

Results for the Second Quarter of the Fiscal Year Ending March 31, 2017

October 28, 2016
Oriental Land Co., Ltd.

I. Financial Results

Kenji Yoshida
Officer of Finance/Accounting Department

1. Results for the First Half Year Ended 9/16 / Same Period of Previous FY

Consolidated Statement of Income	Results for the 1st Half Ended 9/15 [¥ billion]	Results for the 1st Half Ended 9/16 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	222.0	227.5	5.4	2.5%
Theme Park Segment	182.5	187.6	5.0	2.8%
Hotel Business Segment	30.5	31.3	0.7	2.5%
Other Business Segment	8.8	8.5	(0.3)	(3.7)%
Operating Income	52.1	53.2	1.1	2.2%
Theme Park Segment	43.9	45.7	1.7	4.1%
Hotel Business Segment	7.1	6.1	(0.9)	(12.8)%
Other Business Segment	0.9	1.2	0.2	23.9%
Ordinary Income	53.2	54.3	1.0	2.0%
Profit attributable to Owners of Parent	35.9	38.1	2.1	6.0%

Both net sales and operating income grew because theme park segment was especially strong

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1. Main Reasons for Change [1st Half / Same Period of Previous FY]

Theme Park Segment [1]	Results for the 1st Half Ended 9/15	Results for the 1st Half Ended 9/16	Change	Change [%]
Net Sales [¥ billion]	182.5	187.6	5.0	2.8%
Theme Park Attendance [million people]	14.37	14.32	(0.04)	(0.3)%
Net Sales per Guest [¥]	11,185	11,514	329	2.9%
Ticket receipts	4,925	5,156	231	4.7%
Merchandise	3,945	4,071	126	3.2%
Food and beverages	2,315	2,288	(27)	(1.2)%

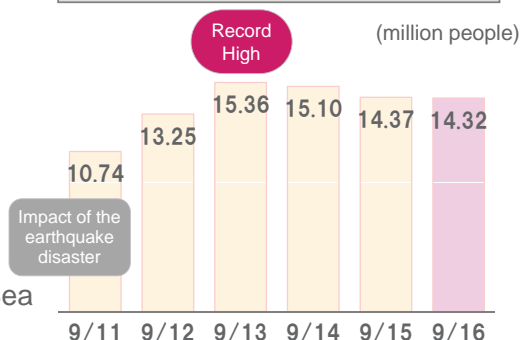
Stay the same level of the attendance

- On a par with the same period of the previous fiscal year despite unfavorable weather

Increase in net sales per guest

- Increase in ticket receipts
 - Increase thanks to ticket price revision
- Increase in merchandise sales
 - Increase due to strong sales of Tokyo DisneySea 15th Anniversary related goods

Theme Park Attendance (1st Half)



Net sales rose due to the rise of net sales per guest

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1. Main Reasons for Change [1st Half / Same Period of Previous FY]

Theme Park Segment [2]	Results for the 1st Half Ended 9/15 [¥ billion]	Results for the 1st Half Ended 9/16 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	182.5	187.6	5.0	2.8%
Operating Income	43.9	45.7	1.7	4.1%

Increase in operating income

- Increase in net sales
 - Increase in net sales per guest
- Decrease in merchandise and food/beverages sales cost ratio +¥1.0 billion
- Increase in personnel expenses ¥(1.7 billion)
 - Increase due to revision of personnel system
- Increase in depreciation and amortization expenses ¥(1.7 billion)
- Increase in miscellaneous costs ¥(0.2 billion)
 - Increase in costs related to Tokyo DisneySea 15th Anniversary ¥(1.2 billion)
 - Decrease in costs for large-scale investment project, etc +¥1.1 billion

Operating income rose due mainly to the increase in net sales and drop in merchandise and food/beverages sales cost ratio

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1. Main Reasons for Change [1st Half / Same Period of Previous FY]

Hotel Business Segment	Results for the 1st Half Ended 9/15 [¥ billion]	Results for the 1st Half Ended 9/16 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	30.5	31.3	0.7	2.5%
Operating Income	7.1	6.1	(0.9)	(12.8)%

