

Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2018 (Japanese accounting standards)

January 30, 2018

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

Oriental Land Co., Ltd.

Code number: 4661, First Section of the Tokyo Stock Exchange

URL: <http://www.olic.co.jp/en/>

Representative: Kyoichiro Uenishi, Representative Director and President

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Planned Date for Submission of the Quarterly Report: February 13, 2018

Planned Date for Start of Dividend Payment: —

Supplementary materials for the quarterly financial statements: Yes

Briefing session on quarterly financial results: Yes (for institutional investors)

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 31, 2018 (April 1, 2017 to December 31, 2017)

(1) Consolidated Operating Results (Cumulative total)

(Percentages represent change compared with the same period of the previous fiscal year.)

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Nine months ended Dec. 31, 2017	364,496	1.1	93,399	1.4	94,731	1.3
Nine months ended Dec. 31, 2016	360,568	1.7	92,108	(0.0)	93,528	(0.2)

Note: Comprehensive income:

Nine months ended December 31, 2017: ¥ 75,423 million (15.3%)

Nine months ended December 31, 2016: ¥ 65,393 million (0.4%)

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Diluted earnings per share (¥)
Nine months ended Dec. 31, 2017	69,452	6.3	210.94	202.15
Nine months ended Dec. 31, 2016	65,319	3.2	196.90	190.19

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of December 31, 2017	879,185	712,299	81.0	2,167.21
As of March 31, 2017	849,798	669,515	78.8	2,020.58

Reference: Shareholders' equity:

As of December 31, 2017: ¥712,299 million

As of March 31, 2017: ¥669,515 million

2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2017	—	17.50	—	20.00	37.50
Fiscal year ending March 31, 2018	—	20.00	—	—	—
Fiscal year ending March 31, 2018 (Est.)	—	—	—	20.00	40.00

Note: Revisions to the latest announcement regarding dividend projection: None

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(Percentages represent change compared with the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal Year ending March 31, 2018	469,300	(1.8)	100,170	(11.5)	101,610	(11.3)	70,810	(14.0)	215.16

Note: Revisions to the latest announcement regarding result projection: None

Notes

- (1) Changes in Major Subsidiaries during the Nine Months Ended December 31, 2017: None
New: — companies (Company name:)
Eliminated: — companies (Company name:)
- (2) Application of Special Accounting Methods for Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement
(a) Changes in accounting policies due to changes in accounting standards: None
(b) Changes in accounting policies due to other than (a) above: None
(c) Changes in accounting estimates: None
(d) Restatement: None

(4) Number of Shares Issued and Outstanding (Common stock)

(a) Number of shares issued at end of period (including treasury stock)	Nine months ended December 31, 2017:	363,690,160 shares	Year ended March 31, 2017:	363,690,160 shares
(b) Number of treasury stock at end of period	Nine months ended December 31, 2017:	35,018,117 shares	Year ended March 31, 2017:	32,341,617 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Nine months ended December 31, 2017:	329,248,276 shares	Nine months ended December 31, 2016:	331,730,796 shares

Note: Number of treasury stock includes dividends paid to the trust to the employee stock plan.

*** Consolidated Financial Statements for the Third Quarter are not subject to quarterly financial review.**

*** Explanation on the Appropriate Usage of Performance Projections and Other Specific Matters**

The projections and other statements with respect to the future included in this material are based on currently available information and certain assumptions that are judged reasonable by the Company. Please be advised that the Company does not guarantee in any way the achievement of the projections and other goals in this material and that cases may occur where the actual results and other situations differ materially from the projections due to various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2017)	At the end of the third quarter (December 31, 2017)
ASSETS		
Current assets		
Cash and deposits	263,801	265,010
Notes and accounts receivable—trade	18,874	18,170
Securities	10,999	28,706
Merchandise and finished goods	9,874	12,292
Work in process	151	153
Raw materials and supplies	7,222	7,693
Other	8,145	7,340
Allowance for doubtful accounts	(1)	(2)
Total current assets	319,069	339,365
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	275,114	273,138
Machinery, equipment and vehicles, net	27,753	27,161
Land	115,082	117,653
Construction in progress	18,306	28,934
Other, net	15,717	14,585
Total property, plant and equipment	451,973	461,473
Intangible assets		
Other	9,576	8,160
Total intangible assets	9,576	8,160
Investments and other assets		
Other	69,270	70,277
Allowance for doubtful accounts	(92)	(91)
Total investments and other assets	69,178	70,185
Total non-current assets	530,728	539,819
Total assets	849,798	879,185

