Oriental Land Co.,Ltd.

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2016 (Japanese accounting standards)

April 27, 2016

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: Tomoyuki Shimoda, Director of Finance/Accounting Department
Planned Date for Annual General Meeting of Stockholders: June 29, 2016
Planned Date for Submission of Securities Report (*Yuka shoken hokokusho*): June 29, 2016
Planned Date for Start of Dividend Payment: June 30, 2016
Supplementary materials for the financial statements: Yes
Briefing session on financial results: Yes (for institutional investors)

1. Consolidated Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

Note: All amounts are rounded down to the nearest million yen.

(1) Consolidated Operating Results

(Percentages represent change compared with 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 (%)
Fiscal Year ended March 31, 2016	465,353	(0.2)	107,357	(2.9)	109,214	(1.2)
Fiscal Year ended March 31, 2015	466,291	(1.5)	110,605	(3.4)	110,486	(1.9)

(Note) Comprehensive income:
Fiscal year ended March 31, 2016: ¥72,390 million ((12.6)%)
Fiscal year ended March 31, 2015: ¥82,860 million (17.3%)

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Operating income/total net sales (%)
Fiscal Year ended March 31, 2016	73,928	2.6	221.26	214.90	12.4	14.0	23.1
Fiscal Year ended March 31, 2015	72,063	2.1	215.72	208.60	13.6	15.7	23.7

(Reference) Equity in earnings of affiliates:
Fiscal year ended March 31, 2016: ¥147 million
Fiscal year ended March 31, 2015: ¥132 million

(Note) On April 1, 2015, Oriental Land Co., Ltd. conducted a 4-for-1 common stock split. Earnings per share and diluted earnings per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
As of March 31, 2016	810,268	624,941	77.1	1,870.10
As of March 31, 2015	746,641	564,129	75.6	1,688.53

(Reference) Equity capital:
As of March 31, 2016: ¥624,941 million
As of March 31, 2015: ¥564,129 million

(Note) On April 1, 2015, Oriental Land Co., Ltd. conducted a 4-for-1 common stock split. Net assets per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash provided by (used in) investing activities (¥ million)	Net cash provided by (used in) financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
Fiscal Year ended March 31, 2016	110,910	(118,754)	(11,814)	86,636
Fiscal Year ended March 31, 2015	105,513	(68,100)	(11,107)	106,279

2. Dividends

	Annual dividends (¥)					Total dividends paid (total) (¥ million)	Payout ratio (consolidated) (%)	Dividends/ Net assets (consolidated) (%)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Fiscal Year ended March 31, 2015	—	70.00	—	70.00	140.00	11,720	16.3	2.2
Fiscal Year ended March 31, 2016	—	17.50	—	17.50	35.00	11,720	15.9	2.0
Fiscal Year ending March 31, 2017 (Est.)	—	17.50	—	17.50	35.00		15.2	

(Note)
1.On April 1, 2015, Oriental Land Co., Ltd. conducted a 4-for-1 common stock split. Dividends of the fiscal year ended March 2015 are presented in actual value terms on a pre-split basis.
2. Total dividends paid include dividends paid to the trust to the employee stock plan (FY2014 27million yen, FY2015 25million yen) and payout ratio has been calculated by dividing total dividends paid by profit attributable to owners of parent.

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 or the same quarter of the previous fiscal year, as applicable.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Six months ending September 30, 2016	230,020	3.6	48,460	(7.1)	49,600	(6.9)	34,370	(4.4)	102.85
Fiscal Year ending March 31, 2017	479,900	3.1	109,110	1.6	110,510	1.2	76,870	4.0	230.03

*Notes

(1) Changes in Major Subsidiaries During the Period (Changes in specified subsidiaries due to changes in the scope of consolidation): None
New: — companies (Company name:)
Eliminated: — companies (Company name:)

(2) Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement
(a) Changes in accounting policies due to changes in accounting standards: Yes
(b) Changes other than (a) above: None
(c) Changes in accounting estimates: None
(d) Restatement: None

(3) Number of Shares Issued and Outstanding (Common stock)

(a) Number of shares issued at end of period (including treasury stock)	Year ended March 31, 2016:	363,690,160 shares	Year ended March 31, 2015:	363,690,160 shares
(b) Number of treasury stock at end of period	Year ended March 31, 2016:	29,514,717 shares	Year ended March 31, 2015:	29,594,856 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Year ended March 31, 2016:	334,134,714 shares	Year ended March 31, 2015:	334,055,267 shares

(Note)
1. On April 1, 2015, Oriental Land Co., Ltd. conducted a 4-for-1 common stock split. Number of shares issued and outstanding (Common stock) have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.
2. Number of treasury stock includes dividends paid to the trust to the employee stock plan.

