



Annual Report

Fiscal Year Ending Dec. 31, 2020



 **B-Lot** Co.,Ltd.

3452 TSE, First Section

Mar.26,2021

To Our Shareholders

*~Building up stable earnings and moving steadily forward
as we aspire to build a 100-year corporate group ~*

B-Lot Co., Ltd.
President
Makoto Miyauchi



To All Stakeholders:

Ever since our founding, B-lot has pursued profits and long-term growth as a company greatly needed by society by creating valuable new businesses in real estate and real estate finance.

In 2020, though, our Group's business environment was rocked by the global crisis of the COVID-19 pandemic.

However, we regard these peri- to post-COVID times as a second founding era for our Group. Our long-term ambition is to build a 100-year company that is constantly growing, and as we set the stage for further growth over the next few years, we will be working to lay a solid founding for our existing businesses as well as create new businesses to respond with agility to the changing times.

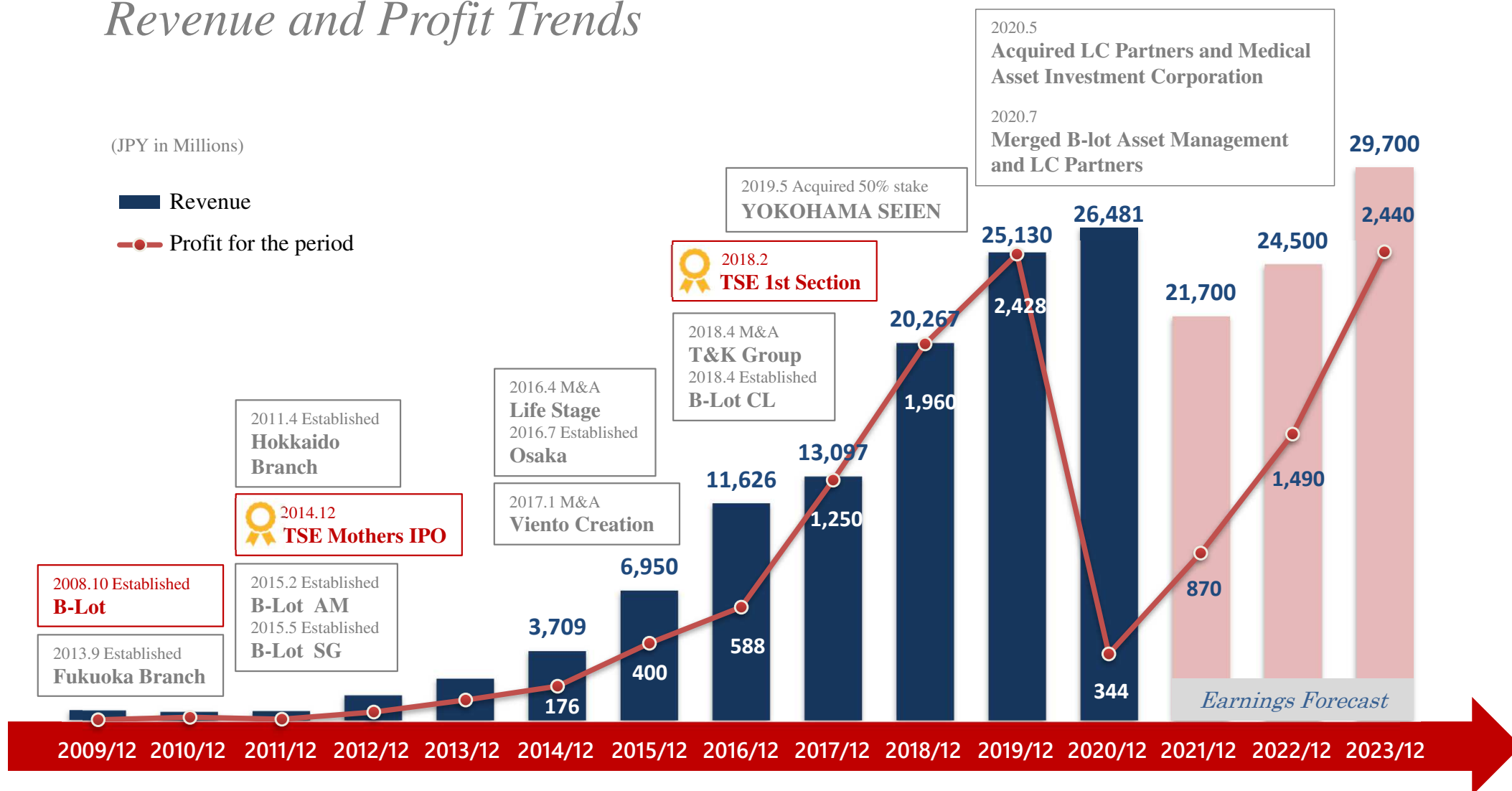
We will continue working together to promote community and social contribution activities.

We look forward to your continued support of B-Lot.

Revenue and Profit Trends

(JPY in Millions)

■ Revenue
—●— Profit for the period



B-Lot Channel, Now Streaming!



B-Lot YouTube

Search

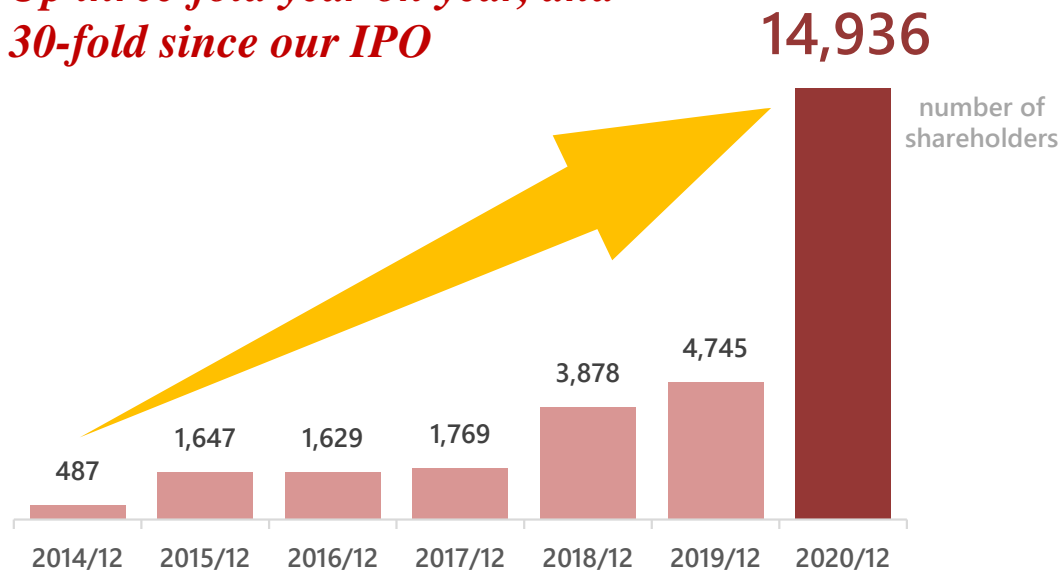
「B-Lot Channel」

「History of B-Lot」



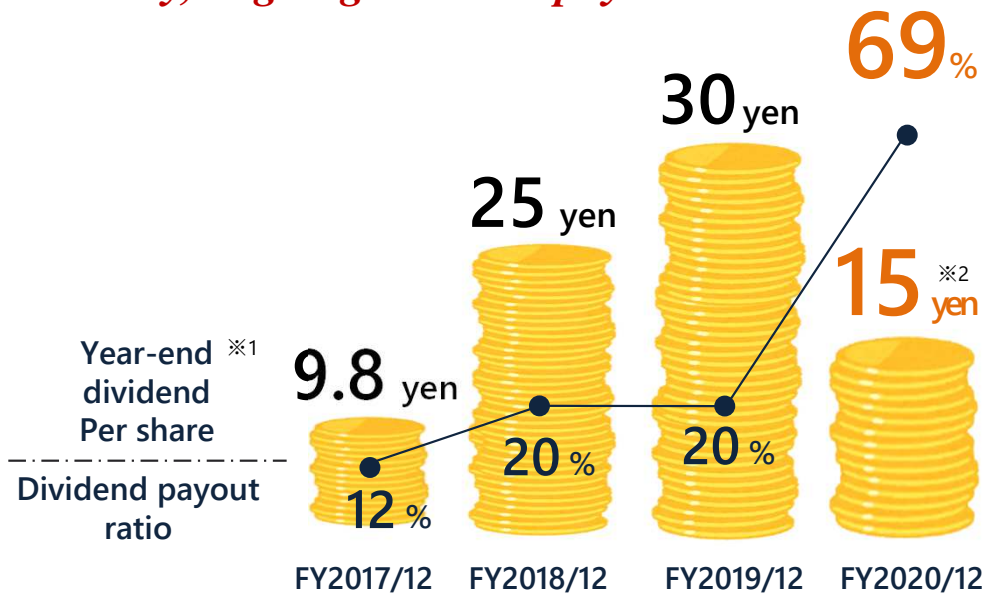
Increase in the Number of Shareholders

*Up three-fold year on year, and
30-fold since our IPO*



Returns for Shareholders

Steady, ongoing dividend payouts



FY2020/12

Total yield on
purchase of 100
shares

3.88%



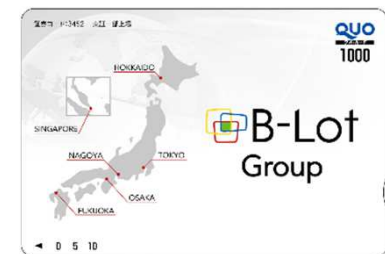
*1: Year-end dividend = adjusted for stock split in January 2018 & April 2020

