

Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2017 (Japanese accounting standards)

January 30, 2017

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: Tomoyuki Shimoda, Director of Finance/Accounting Department

Planned Date for Submission of the Quarterly Report: February 13, 2017

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, 2017 (April 1, 2016 to December 31, 2016)

(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, 2016	360,568	1.7	92,108	(0.0)	93,528	(0.2)
Nine months ended Dec. 31, 2015	354,452	0.7	92,148	0.9	93,678	1.1

Note: Comprehensive income:

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

Nine months ended December 31, 2015: ¥ 65,101 million ((3.5)%)

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Diluted earnings per share (¥)
Nine months ended Dec. 31, 2016	65,319	3.2	196.90	190.19
Nine months ended Dec. 31, 2015	63,300	4.0	189.45	183.94

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of December 31, 2016	824,032	654,805	79.5	1,976.29
As of March 31, 2016	810,268	624,941	77.1	1,870.10

Reference: Shareholders' equity:

As of December 31, 2016: ¥654,805 million

As of March 31, 2016: ¥624,941 million

2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2016	—	17.50	—	17.50	35.00
Fiscal year ending March 31, 2017	—	17.50	—	—	—
Fiscal year ending March 31, 2017 (Est.)	—	—	—	17.50	35.00

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(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, 2017	479,900	3.1	109,110	1.6	110,510	1.2	76,870	4.0	231.79

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

Notes

(1) Changes in Major Subsidiaries during the Nine Months Ended December 31, 2016: 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: Yes

(b) Changes in accounting policies due to other than (a) above: None

(c) Changes in accounting estimates: None

(d) Restatement: None

Note: For details, see “1. Matters Concerning Summary Information (Notes) Changes in Accounting Policies” on page 1 of the attached material.

(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, 2016:	363,690,160 shares	Year ended March 31, 2016:	363,690,160 shares
(b) Number of treasury stock at end of period	Nine months ended December 31, 2016:	32,359,817 shares	Year ended March 31, 2016:	29,514,717 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Nine months ended December 31, 2016:	331,730,796 shares	Nine months ended December 31, 2015:	334,122,756 shares

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

* Statement concerning the Status of Quarterly Financial Review Procedures

These Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2017 are not subject to quarterly financial review under the Financial Instruments and Exchange Act. At the time of disclosing these Consolidated Financial Statements, financial review procedures specified in the Financial Instruments and Exchange Act have not been completed with respect to the quarterly financial statements.

* 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.

1. Matters Concerning Summary Information (Notes)

Changes in Accounting Policies

(Application of the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Pursuant to an amendment in the Corporation Tax Act, the Company has applied the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (Practical Issue Task Force (PITF) No.32 issued on June 17, 2016) from the first quarter of the current fiscal year. Accordingly, the Company changed the depreciation method for facilities attached to buildings and structures acquired on and after April 1, 2016 from the declining-balance method to the straight-line method.

The effect of this change in accounting policies to the quarterly consolidated financial statements for the third quarter under review is immaterial.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2016)	At the end of the third quarter (December 31, 2016)
	Amount	Amount
ASSETS		
Current assets		
Cash and deposits	209,138	244,447
Notes and accounts receivable—trade	25,740	18,349
Securities	32,999	10,998
Merchandise and finished goods	10,206	11,968
Work in process	71	176
Raw materials and supplies	6,836	7,286
Other	8,739	7,066
Allowance for doubtful accounts	(2)	(1)
Total current assets	293,728	300,291
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	274,739	274,522
Machinery, equipment and vehicles, net	30,785	27,823
Land	110,391	115,075
Construction in progress	9,072	10,777
Other, net	14,063	13,815
Total property, plant and equipment	439,052	442,013
Intangible assets		
Other	10,925	10,143
Total intangible assets	10,925	10,143
Investments and other assets		
Investment securities	55,440	59,581
Other	11,207	12,093
Allowance for doubtful accounts	(85)	(92)
Total investments and other assets	66,562	71,582
Total non-current assets	516,540	523,740
Total assets	810,268	824,032

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2016)	At the end of the third quarter (December 31, 2016)
	Amount	Amount
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	18,723	14,819
Current portion of long-term loans payable	4,257	4,759
Income taxes payable	20,660	11,424
Provision for loss on disaster	12	11
Other	75,441	68,194
Total current liabilities	119,095	99,208
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	2,842	5,961
Net defined benefit liability	4,101	4,352
Other	9,288	9,705
Total non-current liabilities	66,232	70,018
Total liabilities	185,327	169,227
NET ASSETS		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,911
Retained earnings	480,925	534,575
Treasury shares	(46,721)	(70,582)
Total shareholders' equity	609,317	639,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,362	14,045
Deferred gains or losses on hedges	(585)	(89)
Remeasurements of defined benefit plans	1,847	1,742
Total accumulated other comprehensive income	15,624	15,698
Total net assets	624,941	654,805
Total liabilities and net assets	810,268	824,032

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Nine months ended December 31, 2016

(Millions of yen)

Items	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
Net sales	354,452	360,568
Cost of sales	216,867	220,373
Gross profit	137,584	140,194
Selling, general and administrative expenses	45,436	48,085
Operating income	92,148	92,108
Non-operating income		
Interest income	421	294
Dividends income	608	634
Share of profit of entities accounted for using equity method	156	142
Insurance and dividends income	434	468
Other	729	664
Total non-operating income	2,349	2,204
Non-operating expenses		
Interest expenses	163	158
Commission fee	396	397
Other	259	229
Total non-operating expenses	819	784
Ordinary income	93,678	93,528
Extraordinary losses		
Loss on sales of shares of subsidiaries and associates	210	—
Total extraordinary losses	210	—
Profit before income taxes	93,468	93,528
Income taxes—current	27,731	26,255
Income taxes—deferred	2,436	1,953
Total income taxes	30,167	28,209
Profit	63,300	65,319
Profit attributable to owners of parent	63,300	65,319

(Quarterly Consolidated Statements of Comprehensive Income)
Nine months ended December 31, 2016

(Millions of yen)

Items	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
Profit	63,300	65,319
Other comprehensive income		
Valuation difference on available-for-sale securities	1,799	(317)
Deferred gains or losses on hedges	33	496
Remeasurements of defined benefit plans, net of tax	(32)	(104)
Total other comprehensive income	1,800	74
Comprehensive income	65,101	65,393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	65,101	65,393
Comprehensive income attributable to non-controlling interests	—	—

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

1. Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)

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

(Millions of yen)

	Reportable Segment			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	292,911	48,133	341,045	13,406	354,452	—	354,452
Intersegment sales or transfers	4,615	449	5,064	2,777	7,841	(7,841)	—
Total	297,526	48,583	346,109	16,184	362,294	(7,841)	354,452
Segment Income	78,323	11,897	90,220	1,770	91,990	157	92,148

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 157 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, 2016 (April 1, 2016 to December 31, 2016)

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

(Millions of yen)

	Reportable Segment			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

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