[Reference] Non-consolidated Results

Non-consolidated Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 － March 31, 2016)

(1) Non-consolidated Operating Results

(Percentages represent change compared with 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 (%)
Fiscal Year ended March 31, 2016	396,262	(0.7)	93,955	(4.2)	97,619	(1.4)
Fiscal Year ended March 31, 2015	399,234	(0.8)	98,097	(1.1)	98,974	0.3

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Fiscal Year ended March 31, 2016	65,928	1.2	197.31	191.72
Fiscal Year ended March 31, 2015	65,159	4.7	195.06	188.69

(Note) On April 1, 2015, Oriental Land Co., Ltd. conducted a 4-for-1 common stock split. Earnings per share and diluted earnings per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
As of March 31, 2016	763,703	582,378	76.3	1,742.73
As of March 31, 2015	705,883	529,136	75.0	1,583.79

(Reference) Equity capital:

As of March 31, 2016: ¥582,378 million

As of March 31, 2015: ¥529,136 million

(Note) On April 1, 2015, Oriental Land Co., Ltd. conducted a 4-for-1 common stock split. Net assets per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

* Statement concerning the Status of Financial Audit Procedures

These Consolidated Financial Statements for the Fiscal Year Ended March 31, 2016 are not subject to audit procedures under the Financial Instruments and Exchange Act. At the time of disclosing these Consolidated Financial Statements, audit procedures specified in the Financial Instruments and Exchange Act have not been completed with respect to the 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 in any way guarantee 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. Operating Results

(1) Analysis of Operating Results

During the fiscal year under review, in spite of the risks of downward swings in overseas business condition, the Japanese economy continued to show a gradual recovery trend, sustained by an improvement trajectory in the employment and income environment and consumer spending was steady undertone.

Regarding the OLC Group, although net sales per guest increased driven by the ticket price revision, theme park attendance fell below compared with the previous fiscal year.

As a result, net sales were ¥465,353 million (down 0.2% from the previous fiscal year), operating income was ¥107,357 million (down 2.9%), and ordinary income was ¥109,214 million (down 1.2%) while profit attributable to owners of parent set a new record at ¥73,928 million (up 2.6%) due to a decline in income taxes.

The following is results of each segment.

A. Summary of Results by Segment for the Fiscal Year Ended March 31, 2016

(Millions of yen)

		Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016	Change (decrease)	Change (%)
Net Sales		466,291	465,353	(938)	(0.2)
	Theme Park	387,622	384,602	(3,019)	(0.8)
	Hotel	61,066	63,173	2,107	3.5
	Other	17,603	17,576	(26)	(0.2)
Operating Income		110,605	107,357	(3,247)	(2.9)
	Theme Park	95,665	91,692	(3,973)	(4.2)
	Hotel	13,138	13,800	662	5.0
	Other	1,602	1,604	1	0.1
	Elimination and Corporate	198	259	61	30.9
Ordinary Income		110,486	109,214	(1,271)	(1.2)
Profit Attributable to Owners of Parent		72,063	73,928	1,865	2.6

[Theme Park] Tokyo Disneyland, Tokyo DisneySea and others
Both net sales and operating income decreased because of a decrease in theme park attendance and other factors.

Net Sales **¥384,602 million (down 0.8% from the previous fiscal year)**

In the fiscal year ended March 2016, at Tokyo Disneyland, we launched a renewed version of the nighttime parade, "Tokyo Disneyland Electrical Parade *Dreamlights*," on July 9, 2015 and a new attraction, "Stitch Encounter," on July 17, 2015. At Tokyo DisneySea, we opened the renovated "Mermaid Lagoon Theater" and rolled out a new musical show titled "King Triton's Concert" on April 24, 2015. In addition, a variety of special events evocative of the season were implemented at both theme parks.

Net sales decreased from the previous fiscal year. This was attributable to a decline in theme park attendance from the previous fiscal year to 30,191 thousand (down 3.8%) due to "Once Upon a Time," launched on May 29, 2014, and the special event in the fourth quarter, "Anna and Elsa's *Frozen* Fantasy" entering their second year of operation and other factors, which offset the increase in net sales per guest resulting from a ticket price revision in April 2015.

Net sales per guest reached a record high of ¥11,257, up 2.8% from the previous fiscal year. The breakdown was as follows: ¥5,007 (up 7.4%) from ticket receipts, ¥3,964 (down 2.0%) from merchandise sales, and ¥2,286 (up 1.5%) from food and beverages sales.

Operating Income **¥91,692 million (down 4.2%)**

Operating income declined due to a rise in merchandise and food/beverages sales cost ratio and an increase of miscellaneous costs such as costs for large-scale investment project, among other factors.

[Hotel] Tokyo Disneyland Hotel, Tokyo DisneySea Hotel MiraCosta and others
Both net sales and operating income increased mainly because of a rise in average charge per room.

Net Sales **¥63,173 million (up 3.5%)**

Net sales increased mainly because of rises in average charge per room resulting from renovation of guest rooms of Tokyo Disneyland Hotel and Tokyo DisneySea Hotel MiraCosta.

The occupancy rates were in the higher-90% for Tokyo Disneyland Hotel, and in the lower-90% for Tokyo DisneySea Hotel MiraCosta and Disney Ambassador Hotel.

Tokyo DisneySea Hotel MiraCosta underwent renovation of its guest rooms from May 2015 to February 2016.

Operating Income **¥13,800 million (up 5.0%)**

Operating income increase owing to a rise in net sales, among other factors.

[Other Business Segment] Ikspiari, Disney Resort Line and others
Despite a decrease in net sales, operating income grew.

Net Sales **¥17,576 million (down 0.2%)**

Net sales decreased owing to the sell-off of RC Japan Co., Ltd., among other factors.

