



Annual Report

Fiscal Year Ending Dec.31,2021

【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)

Mar.7,2022

~ Listed on the Prime Market. Aiming to Become a Group That Lasts 100 Years ~



We would like to express our heartfelt gratitude to our stakeholders for their support.

Since its foundation, the B-lot Group has created businesses that provide value to society in the real estate industry and in the real estate finance industry. As a corporate group that is relied on in society, the Group has been pursuing profits and aiming to achieve sustainable growth.

The Tokyo Stock Exchange's market divisions will change in April 2022. B-lot Co., Ltd. has chosen to be listed on the Prime Market to achieve a higher level of governance and enhance corporate value over the medium to long terms. Ultimately, we seek to realize our vision which the Company has pursuing since its founding, and to make B-lot Group a corporate group that will last 100 years.

In the fiscal year under review, the first year of the three-year medium-term management plan announced in November 2020, the Group sought to change its earnings structure and achieved its profit plan amid the COVID-19 pandemic. The Group also strengthened its financial base through a public offering.

The Group will accelerate human resource development and recruitment and actively develop a variety of businesses.

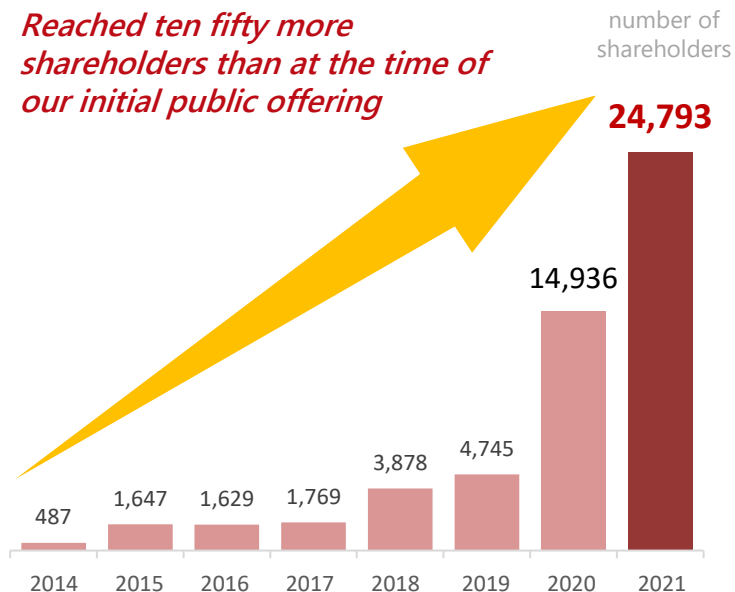
The B-lot Group will work as one to contribute to communities and society, hoping for the end of the COVID-19 pandemic as soon as possible and the recovery of social and economic activities.

As we pursue these initiatives, we ask for your continued guidance and encouragement.

B-Lot Co., Ltd.
President Makoto Miyauchi

Increase in the Number of Shareholders

Reached ten fifty more shareholders than at the time of our initial public offering



FY12/2021

Total yield on purchase of 100 shares

4.73%^{*3}

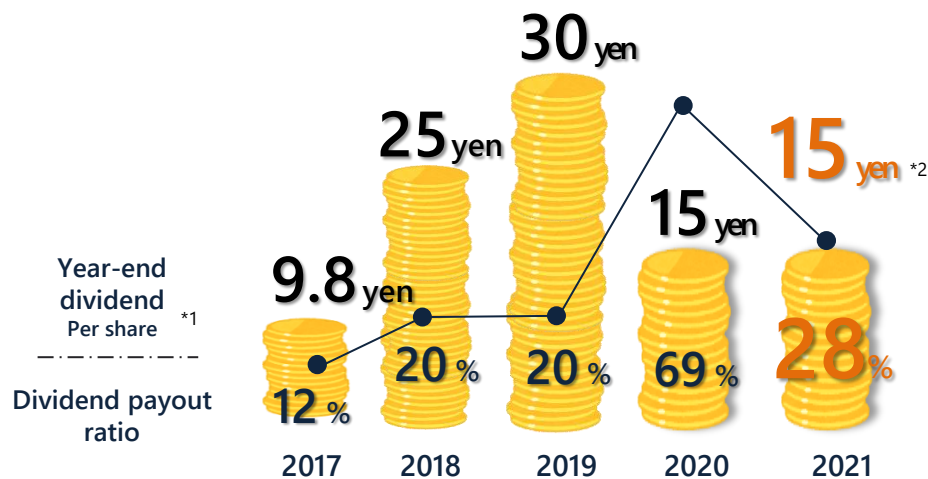


*1: Year-end dividend = adjusted for stock split in January 2018

*2: Dividends = To be discussed at the Ordinary Shareholders Meeting scheduled for March 2022

*3: Total Yield = (Amount equivalent to shareholder benefits + Annual dividend)/(Closing price on December 30, 2021 x 100 shares)

Shareholder Benefits



Shareholder Benefits



Record Date	December 31, 2021
Shares held	100 shares (one unit) or more
QUO card	1,000 yen

I. Earnings Forecasts

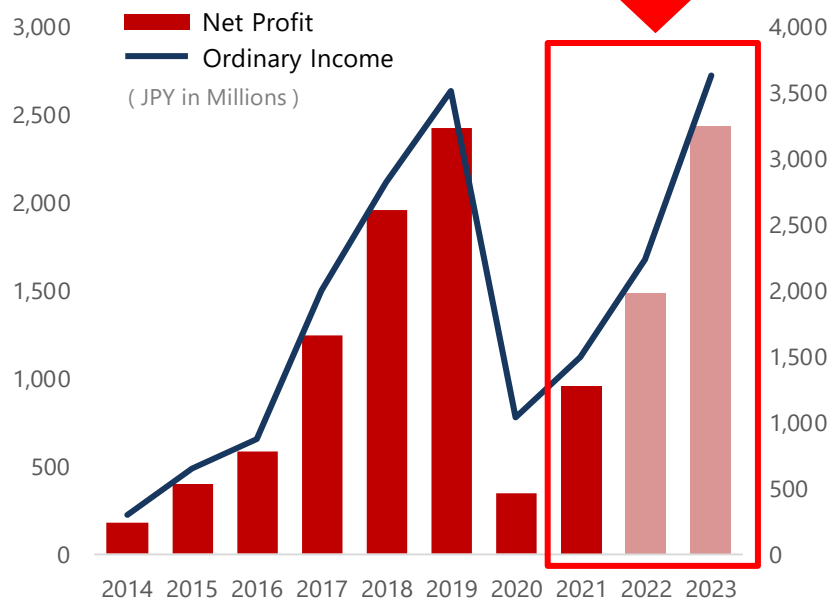
<i>I. Earnings Forecasts</i>	<i>P.04-07</i>
<i>II. Performance Review</i>	<i>P.08-12</i>
<i>III. Business Summary</i>	<i>P.13-22</i>
<i>IV. Company Profile</i>	<i>P.23-35</i>

I-1. ~Medium-Term Management Plan~ Future Growth Concept

◆Three-Year Management Plan

(JPY in Millions)

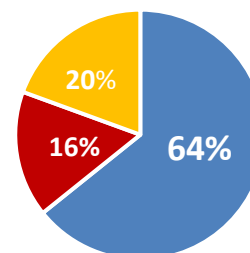
	Ordinary Income	Net Profit
FY2021 (Actual)	1,501	953
FY2022 (Predict)	2,240	1,490
FY2023 (Plan)	3,640	2,440



◆A breakdown of earnings

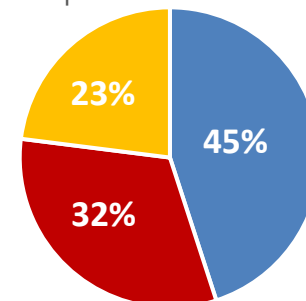
- Real Estate Investment and Development Business
- Real Estate Consulting Business
- Real Estate Management Business

2019
Gross profit breakdown results

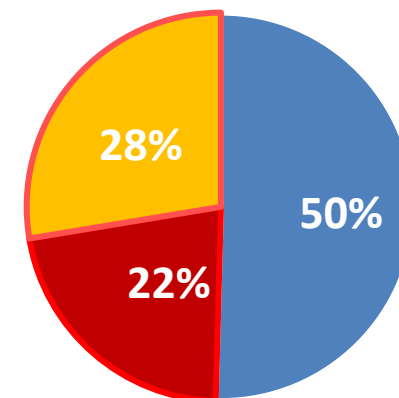


Transforming
the earnings
structure

2021
Gross profit breakdown results



2023
Gross profit breakdown targets



I-2. Image of the Growth of the Group



Diversify revenue sources and cultivate human resources. Become a company that benefits society



I-3. Three-Year Action Plan

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

25% or Higher Equity Ratio

Take measures to build up capital and lay stable financial foundation

Add More Corporate Partners

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

A company where individual characteristics are utilized and ways of working can be chosen