- Increase in miscellaneous expenses, such as opening costs of Tokyo Disney Celebration Hotel, etc

Occupancy Rates and Average Charge per Room

	Tokyo Disneyland Hotel		Tokyo DisneySea Hotel MiraCosta		Disney Ambassador Hotel	
	9/15	9/16	9/15	9/16	9/15	9/16
Occupancy rates	96-99%	About 95%	91-94%	96-99%	About 90%	About 90%
Average charge per room	About ¥55,000	About ¥60,000	About ¥55,000	About ¥65,000	About ¥50,000	About ¥50,000

Operating income decreased due to rise in miscellaneous costs despite an increase in net sales

Other Business Segment	Results for the 1st Half Ended 9/15 [¥ billion]	Results for the 1st Half Ended 9/16 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	8.8	8.5	(0.3)	(3.7)%
Operating Income	0.9	1.2	0.2	23.9%

Operating income rocketed due to decrease in miscellaneous costs and depreciation and amortization expenses in Ikspiari business

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2. Results for the First Half Year Ended 9/16 / Initial Forecast

Consolidated Statement of Income	Initial Forecast for 1st Half Ended 9/16 [¥ billion]	Results for the 1st Half Ended 9/16 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	230.0	227.5	(2.4)	(1.1)%
Theme Park Segment	190.4	187.6	(2.7)	(1.5)%
Hotel Business Segment	31.3	31.3	(0.0)	(0.2)%
Other Business Segment	8.2	8.5	0.3	4.3%
Operating Income	48.4	53.2	4.8	9.9%
Theme Park Segment	41.7	45.7	3.9	9.4%
Hotel Business Segment	5.6	6.1	0.5	9.8%
Other Business Segment	0.9	1.2	0.2	31.6%
Ordinary Income	49.6	54.3	4.7	9.6%
Profit attributable to Owners of Parent	34.3	38.1	3.7	10.9%

Each income surpassed the projected level despite decrease in net sales for the theme park segment

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2. Main Reasons for Change [1st Half / Initial Forecast]

Theme Park Segment	Initial Forecast for the 1st Half Ended 9/16 [¥ billion]	Results for the 1st Half Ended 9/16 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	190.4	187.6	(2.7)	(1.5)%
Operating Income	41.7	45.7	3.9	9.4%

Increase in operating income

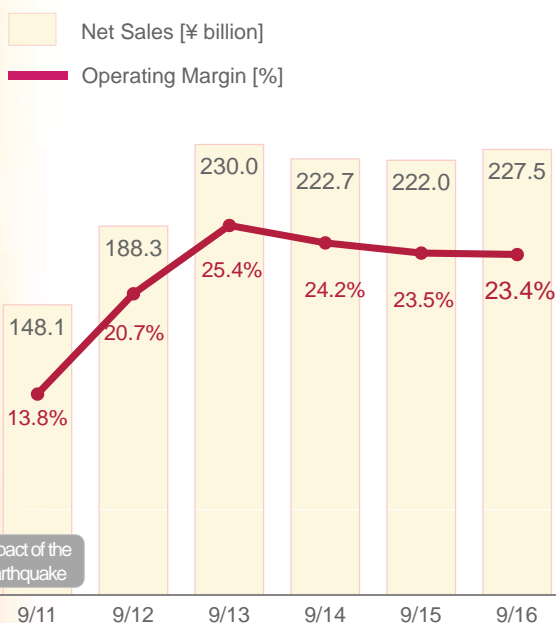
- Decrease in net sales
 - Drop in theme park attendance owing to unfavorable weather conditions, etc.
- Drop in merchandise and food/beverages sales cost ratio about ¥1.5 billion
- Decrease in miscellaneous costs about +¥4.0 billion
 - Postponement of costs to the 2nd half of the year, etc. about +¥2.5 billion

Operating income outperformed due to the costs were lower than expected, while net sales declined