*2: Dividends = To be discussed at the Ordinary Shareholders Meeting scheduled for March 2021

*3: Total Yield =
(Amount equivalent to shareholder benefits + Annual dividend)/(Closing price on December 30, 2020 x 100 shares)

Shareholder Benefits

Ongoing implementation



Record Date	December 31, 2020
Shares held	100 shares (one unit) or more
QUO card	JPY 1,000

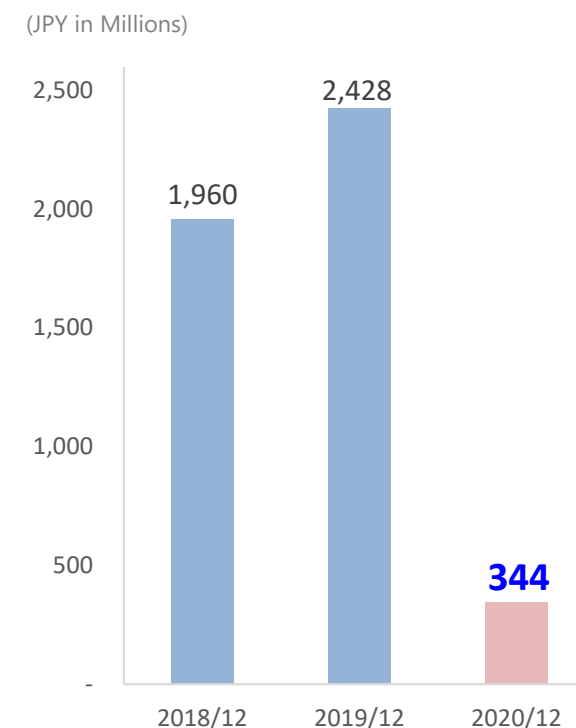
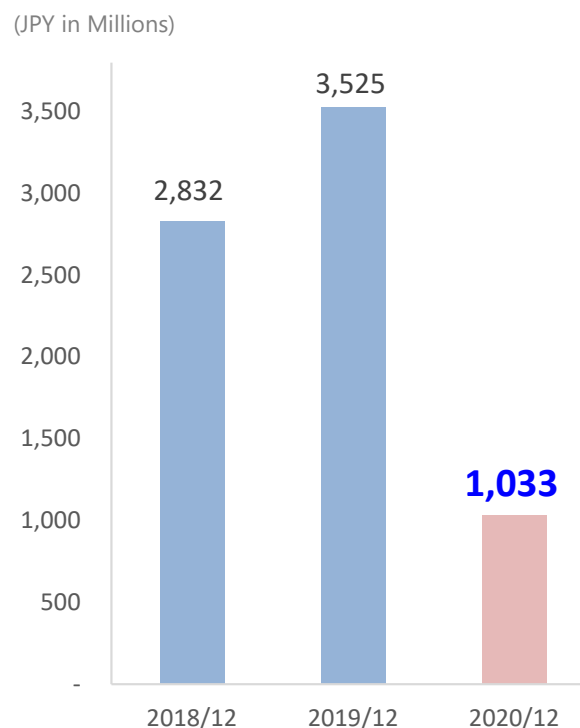
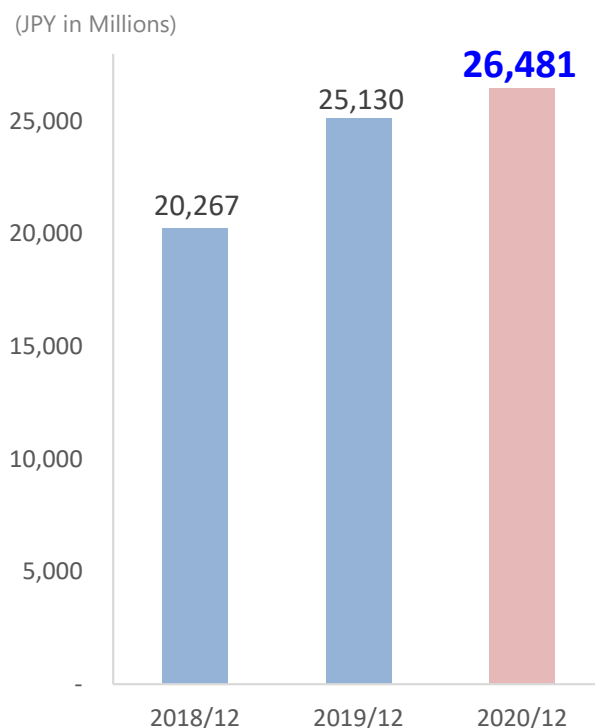
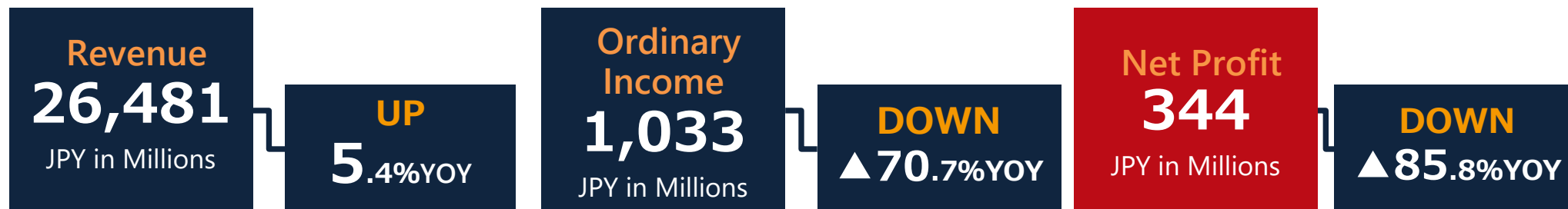
I . Performance Review

<i>I. Performance Review</i>	<i>P.05-10</i>
<i>II. Business Summary</i>	<i>P.11-18</i>
<i>III. Earnings Forecasts</i>	<i>P.19-21</i>
<i>IV. Company Profile</i>	<i>P.22-32</i>

1. *First profit decline since listing on the Tokyo Stock Exchange, owing to the impact of the COVID-19*
Write-downs and project cancellations, largely in hotels
2. *Biggest property sale since our founding (JPY13bn)*
Property sold to B-Lot REIT, Inc. (which is sponsored by our Company)
3. *Business expansion through M&A and deep plowing of specialist fields*
Executive mergers, and reconfiguring our Group for enhanced earnings
4. *Announcement of medium-term management plan*
Earnings structure innovation and steady, long-term growth to advance us toward our 100-year vision

Segment		Impact		Fiscal year results, current status
Investment development	Property acquisition	Residential real estate basically unaffected		Acquisition of 30 rental income properties
	Property sale	Decline in deals for hotels and large-scale properties		Small and medium-sized properties unaffected. 25 properties sold
	Development project	Alterations in a number of business projects		Changed use of accommodation facilities, postponed development of nursing care facilities
		Changes in hotel profitability		Hotel project cancelled and sales contract terminated
Consulting	Brokerage	No transaction from overseas investors due to restrictions on movement		Brisk trading appetite among domestic investors; 25 contracts closed
	Consignment sales	Showrooms closed during the COVID-19 state of emergency declaration		Unaffected: Visitor traffic is back, and sales are up since the lifting of the emergency
Management	Rent income	Housing	New normal lifestyles and changing needs	Unaffected: Sales consignments and property rents accumulating
		Stores/ office	Restaurant contract cancellations	Re-tenanting by marketing to pre-furbished buyers or delivery-only restaurant operators
		Lodging facility	Major loss of income as hotels remained closed during lockdown	Withdrawal from commission-only contracts
	Golf courses		Golf courses closed during state of emergency declaration	Since the lifting of the emergency, customer traffic has recovered despite downsized operations

