

Results for the Second Quarter of the Fiscal Year Ending March 31, 2018

October 30, 2017
Oriental Land Co., Ltd.

Financial Results

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Director of Finance/Accounting Department

1. Results for the First Half Year Ended 9/17 / Same Period of Previous FY

Consolidated Statement of Income	Results for the 1st Half Ended 9/16 [¥ billion]	Results for the 1st Half Ended 9/17 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	227.5	232.5	5.0	2.2%
Theme Park Segment	187.6	191.9	4.3	2.3%
Hotel Business Segment	31.3	32.0	0.6	2.2%
Other Business Segment	8.5	8.6	0.0	0.6%
Operating Income	53.2	56.1	2.8	5.4%
Theme Park Segment	45.7	47.1	1.4	3.1%
Hotel Business Segment	6.1	7.6	1.4	23.2%
Other Business Segment	1.2	1.2	(0.0)	(0.4)%
Ordinary Income	54.3	57.1	2.7	5.1%
Profit attributable to Owners of Parent	38.1	42.4	4.3	11.5%

Net Sales and all levels of income/profit increased

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1. Main Reasons for Change [1st Half / Same Period of Previous FY]

Theme Park Segment	Results for the 1st Half Ended 9/16	Results for the 1st Half Ended 9/17	Change	Change [%]
Net Sales [¥ billion]	187.6	191.9	4.3	2.3%
Theme Park Attendance [million people]	14.33	14.77	0.45	3.1%
Net Sales per Guest [¥]	11,514	11,473	(41)	(0.4)%
Ticket Receipts	5,156	5,234	78	1.5%
Merchandise	4,071	3,958	(113)	(2.8)%
Food and Beverages	2,288	2,281	(7)	(0.3)%

Theme Park Attendance

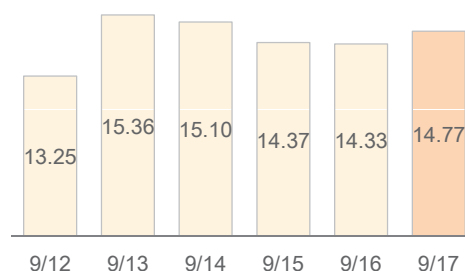
- Increase owing to the strong performance of a new attraction "Nemo & Friends SeaRider," etc

Net Sales per Guest

- Roughly on a par with results for the 1st Half Ended 9/16

Theme Park Attendance(1st Half)

(million people)



Net sales increased due to rise in number of theme park attendance

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1. Main Reasons for Change [1st Half / Same Period of Previous FY]

Theme Park Segment	Results for the 1st Half Ended 9/16 [¥ billion]	Results for the 1st Half Ended 9/17 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	187.6	191.9	4.3	2.3%
Operating Income	45.7	47.1	1.4	3.1%

Increase in operating income

- Increase in net sales
 - Decrease in merchandise and food/beverages sales cost ratio +¥0.9 billion
 - Increase in personnel expenses ¥(1.7 billion)
 - Increase in various allowances for part time employees
 - Increase in miscellaneous costs ¥(1.3 billion)
 - Increase in research and development expenses ¥(1.0 billion)
 - Increase in costs related to new special events ¥(0.4 billion) ,etc.
- *Depreciation and amortization expenses were on a par with the previous year

Operating income rose mainly due to the increase of net sales, although personnel expenses and miscellaneous costs increased

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1. Main Reasons for Change [1st Half / Same Period of Previous FY]

Hotel Business Segment	Results for the 1st Half Ended 9/16 [¥ billion]	Results for the 1st Half Ended 9/17 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	31.3	32.0	0.6	2.2%
Operating Income	6.1	7.6	1.4	23.2%

