

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2021 (Japanese accounting standards)

July 30, 2020

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

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

Planned Date for Submission of the Quarterly Report: August 13, 2020

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, 2021 (April 1, 2020 to June 30, 2020)

(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, 2020	6,164	(94.9)	(15,641)	—	(15,283)	—
Three months ended June 30, 2019	120,552	(0.2)	31,936	7.1	32,762	7.6

Note: Comprehensive income:

Three months ended June 30, 2020: ¥ (24,261) million (—%)

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

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Three months ended June 30, 2020	(24,871)	—	(75.97)	—
Three months ended June 30, 2019	22,923	8.4	69.72	67.46

Note: Earnings per share (diluted) for three months ended June 30, 2020, is not indicated because net loss per share is indicated, although there are potential common shares with dilutive effects.

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio(%)	Net assets per share (¥)
As of June 30, 2020	963,336	788,848	81.9	2,409.54
As of March 31, 2020	1,010,651	820,257	81.2	2,505.55

Reference: Shareholders' equity:

As of June 30, 2020: ¥788,848 million

As of March 31, 2020: ¥820,257 million

2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal Year ended March 31, 2020	—	22.00	—	22.00	44.00
Fiscal Year ending March 31, 2021	—				
Fiscal Year ending March 31, 2021 (Est.)		—	—	—	—

Note: Dividends for the second quarter-end and the year-end of the fiscal year ending March 31, 2021 are not indicated as it is difficult to reasonably calculate our forecast of operating results at this point in time.

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2021

(April 1, 2020 to March 31, 2021)

Projection of consolidated results for the fiscal year ending March 31, 2021 is not indicated as it is difficult to reasonably calculate our forecast of operating results at this point in time. We will calculate reasonable financial forecast considering our Theme Park attendance and the situation of the spread of COVID-19 during the second quarter, and disclose with the financial results for the second quarter.

*Notes

- (1) Changes in Major Subsidiaries during the Three Months Ended June 30, 2020: 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, 2020:	363,690,160 shares	Year ended March 31, 2020:	363,690,160 shares
(b) Number of treasury stock at end of period	Three months ended June 30, 2020:	36,304,332 shares	Year ended March 31, 2020:	36,313,892 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Three months ended June 30, 2020:	327,381,087 shares	Three months ended June 30, 2019:	328,790,148 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, 2020)	At the end of the first quarter (June 30, 2020)
ASSETS		
Current assets		
Cash and deposits	261,164	178,083
Notes and accounts receivable—trade	7,225	5,431
Securities	19,999	7,485
Merchandise and finished goods	11,679	16,931
Work in process	172	105
Raw materials and supplies	8,236	9,068
Other	8,263	17,379
Allowance for doubtful accounts	(0)	(0)
Total current assets	316,741	234,485
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	291,012	286,932
Machinery, equipment and vehicles, net	34,557	32,916
Land	117,653	117,653
Construction in progress	152,165	183,553
Other, net	15,197	13,883
Total property, plant and equipment	610,586	634,938
Intangible assets		
Other	16,334	16,274
Total intangible assets	16,334	16,274
Investments and other assets		
Other	67,078	77,728
Allowance for doubtful accounts	(88)	(89)
Total investments and other assets	66,989	77,639
Total non-current assets	693,910	728,851
Total assets	1,010,651	963,336

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2020)	At the end of the first quarter (June 30, 2020)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	13,921	7,503
Current portion of long-term loans payable	4,580	4,365
Income taxes payable	7,991	8,098
Other	74,001	64,813
Total current liabilities	100,495	84,780
Non-current liabilities		
Bonds payable	80,000	80,000
Long-term loans payable	2,488	2,457
Retirement benefit liability	3,537	3,394
Other	3,873	3,855
Total non-current liabilities	89,898	89,707
Total liabilities	190,394	174,488
NET ASSETS		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,970	111,970
Retained earnings	744,452	712,371
Treasury shares	(109,325)	(109,263)
Total shareholders' equity	810,298	778,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	10,244
Deferred gains or losses on hedges	74	76
Remeasurements of defined benefit plans	261	247
Total accumulated other comprehensive income	9,958	10,568
Total net assets	820,257	788,848
Total liabilities and net assets	1,010,651	963,336