~Revenue up, but profit down due mainly to hotel write-downs~



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

~Rent income growth drove higher Real Estate Management operating profit~

Consolidated P/L Summary			
	(JPY in Millions)		
	FY2019/12	FY2020/12	YoY change
Revenue	25,130	26,481	5.4%
(1) Real Estate Investment and Development business	21,185	22,668	7.0%
(2) Real Estate Consulting business	1,249	1,257	0.7%
(3) Real Estate Management business	2,695	2,555	△5.2%
Gross Profit	6,980	4,734	△32.2%
SG&A	2,995	3,014	0.6%
Operating Income	3,985	1,719	△56.8%
(1) Real Estate Investment and Development business	3,896	1,465	△62.4%
(2) Real Estate Consulting business	577	455	△21.2%
(3) Real Estate Management business	679	916	34.9%
Other (company-wide expenses)	△1,168	△1,117	△4.3%
Ordinary Income	3,525	1,033	△70.7%
Net Profit for the Period	2,428	344	△85.8%

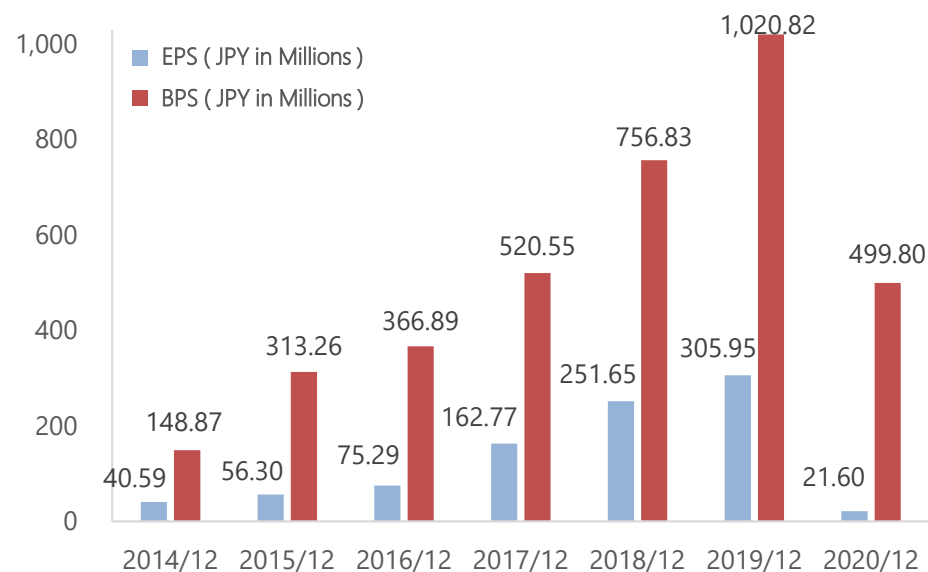
Consolidated B/S Summary			
	(JPY in Millions)		
	FY2019/12	FY2020/12	YoY change
Assets	33,555	45,961	37.0%
Current Assets	29,881	41,476	38.8%
Fixed Assets	3,650	4,451	21.9%
Deferred Assets	23	34	43.8%
Liabilities	25,401	37,923	49.3%
Current Liabilities	11,093	13,866	25.0%
Fixed Liabilities	14,308	24,056	68.1%
Net Assets	8,154	8,038	△1.4%
Total Liabilities and Net Assets	33,555	45,961	37.0%

The above revenue does not include internal transactions between segments.

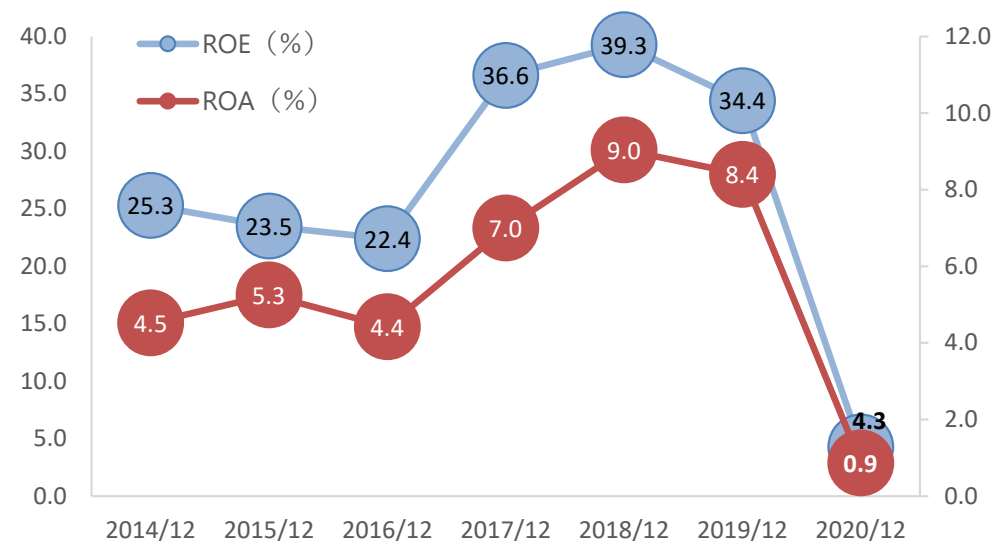
I-5. Data (Reference Material)

...FY2020/12...