- Increase in net sales due to opening of Tokyo Disney Celebration Hotel

	Tokyo Disneyland Hotel		Tokyo DisneySea Hotel MiraCosta		Disney Ambassador Hotel	
	9/16	9/17	9/16	9/17	9/16	9/17
Occupancy rates	About95%	About95%	96-99%	96-99%	About90%	About85%
Average charge per room	About ¥60,000	About ¥60,000	About ¥65,000	About ¥65,000	About ¥50,000	About ¥50,000

Both net sales and operating income grew due to increase in net sales and decrease in miscellaneous costs

Other Business Segment	Results for the 1st Half Ended 9/16 [¥ billion]	Results for the 1st Half Ended 9/17 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	8.5	8.6	0.0	0.6%
Operating Income	1.2	1.2	(0.0)	(0.4)%

Roughly on a par with the results for the 1st Half Ended 9/16

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2. Results for the First Half Year Ended 9/17 / Initial Forecast

Consolidated Statement of Income	Initial Forecast for 1st Half Ended 9/17 [¥ billion]	Results for the 1st Half Ended 9/17 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	226.9	232.5	5.5	2.5%
Theme Park Segment	186.2	191.9	5.7	3.1%
Hotel Business Segment	32.2	32.0	(0.2)	(0.8)%
Other Business Segment	8.4	8.6	0.1	1.3%
Operating Income	48.2	56.1	7.8	16.2%
Theme Park Segment	40.0	47.1	7.1	17.8%
Hotel Business Segment	7.3	7.6	0.2	3.4%
Other Business Segment	0.8	1.2	0.4	48.5%
Ordinary Income	49.4	57.1	7.7	15.6%
Profit attributable to Owners of Parent	34.4	42.4	7.9	23.2%

Net sales and all levels of income/profit increased

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2. Main Reasons for Change [1st Half / Initial Forecast]

Theme Park Segment	Initial Forecast for 1st Half Ended 9/17 [¥ billion]	Results for the 1st Half Ended 9/17 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	186.2	191.9	5.7	3.1%
Operating Income	40.0	47.1	7.1	17.8%

Increase in both net sales and operating income

- Increase in net sales
 - Increase in attendance
- Decrease in merchandise and food/beverage cost
- Decrease in miscellaneous costs
 - Postponement of costs to the 2nd half of the year, etc.

