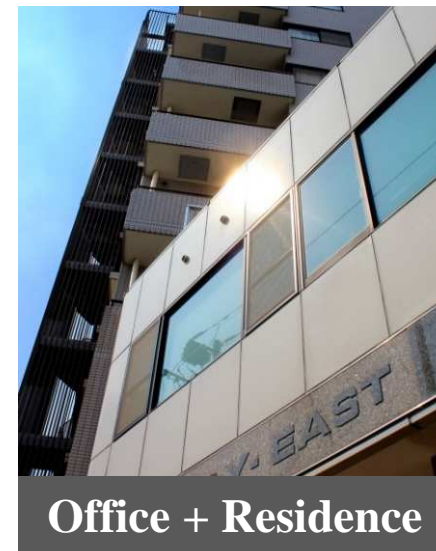


Building maintenance  
Construction management

#### Owned properties



Retail



Office + Residence

#### **Steady rent income for cash flow**

Rent income from our own properties is a core revenue for the Property Management Business. All rent, including rent acquired by the Investment Business is booked in the Property Management Business.

# B-LOT SINGAPORE PTE. LTD.

B-Lot Singapore Pte. Ltd. was established to provide a variety of investment solutions for Asian investors.

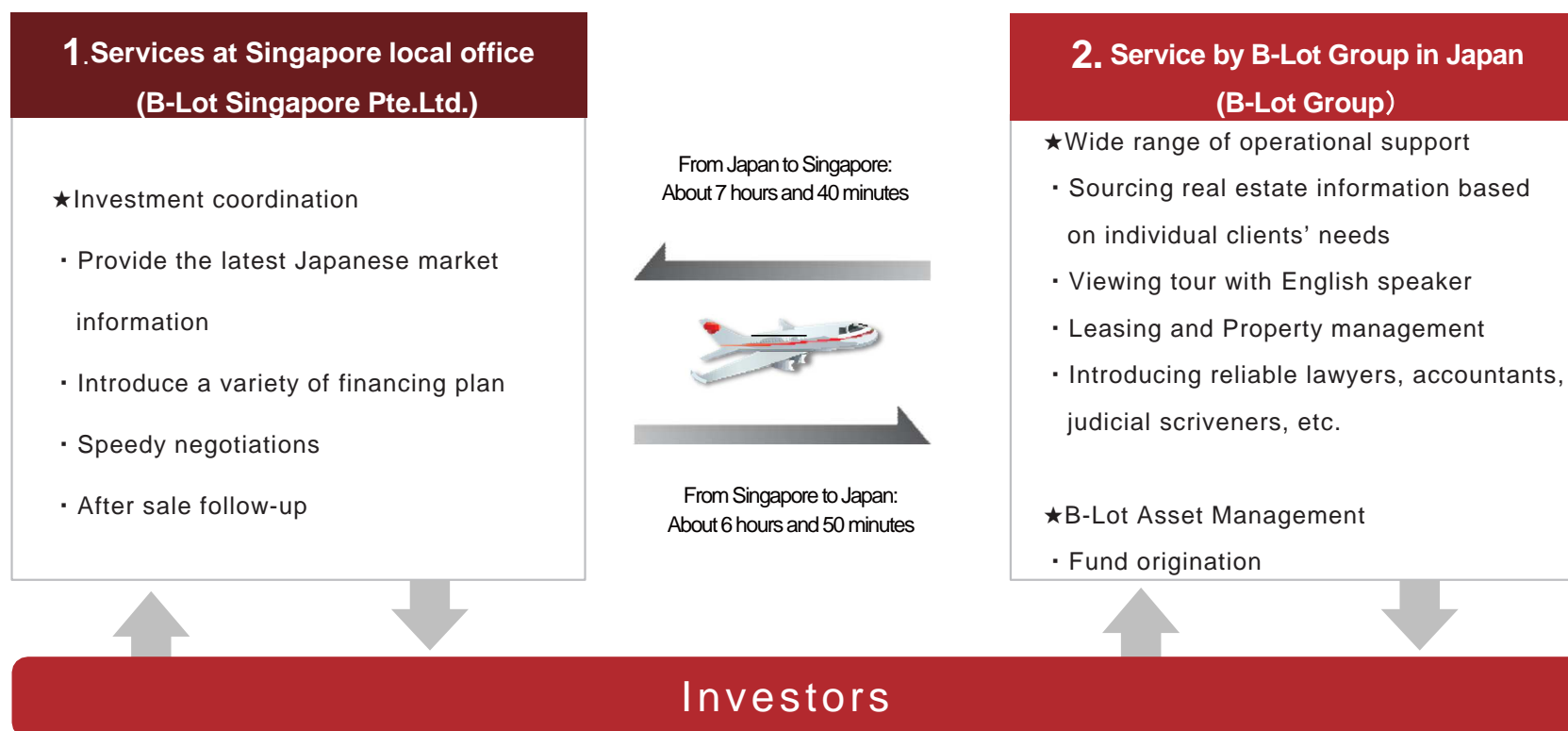
We are a one-stop service provider for real estate purchases, sales, property management and asset management in the part of the B-Lot Group that specializes in sourcing and consulting with real estate.