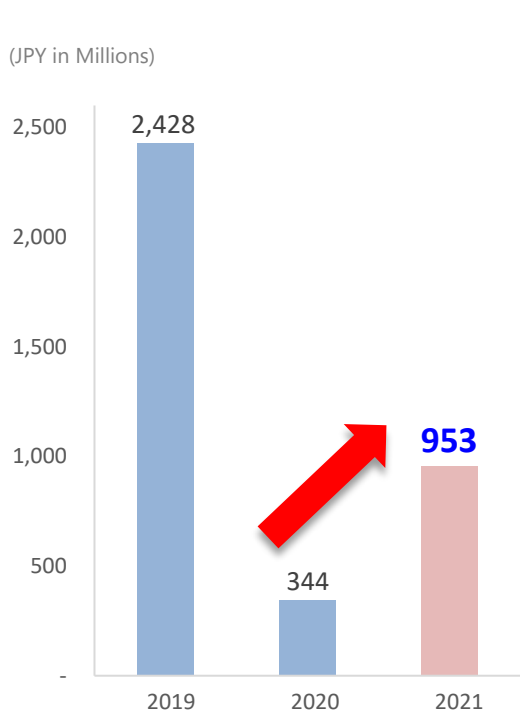
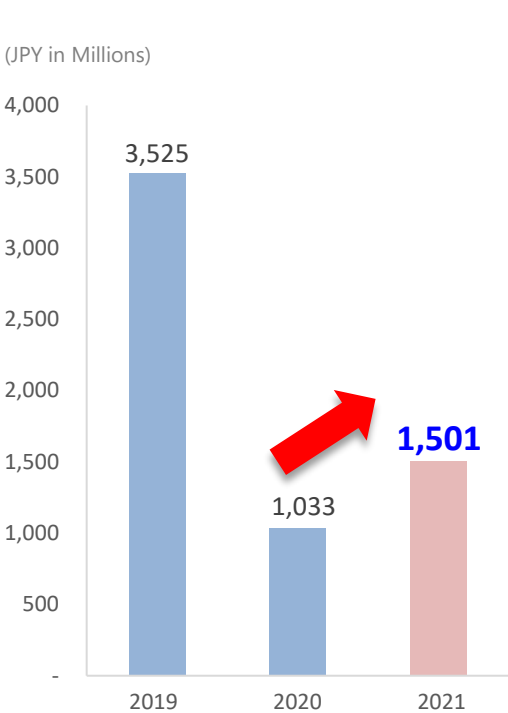
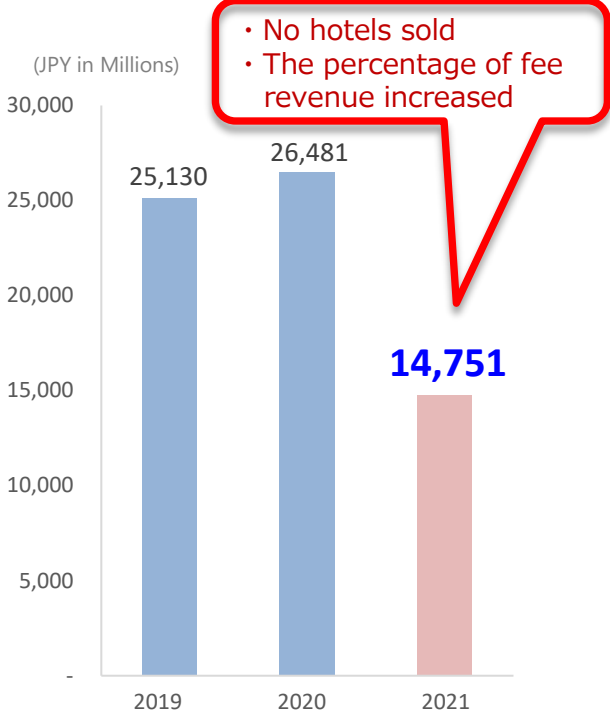
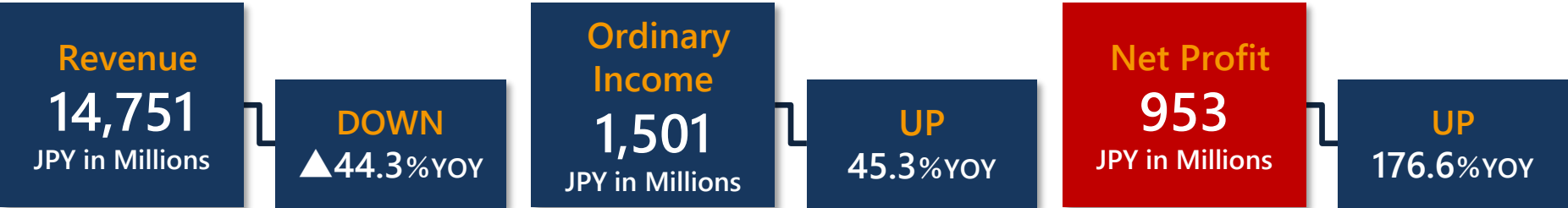
II. Performance Review

<i>I .</i>	<i>Earnings Forecasts</i>	<i>P.04-07</i>
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1. **Initial fiscal year of the three-year medium-term management plan.
Net profit rose 176.6% year on year.
Full-year consolidated net profit exceeded JPY950 million.
The initial target achieved.**
2. **Good progress made in recruitment and earnings structure reform.
Consulting Business profit up 27.5% year on year.**
3. **The balance of real estate for sale was JPY 29.5 billion, reflecting carefully selected purchases.
Properties for residential purposes increased in response to strong demand from investors.**
4. **Capital increased by procuring over JPY 1.8 billion in public offering.
Chose the Prime Market, aiming to become a company that will grow sustainably and last 100 years.**

II-2. Performance Highlights

Net profit reached the target in the medium-term management plan.



II-4. Consolidated PL / BS Summary

Income rose in Investment and Development Business and Consulting Business.

Consolidated P&L Summary

(JPY in Millions)

	2020/12.	2021/12.	YoY change
Revenue	26,481	14,751	△44.3%
(1) Real Estate Investment and Development business	22,668	11,093	△51.1%
(2) Real Estate Consulting business	1,257	1,571	24.9%
(3) Real Estate Management business	2,555	2,087	△18.3%
Gross profit	4,734	4,821	1.9%
SG&A	3,014	2,791	△7.4%
Operating income	1,719	2,030	18.0%
(1) Real Estate Investment and Development business	1,465	1,864	27.2%
(2) Real Estate Consulting business	455	580	27.5%
(3) Real Estate Management business	916	573	△37.4%
Other (company-wide expenses)	△1,117	△988	△11.5%
Ordinary income	1,033	1,501	45.3%
Net profit for the period	344	953	176.6%

Equity ratio rose through a public offering.

Consolidated BS Summary

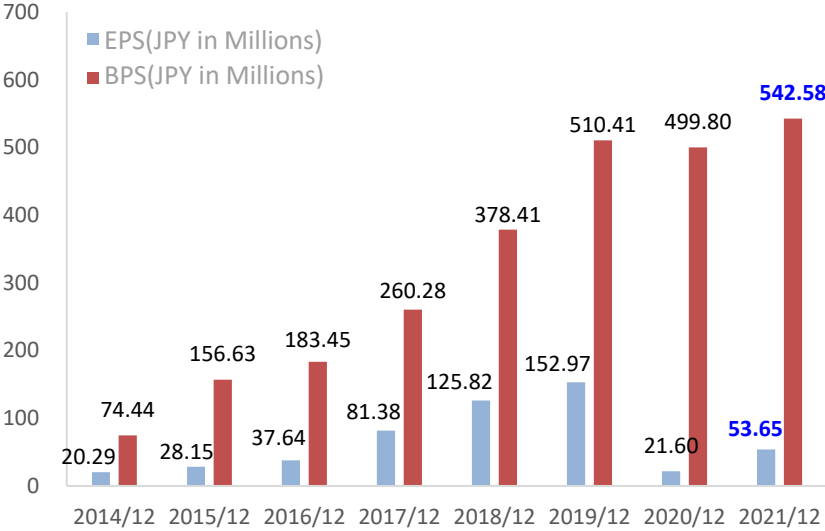
(JPY in Millions)

	2020/12.	2021/12.	YoY change
Assets	45,961	48,753	6.1%
Current assets	41,476	44,342	6.9%
Fixed assets	4,451	4,388	△1.4%
Deferred assets	34	23	△31.9%
Liabilities	37,923	38,120	0.5%
Current liabilities	13,866	17,798	28.4%
Fixed liabilities	24,056	20,321	△15.5%
Net assets	8,038	10,632	32.3%
Total liabilities and net assets	45,961	48,753	6.1%