Operating Income **¥1,604 million (up 0.1%)**

Operating income rose owing to an increase in Monorail business.

B. Forecast of Results by Segment for the Fiscal Year Ending March 31, 2017

In the fiscal year ending March 2017, net sales, operating income, and ordinary income are projected to increase from the previous fiscal year to ¥479,900 million (up 3.1% from the previous fiscal year), ¥109,110 million (up 1.6%), and ¥110,510 million (up 1.2%), respectively, mainly owing to a growth in theme park attendance and net sales per guest driven by Tokyo DisneySea 15th Anniversary events and a ticket price revision. Profit attributable to owners of parent is projected to reach ¥76,870 million (up 4.0%) due mainly to a decline in income taxes.

Net sales and profit attributable to owners of parent are respectively expected to achieve record highs.

(Millions of yen)

		Results for the fiscal year ended March 31, 2016	Forecast for the fiscal year ending March 31, 2017	Change (decrease)	Change (%)
Net Sales		465,353	479,900	14,546	3.1
	Theme Park	384,602	397,340	12,737	3.3
	Hotel	63,173	65,940	2,766	4.4
	Other	17,576	16,620	(956)	(5.4)
Operating Income		107,357	109,110	1,752	1.6
	Theme Park	91,692	93,090	1,397	1.5
	Hotel	13,800	13,950	149	1.1
	Other	1,604	1,910	305	19.0
	Elimination and Corporate	259	160	(99)	(38.4)
Ordinary Income		109,214	110,510	1,295	1.2
Profit Attributable to Owners of Parent		73,928	76,870	2,941	4.0

[Theme Park] Tokyo Disneyland, Tokyo DisneySea and others

Both net sales and operating income are projected to increase year on year owing to a growth in theme park attendance and net sales per guest driven by Tokyo DisneySea 15th Anniversary events and the implementation of a ticket price revision.

Net Sales **¥397,340 million (up 3.3% from the previous fiscal year)**

At Tokyo DisneySea, a 337-day celebration will be held from April 15, 2016, entitled “Tokyo DisneySea 15th Anniversary: The Year of Wishes.” The theme of the anniversary is “wishes,” a word that signifies both people’s dreams for the future as well as a feeling of hope and excitement. Mickey Mouse and the Disney Friends will guide guests on new journeys of adventure. At Mediterranean Harbor, a brand new show, “Crystal Wishes Journey,” will be presented exclusively during the 15th anniversary period. “Big Band Beat,” a show presented at the Broadway Music Theatre, will debut after being re-imagined for the first time since it opened in July 2006, while a new musical show, “Out of Shadowland,” will premiere on July 9, 2016 at the Hangar Stage in Lost River Delta.

A host of other special events will be offered at both theme parks, conveying to our guests a sense of the season throughout the year.

As a result of these measures, theme park attendance is projected to reach 30,400 thousand, up 0.7% from the previous fiscal year.

Net sales per guest are expected to reach ¥11,540, up 2.5% from the previous fiscal year. The breakdown is projected as follows: ¥5,220 (up 4.3%) from ticket receipts as a result of a ticket price revision, ¥4,030 (up 1.7%) from merchandise sales, and ¥2,290 (up 0.2%) from food and beverages sales.

Consequently, net sales are projected to rise.

Operating Income **¥93,090 million (up 1.5%)**

Operating income is projected to grow owing to an increase in net sales, which is expected to offset a rise in personnel expenses resulting from the personnel system revisions as well as an increase in miscellaneous costs and depreciation and amortization expenses.

[Hotel] Tokyo Disneyland Hotel, Tokyo DisneySea Hotel MiraCosta and others
Both net sales and operating income are expected to grow due to an increase of net sales.

Net Sales **¥65,940 million (up 4.4%)**

Disney hotels will continue to offer the "Happy 15 Entry" program at both theme parks. This program allows Disney hotel guests the privilege of entering the parks 15 minutes before opening time through dedicated entrances. We also plan to hold hotel events linked to special events at the theme parks, as well as staging appealing restaurant events unique to each hotel.

In addition, Tokyo DisneySea Hotel MiraCosta will enjoy throughout the fiscal year the positive effect brought about by the guest room renovation implemented from May 2015 to February 2016. Furthermore, the existing Palm & Fountain Terrace Hotel operated by Brighton Corporation will be redeveloped to the Tokyo Disney Celebration Hotel in this June as the fourth Disney Hotel in Japan, which is expected to demonstrate favorable performance in average charge per room and hotel occupancy rates, pushing up net sales generated by the Hotel Business as a whole.

Occupancy rates are forecast to be the higher-90% range for Tokyo Disneyland Hotel and Tokyo DisneySea Hotel MiraCosta and the lower-90% range for Disney Ambassador Hotel.

Operating Income **¥13,950 million (up 1.1%)**

In spite of a rise in cost for the opening of Tokyo Disney Celebration Hotel, because of an increase in net sales, operating income is forecast to grow.

[Other] Ikspiari, Disney Resort Line and others
Although net sales are projected to decrease, operating income is expected to increase due mainly to a decline in miscellaneous costs.

