

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2020 (Japanese accounting standards)

July 30, 2019

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.olc.co.jp/en/>

Representative: Kyoichiro Uenishi, Representative Director and President

Contact: Kenji Horikawa, Officer and Director of Finance/Accounting Department

Planned Date for Submission of the Quarterly Report: August 13, 2019

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 First Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019 to June 30, 2019)

(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 profit (¥ million) | Year-on-year change (%) | Ordinary profit (¥ million) | Year-on-year change (%) |
|----------------------------------|--------------------------|----------------------------|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| Three months ended June 30, 2019 | 120,552 | (0.2) | 31,936 | 7.1 | 32,762 | 7.6 |
| Three months ended June 30, 2018 | 120,746 | 9.9 | 29,830 | 19.0 | 30,440 | 18.3 |

Note: Comprehensive income:

Three months ended June 30, 2019: ¥20,364 million ((17.2)%)

Three months ended June 30, 2018: ¥24,599 million (5.4%)

| | Profit attributable to owners of parent (¥ million) | Year-on-year change (%) | Earnings per share (¥) | Earnings per share (diluted) (¥) |
|----------------------------------|---|----------------------------|---------------------------|-------------------------------------|
| Three months ended June 30, 2019 | 22,923 | 8.4 | 69.72 | 67.46 |
| Three months ended June 30, 2018 | 21,142 | 1.0 | 64.32 | 62.71 |

(2) Consolidated Financial Position

| | Total assets (¥ million) | Net assets (¥ million) | Shareholders' equity ratio(%) | Net assets per share (¥) |
|----------------------|-----------------------------|---------------------------|----------------------------------|-----------------------------|
| As of June 30, 2019 | 1,042,483 | 816,413 | 78.3 | 2,483.05 |
| As of March 31, 2019 | 1,051,455 | 803,201 | 76.4 | 2,442.97 |

Reference: Shareholders' equity:

As of June 30, 2019: ¥816,413 million

As of March 31, 2019: ¥803,201 million

2. Dividends

| | Annual dividends (¥) | | | | |
|--|----------------------|--------------------|-------------------|----------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Year-end | Total |
| Fiscal Year ended March 31, 2019 | — | 20.00 | — | 22.00 | 42.00 |
| Fiscal Year ending March 31, 2020 | — | | | | |
| Fiscal Year ending March 31, 2020 (Est.) | | 22.00 | — | 22.00 | 44.00 |

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|--------------------------------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|--------------------|
| | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) | (¥) |
| Six months ending September 30, 2019 | 233,360 | (6.9) | 48,470 | (21.7) | 49,480 | (21.0) | 34,700 | (20.0) | 105.54 |
| Fiscal Year ending March 31, 2020 | 479,240 | (8.8) | 92,940 | (28.1) | 93,880 | (27.5) | 65,300 | (27.7) | 198.60 |

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

*Notes

- (1) Changes in Major Subsidiaries during the Three Months Ended June 30, 2019: None
- (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 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) | Three months ended June 30, 2019: | 363,690,160 shares | Year ended March 31, 2019: | 363,690,160 shares |
| (b) Number of treasury stock at end of period | Three months ended June 30, 2019: | 34,894,927 shares | Year ended March 31, 2019: | 34,908,727 shares |
| (c) Average number of shares outstanding (quarterly cumulative period) | Three months ended June 30, 2019: | 328,790,148 shares | Three months ended June 30, 2018: | 328,694,110 shares |

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

*** The Company's quarterly consolidated financial statements are not subject to quarterly financial review by certified public accountants or an auditing firm.**

* 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 and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| Items | At the end of the previous fiscal year (March 31, 2019) | At the end of the first quarter (June 30, 2019) |
|--|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 377,551 | 350,643 |
| Notes and accounts receivable—trade | 22,083 | 18,261 |
| Securities | 20,999 | 23,998 |
| Merchandise and finished goods | 9,256 | 10,585 |
| Work in process | 477 | 475 |
| Raw materials and supplies | 7,590 | 7,516 |
| Other | 3,882 | 5,522 |
| Allowance for doubtful accounts | (5) | (3) |
| Total current assets | 441,835 | 417,000 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 270,971 | 268,469 |
| Machinery, equipment and vehicles, net | 28,125 | 26,656 |
| Land | 117,653 | 117,653 |
| Construction in progress | 82,342 | 105,338 |
| Other, net | 15,228 | 15,298 |
| Total property, plant and equipment | 514,322 | 533,415 |
| Intangible assets | | |
| Other | 13,770 | 14,212 |
| Total intangible assets | 13,770 | 14,212 |
| Investments and other assets | | |
| Other | 81,616 | 77,944 |
| Allowance for doubtful accounts | (88) | (89) |
| Total investments and other assets | 81,527 | 77,854 |
| Total non-current assets | 609,619 | 625,482 |
| Total assets | 1,051,455 | 1,042,483 |