About +¥1.0 billion

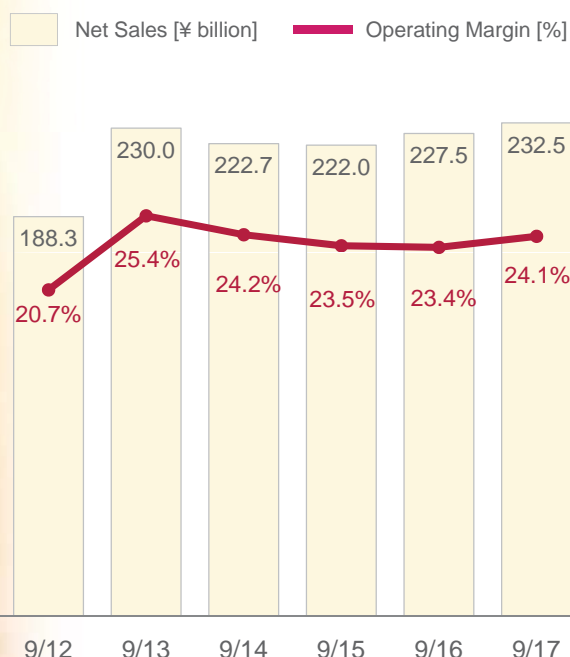
About +¥1.5 billion

Both net sales and operating income increased
due to the decrease in costs

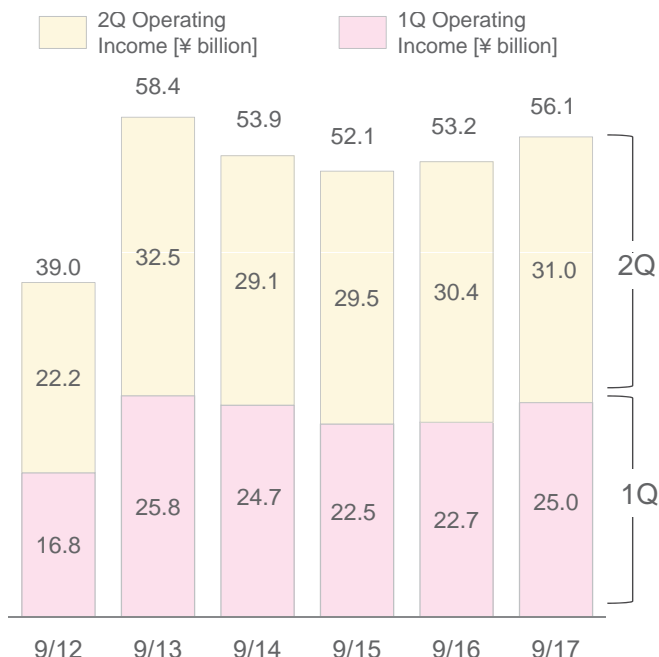
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3. Results for the First Half Year – Changes in Results

Consolidated Net Sales and Operating Margin [1st Half]



Quarterly Consolidated Operating Income [1st Half]



Both net sales and operating income stay in the high level

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4. Forecast for FY Ending 3/18 / Results for FY Ended 3/17

Consolidated Statement of Income	Results for the Full FY 3/17 [¥ billion]	Initial Forecast for the Full FY 3/18 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	477.7	469.3	(8.4)	(1.8)%
Theme Park Segment	394.2	386.0	(8.1)	(2.1)%
Hotel Business Segment	66.1	66.3	0.1	0.3%
Other Business Segment	17.3	16.9	(0.4)	(2.7)%
Operating Income	113.1	100.1	(12.9)	(11.5)%
Theme Park Segment	95.8	82.6	(13.2)	(13.9)%
Hotel Business Segment	14.6	15.6	1.0	7.1%
Other Business Segment	2.4	1.7	(0.6)	(26.7)%
Ordinary Income	114.6	101.6	(13.0)	(11.3)%
Profit attributable to Owners of Parent	82.3	70.8	(11.5)	(14.0)%
Theme Park Attendance [million people]	30.00	29.50	(0.50)	(1.7)%
Net Sales per Guest [¥]	11,594	11,530	(64)	(0.6)%
Capital Expenditure* [¥ billion]	50.9	69.0	18.0	35.5%
Depreciation and Amortization* [¥ billion]	38.2	37.1	(1.1)	(2.9)%

* For the breakdown, please refer to "Supplementary Materials"

The full-year forecast for the fiscal year ending 3/18 remain unchanged

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[Reference]

2020 Medium-term plan

Policy: Strengthen business foundation toward long-term sustainable growth

Targets

- To consistently provide a highly satisfying theme park experience
- To achieve record high theme park attendance and operating cash flow in FY3/21