Net Sales **¥16,620 million (down 5.4%)**

Net sales are projected to decrease owing to the sell-off of RC Japan Co., Ltd.

Operating Income **¥1,910 million (up 19.0%)**

Operating income is forecast to increase mainly due to declines in miscellaneous costs and depreciation and amortization expenses in Ikspiari business.

(2) Analysis of Consolidated Financial Position

A. Assets, Liabilities and Net Assets

[Assets]

Total assets as of March 31, 2016 were ¥810,268 million (up 8.5% compared with the end of the previous fiscal year).
Current assets rose to ¥293,728 million (up 21.2%) due to an increase in cash and deposits.
Non-current assets climbed to ¥516,540 million (up 2.4%) due to an increase in investment securities owned by us.

[Liabilities]

Total liabilities as of March 31, 2016 were ¥185,327 million (up 1.5%).
Current liabilities increased to ¥119,095 million (up 2.4%) as a result of various factors, including a rise in advance received – other.
Non-current liabilities climbed to ¥66,232 million (up 0.0%).

[Net Assets]

Total net assets as of March 31, 2016 were ¥624,941 million (up 10.8%) due to various factors, including a growth in retained earnings owing to increased profit attributable to owners of parent. Net worth ratio stood at 77.1% (up 1.5 points).

B. Cash Flows

Despite increases in net cash provided by operating activities, the balance of cash and cash equivalents at the end of the fiscal year under review was ¥86,636 million (a decrease of ¥19,642 million compared with the end of the previous fiscal year) owing to decreases in net cash used in investing activities and financing activities.

[Net Cash Provided by Operating Activities]

Net cash from operating activities increased to ¥110,910 million (a growth of ¥5,397 million) due to factors including a decrease in income taxes paid.

[Net Cash Used in Investing Activities]

Net cash used in investing activities was ¥118,754 million (a decrease of ¥50,653 million) due to factors that including an increase of payments into time deposits.

[Net Cash Used in Financing Activities]

Net cash used in financing activities was ¥11,814 million (a decrease of ¥707 million) due to factors such as a decline in proceeds from issuance of bonds.

C. Indicators of Financial Position

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net worth ratio (%)	61.8	65.9	74.3	75.6	77.1
Net worth ratio on market value basis (%)	119.4	195.1	197.3	407.0	328.7
Debt/equity ratio (times)	0.39	0.29	0.12	0.10	0.09
Interest-bearing debt to cash-flow ratio (%)	165.6	134.8	48.4	54.8	51.8
Interest coverage ratio (times)	46.5	52.2	130.2	181.0	510.0

Notes:

- All indicators are calculated on a consolidated basis.
- Net worth ratio: Equity capital/Total assets
- Net worth ratio on market value basis: Total market value of stock*/Total assets
  * Total market value of stock is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing stock price at the end of the period.
- Debt/equity ratio: Interest-bearing debt*/ Equity capital
  * Interest-bearing debt includes all liabilities stated on the balance sheet on which interest is paid.
- Interest-bearing debt to cash flow ratio: Interest-bearing debt*/Cash flows from operating activities
  * Interest-bearing debt: Same as above
- Interest coverage ratio: Cash flows from operating activities/Interest paid*
  * Interest paid is as stated on the consolidated statement of cash flows.

(3) Basic Policy on Distribution of Profit and Dividends for the Fiscal Years Ended March 31, 2016 and Ending March 31, 2017

The OLC Group recognizes that returning profits to its stockholders is an important management policy.

We will set the year-end dividend for the fiscal year ended March 31, 2016 at ¥17.50 per share and the total cash dividends for the fiscal year at ¥35.00 per share. We plan to keep total dividend at ¥35.00 per share for the fiscal year ending March 31, 2017.

We will continue to provide a steady payout of cash dividends while also taking the external environment into consideration.