(Millions of yen)

| Items | At the end of the previous fiscal year (March 31, 2019) | At the end of the first quarter (June 30, 2019) |
|---|---|---|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable—trade | 19,907 | 12,569 |
| Current portion of bonds | 20,000 | 20,000 |
| Current portion of long-term borrowings | 6,119 | 6,135 |
| Income taxes payable | 22,470 | 7,545 |
| Other | 86,154 | 86,967 |
| Total current liabilities | 154,652 | 133,218 |
| Non-current liabilities | | |
| Bonds payable | 80,000 | 80,000 |
| Long-term borrowings | 2,304 | 2,082 |
| Retirement benefit liability | 4,483 | 4,249 |
| Other | 6,813 | 6,518 |
| Total non-current liabilities | 93,601 | 92,851 |
| Total liabilities | 248,253 | 226,069 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Share capital | 63,201 | 63,201 |
| Capital surplus | 111,938 | 111,938 |
| Retained earnings | 696,718 | 712,400 |
| Treasury shares | (89,183) | (89,093) |
| Total shareholders' equity | 782,674 | 798,445 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19,320 | 16,797 |
| Deferred gains or losses on hedges | — | (6) |
| Remeasurements of defined benefit plans | 1,206 | 1,177 |
| Total accumulated other comprehensive income | 20,526 | 17,968 |
| Total net assets | 803,201 | 816,413 |
| Total liabilities and net assets | 1,051,455 | 1,042,483 |

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Three months ended June 30, 2019

(Millions of yen)

| Items | Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018) | Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019) |
|---|--|--|
| Net sales | 120,746 | 120,552 |
| Cost of sales | 74,483 | 72,269 |
| Gross profit | 46,263 | 48,282 |
| Selling, general and administrative expenses | 16,432 | 16,345 |
| Operating profit | 29,830 | 31,936 |
| Non-operating income | | |
| Interest income | 36 | 40 |
| Dividend income | 400 | 443 |
| Insurance received and insurance dividends | 96 | 88 |
| Other | 288 | 514 |
| Total non-operating income | 821 | 1,086 |
| Non-operating expenses | | |
| Interest expenses | 51 | 73 |
| Share of losses of entities accounted for using equity method | 5 | 20 |
| Commission expenses | 131 | 132 |
| Other | 22 | 34 |
| Total non-operating expenses | 211 | 260 |
| Ordinary profit | 30,440 | 32,762 |
| Profit before income taxes | 30,440 | 32,762 |
| Income taxes—current | 9,490 | 8,878 |
| Income taxes—deferred | (192) | 960 |
| Total income taxes | 9,298 | 9,838 |
| Profit | 21,142 | 22,923 |
| Profit attributable to owners of parent | 21,142 | 22,923 |

(Quarterly Consolidated Statements of Comprehensive Income)
Three months ended June 30, 2019

(Millions of yen)

| Items | Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018) | Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019) |
|--|--|--|
| Profit | 21,142 | 22,923 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,306 | (2,522) |
| Deferred gains or losses on hedges | 183 | (6) |
| Remeasurements of defined benefit plans, net of tax | (32) | (28) |
| Total other comprehensive income | 3,457 | (2,558) |
| Comprehensive income | 24,599 | 20,364 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 24,599 | 20,364 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Notes Regarding Going Concern Assumption: None
(4) Segment Information

1. Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)

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 | 100,714 | 16,452 | 117,166 | 3,579 | 120,746 | — | 120,746 |
| Intersegment sales or transfers | 1,688 | 177 | 1,866 | 906 | 2,772 | (2,772) | — |
| Total | 102,402 | 16,630 | 119,032 | 4,486 | 123,519 | (2,772) | 120,746 |
| Segment Income | 25,362 | 3,856 | 29,219 | 559 | 29,778 | 52 | 29,830 |

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 52 million yen is the result of elimination of intersegment transactions.

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

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

2. Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)

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 | 100,179 | 16,420 | 116,599 | 3,952 | 120,552 | — | 120,552 |
| Intersegment sales or transfers | 1,717 | 130 | 1,848 | 942 | 2,790 | (2,790) | — |
| Total | 101,896 | 16,551 | 118,448 | 4,894 | 123,342 | (2,790) | 120,552 |
| Segment Income | 27,182 | 3,784 | 30,967 | 911 | 31,879 | 57 | 31,936 |

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 57 million yen is the result of elimination of intersegment transactions.

3. The segment income is adjusted to be recorded as operating profit 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