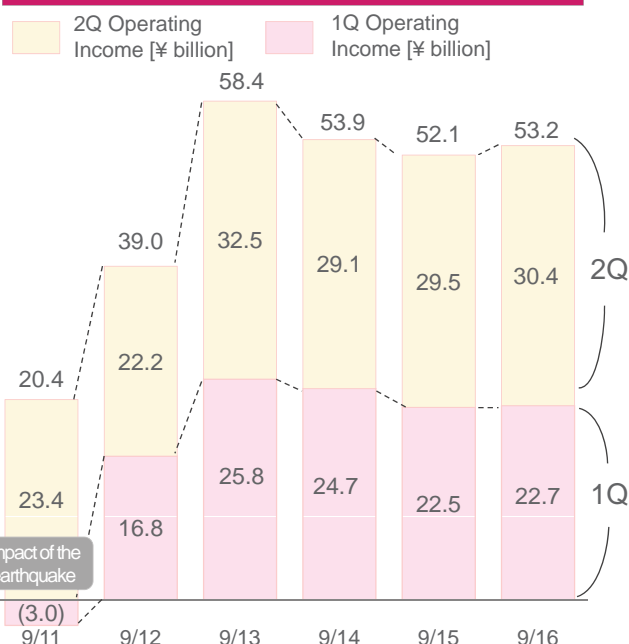
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3. Results for the First Half Year – Changes in Results

Consolidated Net Sales and Operating Margin [1st Half]



Quarterly Consolidated Operating Income [1st Half]



Net sales and operating income achieved the second highest and the third highest, respectively

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4. Forecast for FY Ending 3/17 / Results for FY Ended 3/16

Consolidated Statement of Income	Results for the Full FY 3/16 [¥ billion]	Initial Forecast for the Full FY 3/17 [¥ billion]	Change [¥ billion]	Change [%]
Net Sales	465.3	479.9	14.5	3.1%
Theme Park Segment	384.6	397.3	12.7	3.3%
Hotel Business Segment	63.1	65.9	2.7	4.4%
Other Business Segment	17.5	16.6	(0.9)	(5.4)%
Operating Income	107.3	109.1	1.7	1.6%
Theme Park Segment	91.6	93.0	1.3	1.5%
Hotel Business Segment	13.8	13.9	0.1	1.1%
Other Business Segment	1.6	1.9	0.3	19.0%
Ordinary Income	109.2	110.5	1.2	1.2%
Profit attributable to Owners of Parent	73.9	76.8	2.9	4.0%
Theme Park Attendance [million people]	30.19	30.40	0.2	0.7%
Net Sales per Guest [¥]	11,257	11,540	283	2.5%
Capital Expenditure* [¥ billion]	39.7	69.9	30.2	76.1%
Depreciation and Amortization* [¥ billion]	35.9	38.1	2.1	5.9%

* For the breakdown, please refer to "Supplementary Materials".

Forecast for the full year stays unchanged

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II. Progress of 2016 Medium-Term Plan

Overall Structure of the 2016 Medium-Term Plan

Quantitative Target:

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.

1

**Sustainable growth
of
the 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 that help us maximize the value of our theme parks

2

**Further growth
through new
business**

- We will move forward our research and development of a business with the potential to contribute to our future earnings outside the Maihama area