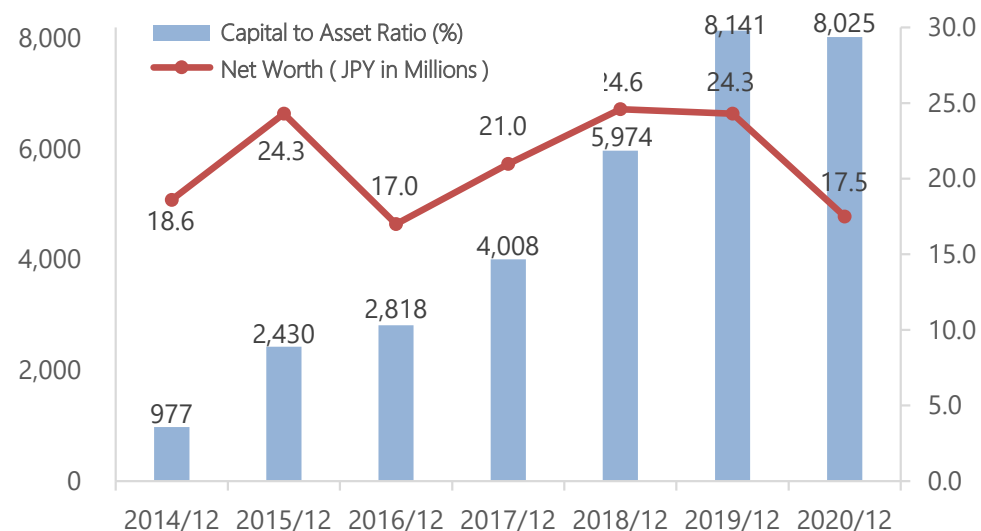
EPS & BPS



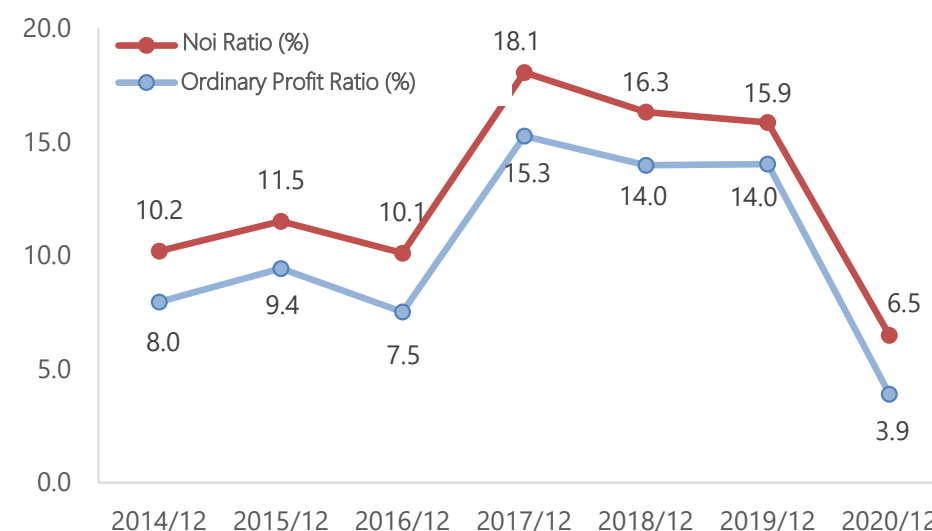
ROE・ROA



Capital to Asset Ratio



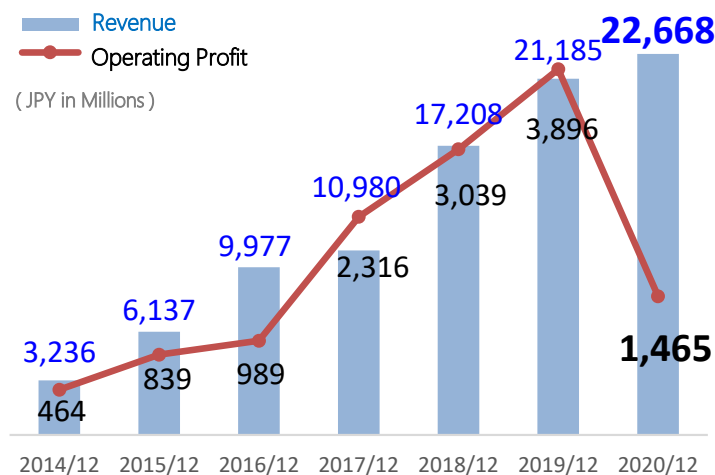
Profit Ratio



II. Business Summary

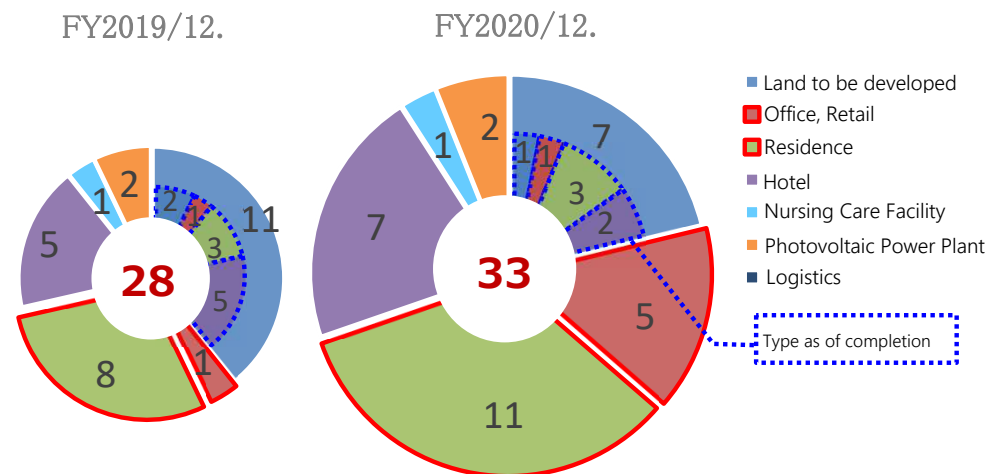
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Business profit was JPY1,465M (-62.4% YoY)



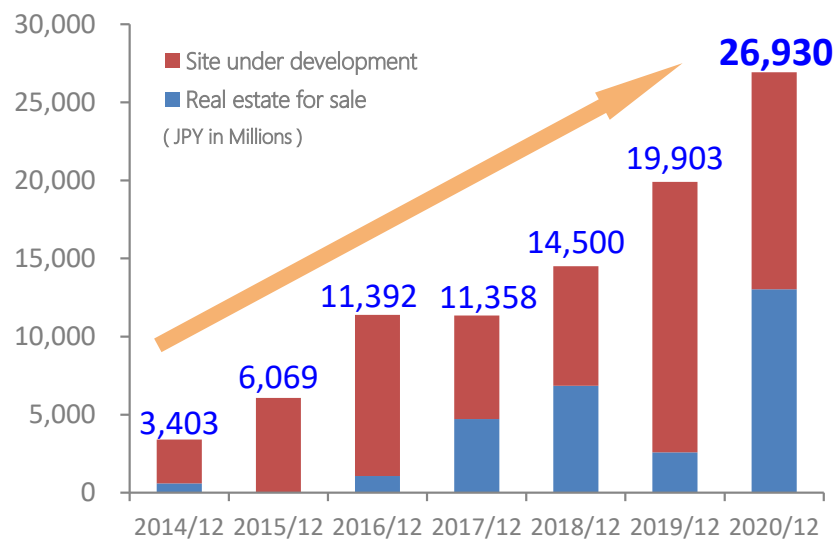
Properties By Type*

*B-Lot Only



*Bulk deal is calculated as one.

Record-high portfolio of JPY26.9bn in spite of major property sale



Maintaining good business relations with financial institutions

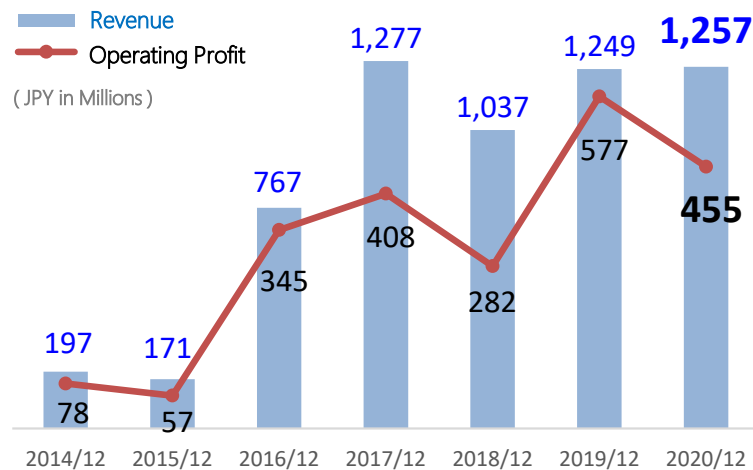
1 Unsecured Working Capital , Significant Increase

B-Lot group took out JPY 6.8bn in long-term loans.
~Financing for procurement and property revitalization~

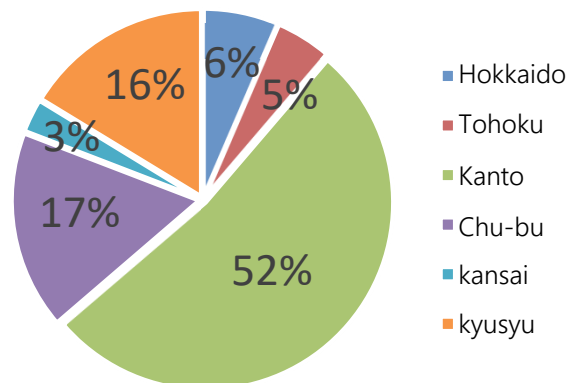
2 Increased ratio of long-term debt

Short-term loans payable 11.6bn (+28.2% YoY)
Long-term loans payable 23.9bn (+69% YoY)

Business profit was JPY455M (-21.2% YoY)



Breakdown of sales



Brokerage

Deep plowing and relationship building with existing customers

Seller

Resolve complex title issues and facilitate sale

Commercial property in Tokyo's Shibuya Ward



Buyer

Prime location appraisal and purchase

Reputation built on endorsement for our painstaking customer support

Ongoing customer relations facilitate subsequent brokering of portfolio refreshment deals