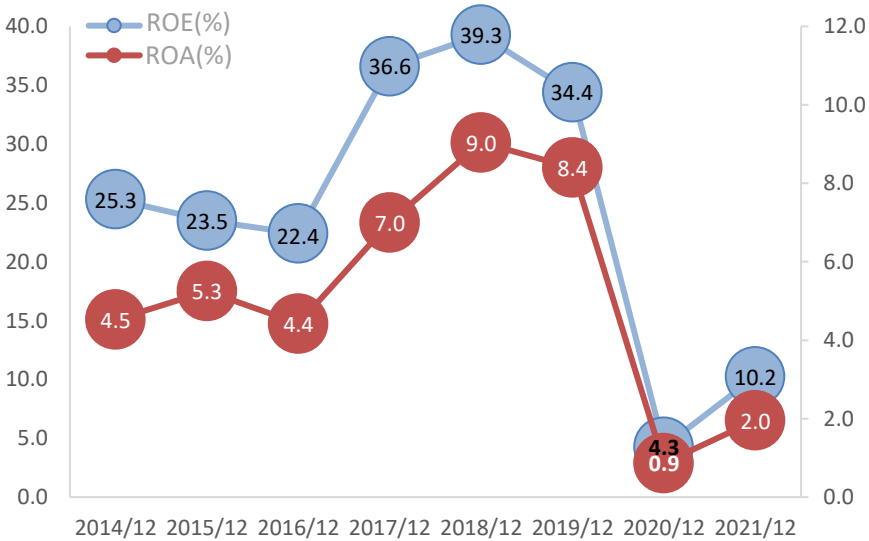
※The above revenue does not include internal transactions between segments.

II-4. Data (Reference Material)

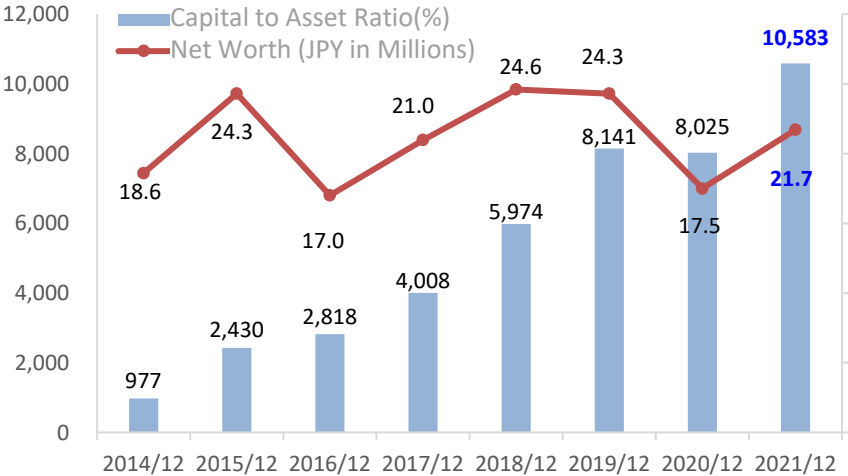
EPS & BPS



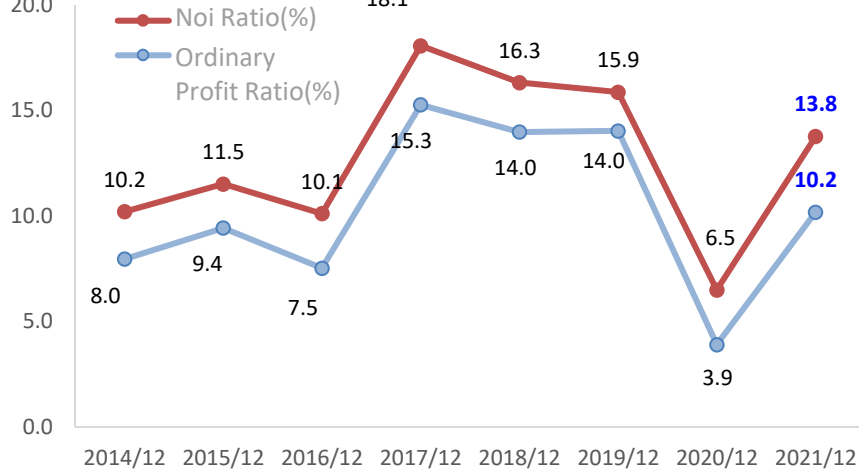
ROE・ROA



Capital to Asset Ratio



Profit Ratio

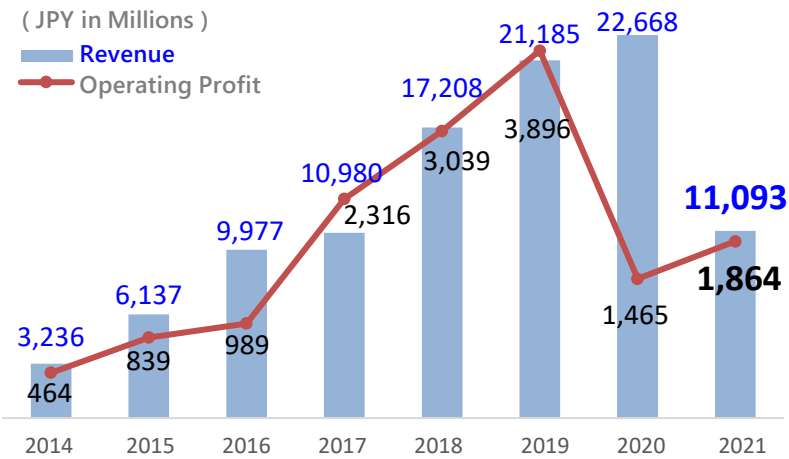


III. Business Summary

<i>I .</i>	<i>Earnings Forecasts</i>	<i>P.04-07</i>
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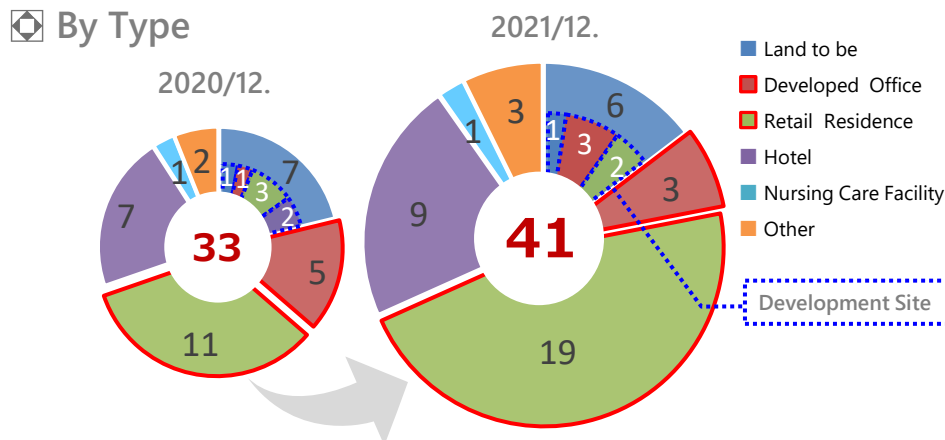
III-1. Real Estate Investment Development Business

Business profit was JPY1,864M(+27.2%YoY).



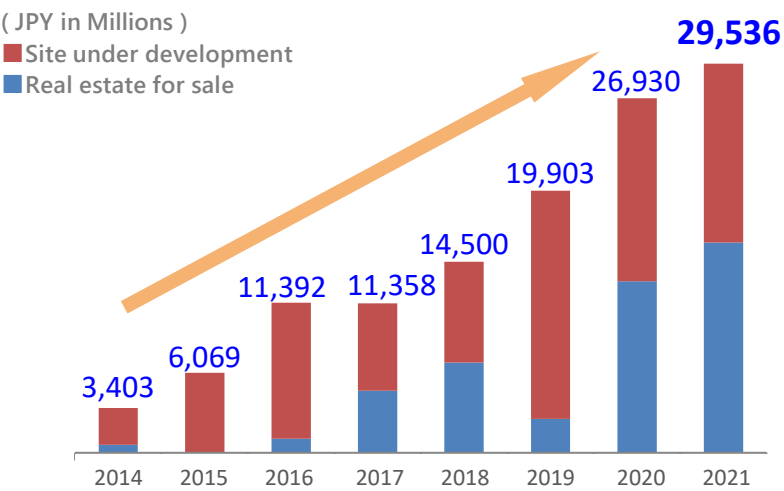
Properties By Type*

Strong needs for properties for residential purposes



*Bulk deal is calculated as one.(B-Lot Only)

Balance to JPY29.5 billion, mainly residential



Sales Residential properties = Stable assets
Strong investment demand



Strengthening planning ability for revitalization and development
High marks earned for building quality and management resulted in a successful sale

Upcoming Properties

Revitalization

Residence



Tokyo / Nishi-magome



Tokyo / Sumiyoshi



Tokyo / Hatanodai



Nagoya / Honjin



Nagoya / Aratama-bashi



Osaka / Esaka



Sapporo / Nakajimakoen



Sapporo / Naebo

Revitalization

Office Bldg.