3

Financial policies

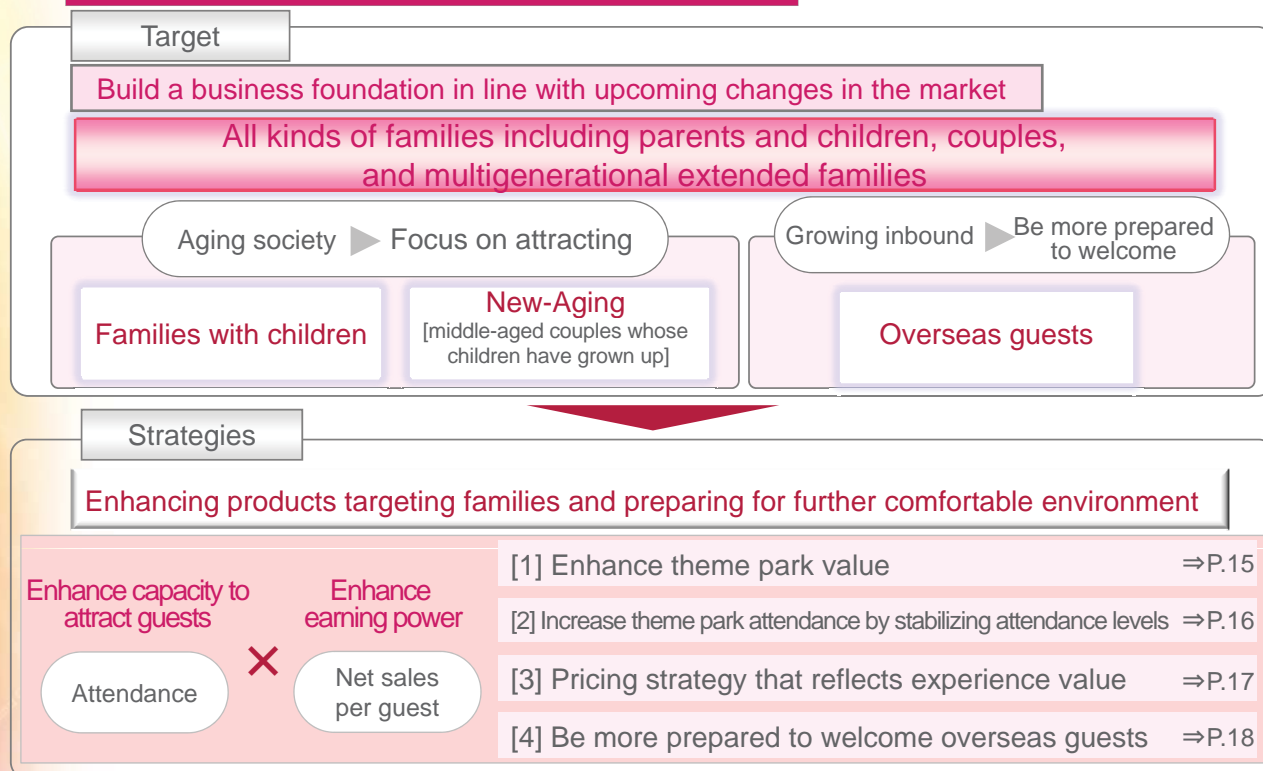
- We will use operating cash flow to enhance our corporate value

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

Operating cash flow and capital expenditure



Outline of strategy for the core business



1. Sustainable Growth of the Core Business

[1] Enhance theme park value

Main new products

Once Upon a Time [Investment amount Approx. ¥2.0 billion]
Started on **May 29, 2014** [New night entertainment using projection mapping]

Jungle Cruise: Wildlife Expedition [Investment amount Approx. ¥1.6 billion]
Opened on **September 8, 2014** [With new effects and music]

New show viewing area in Mediterranean Harbor [Investment amount Approx. ¥2.5 billion]
Opened on **March 1, 2015**

King Triton's Concert at Mermaid Lagoon Theater [Investment amount Approx. ¥4.0 billion]
Started on **April 24, 2015** [New musical show based on the film *The Little Mermaid*]

Renewed Tokyo Disneyland Electrical Parade *Dreamlights*
[Investment amount Approx. ¥2.0 billion]
Started on **July 9, 2015** [New float based on the film *Tangled* will be added, etc.]

Stitch Encounter [Investment amount Approx. ¥2.0 billion]
Opened on **July 17, 2015** [Theater-type attraction offering interactive communication with Stitch]

Out of Shadowland at Hangar Stage [Investment amount Approx. ¥3.5 billion]
Started on **July 9, 2016** [New musical show based on the original story]

Woodchuck Greeting Trail in Westernland
[Investment amount Approx. ¥3.0 billion, including a new restaurant]
Scheduled to open in **November 22, 2016**

Nemo & Friends SeaRider [Investment amount Approx. ¥5.0 billion]
Scheduled to open in **May 12, 2017** [Attraction themed to *Finding Nemo* series]

New at
Tokyo Disneyland

New at
Tokyo DisneySea

We will decide on and sequentially launch large-scale investment projects to maximize the value of our theme parks

