

Results for the Fiscal Year Ended March 31, 2019

April 25, 2019
Oriental Land Co., Ltd.

I. Overview of Results for the Fiscal Year Ended March 2019

Kenji Horikawa
Officer and Director, Finance/Accounting Department

1. Results for FY Ended 3/19 / FY Ended 3/18

I. Overview of Results

Consolidated Statement of Income	Results for FY Ended 3/18 [¥ billion]	Results for FY Ended 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	479.2	525.6	46.3	9.7%
Theme Park Segment	395.9	437.4	41.5	10.5%
Hotel Business Segment	66.4	72.4	5.9	9.0%
Other Business Segment	16.8	15.6	(1.1)	(6.9)%
Operating Profit	110.2	129.2	18.9	17.2%
Theme Park Segment	91.6	107.2	15.6	17.1%
Hotel Business Segment	16.2	19.2	2.9	17.9%
Other Business Segment	2.0	2.5	0.4	22.0%
Ordinary Profit	111.6	129.4	17.7	15.9%
Profit Attributable to Owners of Parent	81.1	90.2	9.0	11.2%

Net sales and all levels of profit hit record high

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1. Results for FY 3/19 / FY 3/18 – Main Reasons for Change

I. Overview of Results

Theme Park Segment [1]	Results for FY Ended 3/18	Results for FY Ended 3/19	Change	Change
Net Sales [¥ billion]	395.9	437.4	41.5	10.5%
Attendance [million people]	30.10	32.56	2.46	8.2%
Net Sales per Guest [¥]	11,614	11,815	201	1.7%
Ticket Receipts	5,339	5,352	13	0.2%
Merchandise	3,989	4,122	133	3.3%
Food and Beverages	2,286	2,341	55	2.4%

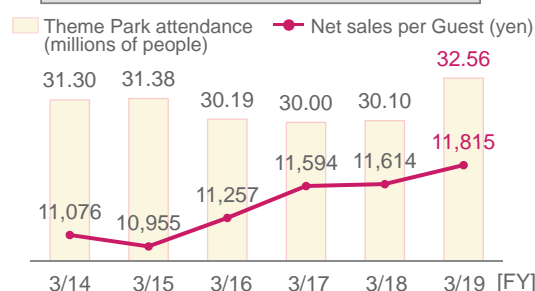
Theme Park attendance rose

- Increased due to Tokyo Disney Resort 35th Anniversary events

Net sales per Guest increased

- Increase in merchandise sales
 - Increased due to strong sales of Tokyo Disney Resort 35th Anniversary events related products
- Increase in food and beverages sales
 - Increased due to generation of dining opportunities

Theme Park attendance and net sales per Guest



Both Theme Park attendance and net sales per Guest rose to record high

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1. Results for FY 3/19 / FY 3/18 – Main Reasons for Change

Theme Park Segment [2]	Results for FY Ended 3/18 [¥ billion]	Results for FY Ended 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	395.9	437.4	41.5	10.5%
Operating Profit	91.6	107.2	15.6	17.1%

Increase in operating profit Factors of change, in addition to increase in net sales, are as follows:

Increase in personnel expenses	¥(3.2 billion)
Increase in personnel expenses for part-time employees	¥(2.0 billion)
Increase in other factors	¥(1.2 billion)
Increase in miscellaneous costs	¥(7.1 billion)
Increase in costs related to Tokyo Disney Resort 35th Anniversary events	¥(3.3 billion)
Increase in computer-system-related expenses	¥(1.7 billion)
Increase in maintenance costs	¥(0.7 billion)
Increase in other factors	¥(1.3 billion)
Increase in depreciation and amortization expenses	¥(1.2 billion)

Merchandise and food/beverages sales cost ratio was roughly on a par with previous fiscal year

Note: Increase in costs is expressed by figures in brackets, which shows by how much operating profit was negatively affected

Although personnel expenses and miscellaneous costs increased, operating profit grew due to increase in net sales

1. Results for FY 3/19 / FY 3/18 – Main Reasons for Change

Hotel Business Segment	Results for FY Ended 3/18 [¥ billion]	Results for FY Ended 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	66.4	72.4	5.9	9.0%
Disney Hotels	57.2	63.3	6.1	10.7%
Other Hotels	9.2	9.0	(0.1)	(1.5)%
Operating Profit	16.2	19.2	2.9	17.9%

- Increase in accommodation revenues due to Tokyo Disney Resort 35th Anniversary events
- Increase in personnel expenses
 - Increase of the number of full-time employees
 - Increase in performance bonus, etc.