Tokyo / Musashikoyama



Fukuoka / Hirao

Development

New projects

Residence



Nagoya / Heian-dori

Office Bldg.



Fukuoka / Hakata

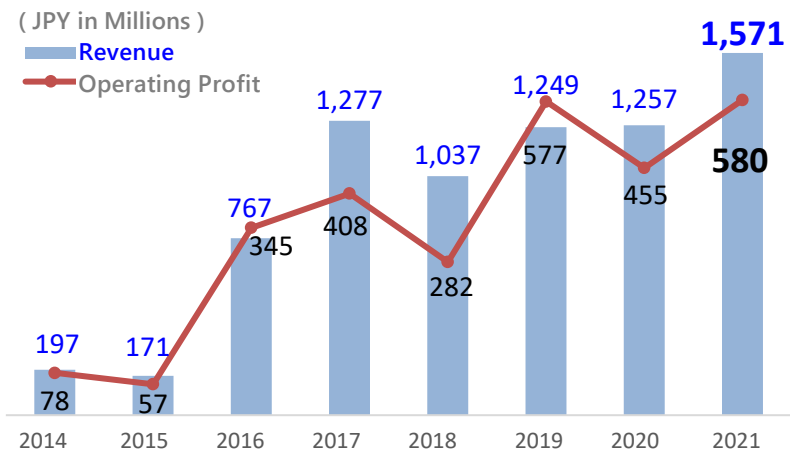
Office Bldg.



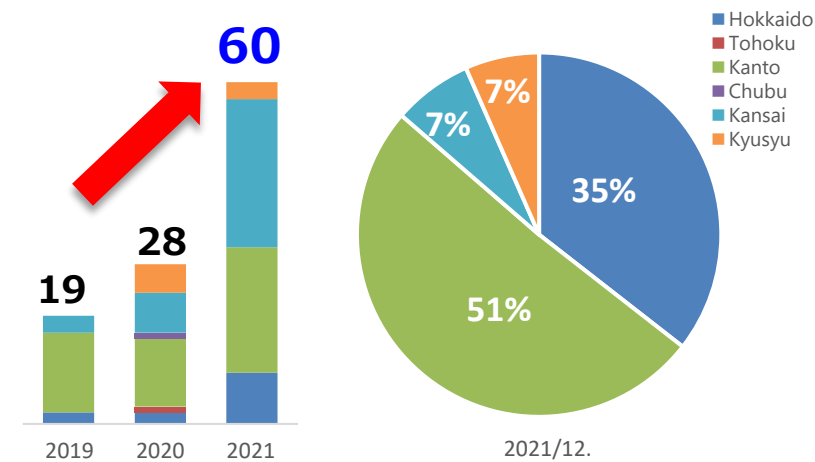
Fukuoka / Akasaka

III-2. Real Estate Consulting Business

Business profit was JPY580M(+27.5%YoY)



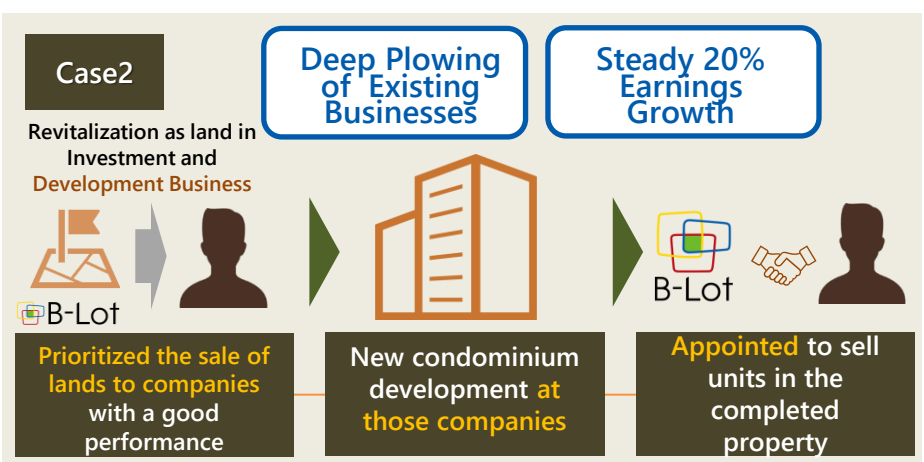
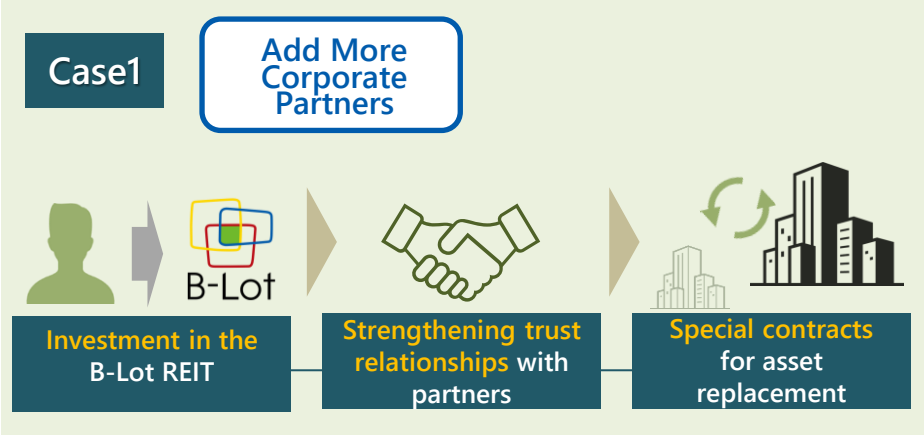
Breakdown of brokerage by area



Number of completed cases

Revenue

Brokerage Increased number of projects dedicated to synergies between businesses



- ▶Win other projects, taking advantage of synergies with other divisions of the Company and partners
- ▶Increase fans of B-lot and profit opportunities

Medium- to Long-Term Strategies: M&A for New Human Resources

LIFESTAGE  B-Lot Group

Cultivate Future Leaders

Deep Plowing of Existing Businesses

2016

2021

M&A

Fusion of corporate cultures

Management rationalization

Make new M&A



About 100 people

1. Sharing philosophy
2. Personnel exchange
3. Making decisions speedily

1. Consolidation (merger)
2. Recruitment
3. IT investment



Inviting people sharing philosophy to become officers at Group companies through M&A and at joint ventures !



Stable contract sales business

【Creating cooperation】

【Selling more than 1,000 units annually】



Network of major developers



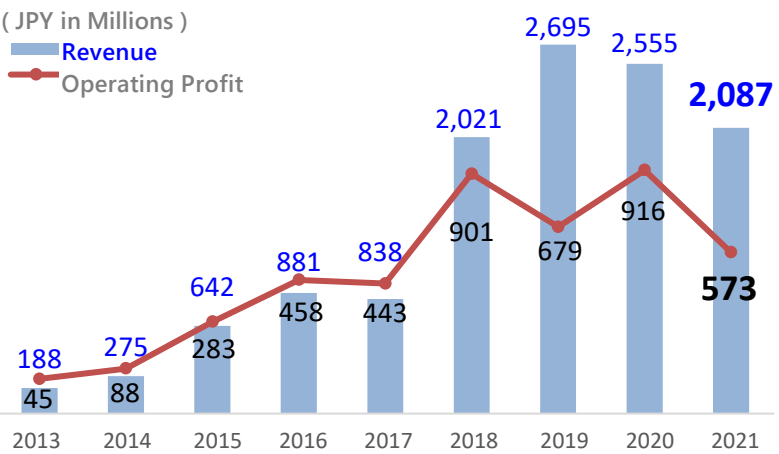
The Parkhouse Tokorozawa



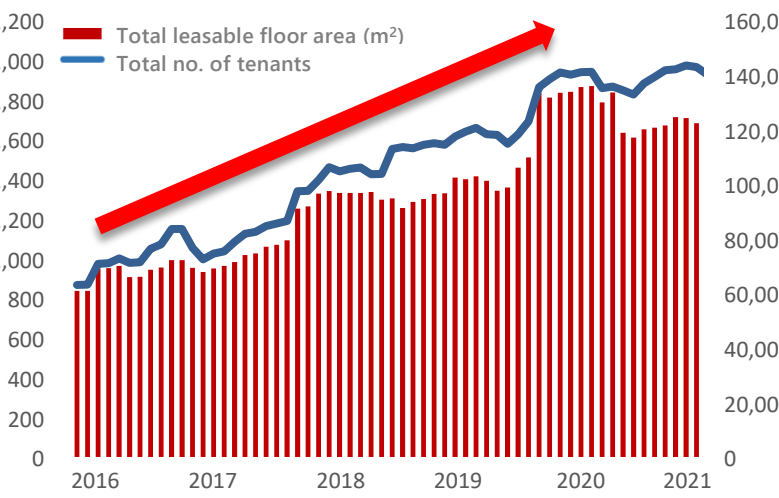
Management expertise accumulated for 25 years since the foundation

III-3. Real Estate Management Business

Business profit was JPY573M(-37.4%YoY).