*Plans announced as of October 28, 2016



Further enhance value of theme park toward long-term sustainable growth

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1. Sustainable Growth of the Core Business

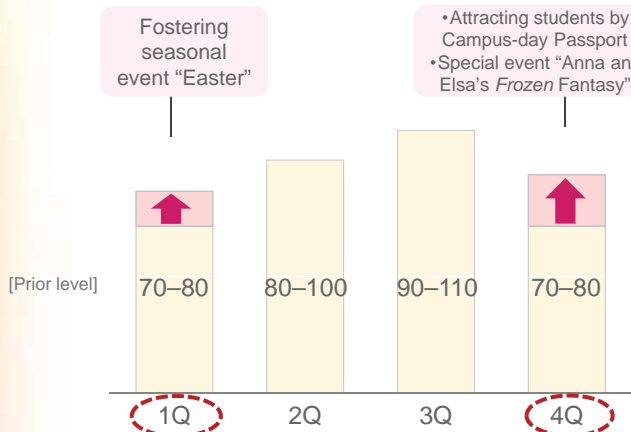
[2] Increase theme park attendance by stabilizing attendance levels

Increase theme park attendance in 1Q and 4Q

Strengthen our capacity to attract guests by rolling out special events in combination with marketing activities

Quarterly net sales in theme park segment

[¥ billion]



Robust attendance in 1Q and 4Q driven by special events, etc.

The first quarter

Tokyo Disneyland (Tokyo DisneySea)

Disney's Easter

[From March 25 to June 15, 2016, for 83 days at one park]
[From April 4 to June 14, 2017, for 72 days at both parks]

Aim to foster the event as popular and well-known seasonal event as Halloween and Christmas

The fourth quarter

Tokyo Disneyland

Anna and Elsa's *Frozen* Fantasy

[From January 13 to March 17, 2017, for 64 days]
[From January 11 to March 19, 2018, for 68 days]

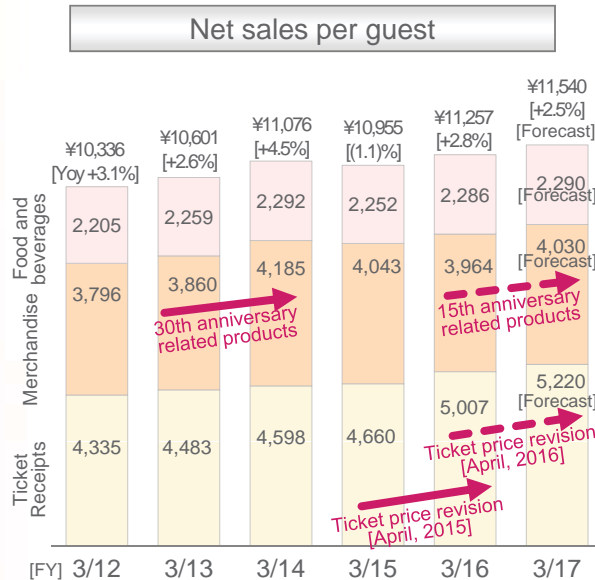
Holding a special event under the theme of the Disney film *Frozen*

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1. Sustainable Growth of the Core Business

[3] Pricing strategy that reflects experience value

Increase guest spending by creating new value and setting prices strategically



Increase in ticket receipts

Ticket price revision

[From April 1, 2015]

1-Day Passport [Adult]

¥6,400 → ¥6,900

[From April 1, 2016]

1-Day Passport [Adult]

¥6,900 → ¥7,400

Raising the prices of the all ticket types for two consecutive year to appropriately reflect the value of the theme parks

Revised ticket prices to reflect theme park value

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1. Sustainable Growth of the Core Business

[4] Be more prepared to welcome overseas guests

Enhance experience value

Aim to enhance experience value by improving both our tangible and intangible features so as to be more prepared to welcome overseas guests