Note: "Disney Hotels" consist of Disney Ambassador Hotel, Tokyo DisneySea Hotel MiraCosta, Tokyo Disneyland Hotel and Tokyo Disney Celebration Hotel

Although personnel expenses increased, operating profit grew due to increase in net sales

Other Business Segment	Results for FY Ended 3/18 [¥ billion]	Results for FY Ended 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	16.8	15.6	(1.1)	(6.9)%
Operating Profit	2.0	2.5	0.4	22.0%

Although net sales decreased, operating profit grew due to decline in miscellaneous costs for Ikspiari business

2. Results for FY Ended 3/19 / Initial Forecast

Consolidated Statements of Income	Initial Forecast for FY Ended 3/19 [¥ billion]	Results for FY Ended 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	500.8	525.6	24.7	4.9%
Theme Park Segment	417.9	437.4	19.5	4.7%
Hotel Business Segment	67.8	72.4	4.5	6.8%
Other Business Segment	15.0	15.6	0.6	4.3%
Operating Profit	113.4	129.2	15.8	13.9%
Theme Park Segment	94.4	107.2	12.8	13.6%
Hotel Business Segment	16.6	19.2	2.5	15.5%
Other Business Segment	2.2	2.5	0.2	13.3%
Ordinary Profit	114.8	129.4	14.6	12.7%
Profit Attributable to Owners of Parent	80.0	90.2	10.2	12.8%

Net sales and all levels of profit exceeded the initial forecast

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2. Results for FY Ended 3/19 / Initial Forecast – Main Reasons for Change

Theme Park Segment	Initial Forecast for FY Ended 3/19 [¥ billion]	Results for FY Ended 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	417.9	437.4	19.5	4.7%
Operating Profit	94.4	107.2	12.8	13.6%

Higher-than-projected operating profit

Factors of change, in addition to higher-than-projected net sales, are as follows:

Lower-than-projected merchandise and food/beverage sales cost ratio about +¥1.0 billion

Higher-than-projected personnel expenses about ¥(2.0 billion)

Increase in performance bonus, etc.

Miscellaneous costs and depreciation and amortization expenses were roughly on a par with projected

Despite higher-than-projected personnel expenses, operating profit outperformed our initial forecast due to higher-than-projected net sales

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Hotel Business Segment	Initial Forecast for FY Ended 3/19 [¥ billion]	Results for FY Ended 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	67.8	72.4	4.5	6.8%
Disney Hotels	58.2	63.3	5.1	8.8%
Other Hotels	9.6	9.0	(0.5)	(5.4)%
Operating Profit	16.6	19.2	2.5	15.5%