Property Management The number of buildings managed by the Group increased 15 from a year ago



Asset Management

Increasing AUM toward listing



B-LOT ESAKA Bldg.

The first property managed by the REIT distributed profits for the first time



Hokkaido

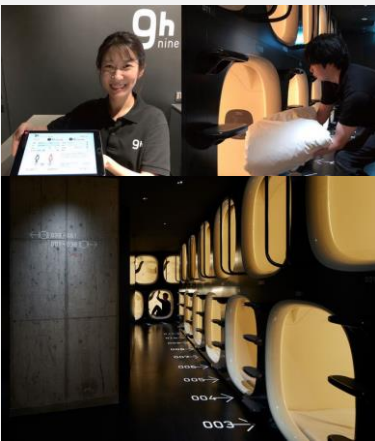
B-LOT REIT IPO

Created JPY 1.3 billion bridge SPCs

※AUM=Assets under management

New Business

A Group company started to operate hotels



Steady 20% Earnings Growth

Accumulating expertise on the operation of hotels

Cultivating human resources before inbound tourists come again

Introducing facilities that meet market needs
Increasing the satisfaction of wealthy owners

Committed to return on real estate investment
Raising rents to improve earnings, providing strategic support



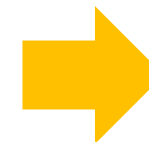
Facilities for which needs increased amid the COVID-19 pandemic

Rank	Facilities
1	Free Internet
2	High-speed Internet
3	Delivery box
4	Intercom with monitor
5	Windows having a high degree of sound insulation
6	BS and CS antennas
7	Bath dehumidifier
8	Entrance with self-locking door
9	Security camera
9	It is possible to throw garbages anytime

*Source : zenkokuchintaizyutakushinbun



Raised rent successfully !
An average
increase of **+9%**
The maximum increase
was **53%**



Enhancing asset value
Giving support related
to the timing of asset
replacement

SUSTAINABLE DEVELOPMENT GOALS ~SDGs : Achieving a sustainable society~



Contributing to the progress of medicine



Japan Leukemia Research Fund
Steering Committee Chairman
Shuki Mizutani

B-Lot Co., Ltd.
President
Makoto Miyauchi

Donated to the Friends of Leukemia Research Fund through **SDGs private placement bonds**



Recommending reducing the environmental impact



New graduates who will join the Company in April 2022

Distributing **1,000 B-Lot Eco Bag** to employees and customers

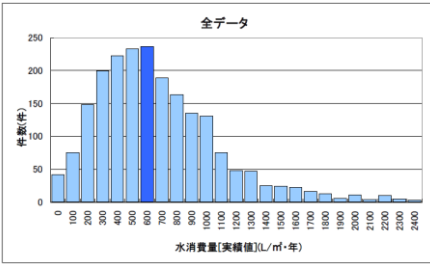
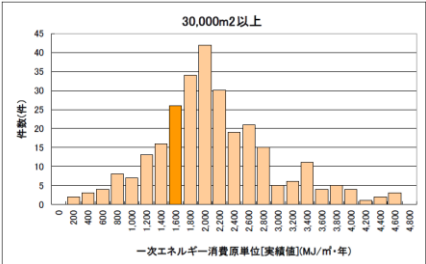




B-LOT ESAKA Bldg.
Achieved CASBEE
Rank S certificate



Scored high marks in five items, including energy saving facilities



Using renewable energy
to contribute to achieve
a low-carbon society



Total installation area
exceeded 30,000m²

Total power generation

Two facilities, total generation after
the Company started to own them

Approx.

9.23 million kWh

Carbon dioxide reduction

Comparison of average CO₂
emissions from fossil fuel

Approx.

6,000t

The same effect of the planting
of cedar trees

Approx.

430,000 bottles



Tokyo Dome
30pieces



**Reducing redelivery
by leaving packages
outside buildings and
remote unlocking**



**Supporting the active
participation of women and
human resources from
overseas**



Executive officer : Izumi Tsuda



**Issuing baby sitter
vouchers Supporting
childcare**



**Reducing waste plastics
Promoting
environmental
conservation activities**



Tsuruga International Golf Club

Obtaining scores using QR codes
→ Discontinuing activity
distributing score cards

Green form marks
→ Discontinuing distributing
them free of charge



**Issue subsidized
babysitting coupons.
Supporting
Child Rearing**

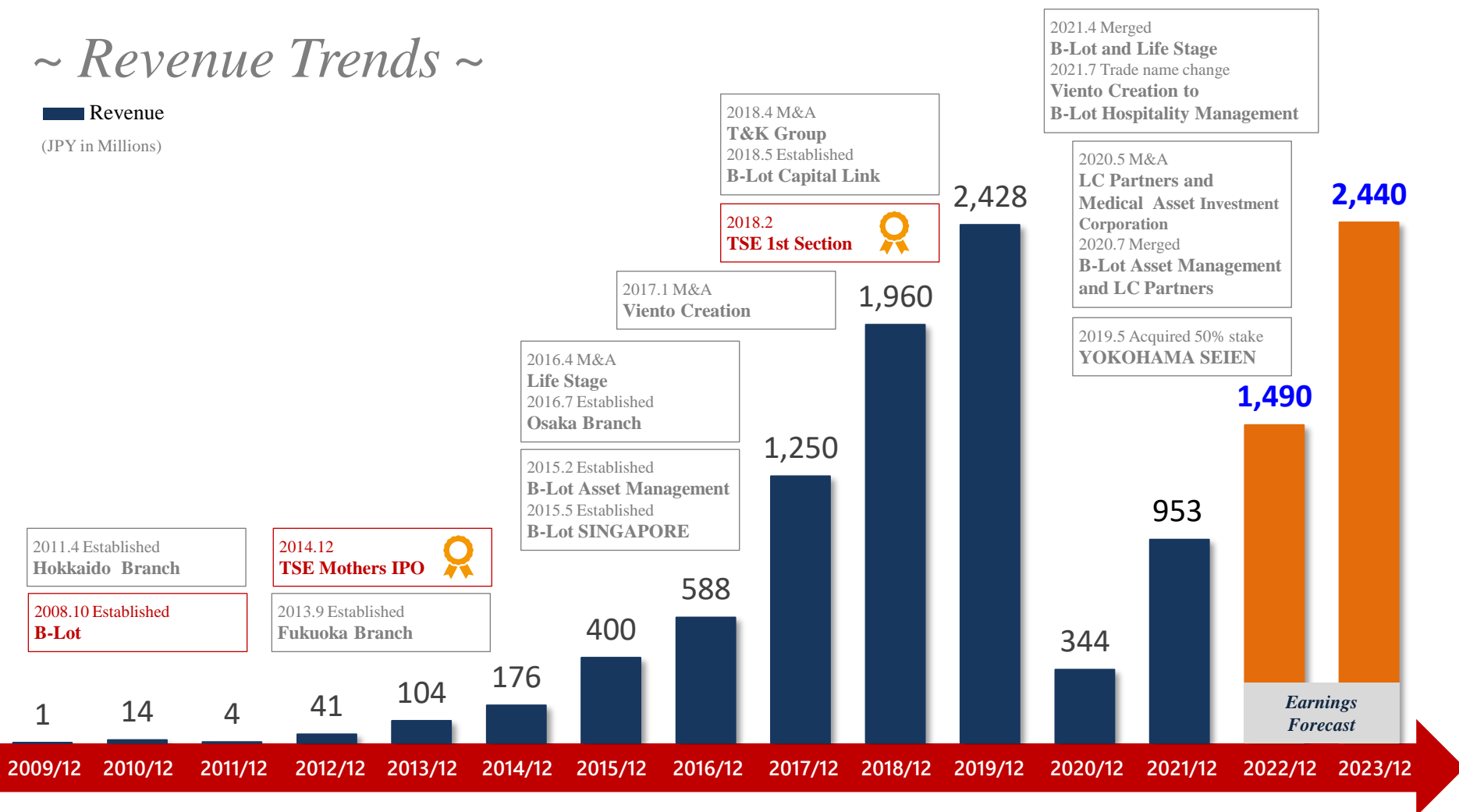
IV. Company Profile

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~ Revenue Trends ~

■ Revenue

(JPY in Millions)



B-Lot Channel, Now Streaming!