2. Outline of the Oriental Land Group ("OLC Group")

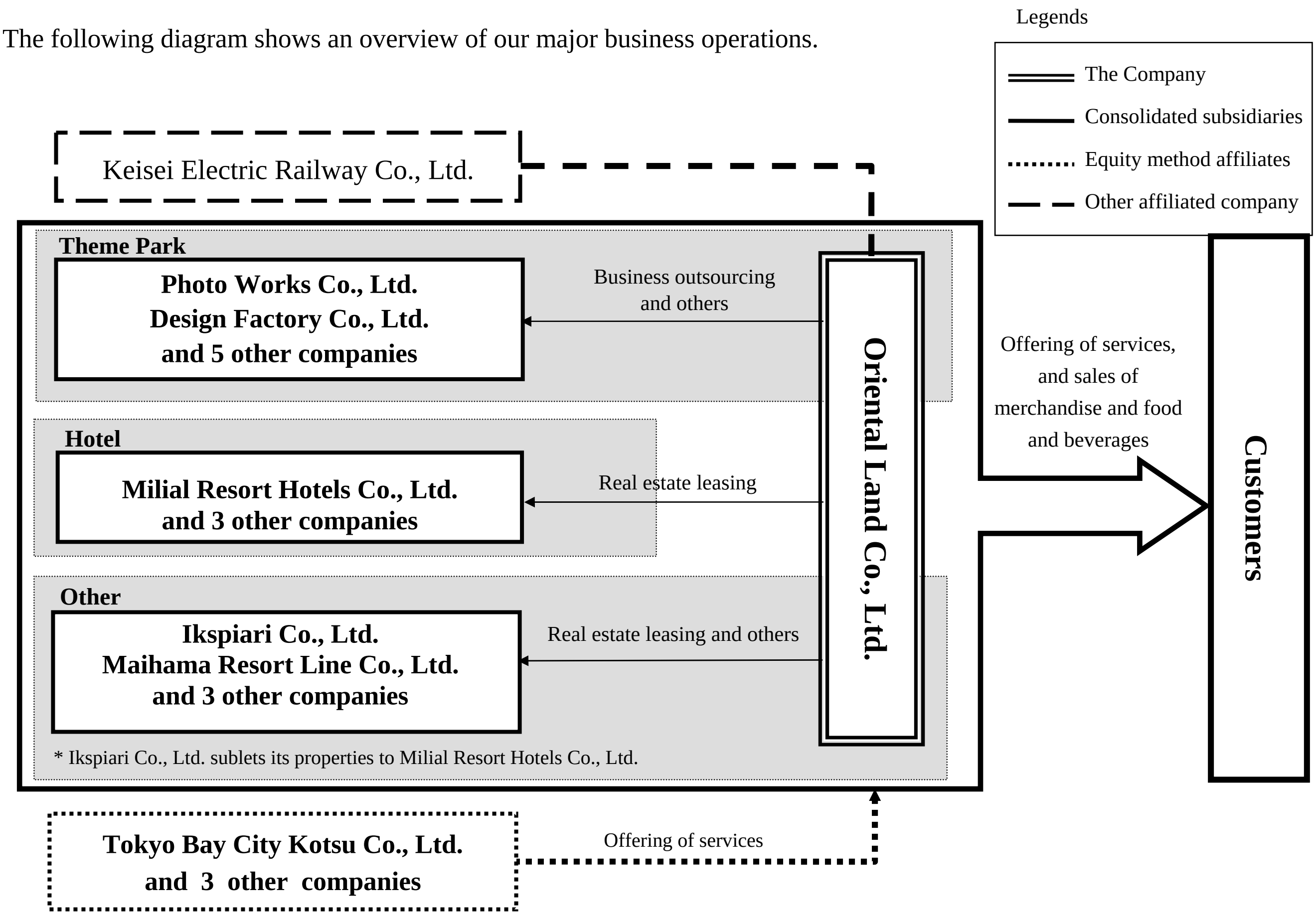
The OLC Group includes Oriental Land Co., Ltd, (the "Company"), 16 consolidated subsidiaries, 4 affiliated companies and 1 other affiliated company, with the main businesses being the management and operation of theme parks and hotels.

The main operations of each business segment and the main affiliates and other companies of the Company conducting each business during the period under the review were as follows:

		Main Operations	Main Companies (Note)
Segments	Theme Park	Management and operation of theme parks	Oriental Land Co., Ltd. (listed company) and 7 other companies
	Hotel	Management and operation of hotels	Milial Resort Hotels Co., Ltd. and 3 other companies
Other		Management and operation of Ikspiari Management and operation of monorail, and others	Ikspiari Co., Ltd. Maihama Resort Line Co., Ltd. And 4 other companies

Note: Company names and numbers of companies listed in the Main Companies column all refer to consolidated subsidiaries except Oriental Land Co., Ltd.

The following diagram shows an overview of our major business operations.



3. Management Policies

(1) Corporate Mission and Policies

With a corporate mission to "create happiness and contentment by offering wonderful dreams and moving experiences created with original, imaginative ideas," the OLC Group continues to be an organization that is widely loved and popular among people from Japan, Asia and the wider world. We aim to increase its corporate value over the long term by maximizing the cash flow that is generated as a result of its ability to earn the trust and understanding of all stakeholders.

Tokyo Disney Resort is our core business. In addition to its role as a key element within the Tokyo Bay area, the resort aims to continue bringing happiness for another 50 or 100 years time.

(2) Medium- and Long- Term Strategies, Management Indicators and Issues

In the fiscal year under review, we upheld "OLC in 2023," a vision that shows the long-term management direction in line with the current situation of OLC Group and changes in the market. In addition, we have been implementing the 2016 Medium-term Plan covering the first three years (fiscal year ended March 2015 through fiscal year ending March 2017) of our endeavor toward "OLC in 2023."

In the 2014 statement, "OLC in 2023," the year 2023 was set as the target for achieving a constant attendance level of over 30 million attendance annually with guest satisfaction. Owing in part to the faster-than-expected increase in attendance since fiscal year 2014, the target has been brought forward to the fiscal year 2020 and a portion of the previously announced a development plan has been reconsidered accordingly.

Moreover, regarding plans for further growth through new business other than the Tokyo Disney Resort business, We will continue planning for a new and separate business segment that is not constrained by a specific timeframe.

Long-term sustainable growth in core business (Tokyo Disney Resort Business)

Maximizing theme park value by making full use of land in Maihama

For Tokyo Disneyland, the new development plans will apply to all seven themed lands, including Fantasyland. An area-based development for each themed land, to take place in stages, is intended to leave a lasting impact on the park. The plans for Tokyo DisneySea are designed for the park to achieve a significant breakthrough as the only Disney park themed to the sea. With the utilization of multiple expansion sites, we aim to create an environment with a higher degree of guest satisfaction from a qualitative as well as quantitative standpoint.