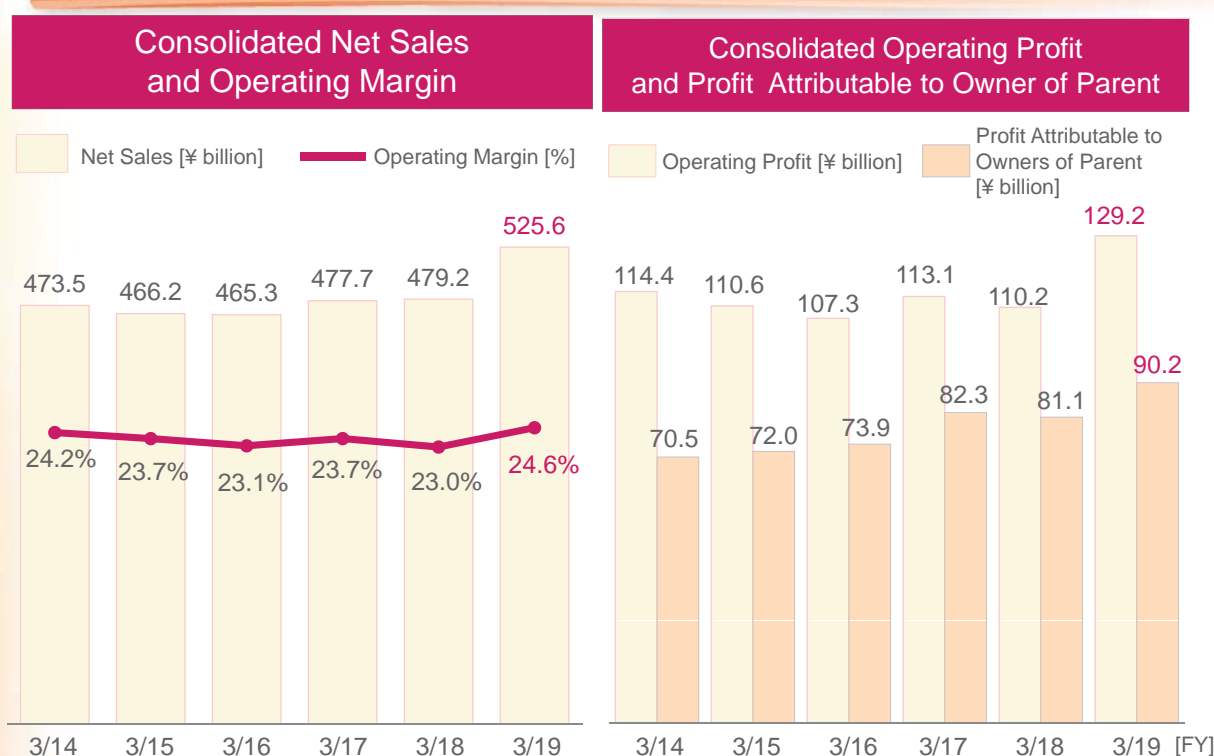
Higher-than-projected operating profit

- Higher-than-projected net sales
- Higher-than-projected personnel expenses
 - Increase in performance bonus, etc.

Despite higher-than-projected personnel expenses, operating profit outperformed our initial forecast due to higher-than-projected net sales

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3. Changes in Results

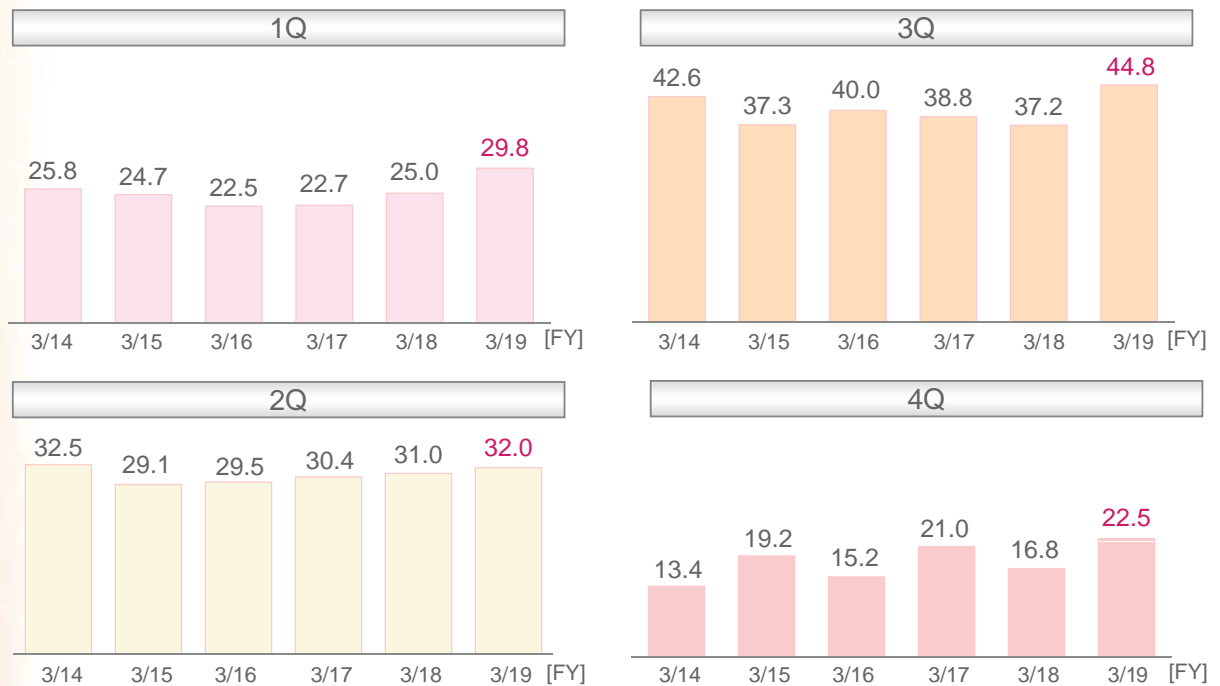


Net sales and all levels of profit hit record high

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Quarterly Consolidated Operating Profit

[¥ billion]



Reached record-high-level operating profit in every quarter



Oriental Land Co., Ltd.