Equity participation in B-Lot REIT as a corporate partner

Sales agency services

We handle sales of major property developments that provide core revenue sources



CIELIA CITY
Akashi Ōkubo

Units as Sales Agent

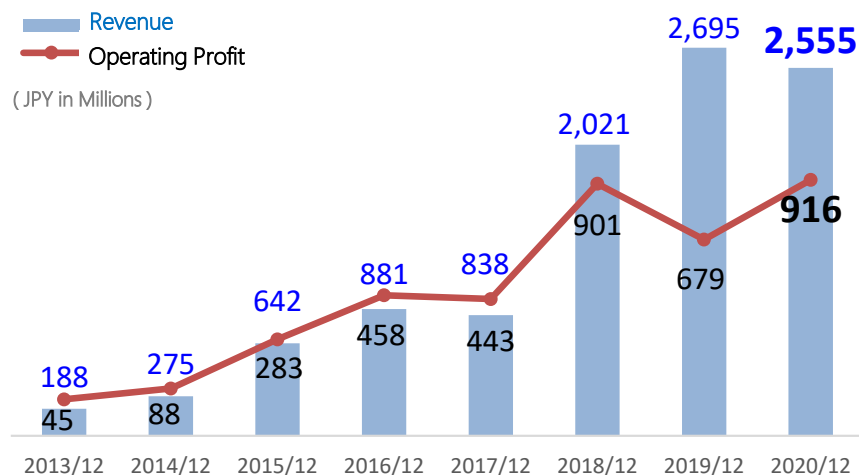
810 Units

Seller

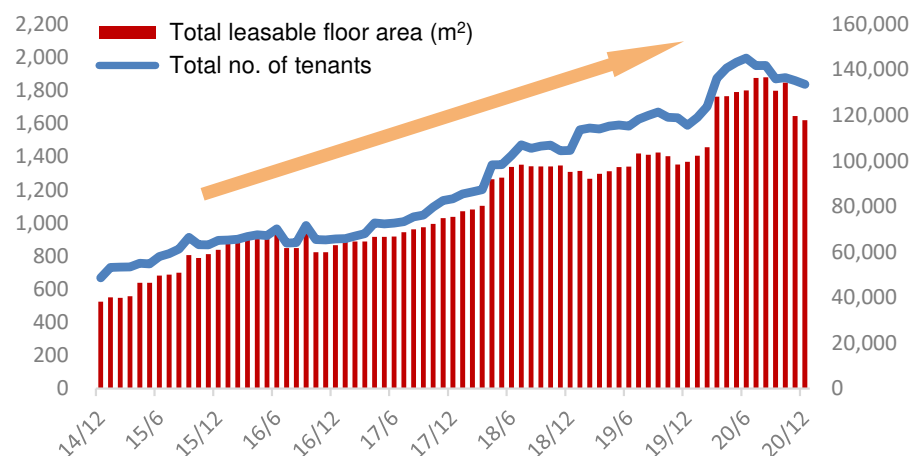
人に、街に、明るい未来を
関電不動産開発

The largest scale on the JR Kobe Line

Business profit was JPY916M (34.9% YoY)



【PM】 Solid growth since our IPO



Property management services

Ongoing after-sales support



Buildings under Management

V.S. IPO
3 times



Coordination with other business divisions to expand our property management portfolio

Third-party collaboration

Working to expand tenant services



Treasury Factory Home Moving

Used furniture and home appliances purchase and removal

Treasury Factory Co., LTD.



Living Link

24hr emergency home maintenance service

Japan Best Rescue System Co., Ltd.

Enhanced customer support for **greater customer satisfaction**

Close up!
**～Strategies for Earnings
Structure Reform～**



【REIT】 Launch in just six short months from M&A date

M&A Implemented in 2020

May

Asset management
firm shares,
Investment firm units **acquired**
Approx. JPY200mn

Jul.

**Merger of two asset
management subsidiaries**
(Systems integration, relocation,
compliance upgrades)
Preparation for REIT
management

Sep.

**Approx. JPY5.6bn
equity offer**



【Partner companies attained】

- ✓ Pipeline expansion
- ✓ Collaboration, staff interaction
- ✓ Building WIN-WIN relations

Launch of REIT Management

Nov.

**First property !
Over JPY13bn**

【General REIT】

- ✓ Geographic diversification
- ✓ Usage diversification
- ✓ New assets
- ✓ Stable investment

【Property revitalization】

- ✓ Better profitability
- ✓ Large-scale construction
- ✓ LED installation
- ✓ Rebranding



B-Lot Esaka BLD



Targeting 2023 IPO!

Investment targets

Tokyo area

Retail facilities

Kinki/Chubu area

Office buildings

Hokkaido

Residential
properties

Kyushu +
Okinawa

Other real estate

Others, major cities

【Wide ranging investment opportunities】

- ✓ Older properties in prime locations wit internal growth potential
- ✓ Condos within 10 minutes walk from nearest train station
- ✓ Facilities along main artery motorways
- ✓ Adaptation to post-COVID era as well

【Variety of acquisition methods】

- ✓ Bridge funds
- ✓ Warehousing, etc.



April 2021 Market Launch!



B-Lot Crowd Funding

Expected
return

2.0%~

Minimal
investment
JPY

10,000~

Minimal
investment period

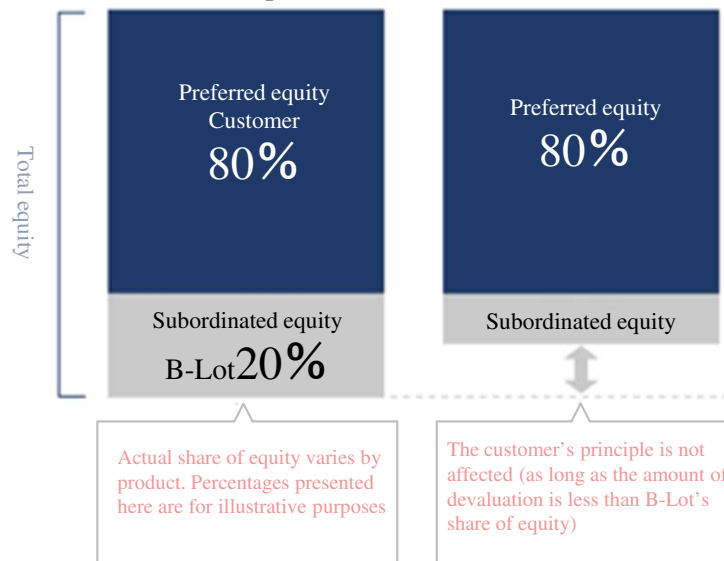
6 Mth~

First property !



Shin-Osaka Residence
3%, planned to run for 6mth

Principle



Limited risk



**Risk cushion provided
by B-Lot!**
(up to the value of B-Lot's equity stake)



**Reliable properties hand
picked by B-Lot**

Transforming Our Group into the Kind of 100-Year Company that the Society Needs



3452 TSE, First Section

Life Stage Co.Ltd.,
(to be merged and absorbed into B-Lot.)

B-Lot AssetManagement Co.Ltd.,



- 30 years in business
- 5 years as part of the B-Lot group
- Condominium sales agency service
- Approx. 90 employees

Preparations underway for upcoming merger

LC Partners Co., Ltd.
(Merged in July 2020)

B-LOT SINGAPORE PTE. LTD.

B-Lot Capital Link Co.Ltd.,

Tsuruga Golf Co.Ltd.,

Vient Creation Co.Ltd.,

YOKOHAMA SEIEN Co.Ltd.,

T&K Co.Ltd.,

※Consolidated subsidiary

※Non-consolidated subsidiary/equity-method affiliate

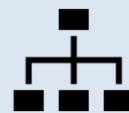
T&K International Co.Ltd.,

Group Reconfiguration: Key Principles



Further cultivate our corporate philosophy and vision

Incorporate the ideas of culture of young talent to update and promote our corporate philosophy and vision on our path to becoming a 100-year corporation.



Leverage corporate branding in sales and marketing

Share business opportunities and expand synergistic projects. Build a collaborative framework for project attainment and adoption, and problem solving.



Expand staff interaction and promotion

Promote workforce interaction across different fields of expertise and corporate cultures. Fully endorse the promotion and self-expression of ambitious employees.



Enhance internal profit-boosting power

Revise overlapping duties and licenses, and integrate systems. Raise efficiency to enhance our internal profit-boosting power.



Stakeholder return

Use the time and retained earnings generated by our streamlined operations to make further enterprise value enhancing investments (human resources, IT, equipment), and provide decent return to our stakeholders.