In addition, we intend to 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.

[Formulation of a business foundation in line with upcoming changes in the market]

Toward formulating a business foundation in line with upcoming market changes such as an increase in the middle-and-older-aged population and the number of inbound foreign travelers, we will strive to maximize theme park value.

About the rise in the middle-and-older-aged population is an imperative factor with regard to the further growth of the "family" market. Especially we recognize existing guests who are reaching middle and older age as the growth opportunities resulting in more diversified and expanded types of groups.

We will primarily focus on attracting family groups of various forms and ages, and expand products catered to family guests including younger age guests, a category offering high potential of being a foundation of our future guests. In addition, we will create an environment for the middle-and-older-aged guests.

Moreover, mainly by creating an acceptance environment, we will aim to attract as many overseas guests as possible.

[Investment aimed at maximizing theme park value]

Through continued investment of about ¥50 billion annually in the large-scale development of new areas of the parks and new major attractions, as well as in enhancing the guest services and facilities, We will continue to improve the two parks in a variety of ways. Tokyo Disneyland and Tokyo DisneySea will continue to evolve with unforgettable theme park experiences that are unlike anywhere else in the world.

Toward the fiscal year 2020, at Tokyo Disneyland, Grand Circuit Raceway, StarJets and some food facilities and shops currently in Tomorrowland will close permanently to make way for the proposed redevelopment. The expansion of Fantasyland will include a theater for live performances and a new area anchored by a major attraction themed to *Beauty and the Beast*. In neighboring Tomorrowland and Toontown, a new attraction and a Disney Character greeting facility will be opened in each themed land respectively. Total investment for the development of the new area and facilities is expected to be about ¥75 billion. In addition, plans are being developed for new versions of current attractions and entertainment programs.

At Tokyo DisneySea, a large scale, simulator type attraction will open at Mediterranean Harbor. In addition, plans are being developed for new versions of current attractions and entertainment programs.

In addition to these investments, we aim the higher attendance level with the higher degree of guest satisfaction by expanding the products catered to family guest and creating more comfortable environments in theme parks.

[Human resource development]

We will expand the systems to educate and train Cast Members, thus raising their level of knowledge and skills for providing services to guests, and together with communication measures and enriched award systems, will further promote the creation of work environments where Cast Members can sense their own growth and feel satisfaction in their work. Through these efforts, Cast Members, who play an essential role in Disney parks, will be able to offer guests an even higher level of hospitality.

2016 Medium-term Plan

Under the 2016 Medium-term Plan, we will embark on measures to achieve long-term sustainable growth in our core business and further growth through new business.

Our quantitative target is to achieve operating cash flow*of over ¥280.0 billion in a three-year period. We will endeavor to maximize operating cash flow to make large-scale investments in our core business and fund investments in new business. The above quantitative target is about 5% higher than the figure recorded for the three-year period under the 2013 Medium-term Plan (from fiscal year ended March 2012 to fiscal year ended March 2014). For the fiscal year ended March 2015, the first year covered by the 2016 Medium-term Plan, operating cash flow reached ¥106.7 billion, for the fiscal year ended March 2016, was ¥109.9 billion, and for the fiscal year ending March 2017, operating cash flow is projected to be ¥115.0 billion, which is exceeding our target.

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

(i) Long-term sustainable growth in core business

While seeking to build a business foundation in line with upcoming changes in the market, we will strive to maximize operating cash flow. We will decide on and sequentially launch large-scale investment projects and other measures that help us maximize the value of our theme parks.

[Target]

Seeking to build a business foundation in line with upcoming changes in the market, we will place special focus on attracting “all kinds of families including parents and children, couples, and multigenerational extended families.” In particular, we will reinforce our measures to draw in “families with children” and “middle-aged couples whose children have grown up,” while also striving to be more prepared to welcome guests from overseas. By implementing the following strategies for these target guest categories, we will aim to enhance our earning power and capacity to attract guests.

[Enhance theme park value]

Based on our focus on new development and the scrap & build strategy, we will introduce new products in phases and proceed with initiatives to create a more comfortable and satisfying environment in an effort to enhance the value of our theme parks. In fiscal year ended March 2016, at Tokyo Disneyland, we launched a renewed version of the nighttime parade, “Tokyo Disneyland Electrical Parade Dreamlights,” on July 9, 2015 and a new attraction, “Stitch Encounter,” on July 17, 2015. At Tokyo DisneySea, we opened the renovated “Mermaid Lagoon Theater” and rolled out a new musical show titled “King Triton’s Concert” on April 24, 2015. In fiscal year ending March 2017, at Tokyo DisneySea, “Tokyo DisneySea 15th Anniversary: The Year of Wishes” will be held from April 15, 2016 and a brand new show, “Crystal Wishes Journey” will be presented exclusively during the 15th anniversary period. Furthermore, “Big Band Beat,” a show presented at the Broadway Music Theatre, will debut after being re-imagined while a new musical show, “Out of Shadowland,” will premiere on July 9, 2016 at the Hangar Stage in Lost River Delta.