II. Forecast for the Fiscal Year Ending March 31, 2020

Consolidated Statements of Income	Results for FY Ended 3/19 [¥ billion]	Forecast for FY Ending 3/20 [¥ billion]	Change [¥ billion]	Change
Net Sales	525.6	479.2	(46.3)	(8.8)%
Theme Park Segment	437.4	397.5	(39.9)	(9.1)%
Hotel Business Segment	72.4	65.6	(6.7)	(9.4)%
Other Business Segment	15.6	16.0	0.3	2.2%
Operating Profit	129.2	92.9	(36.3)	(28.1)%
Theme Park Segment	107.2	75.9	(31.3)	(29.2)%
Hotel Business Segment	19.2	14.6	(4.5)	(23.7)%
Other Business Segment	2.5	2.1	(0.3)	(14.9)%
Ordinary Profit	129.4	93.8	(35.5)	(27.5)%
Profit Attributable to Owners of Parent	90.2	65.3	(24.9)	(27.7)%

Both net sales and operating profit are projected to decrease owing to rebound from Tokyo Disney Resort 35th Anniversary events

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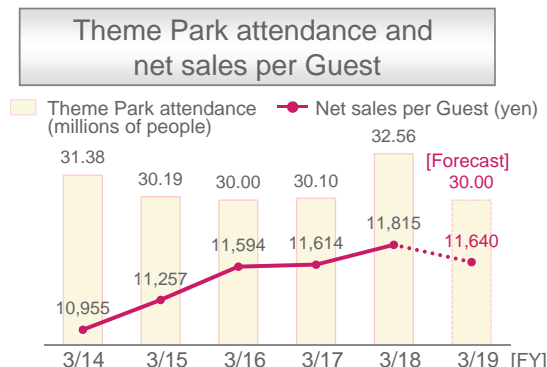
Theme Park Segment [1]	Results for FY Ended 3/19	Forecast for FY Ending 3/20	Change	Change
Net Sales [¥ billion]	437.4	397.5	(39.9)	(9.1)%
Attendance [million people]	32.56	30.00	(2.56)	(7.9)%
Net Sales per Guest [¥]	11,815	11,640	(175)	(1.5)%
Ticket Receipts	5,352	5,310	(42)	(0.8)%
Merchandise	4,122	4,000	(122)	(3.0)%
Food and Beverages	2,341	2,330	(11)	(0.5)%

Decrease in Theme Park attendance

- Decrease since current fiscal year is on the heels of Tokyo Disney Resort 35th Anniversary events

Decrease in net sales per Guest

- Decrease in merchandise sales
 - Decrease owing to the end of sales of Tokyo Disney Resort 35th Anniversary related products



Net sales is projected to fall due to decrease in Theme Park attendance and net sales per Guest

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1. Forecast for FY Ending 3/20 / Results for FY Ended 3/19 – Main Reasons for Change

II. Forecast

Theme Park Segment [2]	Results for FY Ended 3/19 [¥ billion]	Forecast for FY Ending 3/20 [¥ billion]	Change [¥ billion]	Change
Net Sales	437.4	397.5	(39.9)	(9.1)%
Operating Profit	107.2	75.9	(31.3)	(29.2)%

Decrease in operating profit Factors of change, in addition to decrease in net sales, are as follows:

Increase in merchandise and food/beverages sales cost ratio	about ¥(1.0 billion)
Decrease in personnel expenses	about +¥1.0 billion
Decrease in performance bonus	about +¥2.5 billion
Decrease in personnel expenses for part-time employees	about +¥0.5 billion
Increase in personnel expenses for full-time employees	about ¥(2.0 billion)
Increase in miscellaneous costs	about ¥(3.5 billion)
Increase in computer-system-related expenses	about ¥(3.0 billion)
Increase in costs related to special events	about ¥(1.0 billion)
Increase in maintenance costs	about ¥(0.5 billion)
Increase in other factors	about ¥(2.0 billion)
Decrease in costs related to Tokyo Disney Resort 35th Anniversary events	about +¥3.0 billion
Increase in depreciation and amortization expenses	¥(1.5 billion)

Operating profit is projected to decrease due to decrease in net sales and rise in miscellaneous costs

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1. Forecast for FY Ending 3/20 / Results for FY Ended 3/19 – Main Reasons for Change