III. Earnings Forecasts

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Three-Year Management Plan

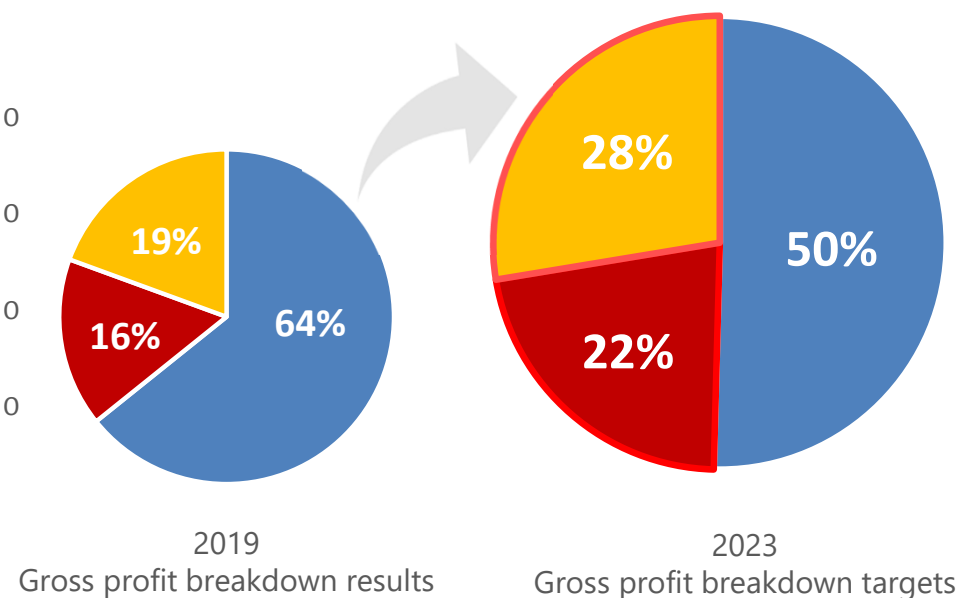
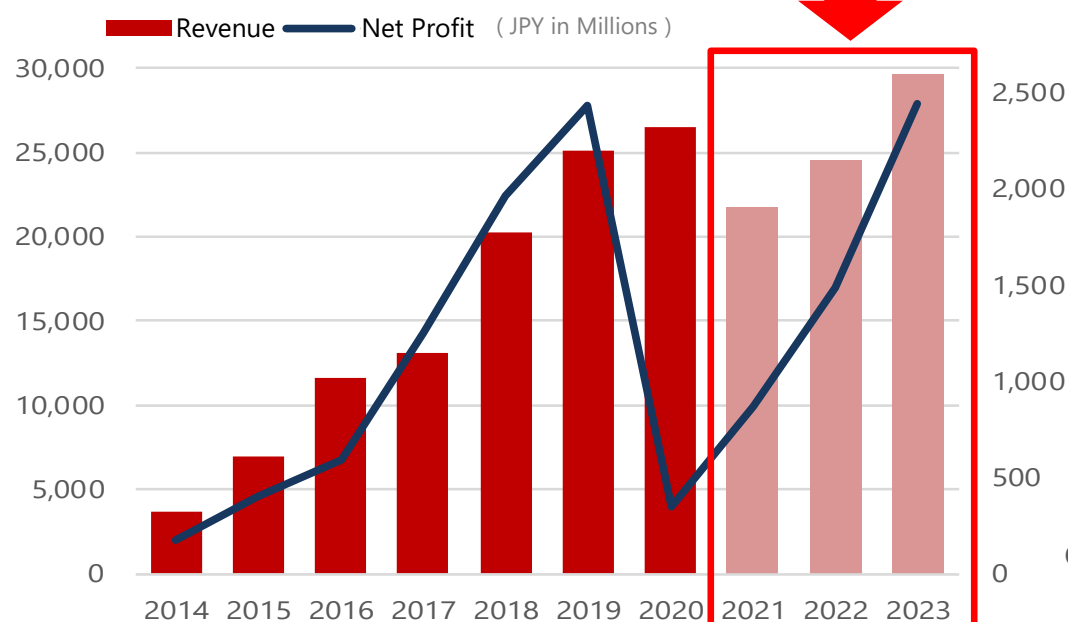
(JPY in Millions)

	Revenue	Ordinary Income	Net Profit
FY2020/12	26,481	1,033	344
FY2021/12	217,00	1,320	870
FY2022/12	245,00	2,240	1,490
FY2023/12	297,00	3,640	2,440

Earnings Structure Reform

Stable long-term growth through 2023
(with occasional leveling off stages)

- Real Estate Investment and Development Business
- Real Estate Consulting Business
- Real Estate Management Business



2020-2023 Our "Start Up Phase"

Deep Plowing of Existing Businesses

Delve deep into customer needs and promote geometric growth of existing businesses

B-LOT REIT IPO

Leverage our Group's information power to achieve JPY50bn AUM and ongoing business

Steady 20% Earnings Growth

Aim for 20% yearly annualized growth in consulting and management

Cultivate Future Leaders

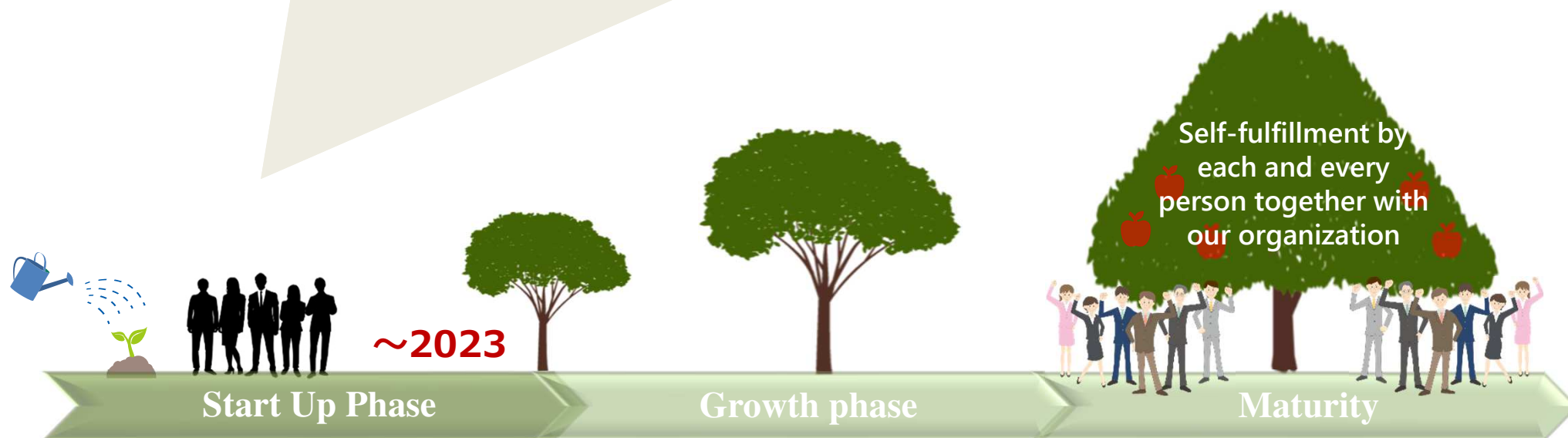
Fortify business professionals
Become a treasure trove of talented human resources

Add More Corporate Partners

Find time to add to our number of corporate partners under principle of mutual prosperity

25% or Higher Equity Ratio

Take measures to build up capital and lay stable financial foundation



IV. 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 1,056,202,283
President	Makoto Miyauchi
Number of Employee	57employees (176 as Consolidated)
Listed Date	December 11, 2014 (TSE Mothers Section : 3452) February 02, 2018 (TSE, 1st Section : 3452)
Offices	Hokkaido, Nagoya, Osaka , Fukuoka
Subsidiaries	B-Lot Asset Management Co., Ltd (100% Subsidiary) B-Lot Singapore Pte., Ltd. (100% Subsidiary) LIFE STAGE CO.,LTD. (100% Subsidiary) Viento Creation Co.,Ltd. (100% Subsidiary) T&K Co.,Ltd. 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.



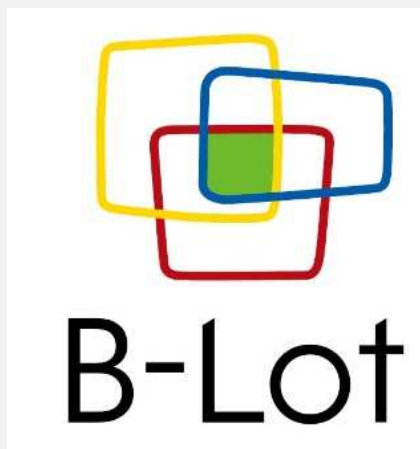
Shinichi Hasegawa Director and Deputy President (Born in July 1972)

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.