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Three months ended June 30, 2020

(Millions of yen)

Items	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Net sales	120,552	6,164
Cost of sales	72,269	12,963
Gross profit (loss)	48,282	(6,798)
Selling, general and administrative expenses	16,345	8,843
Operating profit (loss)	31,936	(15,641)
Non-operating income		
Interest income	40	13
Dividend income	443	339
Insurance received and insurance dividends	88	29
Other	514	371
Total non-operating income	1,086	753
Non-operating expenses		
Interest expenses	73	60
Share of losses of entities accounted for using equity method	20	185
Commission expenses	132	134
Other	34	14
Total non-operating expenses	260	395
Ordinary profit (loss)	32,762	(15,283)
Extraordinary loss		
Loss on temporary closure	—	※ 21,198
Total extraordinary loss	—	21,198
Profit (loss) before income taxes	32,762	(36,481)
Income taxes—current	8,878	113
Income taxes—deferred	960	(11,724)
Total income taxes	9,838	(11,610)
Profit (loss)	22,923	(24,871)
Profit (loss) attributable to owners of parent	22,923	(24,871)

(Quarterly Consolidated Statements of Comprehensive Income)
Three months ended June 30, 2020

(Millions of yen)

Items	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Profit (loss)	22,923	(24,871)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,522)	621
Deferred gains or losses on hedges	(6)	2
Remeasurements of defined benefit plans, net of tax	(28)	(13)
Total other comprehensive income	(2,558)	610
Comprehensive income	20,364	(24,261)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,364	(24,261)
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Regarding the Consolidated Financial Statements for the First Quarter Under Review

Notes Regarding Going Concern Assumption: None

Notes Regarding the Occurrence of Significant Changes in Amount of Shareholders' Equity: None

Additional Information

Impact of COVID-19

The OLC Group's Theme Parks, which constitute its core business, were temporarily closed along with its hotels during the first quarter under review. Our Theme Parks resumed operations on July 1, 2020 while taking measures primarily based on the sector-wide guidelines for preventing the spread of COVID-19 at amusement and theme parks and limiting attendance. It may take some time before we can restore normal operations, depending on the external environment including trends in consumer sentiment for leisure activities. As such, the situation of the spread of COVID-19 is expected to exert a material impact on our consolidated financial results in and after the second quarter of the fiscal year ending March 31, 2021.

Significant accounting estimates and underlying assumptions

In preparing the consolidated financial statements for the first quarter under review, there have been no significant changes from the previous fiscal year in the highly uncertain accounting estimates and their underlying assumptions.

Matters Concerning Consolidated Statements of Income

*** Loss on temporary closure**

In view of the spread of COVID-19 and requests from the national and local governments, the OLC Group temporarily closed Tokyo Disneyland® and Tokyo DisneySea® from February 29 to June 30, 2020. As a result, we primarily registered the fixed expenses, including personnel expenses and depreciation and amortization expenses, incurred for the Theme Park Segment during the temporary closure as an extraordinary loss.

As the employment adjustment subsidy to be received from the government as a special measure to address the impact of COVID-19, highly accurate amount to be received is reasonably calculated, and has been deducted from the extraordinary loss.

Segment Information

1. 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

2. Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)

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	5,123	147	5,271	893	6,164	—	6,164
Intersegment sales or transfers	347	62	410	675	1,085	(1,085)	—
Total	5,471	209	5,681	1,568	7,249	(1,085)	6,164
Segment Loss	(11,439)	(3,198)	(14,637)	(1,035)	(15,673)	31	(15,641)

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

2. The segment loss adjustment amount of 31 million yen is the result of elimination of intersegment transactions.

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

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