II. Forecast

Hotel Business Segment	Results for FY Ended 3/19 [¥ billion]	Forecast for FY Ending 3/20 [¥ billion]	Change [¥ billion]	Change
Net Sales	72.4	65.6	(6.7)	(9.4)%
Disney Hotels	63.3	56.7	(6.5)	(10.4)%
Other	9.0	8.9	(0.1)	(2.0)%
Operating Profit	19.2	14.6	(4.5)	(23.7)%

- Decrease in accommodation revenue since current year is on the heels of Tokyo Disney Resort 35th Anniversary events
- Decrease in accommodation revenue due to room renovation
- Decrease in personnel expenses
 - Decrease in performance bonus, etc.

Although personnel expenses are projected to decrease, operating profit are projected to fall due to decrease in net sales

Other Business Segment	Results for FY Ended 3/19 [¥ billion]	Forecast for FY Ending 3/20 [¥ billion]	Change [¥ billion]	Change
Net Sales	15.6	16.0	0.3	2.2%
Operating Profit	2.5	2.1	(0.3)	(14.9)%

Operating profit is projected to fall due to increase in depreciation and amortization expenses for Monorail business

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III. Progress of 2020 Medium-Term Plan

Representative Director, President and COO
Kyoichiro Uenishi



Overall Structure of 2020 Medium-Term Plan

III. Progress of 2020 Medium-Term Plan

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

Strategies

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

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

2020 Medium-Term Plan: Core Business Strategy

Background

External environment	Internal environment
<ul style="list-style-type: none"> Declining birth rate and aging population Increase in inbound tourists Reduction in labor force 	<ul style="list-style-type: none"> Increasing Theme Park attendance at a faster-than-expected pace

Strategies

Strengthen structural aspects

“novelty”

“comfort”

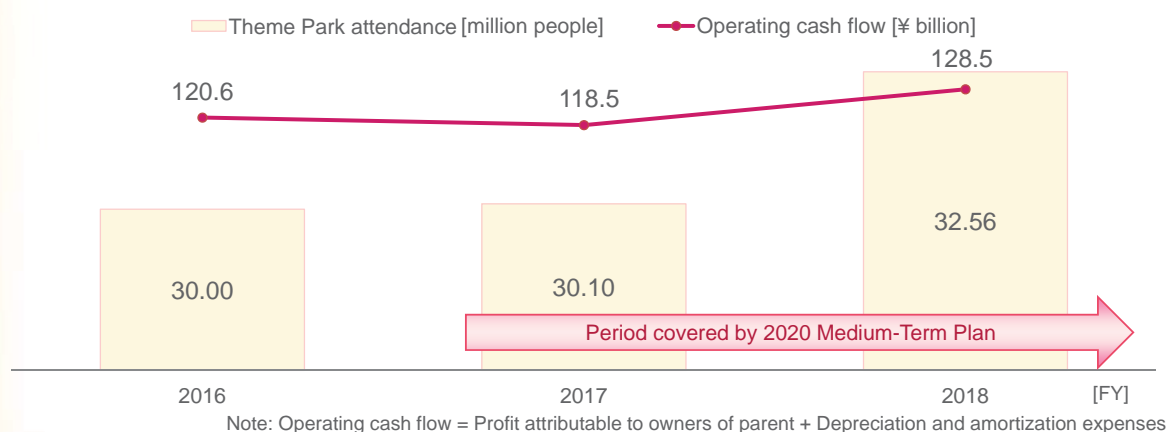
Strengthen non-structural aspects
(human resources capacity)
on a long-term sustainable basis

**Enhance satisfaction and capacity
to attract Guests on the basis of strategies**

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2020 Medium-Term Plan: Current status

Theme Park attendance and operating cash flow



Core business strategies

Strengthen structural aspects

- Strengthen “novelty” and “comfort” by introducing new products
- Utilize IT to improve convenience of Guest using official apps, etc
- Strengthen acceptance mechanism for overseas Guests, and marketing

Strengthen non-structural aspects (human resources capacity)

- Reached the highest number of Cast Members; will continue to strengthen hospitality skills

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1. Core business strategy: Strengthen structural aspects

Measures introduced in FY2018

“it’s a small world”	“Novelty”	• Added characters featured in Disney films
	“Comfort”	• Expanded indoor queuing spaces
Tokyo Disney Resort 35th Anniversary events	“Novelty”	• Development of new daytime parade “Dreaming Up!” • New challenges such as “Celebration Street”
Produce Dining opportunities	“Comfort”	• Refurbished restaurants to enhance dining environment