B-Lot YouTube

Search

「B-Lot Channel」

「History of B-Lot」



Company Profile =as of December 31, 2021 =

Company Name
Head Office
Establishment
Capital
President
Number of Employee
Listed Date
Offices
Subsidiaries

B-Lot Company Limited

1-11-7, Shimbashi, Minato-ku, Tokyo,
105-0041 Japan

October 10, 2008

JPY 1,992,532,283

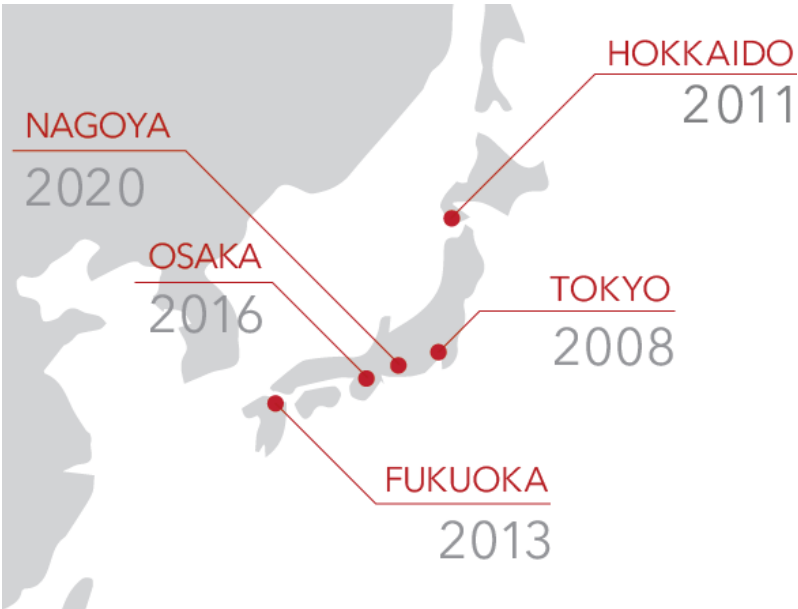
Makoto Miyauchi

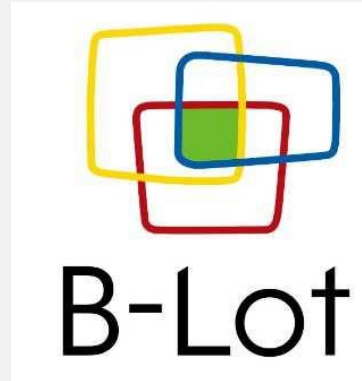
128 employees (178 as Consolidated)

December 11, 2014 (TSE Mothers Market : 3452)
February 02, 2018 (TSE 1st Section : 3452)

Hokkaido, Nagoya, Osaka , Fukuoka

B-Lot Asset Management Co., Ltd (100% Subsidiary)
B-Lot Singapore Pte., Ltd. (100% Subsidiary)
B-Lot Hospitality Management Co., Ltd. (100% Subsidiary)
T&K Co.,Ltd.
B-Lot Capital Link Co.,Ltd (100% Subsidiary)





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



The rounded corners of the square 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 is 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.

Our Businesses

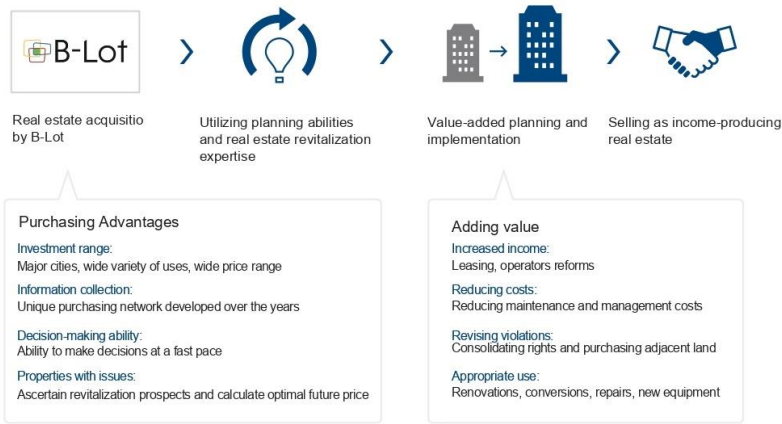
B-Lot is a real estate and financial consulting company providing one-stop service to our clients with profound experiences and networks.



IV-1. Real Estate Investment Development Business

Real estate revitalization

We acquire real estate that has been undervalued for various reasons, including problems with profitability and legal compliance.
We improve asset value and profitability by utilizing the characteristics of each property and making full use of our own planning capabilities and revitalization expertise.



< Revitalization >



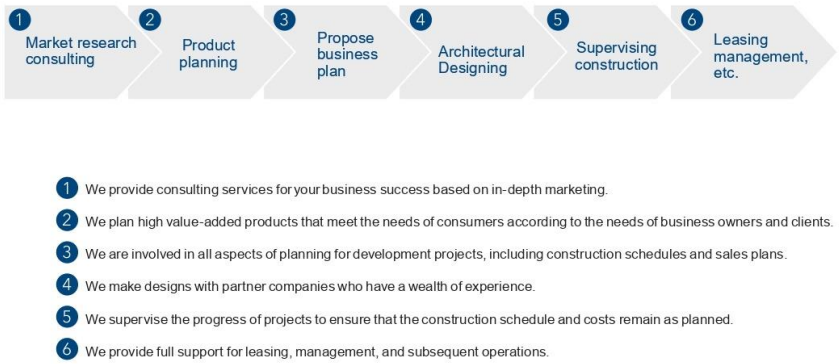
MAISON MILANO NAKATSU [Osaka]



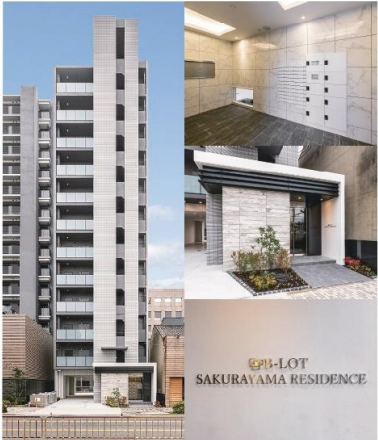
Terrace Ginza [Tokyo]

Real estate development

By ourselves, we acquire lands and commit to design and functionality through our integrated system of planning, development, management, and operation.
We develop buildings as real estate that are familiar to local residents and tenants as well as generate long-term stable income.



< Development >



B-LOT SAKURAYAMA RESIDENCE [Aichi]



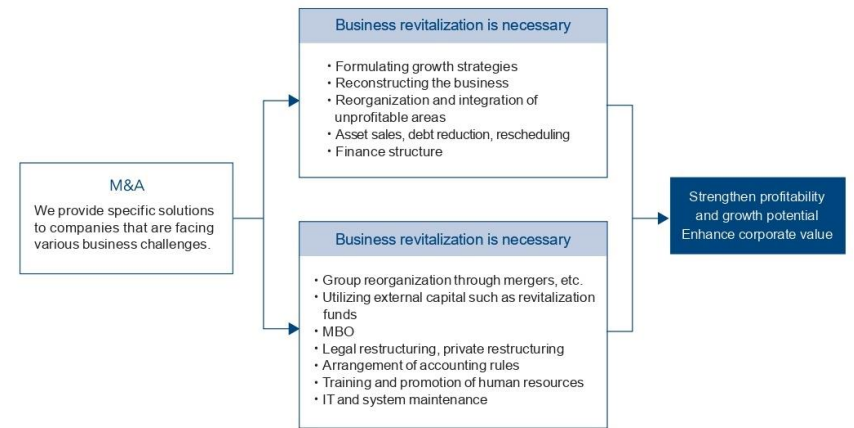
Toranomon SE Building [Tokyo]

IV-1. Real Estate Investment Development Business

Corporate revitalization and business succession

B-Lot conducts M&A of companies and businesses that are facing issues such as lack of successors and shrinking markets.

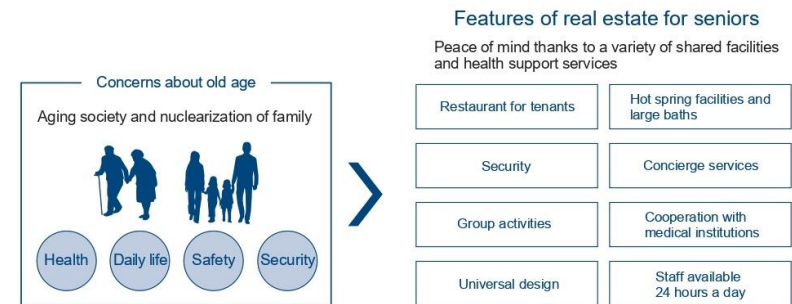
Through proper management and guidance, we are building an organization with a solid sense of unity and revitalizing our core businesses.