B-lot Singapore aims to meet the expectations of smooth asset operations for Asian investors regarding inbound investment needs in Japan.



Chief Customer Officer  
Shinichi Hasegawa

## — Business Model —





# B-Lot Asset Management Company Limited

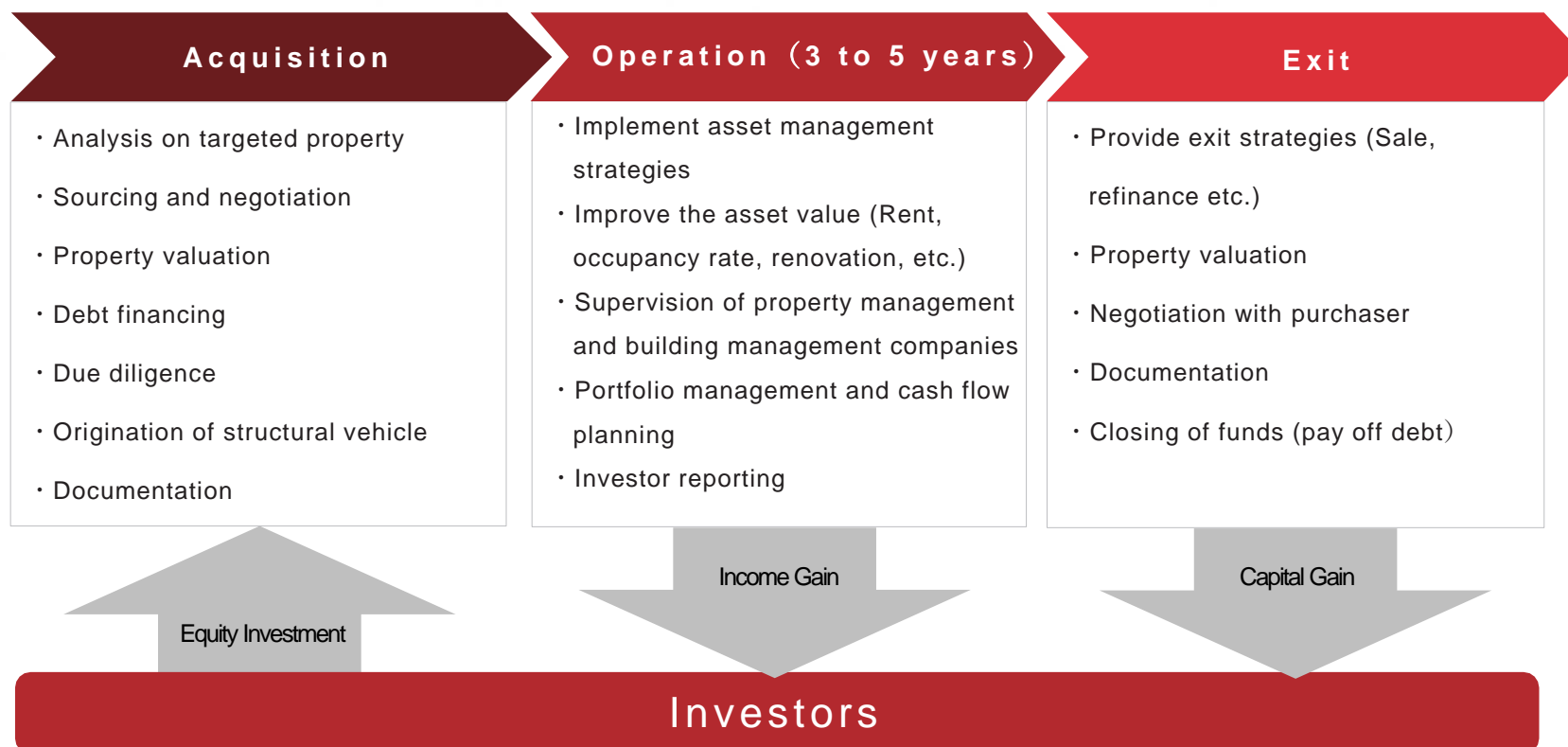
B-Lot Asset Management Co., Ltd. provides comprehensive real estate operational services such as asset management with financial schemes