Steady progress made toward achieving highly satisfying Park experience

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1. Core business strategy: Strengthen structural aspects

Utilization of IT

- Released “Tokyo Disney Resort App” as an official app for smartphones [Jul. 2018]
- Started electronic payment service [Nov. 2018]
- Start offering FASTPASS tickets through Tokyo Disney Resort App [scheduled to start in 2019 summer]



Digital Guide Map



Tokyo Disney Resort Shopping



Online check-in for hotels

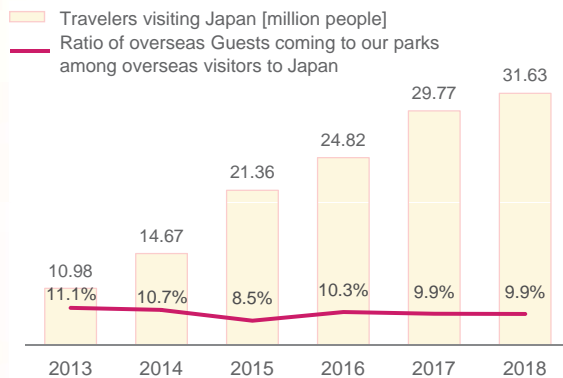
Apps also include functions of Park ticket purchasing, show lotteries, restaurant reservation, etc.

Continue enhancing convenience for Guests by leveraging IT

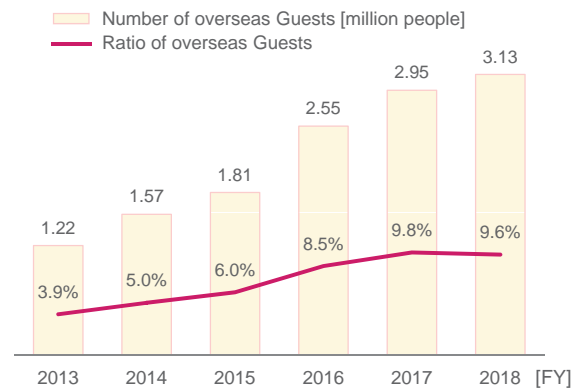
1. Core business strategy: Strengthen structural aspects

Overseas Guests

Number of Inbound Travelers and Ratio of Guests among the Travelers



Number/Ratio of Overseas Guests



Source: Prepared by the OLC Group based on the materials created by Japan National Tourist Organization (JNTO)

Acceptance mechanism

- Improved Cast Members' communication tools and Park information tools
- Introduced new training programs to promote understanding of foreign culture

Marketing

- Implemented marketing activities tailored to each country
- Enhance sales channel

Strengthen acceptance mechanism and marketing

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1. Core business strategy: Strengthen human resources capacity

Strengthen both hospitality skills and operational efficiency by creating a comfortable workplace environment and implementing measures to encourage Cast Members to feel a tangible sense of personal growth

Create a comfortable workplace environment

Rectify uneven distribution of workforce among job types and time slots

- Changed recruitment marketing method
- Change job-specific wages and shift allowances
- Introduced housing assistance program for new Cast Members residing in remote areas
- Enforced recruitment system

Addressing transformations in workstyles

- Addressed diversified work styles by using a new schedule management system
- New Employment Category to be Introduced called "Theme Park operations employee"

Promote a tangible sense of personal growth

Improvement of hospitality

- Executed a new service training program for all employees
- Harnessed Tokyo Disney Resort 35th Anniversary Events as an opportunity to improve Cast Members' workplace environment with the aim of enhancing their hospitality skills

Strengthen career support

- Opened OLC Career College to support Cast Members' career development; Expanded its program offerings

With a record high number of Cast Members, we aim at further enhancing hospitality

Note: Red sentence represent the measurement which progressed in FY2018

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1. Core business strategy: Strengthen structural aspects

Major new products

"Nemo & Friends SeaRider"

Opened on May 12, 2017 [Investment amount Approx. ¥5.0 billion]

"it's a small world"

Opened on April 15, 2018

New daytime parade "Dreaming Up!"