In addition, we will decide on and sequentially launch large-scale investment projects and other measures that help us maximize the value of our theme parks.

[Increase theme park attendance by stabilizing attendance levels]

By rolling out special events in combination with marketing activities, we will strengthen our capacity to attract guests during the low-demand periods of the first and fourth quarters with the aim of stabilizing and enhancing theme park attendance. During the fiscal year ended March 2016, “Disney Easter” was delivered at both theme parks in the first quarter and “Anna and Elsa’s *Frozen* Fantasy” was rolled out in the fourth quarter for the second consecutive year. We will continue our efforts to increase theme park attendance by stabilizing attendance levels.

[Pricing strategy that reflects experience value]

By creating new value and setting prices strategically, we will aim to increase guest spending in the medium and long term. To reflect the positive result of our efforts to enhance theme park value, we revised ticket prices on April 1, 2015 for the first time in four years excluding the revision made at the time of the consumption tax hike. In addition, we revised ticket prices on April 1, 2016.

[Be more prepared to welcome overseas guests]

We will continue to aim at attracting every possible overseas traveler by strengthening our appeal to overseas guests and enhancing experience value by improving both our tangible and intangible features so as to be more prepared to welcome overseas guests, thereby raising our level of hospitality toward them.

(ii) Further growth through new business

We will conduct research and investigations into projects with the potential to contribute to future earnings outside the Maihama area.

(iii) Financial policies

We will use operating cash flow (and interest-bearing debt if necessary) for future growth, resulting in the realization of further growth of operating cash flow.

[Shareholder returns]

We will continue to attach importance to shareholder returns and aim for a steady payout of cash dividends while taking into account external factors. Also, we will continue to aim for an ROE of at least 8% by achieving earnings growth and directly returning profits to our shareholders.

4. Basic policy on the selection of accounting standards

As the OLC Group is not engaged in global business operations or capital procurement, its consolidated financial statements are formulated based on Japanese accounting standards.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	At the end of the previous fiscal year (March 31, 2015)	At the end of the fiscal year (March 31, 2016)
ASSETS		
Current assets		
Cash and deposits	149,779	209,138
Notes and accounts receivable—trade	24,696	25,740
Securities	41,499	32,999
Merchandise and finished goods	11,627	10,206
Work in process	130	71
Raw materials and supplies	5,584	6,836
Deferred tax assets	6,235	5,604
Other	2,778	3,134
Allowance for doubtful accounts	(2)	(2)
Total current assets	242,330	293,728
Non-current assets		
Property, plant and equipment		
Buildings and structures	630,897	645,113
Accumulated depreciation	(354,925)	(370,373)
Buildings and structures, net	275,971	274,739
Machinery, equipment and vehicles	252,923	258,317
Accumulated depreciation	(225,596)	(227,531)
Machinery, equipment and vehicles, net	27,327	30,785
Land	110,379	110,391
Construction in progress	13,842	9,072
Other	77,697	84,421
Accumulated depreciation	(68,681)	(70,358)
Other, net	9,016	14,063
Total property, plant and equipment	436,537	439,052
Intangible assets		
Goodwill	743	495
Other	10,354	10,429
Total intangible assets	11,098	10,925
Investments and other assets		
Investment securities	47,413	55,440
Net defined benefit asset	3,179	3,566
Deferred tax assets	874	1,279
Other	5,320	6,361
Allowance for doubtful accounts	(113)	(85)
Total investments and other assets	56,675	66,562
Total non-current assets	504,311	516,540
Total assets	746,641	810,268

(Millions of yen)

	At the end of the previous fiscal year (March 31, 2015)	At the end of the fiscal year (March 31, 2016)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	18,835	18,723
Current portion of long-term loans payable	4,461	4,257
Income taxes payable	21,181	20,660
Provision for loss on disaster	83	12
Other	71,722	75,441
Total current liabilities	116,284	119,095
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	3,365	2,842
Net defined benefit liability	3,185	4,101
Other	9,676	9,288
Total non-current liabilities	66,227	66,232
Total liabilities	182,511	185,327
NET ASSETS		
Shareholders’ equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,911
Retained earnings	418,716	480,925
Treasury shares	(46,863)	(46,721)
Total shareholders’ equity	546,966	609,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,107	14,362
Deferred gains or losses on hedges	4	(585)
Remeasurements of defined benefit plans	2,051	1,847
Total accumulated other comprehensive income	17,162	15,624
Total net assets	564,129	624,941
Total liabilities and net assets	746,641	810,268

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Net sales	466,291	465,353
Cost of sales	295,924	294,217
Gross profit	170,367	171,135
Selling, general and administrative expenses	59,762	63,778
Operating income	110,605	107,357
Non-operating income		
Interest income	407	575
Dividends income	503	629
Shares of profit of entities accounted for using equity method	132	147
Insurance received and insurance dividends	571	475
Gain on donation of non-current assets	1	399
Other	922	758
Total non-operating income	2,539	2,986
Non-operating expenses		
Interest expenses	486	217
Commission fee	687	532
Other	1,484	379
Total non-operating expenses	2,658	1,129
Ordinary income	110,486	109,214
Extraordinary income		
Gain on sales of investment securities	—	130
Total extraordinary income	—	130
Extraordinary losses		
Loss on sales of shares of subsidiaries and associates	—	210
Total extraordinary losses	—	210
Profit before income taxes	110,486	109,135
Income taxes—current	38,422	34,518
Income taxes—deferred	0	687
Total income taxes	38,422	35,206
Profit	72,063	73,928
Profit attributable to owners of parent	72,063	73,928