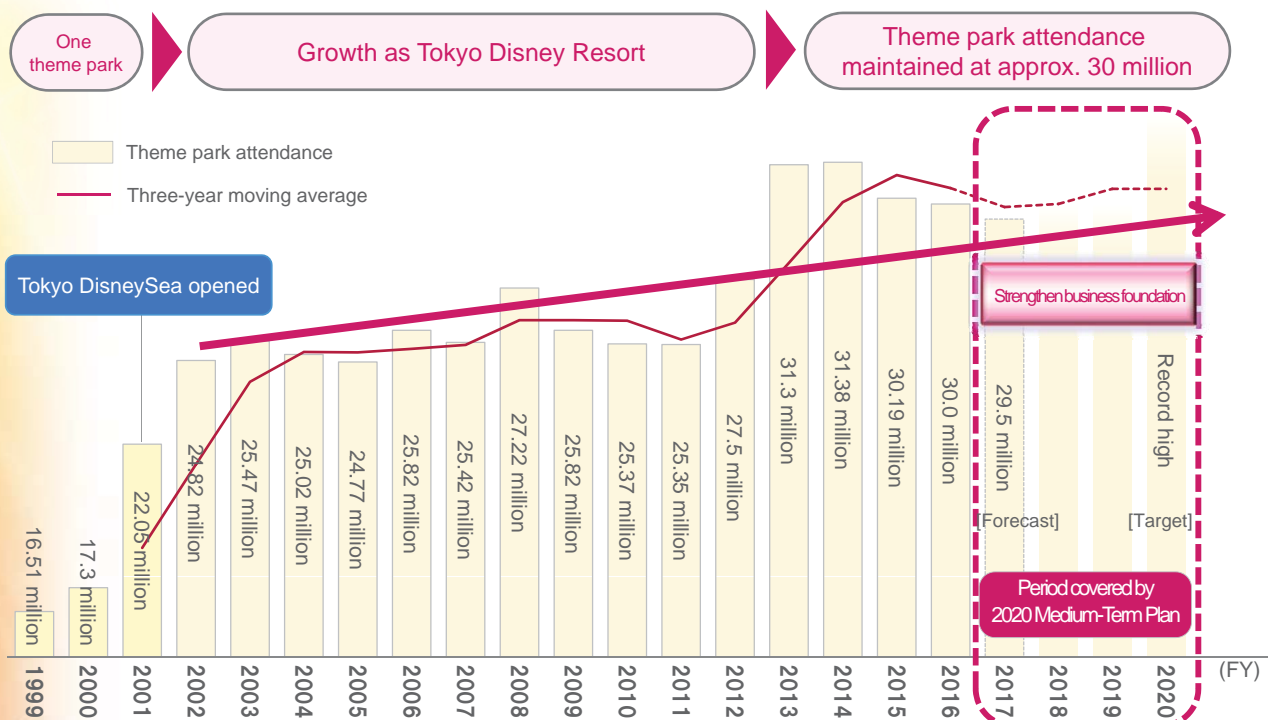
Strategy

1	Core Business Strategy	<ul style="list-style-type: none"> • Strengthen structural aspects to provide novelty and comfort • Strengthen non-structural aspects (human resources development)
2	Financial Policy	<ul style="list-style-type: none"> • Allocate operating cash flow to growth investment and aim to enhance corporate value

Operating cash flow = Profit attributable to owners of parent + Depreciation and amortization expenses

Recognition of internal/external business environment and the direction to aim for

External environment		
1	Decline in birthrate and aging population	Foster medium- to long-term fans (repeat guests)
2	Increase in inbound tourists	Prepare to offer overseas guests a comfortable time at theme parks
3	Reduction in labor force	Strengthen human resources capacity on a long-term sustainable basis
Internal environment		
1	Theme park attendance increasing at a faster-than-expected pace	Speedily proceed with development plans
Business foundation needs to be strengthened to aim for long-term sustainable growth		



Period for building a business foundation aimed at long-term sustainable growth

Targets under 2020 Medium-Term Plan

Targets

- To consistently provide a highly satisfying theme park experience
- To achieve record high theme park attendance and operating cash flow in FY3/21

Consolidated financial targets

	FY3/17 (Actual result)	FY3/18 (Plan)	FY3/21 (Target)	Record high level as of FY3/17 (reference)
Theme park attendance	30.0 million	29.5 million	Record high	31.38 million (FY3/15)
Operating cash flow	¥120.6 billion	¥107.9 billion	Record high	¥120.6 billion (FY3/17)

Operating cash flow = Profit attributable to owners of parent + Depreciation and amortization expenses

Aim to achieve record high figures in both theme park attendance and operating cash flow in FY3/21

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1. Core Business Strategy

Outline of Core Business Strategy

Strategy

Enhance satisfaction and capacity to attract guests
by increasing novelty and comfort provided at theme parks