Started on April 15, 2018 [Investment amount Approx. ¥2.4 billion]

New nighttime spectacular

"Celebrate! Tokyo Disneyland"

Started from July 10, 2018 - April 26, 2019

"Soaring: Fantastic Flight"

Scheduled to open on July 23, 2019

[Investment amount Approx. ¥18.0 billion]

New at Tokyo
Disneyland

New at Tokyo
DisneySea

Tokyo Disney Resort
35th Anniversary

Tokyo Disneyland Large-scale investment
"Enchanted Tale of Beauty and the Beast"
"Fantasyland Forest Theatre"
"The Happy Ride with Baymax"
"Minnie's Style Studio", etc.

Scheduled to open in 2020 spring
[Investment amount Approx. ¥75.0 billion]

Introduce products to strengthen "novelty" and "comfort"

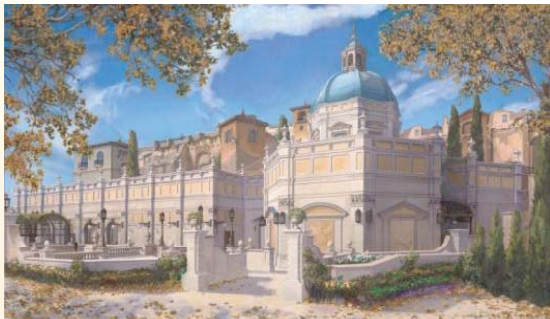
Note: Plans announced as of April 25, 2019

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1. Core business strategy: Strengthen structural aspects

Large scale investment projects

Theme Park	Projects	Time of introduction/ Investment value
Tokyo DisneySea	Major attraction "Soaring: Fantastic Flight"	July 23, 2019
		Approx. ¥18.0 billion



Effect	"Novelty"	<ul style="list-style-type: none"> Introduce Soarin', a popular attraction at Disney Theme Parks abroad, adding scenes exclusive to Tokyo DisneySea
	"Comfort"	<ul style="list-style-type: none"> Allow more Guests to experience attractions Balance out Guests' retention time within the Park

First large scale investment project will open

1. Core business strategy: Strengthen structural aspects

Improve service facilities

Tokyo Disneyland main entrance



- Scheduled to open on Apr. 2020 [west side will open on May, 2019]
- Latest face authentication system for Annual Passport holders
- Ticket vending machines offered in 7 languages [Jul. 2019]
- Gate style replacement for more smooth entering

Multi-story parking lot



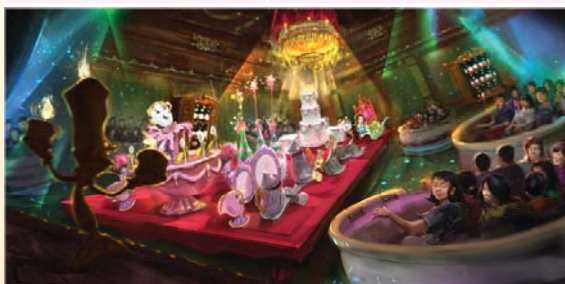
- Start operating on Jul. 2019
- Increase parking space near Tokyo Disneyland main entrance
- Improve Guest guidance efficiency

Renovate large service facilities to enhance Guest "comfort"