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Profit	72,063	73,928
Other comprehensive income		
Valuation difference on available-for-sale securities	9,093	(744)
Deferred gains or losses on hedges	4	(589)
Remeasurements of defined benefit plans, net of tax	1,700	(204)
Total other comprehensive income	10,797	(1,538)
Comprehensive income	82,860	72,390
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	82,860	72,390
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets

Fiscal Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	63,201	111,860	358,955	(46,684)	487,332
Cumulative effects of changes in accounting policies		51	(1,418)	(366)	(1,733)
Restated balance	63,201	111,911	357,536	(47,051)	485,598
Changes of items during period					
Dividends of surplus			(10,883)		(10,883)
Profit attributable to owners of parent			72,063		72,063
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				188	188
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	61,180	187	61,368
Balance at end of current period	63,201	111,911	418,716	(46,863)	546,966

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	6,014	—	350	6,365	493,697
Cumulative effects of changes in accounting policies					(1,733)
Restated balance	6,014	—	350	6,365	491,963
Changes of items during period					
Dividends of surplus					(10,883)
Profit attributable to owners of parent					72,063
Purchase of treasury shares					(0)
Disposal of treasury shares					188
Net changes of items other than shareholders' equity	9,093	4	1,700	10,797	10,797
Total changes of items during period	9,093	4	1,700	10,797	72,165
Balance at end of current period	15,107	4	2,051	17,162	564,129

Fiscal Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	63,201	111,911	418,716	(46,863)	546,966
Changes of items during period					
Dividends of surplus			(11,720)		(11,720)
Profit attributable to owners of parent			73,928		73,928
Purchase of treasury shares				(22)	(22)
Disposal of treasury shares				164	164
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	62,208	141	62,350
Balance at end of current period	63,201	111,911	480,925	(46,721)	609,317

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	15,107	4	2,051	17,162	564,129
Changes of items during period					
Dividends of surplus					(11,720)
Profit attributable to owners of parent					73,928
Purchase of treasury shares					(22)
Disposal of treasury shares					164
Net changes of items other than shareholders' equity	(744)	(589)	(204)	(1,538)	(1,538)
Total changes of items during period	(744)	(589)	(204)	(1,538)	60,812
Balance at end of current period	14,362	(585)	1,847	15,624	624,941

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)	Fiscal Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	110,486	109,135
Depreciation	34,637	35,982
Amortization of goodwill	247	247
Increase (decrease) in provision	(30)	(98)
Increase (decrease) in net defined benefit liability	285	687
Interest and dividend income	(911)	(1,204)
Interest expenses	486	217
Foreign exchange losses (gains)	44	(15)
Shares of (profit) loss of entities accounted for using equity method	(132)	(147)
Losses (gains) on sales of investment securities	―	(130)
Losses (gains) on sales of shares of subsidiaries and affiliates	―	210
Decrease (increase) in notes and accounts receivable—trade	(3,749)	(1,001)
Decrease (increase) in inventories	(2,732)	205
Increase (decrease) in notes and accounts payable—trade	129	(1,399)
Increase (decrease) in accrued consumption taxes	3,921	(3,839)
Other, net	6,953	6,455
Subtotal	149,635	145,304
Interest and dividend income received	870	1,158
Interest expenses paid	(583)	(217)
Income taxes paid	(44,409)	(35,334)
Net cash provided by (used in) operating activities	105,513	110,910
Cash flows from investing activities		
Payments into time deposits	(95,000)	(170,500)
Proceeds from withdrawal of time deposits	70,000	95,000
Purchase of securities	(17,499)	(29,000)
Proceeds from redemption of securities	7,510	32,999
Purchases of property, plant and equipment	(27,973)	(33,839)
Proceeds from sale of property, plant and equipment	7	19
Purchases of investment securities	(709)	(10,000)
Proceeds from sales of investment securities	―	481
Payments of loans receivable	(1)	―
Collection of loans receivable	350	3
Other, net	(4,784)	(3,918)
Net cash provided by (used in) investing activities	(68,100)	(118,754)
Cash flows from financing activities		
Proceeds from long-term loans payable	5,000	3,850
Repayments of long-term loans payable	(55,601)	(4,577)
Proceeds from issuance of bonds	49,852	―
Cash dividends paid	(10,844)	(11,666)
Purchases of treasury shares	(0)	(22)
Payments for long-term accounts payable—other	(5)	(14)
Other, net	491	617
Net cash provided by (used in) financing activities	(11,107)	(11,814)
Effect of exchange rate change on cash and cash equivalents	(44)	15
Net increase (decrease) in cash and cash equivalents	26,261	(19,642)
Cash and cash equivalents at beginning of period	80,017	106,279
Cash and cash equivalents at end of period	106,279	86,636