Novelty + Comfort



Satisfaction + Capacity to
attract guests

(1) Strengthen structural aspects to provide novelty ⇒ Page 17

(2) Strengthen structural aspects to provide comfort ⇒ Page 29

(3) Strengthen human resources
on a long-term sustainable basis ⇒ Page 30

Aim to offer theme parks that provide both novelty and comfort

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(1) Strengthen structural aspects to provide novelty

Large-scale investment projects at Tokyo Disneyland and Tokyo DisneySea

Theme park	Projects	Time of introduction/ investment value
Tokyo Disneyland	<ul style="list-style-type: none"> •Beauty and the Beast Area (tentative name) <ul style="list-style-type: none"> - Major attraction •Live Entertainment Theater •New attraction themed to the Disney film, <i>Big Hero 6</i> •New Disney Character Greeting Facility 	Spring 2020
		Approx. ¥75.0 billion level
Tokyo DisneySea	Major attraction "Soarin'" (tentative name)	FY3/20
		Approx. ¥18.0 billion

Complete large-scale investment projects as planned

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Map of Areas to Be Developed <Tokyo Disneyland>



Note: This concept image is not an exact representation of the development area of the facilities.

New area Fantasyland Overall View



©Disney

Note: This concept image is subject to change

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Beauty and the Beast Area [tentative name]

Village



Exterior of Major Attraction



©Disney

Note: These concept images are subject to change

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Concept image of the guests experiencing the major attraction
in Beauty and the Beast Area [tentative name]



©Disney

Note: This concept image is subject to change

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Live Entertainment Theater

Exterior



Interior



©Disney

Note: These concept images are subject to change

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Concept image of guests experiencing new attraction
themed to the Disney film, *Big Hero 6*



©Disney

Note: This concept image is subject to change

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Specialty Popcorn Store



©Disney

Note: The drawing is for illustrative purpose only and is subject to change.

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Concept image of guests experiencing
the new Disney Character greeting facility



©Disney

Note: This concept image is subject to change

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Map of Area to Be Developed <Tokyo DisneySea>



©Disney

Note: This concept image is not an exact representation
of the development area of the facilities.

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New Attraction at Mediterranean Harbor

Exterior of the attraction



Concept image of the guests experiencing the attraction



©Disney

Note: These concept images are subject to change

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1. Core Business Strategy

2020 Medium-Term Plan

(1) Strengthen structural aspects to provide novelty

Major new products

Nemo & Friends SeaRider

Opened on May 12, 2017

Turtle Talk refurbished

Reopened on May 12, 2017

Tokyo Disneyland Electrical Parade Dreamlights

Redesigned on July 11, 2017

it's a small world

Scheduled to reopen in April 15, 2018

New at Tokyo
Disneyland

New daytime parade "Dreaming Up!"

Scheduled to start in April 15, 2018

New at Tokyo
DisneySea

Nighttime Spectacular "Celebrate! Tokyo Disneyland"

Scheduled to start from July 10, 2018

* Based on a plan disclosed as of
October 30, 2017

Soarin' (tentative name)

Scheduled to open in FY3/20

Tokyo Disney Resort
35th Anniversary

Large-scale investment project

Scheduled to open in spring 2020

Attractive contents to be rolled out, e.g., in timely coordination
with launch of Disney films

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(2) Strengthen structural aspects to provide comfort

Major initiatives

1	Large-scale development	<Tokyo Disneyland>
		<ul style="list-style-type: none"> • Allow more guests to experience attractions • All-weather theater, indoor restaurants
2	Other initiatives	<Tokyo DisneySea>
		<ul style="list-style-type: none"> • Allow more guests to experience attractions • Balance out guests' retention time
3	Measures for overseas guests	<ul style="list-style-type: none"> • Refurbish restaurants (more seats, less waiting time) • Mobile-phone-based shopping
		<ul style="list-style-type: none"> • Offer website in multiple languages • Expand tools used by Cast Members

Aim at increasing guests' convenience and mitigating the sense of crowdedness

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(3) Strengthen human resources capacity on a long-term sustainable basis