Strengthen our appeal

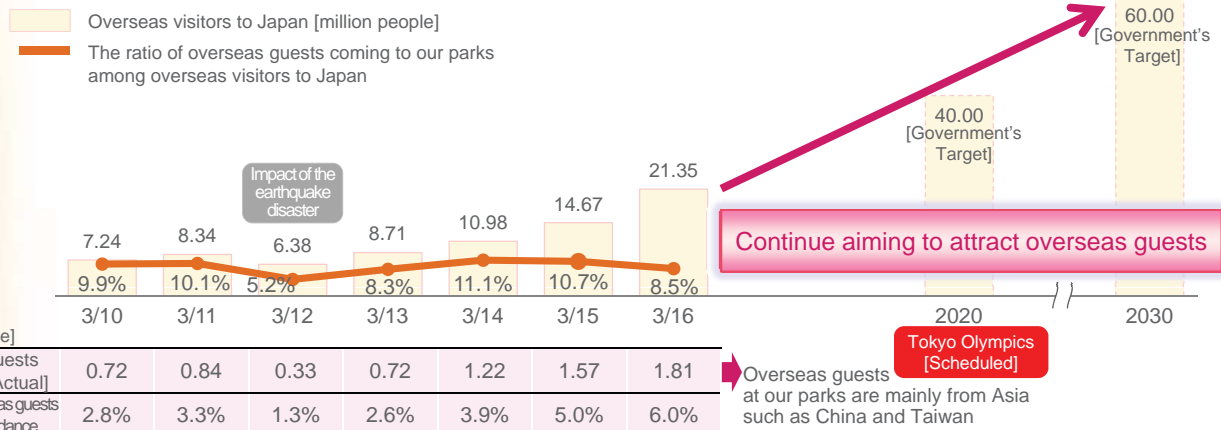
Strengthen marketing activities focusing on Southeast Asia, where growth is expected

Launched websites in Thai and Indonesian, in addition to English, Chinese, and Korean

Started sales of Vacation Packages for overseas guests from March 2016

The number of overseas visitors to Japan and the ratio of our parks' overseas guests among overseas visitors to Japan

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



Take advantage of the growth in foreign tourists visiting Japan and respond appropriately

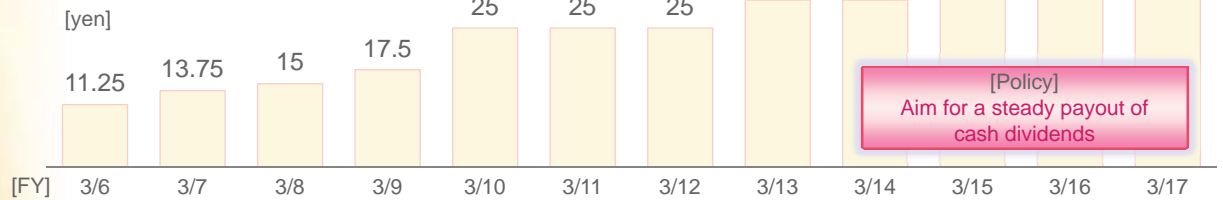
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2. Financial Policies

Policy: By using operating cash flow for further growth, strive to enhance corporate value

[1] Cash Dividends

Annual cash dividends per share

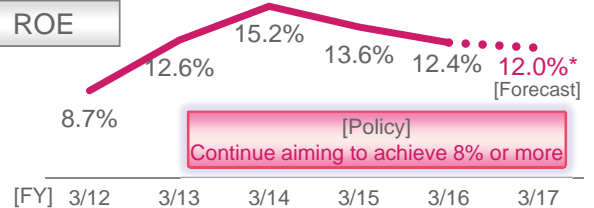


[2] Share Repurchase

Repurchased treasury shares

Acquisition Period	Number of repurchased Shares	Total value of repurchased shares
May 2016	2.9 million shares	21.2 billion yen

[3] ROE



*The figure is calculated on the basis that all of the number of shares to be purchased is executed.