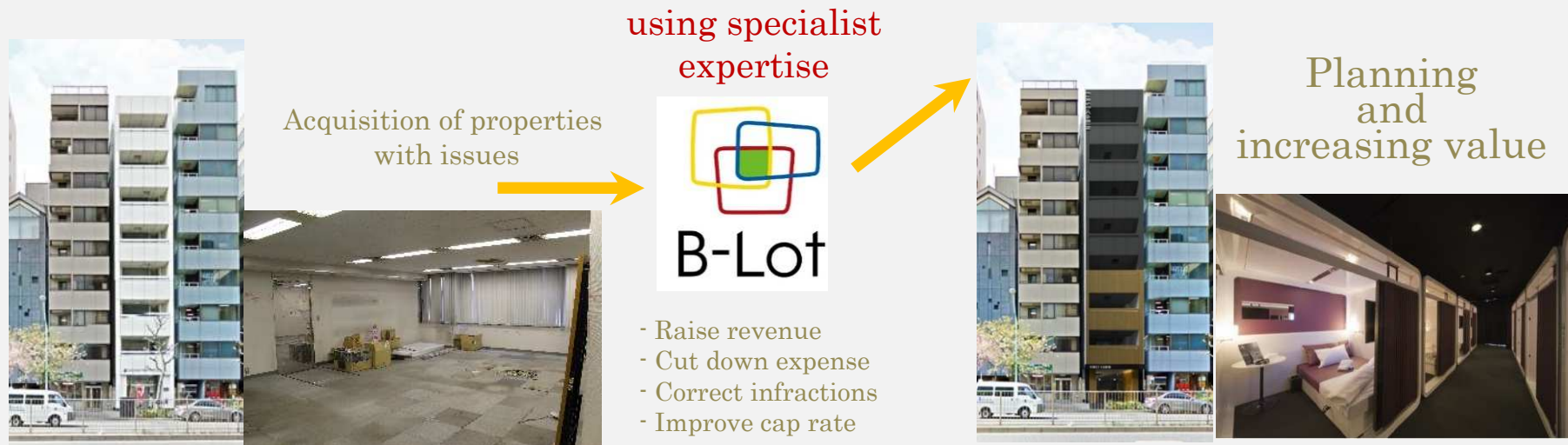
In December 2014, B-Lot listed on the TSE Mothers market with 27 employees, just six years and two months after its founding, which was faster than any other real estate company following the global financial crisis.

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**



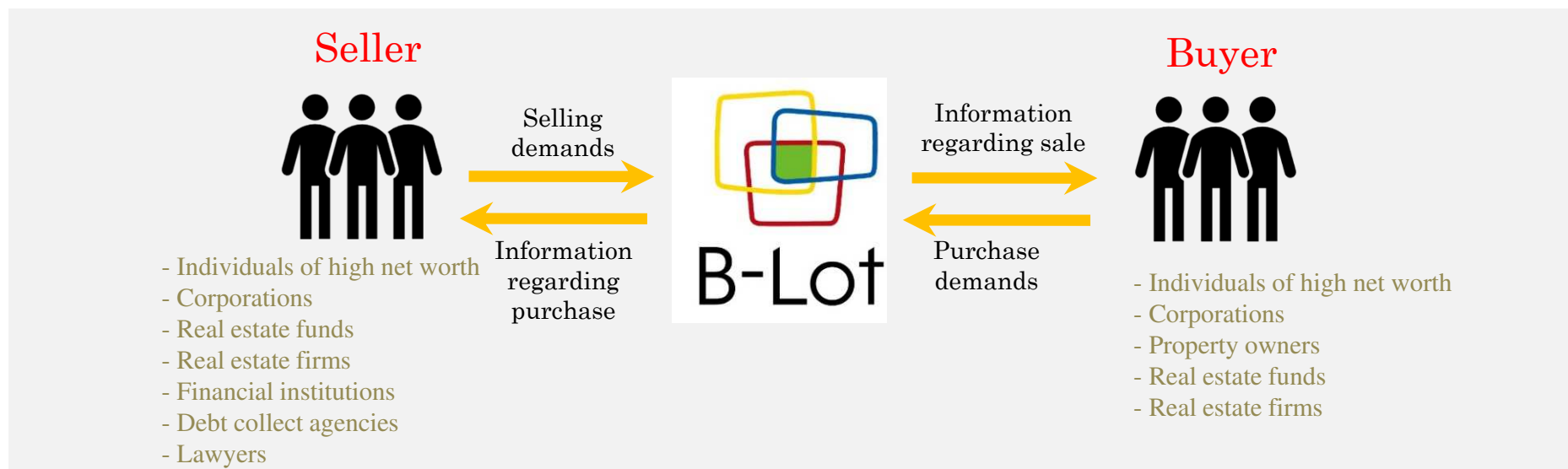
Revitalization

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

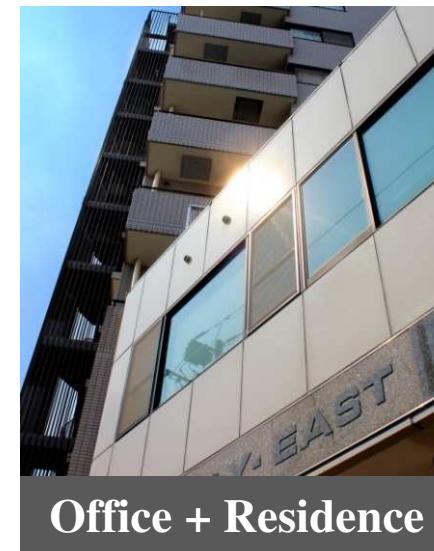


Building maintenance
Construction management

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.

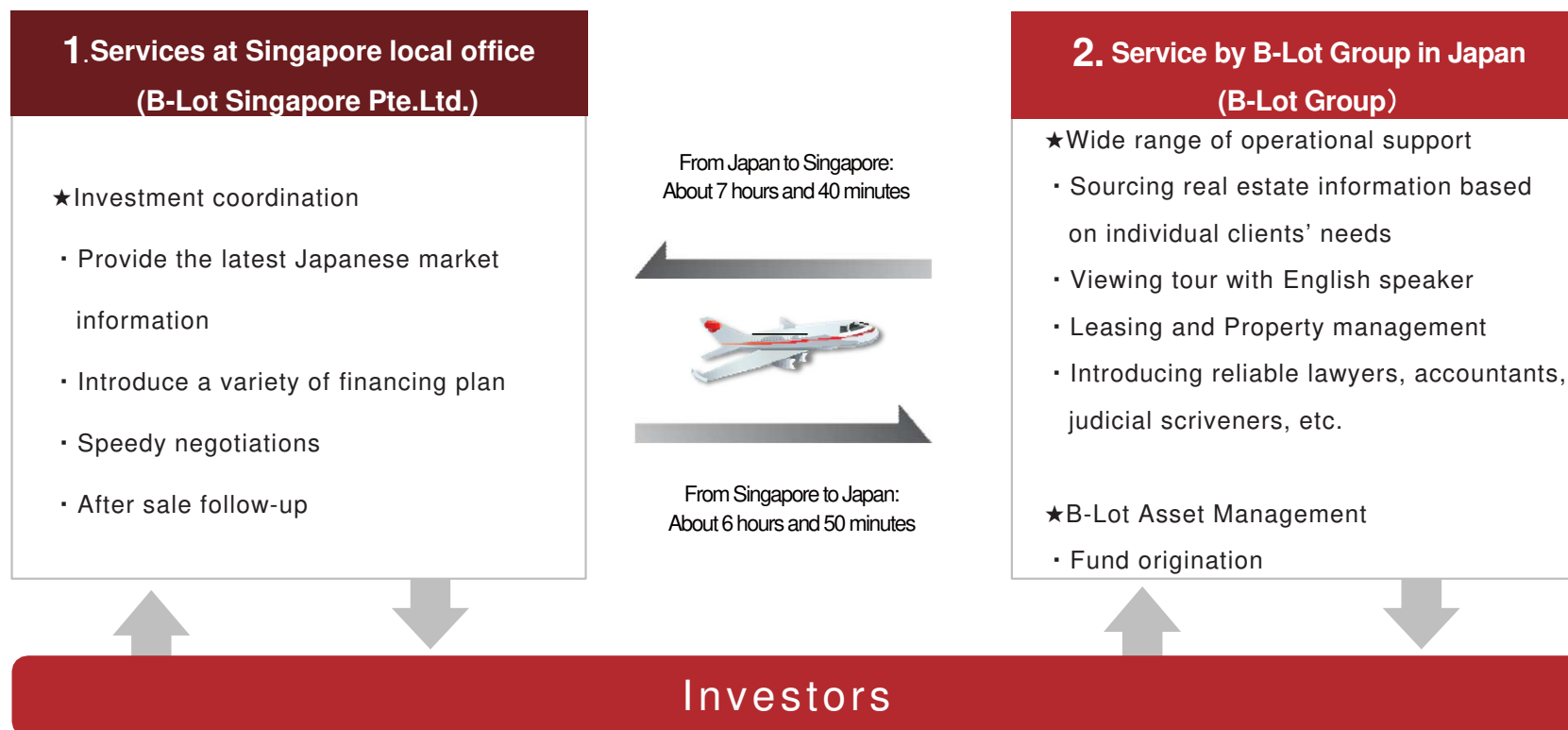
We are a one-stop service provider for real estate purchases, sales, property management and asset management in the part of the B-Lot Group that specializes in sourcing and consulting with real estate.