By creating a comfortable workplace environment where a diversity of employees can gain a tangible sense of personal growth, strengthen the foundation for human resources to display hospitality and operational capacity

Measures to enable employees to gain a tangible sense of growth

1	Diversification of learning opportunities	<ul style="list-style-type: none"> • Introduce new training programs • Promote measures tailored to Cast Members • Expand incentive award systems and measures to encourage communication
2	In-depth understanding of Disney philosophy	

Promotion of a comfortable workplace environment

1	Efficient workplace environment	<ul style="list-style-type: none"> • Enhance productivity and reduce workload by utilizing IT e.g., Provide service in foreign languages by using tablet computers Leverage IT systems to optimize workload
2	Employment / compensation	<ul style="list-style-type: none"> • Compensation system considering external environment • Employment environment catered to diverse personnel (e.g., shorter work hours)

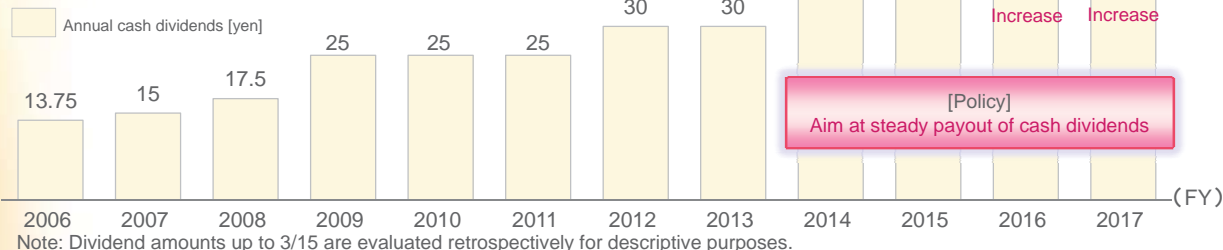
Strengthen foundation for human resources to achieve long-term growth

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Policy: Allocate operating cash flow to growth investment with the aim of enhancing corporate value

(1) Cash dividends

Annual cash dividends per share



(2) Share Repurchase

Number of repurchased shares	Total value of repurchased shares
2.76 million shares	¥19.9 billion

Repurchased shares from open market, From May to June in 2017

Expand shareholder returns and enhance capital efficiency

Note: ROE for FY3/18 is projected to be 10.3%

Expand shareholder returns

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Policy for FY3/22 and after

1

Long-term sustainable growth of the core business

Development plans for further growth of both parks

<Tokyo Disneyland>

The new plans will apply to all seven themed lands, including Fantasyland. An area-based development for each themed land is intended to leave a lasting impact on the park

<Tokyo DisneySea>

To achieve a significant breakthrough, the expansion of the existing site and utilization of new development will create an environment with a higher degree of guest satisfaction from qualitative as well as quantitative standpoint.

Further boost attendance level over the long term with continued large-scale investment

2

Development of Tokyo Disney Resort

Investigate various ways to add more value to Tokyo Disney Resort as a whole, such as increasing the number of guest rooms at the hotels within the Resort

3

Further growth through new business

Plans for the new business aimed at growing it into single business segment will continue to be considered in ways that are not by specific timeframe

Broader investigation for long-term sustainable growth

Formulate policy from a long-term perspective and embody plans by taking the internal/external environment into consideration

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Oriental Land Co., Ltd.

Investor Relations Group, Finance/Accounting Department

URL: www.olc.co.jp/en

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Oriental Land uses a variety of business measures to constantly strive to increase its net sales and management efficiency. However, Oriental Land recognizes that there are certain risks and uncertainties that should be considered which could cause actual performance results to differ from those discussed in the forward-looking statements.

Potential risks could include, but are not limited to, weather, general economic conditions, and consumer preferences. Therefore, there is no firm assurance that the forward-looking statements in this document will prove to be accurate.

Theme park attendance figures have been rounded. Financial figures have been truncated.

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