Provide stockholder returns steadily

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【Reference】

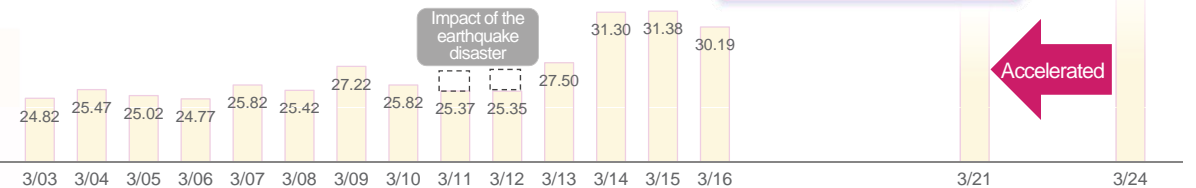
OLC in 2023

Aim to achieve 30 million level of attendance along with guest satisfaction by 2023 through maximizing theme park value by making full use of land in Maihama

Environment changes, such as increases in attendance level of recent years

The target to be brought forward

(million people)



Achieve a level of **30 million guests** with a higher degree of guest satisfaction by FY 3/21

Accelerated

Continue ¥50 billion level of investment annually

Achieving the target of “OLC in 2023” in FY 3/21, ahead of schedule

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Policy up to fiscal year 3/21

To achieve 30 million level of attendance with a higher degree of guest satisfaction by FY 3/21, OLC will continue to improve the parks in a variety of ways through large scale development and perfecting the guest services and facilities as well as human resource developments.

Development plans for Tokyo Disneyland and Tokyo DisneySea

Tokyo Disneyland	<ul style="list-style-type: none"> •Beauty and the Beast Area [tentative name] — Major attraction •Live Entertainment Theater •New Attraction themed to the Disney film, <i>Big Hero 6</i> •New Disney Character Greeting Facility 	¥75 billion level of investment for 5 years
Tokyo DisneySea	<ul style="list-style-type: none"> •“Out of Shadowland” at Hangar Stage •Nemo & Friends SeaRider •New Attraction at Mediterranean Harbor 	¥25 billion level of investment for 5 years
Both Parks	<ul style="list-style-type: none"> •Renewal of attractions and entertainment programs •Development of special events •Development of shops and restaurants •Development of other facilities, such as restrooms •Investment for update improvement 	¥30 billion level of investment per year

Partially reviewed our plan to accelerate the development

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Map of Areas to Be Developed <Tokyo Disneyland>



©Disney

Note: This concept image is not an exact representation of the development area of the facilities.

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New area Fantasyland Overall View



©Disney

Note: This concept image is subject to change.

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Beauty and the Beast Area [tentative name]

Village



Exterior of Major Attraction



©Disney

Note: These concept images are subject to change.

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Concept image of the guests experiencing the major attraction in Beauty and the Beast Area [tentative name]



©Disney

Note: This concept image is subject to change.

26

Live Entertainment Theater

Exterior



Interior



©Disney

Note: These concept images are subject to change.

27

Concept image of guests experiencing new attraction themed to the Disney film, *Big Hero 6*



©Disney

Note: This concept image is subject to change.

28

Concept image of guests experiencing
the new Disney Character greeting facility



©Disney

Note: This concept image is subject to change.

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Map of Area to Be Developed <Tokyo DisneySea>



©Disney

Note: This concept image is not an exact representation
of the development area of the facilities.

30

New Attraction at Mediterranean Harbor

Exterior of the attraction



Concept image of the guests experiencing the attraction



©Disney

Note: These concept images are subject to change.

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Future Development Plans

【Reference】

Policy for fiscal year 3/22 and after

1

Sustainable growth of the core business

Development plans for further growth of both parks

<Tokyo Disneyland>

The new plans will apply to all seven themed lands, including Fantasyland. An area-based development for each themed land is intended to leave a lasting impact on the park

<Tokyo DisneySea>

To achieve a significant breakthrough, the expansion of the existing site and utilization of new development sites will create an environment with a higher degree of guest satisfaction from a qualitative as well as quantitative standpoint



Continue ¥50 billion investment annually and increase the attendance level for a long term

2

Development of Tokyo Disney Resort

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

3

Further growth through new business

Plans for the new business aimed at growing it into a single business segment will continue to be considered in ways that are not constrained by specific timeframe



Broader investigation for long-term sustainable growth

Formulate policy from a long term perspective and embody plans as taking environment in consideration

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Oriental Land Co., Ltd.

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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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