We originate a wide variety of real estate funds to meet the investors' individual needs. As an asset manager with deep knowledge, B-Lot provides quality services and has cultivated sales/purchases, brokerage, valuation, and property management of investment properties along with experience, expertise, and our own network in asset finance.



President Taro Togawa

## — Business Model —



# LIFE STAGE CO., LTD.

LIFE STAGE provides real estate brokerage services, leveraging its core expertise in product planning and sales planning. The goal is to serve as a “bridge” between developers and customers.

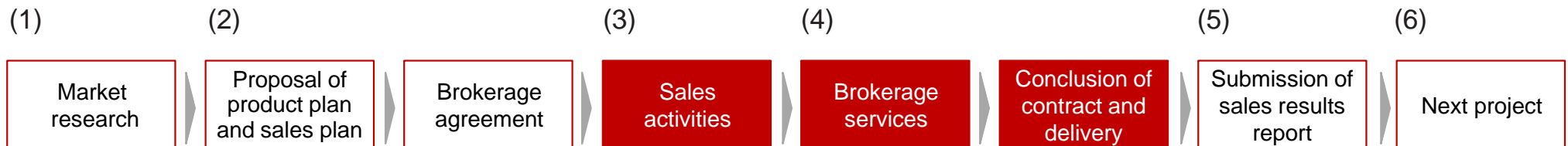
The company sells newly-built condominiums for residential use (mainly targeting families) built by major real estate developers.

The company's strength is its unique business model of reflecting customers' voices into product and sales planning.



President Katsunori Yori

## — Business Model —



- (1) The company receives a request from the developer to conduct market research of a scheduled development site.
- (2) The company analyzes various data points, prepares a sales plan, and submits a proposal to the developer.
- (3) The company assigns an employee to be stationed at the condominium showroom and conduct sales activities.

- (4) The company helps sell condominiums while also providing services to meet the relocation needs of customers.
- (5) After completion of sales, the company reports the sales results to the developer.
- (6) By showcasing its high contract rate, the company acquires the next broker deal.

# T&K Co., Ltd.

T&K provides a range of services including outsourced golf course management, design and repair planning, and golf tournament plan proposal by harnessing its abundant experience and broad expertise related to golf.

T&K provides superior services with a focus on hospitality, and improves course maintenance to provide high-quality course conditions. By doing so, the company enhances player satisfaction and boosts course performance. The company leverages its strength in reflecting customers' voices into product planning and management, with the aim to increase the asset value of golf courses.



President Taizo Kawata

## — Business Model —

### Outsourced management

Outsourced management of golf courses

### Planning

Golf course design, renovation design, and supervision

### Plan proposal

Proposing plans for golf tournaments and events

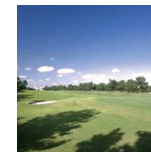
### Consulting services

The management of a total of three courses, including contract as a designated course manager  
Comprehensive consulting services related to golf, including renovation and course maintenance

### Adviser services

Strategic planning and practical training to enhance the asset value of golf courses as profit-earning real estate  
Adviser services related to the purchase or sale of golf course assets

### Golf courses the company manages on an outsourced basis



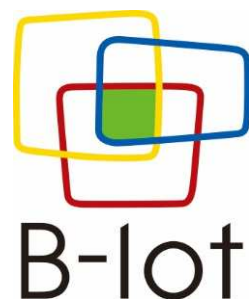
Wakasu Golf Links  
(Management business designated by the Tokyo Metropolitan Government)



North Shore Country Club



Tsuruga Kokusai Golf Club



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