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

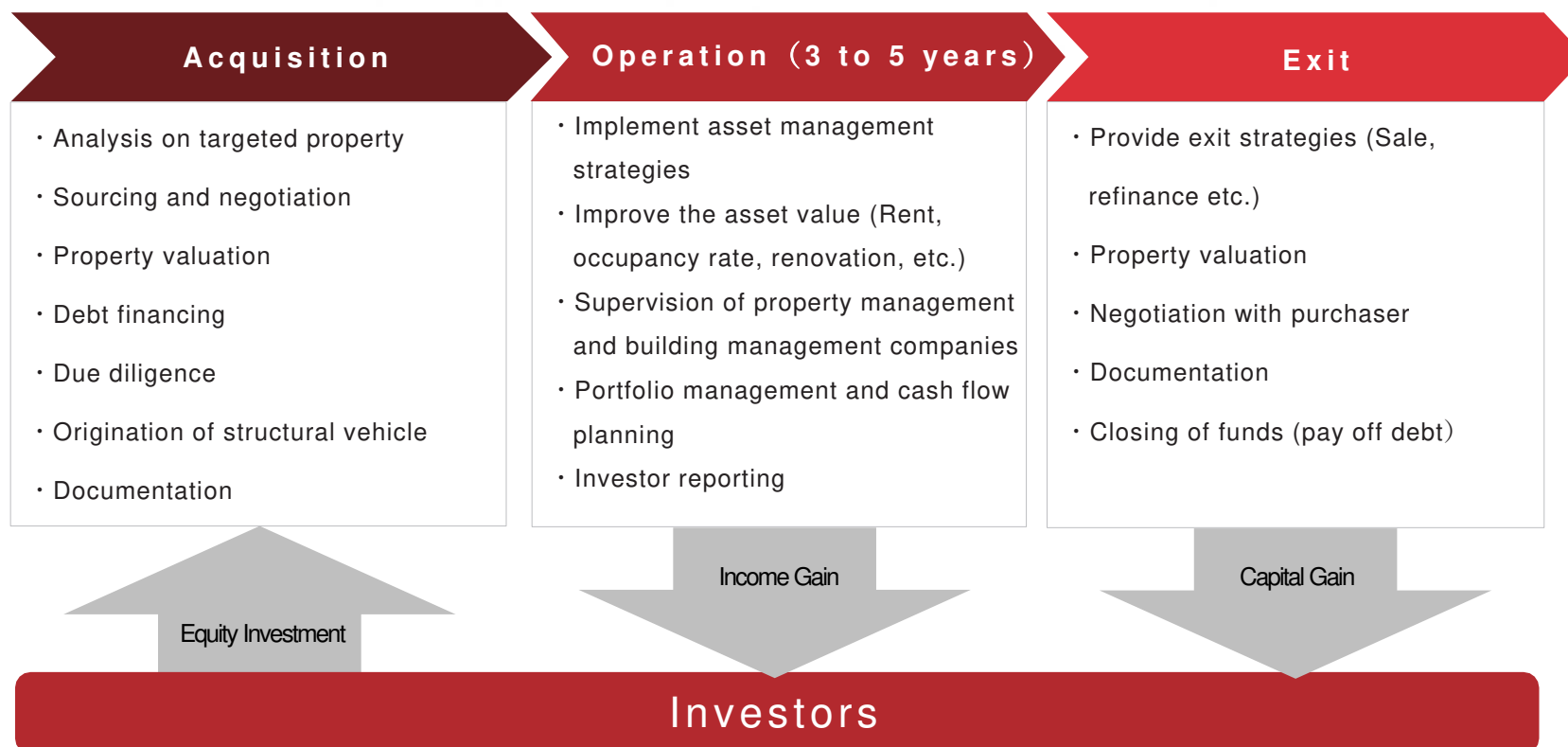
B-Lot Asset Management Co., Ltd. provides comprehensive real estate operational services such as asset management with financial schemes

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 —



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

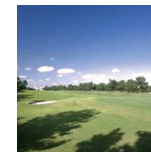
Consulting services

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



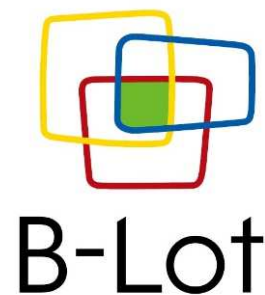
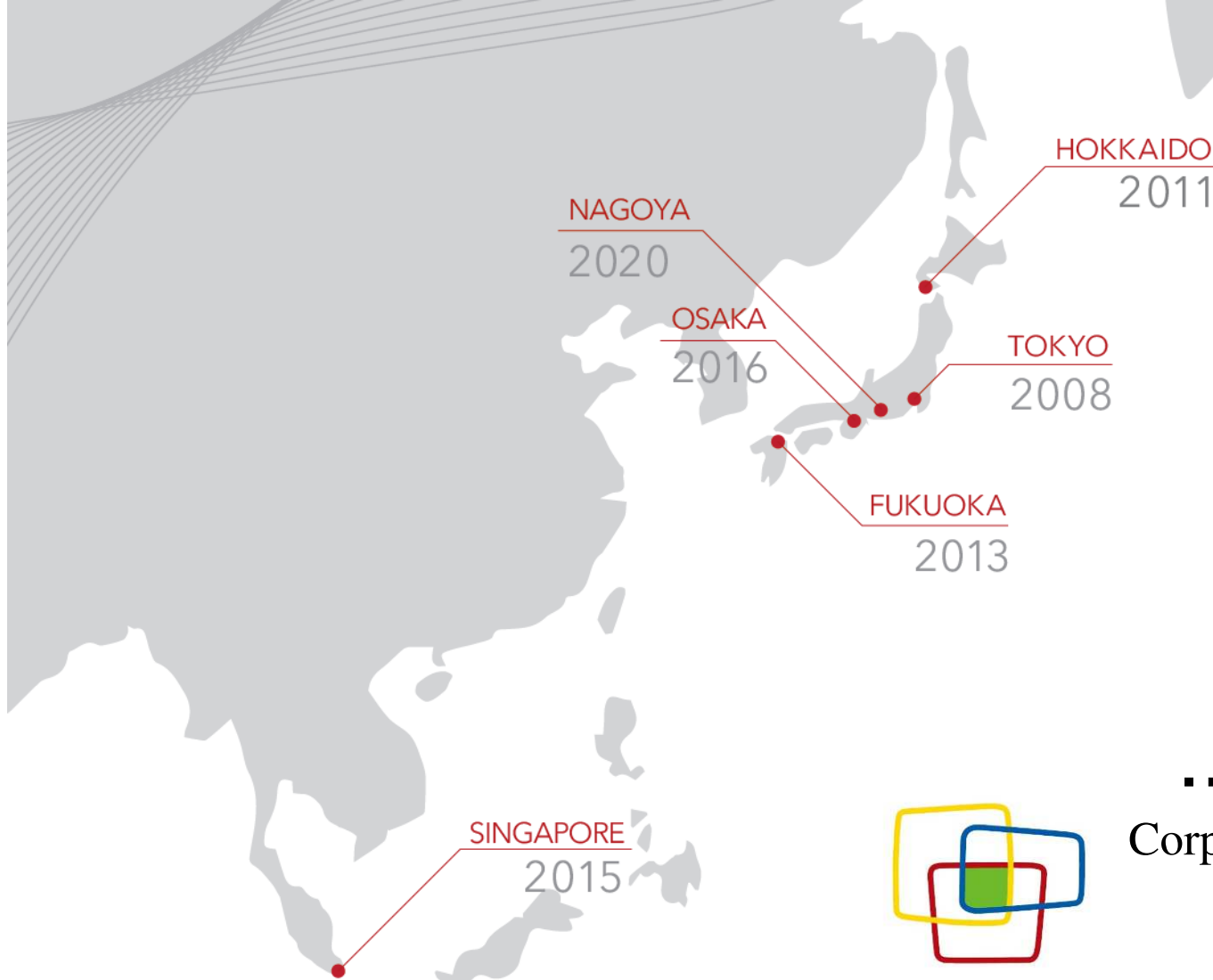
Wakasu Golf Links
(Management business designated by the Tokyo Metropolitan Government)



North Shore Country Club



Tsuruga Kokusai Golf Club



..... **Contact us**

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