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2017)	At the end of the third quarter (December 31, 2017)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	17,498	14,788
Current portion of long-term loans payable	4,760	4,808
Income taxes payable	17,412	11,614
Other	71,432	64,433
Total current liabilities	111,103	95,645
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	5,814	5,119
Net defined benefit liability	4,400	4,636
Other	8,963	11,484
Total non-current liabilities	69,179	71,240
Total liabilities	180,282	166,885
NET ASSETS		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,911
Retained earnings	551,630	607,859
Treasury shares	(70,464)	(89,880)
Total shareholders' equity	656,279	693,092
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,405	18,247
Deferred gains or losses on hedges	(319)	(130)
Remeasurements of defined benefit plans	1,149	1,090
Total accumulated other comprehensive income	13,235	19,207
Total net assets	669,515	712,299
Total liabilities and net assets	849,798	879,185

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Nine months ended December 31, 2017

(Millions of yen)

Items	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)
Net sales	360,568	364,496
Cost of sales	220,373	222,199
Gross profit	140,194	142,297
Selling, general and administrative expenses	48,085	48,897
Operating income	92,108	93,399
Non-operating income		
Interest income	294	133
Dividends income	634	715
Share of profit of entities accounted for using equity method	142	130
Insurance and dividends income	468	444
Other	664	683
Total non-operating income	2,204	2,107
Non-operating expenses		
Interest expenses	158	156
Commission fee	397	435
Other	229	183
Total non-operating expenses	784	775
Ordinary income	93,528	94,731
Extraordinary income		
Gain on sales of investment securities	—	1,336
Total extraordinary income	—	1,336
Profit before income taxes	93,528	96,068
Income taxes—current	26,255	27,711
Income taxes—deferred	1,953	(1,094)
Total income taxes	28,209	26,616
Profit	65,319	69,452
Profit attributable to owners of parent	65,319	69,452

(Quarterly Consolidated Statements of Comprehensive Income)
Nine months ended December 31, 2017

(Millions of yen)

Items	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)
Profit	65,319	69,452
Other comprehensive income		
Valuation difference on available-for-sale securities	(317)	5,842
Deferred gains or losses on hedges	496	188
Remeasurements of defined benefit plans, net of tax	(104)	(59)
Total other comprehensive income	74	5,971
Comprehensive income	65,393	75,423
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	65,393	75,423
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Regarding Going Concern Assumption: None

(4) Segment Information

1. Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)

A. Net Sales and Income (Loss) by Reportable Segment

(Millions of yen)

	Reportable Segments			Other Business* ¹	Total	Adjustment* ²	Amount stated on the Quarterly Consolidated Statements of Income* ³
	Theme Park	Hotel	Total				
Net sales							
Sales to external customers	297,635	49,929	347,565	13,002	360,568	—	360,568
Intersegment sales or transfers	4,885	480	5,366	2,806	8,172	(8,172)	—
Total	302,521	50,410	352,931	15,808	368,740	(8,172)	360,568
Segment Income	77,956	11,972	89,929	2,040	91,970	138	92,108

Notes: 1. The “Other Business” segment, which includes the Ikspiari, monorail, and employee cafeteria businesses, is not a reportable segment.

2. The segment income adjustment amount of 138 million yen is the result of elimination of intersegment transactions.

3. The segment income is adjusted to be recorded as operating income in the Quarterly Consolidated Statements of Income.

B. Information regarding impairment loss on fixed assets and goodwill by reportable segment: None

2. Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)

A. Net Sales and Income (Loss) by Reportable Segment

(Millions of yen)

	Reportable Segments			Other Business* ¹	Total	Adjustment* ²	Amount stated on the Quarterly Consolidated Statements of Income* ³
	Theme Park	Hotel	Total				
Net sales							
Sales to external customers	301,101	50,462	351,563	12,933	364,496	—	364,496
Intersegment sales or transfers	5,022	456	5,478	2,820	8,298	(8,298)	—
Total	306,123	50,918	357,041	15,753	372,795	(8,298)	364,496
Segment Income	78,084	13,273	91,357	1,897	93,255	144	93,399

Notes: 1. The “Other Business” segment, which includes the Ikspiari, monorail, and employee cafeteria businesses, is not a reportable segment.

2. The segment income adjustment amount of 144 million yen is the result of elimination of intersegment transactions.

3. The segment income is adjusted to be recorded as operating income in the Quarterly Consolidated Statements of Income.

B. Information regarding impairment loss on fixed assets and goodwill by reportable segment: None

(5) Note Regarding the Occurrence of Significant Changes in Amount of Shareholders' Equity: None