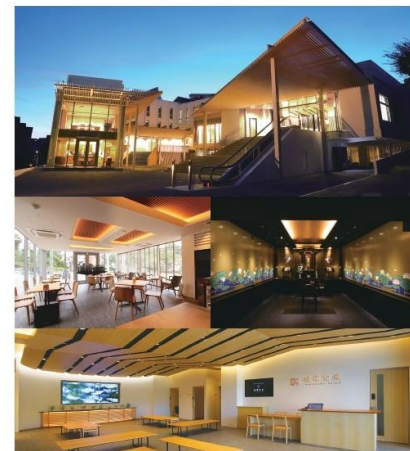
Real estate for seniors

In recent years, services for seniors have been garnering attention due to social changes such as the increase in the elderly population.

We invest in real estate for seniors that meets the needs of society, and provide real estate in partnership with medical institutions and other organizations.



< Company revitalization >



Yokohama Seien
Business details: Own and sell charnel house,
operate adjoining restaurant



T&K
Business details: Design and operate gold courses

< Projects >



Kamakura City Nursing Home New Construction Project
[Kanagawa Prefecture]



IV-2. Real Estate Consulting Business

Real estate brokerage

We provide high quality real estate information by utilizing our extensive experience, knowledge, and network. Professionals who are well versed in the real estate investment market assist our clients in the purchase, sale, and operation of their properties.

Sales support services

We offer real estate not often available to the public through referrals from lawyers, tax accountants and financial institutions as well as real estate which individual investors and listed companies can quickly sell with ease due to their circumstances.

Purchasing support services

Our purchasing support services meet the needs of investors because we research the area characteristics and market along with analyzing profitability of the real estate.

Leasing brokerage

Utilizing our own unique network, we provide leasing brokerage services for offices, stores and residences.

Consulting

We also offer proposals for effective use of land, and conduct general negotiations related to real estate, such as rent and land rent revision.

Asset consulting

Our specialized consultants formulate real estate management strategies based on multifaceted analysis and provide comprehensive asset management support, including effective use of land and asset reconfiguration, as well as inheritance measures and business succession for the next generation.

Inheritance and business succession

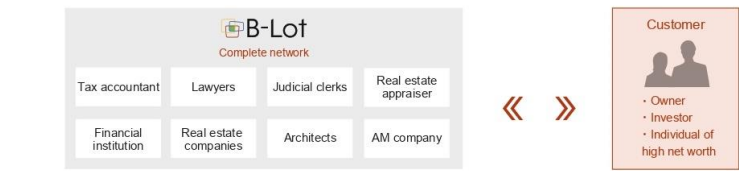
We are building a real estate portfolio effective in formulating tax saving plans and inheritance measures through establishing an asset management company.

Agency negotiation services

We provide general negotiation services for real estate such as rent and land rent revision.

Exchange and effective use

We propose and achieve land exchange and effective utilization.



IV-2. Real Estate Consulting Business

Consignment Sales

We provide marketing and planning support to developers while providing them with feedback on customer needs that we have obtained through past experience. We develop highly specialized condominium sales as a partner for developers and clients.



- 1 We receive requests from developers and conduct research on the potential of the development site through data and interviews.
- 2 We analyze various data to create and propose plans that predict market needs.
- 3 We offer integrated management of customer needs and desired life plans for visitors to the model rooms through a database of past proposals and negotiations.
- 4 A consistent follow-up system in place from contract to delivery to improve the contract rate.
- 5 After sales are completed, we compile and analyze the data and report it to the developer. These efforts are highly appreciated and lead to repeat business for the next development project.

< Consignment sales >



Livio City Mikunigaoka [Osaka]



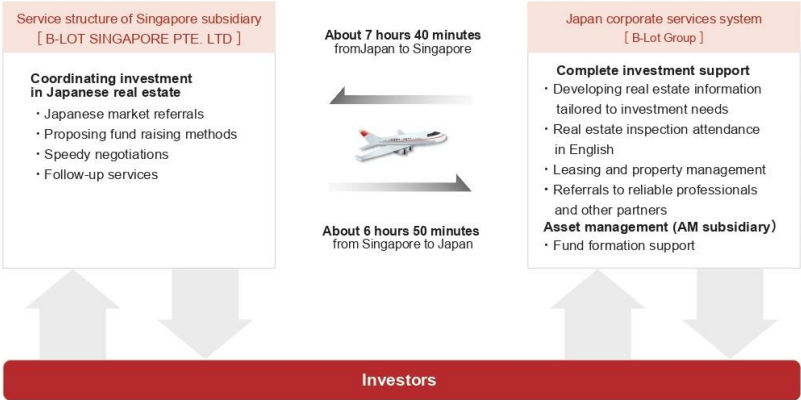
Branz Tower Toyosu [Tokyo]



Proud City Hiyoishi Residence I II III [KANagawa]

Overseas investors support [B-LOT SINGAPORE PTE. LTD]

The B-Lot Group utilizes its own unique consulting capabilities to develop real estate information for inbound investment needs in Japan, and provides a one-stop services from purchase to operation and sale.



< Consulting >



Karuzawa Villa [Nagano]

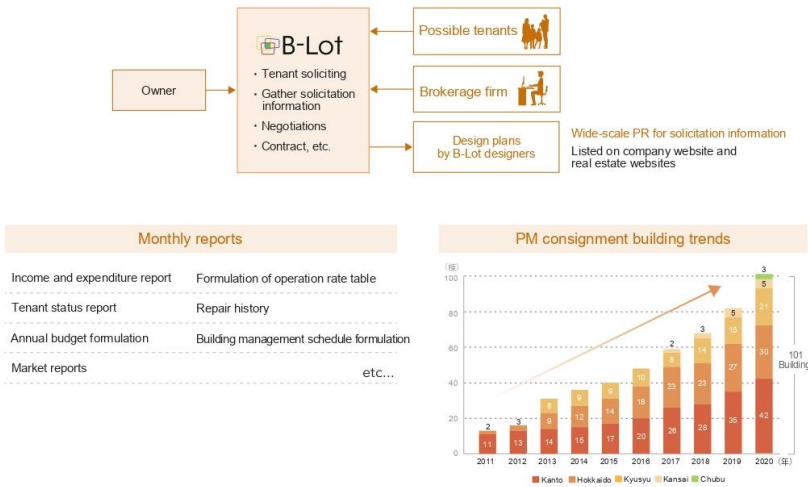


KAMUI NISEKO [Hokkaido]

IV-3. Real Estate Management Business

Property management

We provide contract-related management services such as tenant solicitation, tenant negotiation, contract work, renewal, and cancellation on behalf of owners to improve the profitability of properties owned by wealthy individuals and investors.



Consignment management



Navle Court Keigo [Fukuoka]



Crestage S6W12 Tower [Hokkaido]

Ownership and operation of income-producing real estate

We own real estate that has value, and we handle all operations related to leasing. We build relationships of trust with our tenants and clients, and we own and operate our properties with detailed services that give our tenants peace of mind.



Bay East [Kanagawa]



Keiun Building [Tokyo]

SDGs Initiatives

B-Lot is committed to supporting the Sustainable Development Goals (SDGs). We have entered the solar power generation business because we believe that it is our role to protect the environment and leave a beautiful earth for future generations by promoting renewable energy in the form of solar power.



Joso City Solar panels [Ibaraki]



Kasama City Solar panels [Ibaraki]

B-LOT SINGAPORE PTE. LTD.

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

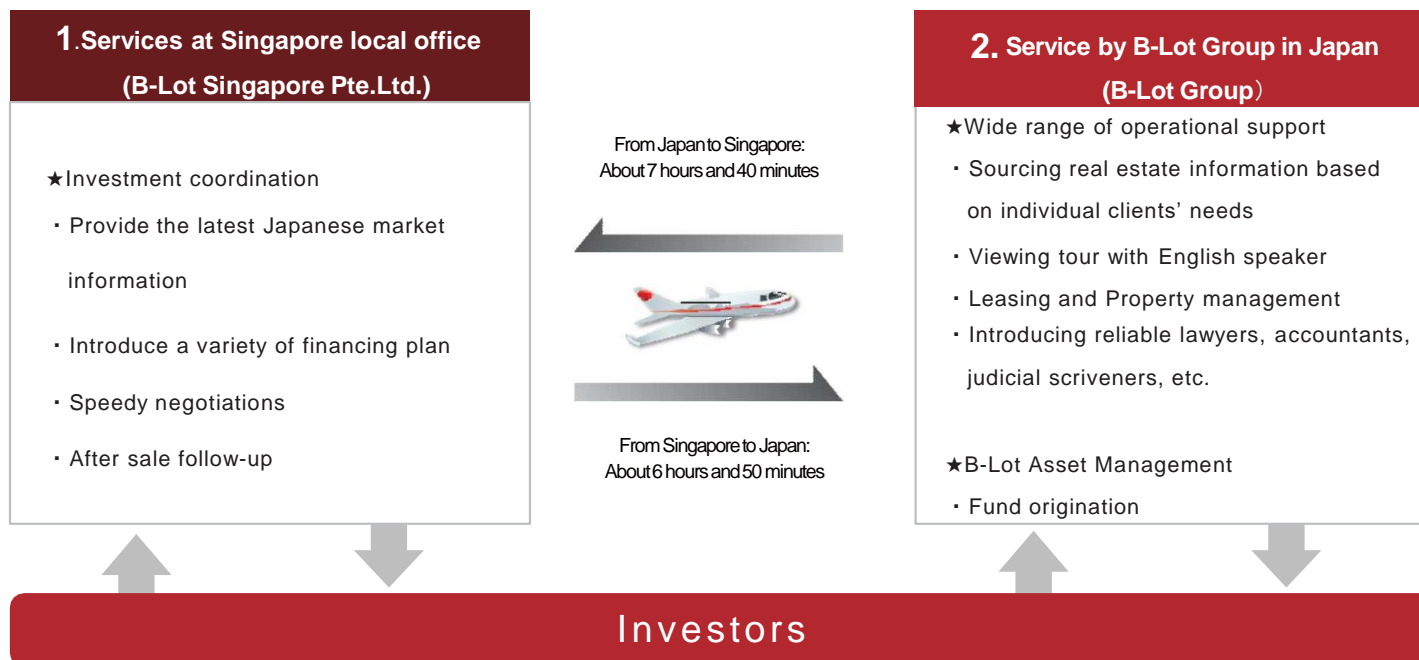
We are a one-stop service provider for real estate purchases, sales, property management and asset management in the part of the B-Lot Group that specializes in sourcing and consulting with real estate.