1. Core business strategy: Strengthen structural aspects

Large scale investment projects

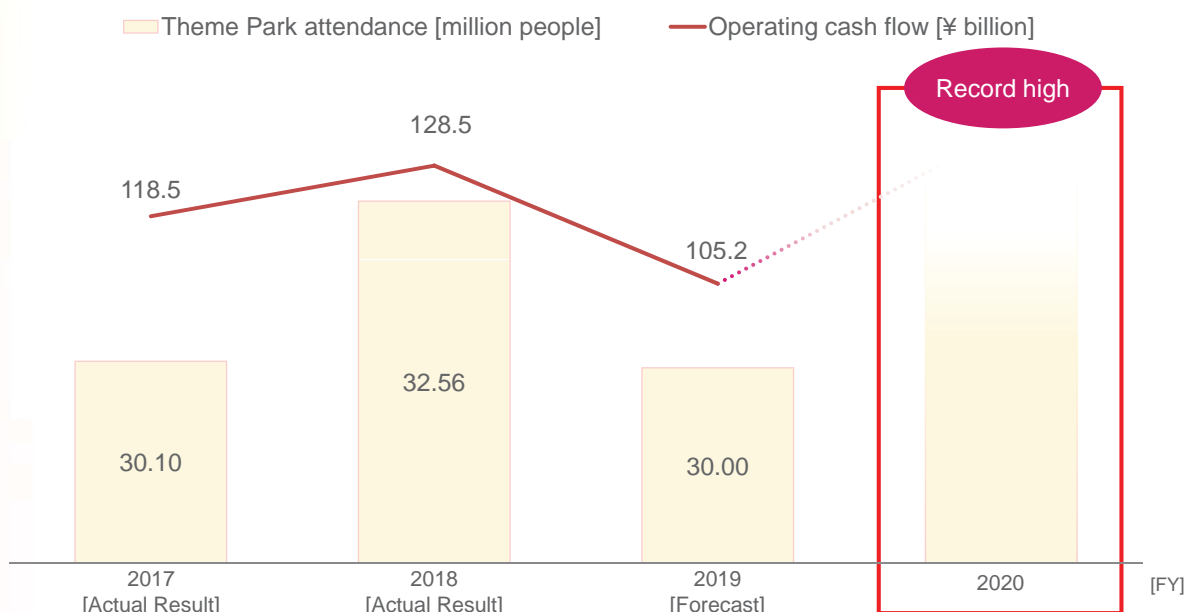
Theme Park	Projects	Time of introduction/ Investment value
Tokyo Disneyland	<ul style="list-style-type: none"> • Major Attraction "Enchanted Tale of Beauty and the Beast" • Indoor theater "Fantasyland Forest Theatre" • Attraction "The Happy Ride with Baymax" • Attraction "Minnie's Style Studio", etc. 	Spring in 2020
		¥75.0 billion level



Effect	"Novelty"	<ul style="list-style-type: none"> • <i>Beauty and the Beast</i> and other attractions unique to Japan • First indoor theater at Tokyo Disneyland
	"Comfort"	<ul style="list-style-type: none"> • Allow more Guests to experience attractions • Introduce an all-weather-type theater and an indoor restaurant

Large-scale development launched as planned with steady progress made toward opening

Goal for Medium-Term Plan



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

Aim for record high Theme Park attendance and operating cash flow at FY ending March 2021

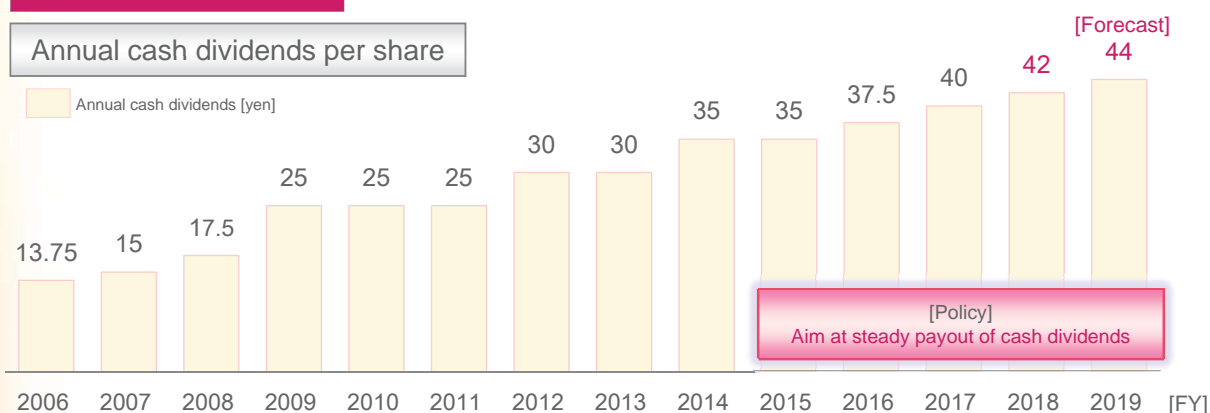
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2. Financial Policy

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

Cash dividends

Annual cash dividends per share



Note: Dividend amounts up to 3/15 are evaluated retrospectively for descriptive purposes.

ROE

ROE for FY ending March 2020 is expected to be 7.9%

Enhance shareholder returns

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IV. Large-Scale Investment Plans

Large-Scale Investment Plans until FY2022

IV. Large-Scale Investment Plans



The investment amount of each year after 2020 will be around 100 billion to 150 billion



Oriental Land Co., Ltd.

Investor Relations Group, Finance/Accounting Department

www.olc.co.jp/en

Cautionary Statement:

This document includes statements about Oriental Land's plans, estimates, strategies and beliefs. The statements made that are not based on historical fact represent the assumptions and expectations of Oriental Land in light of the information available to it as of the date when this document was prepared, and should be considered as forward-looking.

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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