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

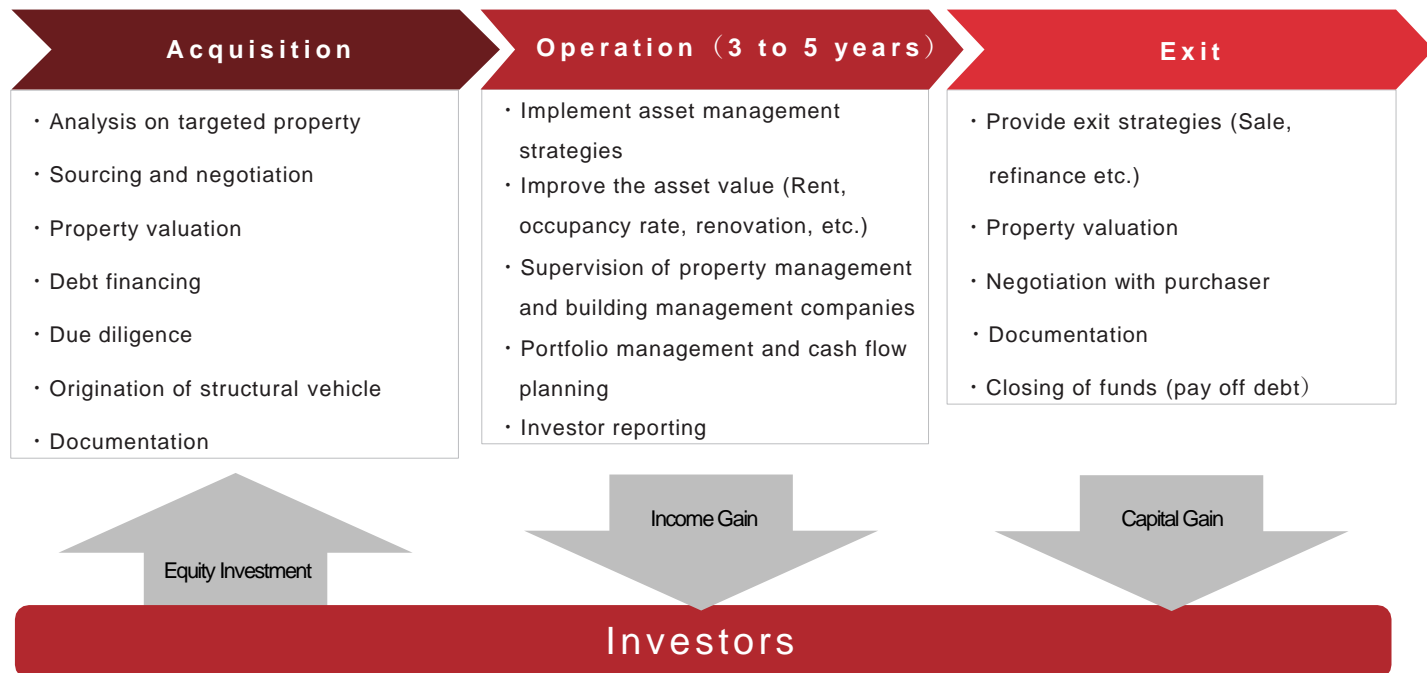
B-Lot Asset Management Co., Ltd. provides comprehensive real estate operational services such as asset management with financial schemes

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



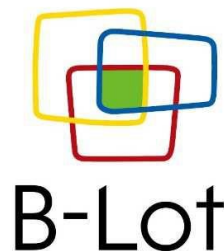
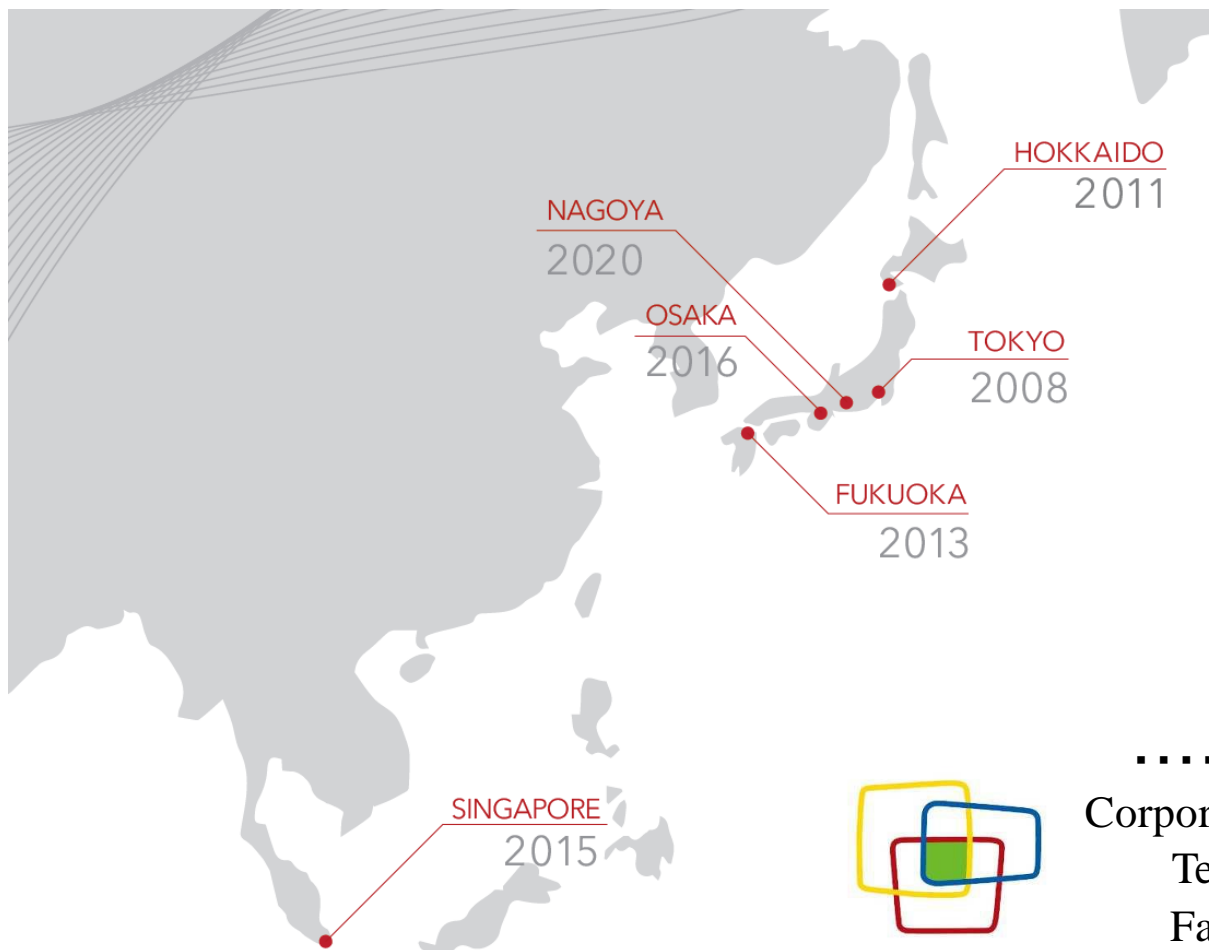
Wakasu Golf Links
(Management business designated by the Tokyo Metropolitan Government)



North Shore Country Club



Tsuruga Kokusai Golf Club



..... **Contact us**

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