

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

October 28, 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.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: November 11, 2016

Planned Date for Start of Dividend Payment: December 8, 2016

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 Second Quarter of the Fiscal Year Ending March 31, 2017 (April 1, 2016 to September 30, 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 (%)
Six months ended Sept. 30, 2016	227,535	2.5	53,269	2.2	54,367	2.0
Six months ended Sept. 30, 2015	222,037	(0.3)	52,147	(3.4)	53,289	(3.1)

Note: Comprehensive income:

Six months ended September 30, 2016: ¥33,322 million ((1.8)%)

Six months ended September 30, 2015: ¥33,948 million ((12.4)%)

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Diluted earnings per share (¥)
Six months ended Sept. 30, 2016	38,115	6.0	114.83	110.96
Six months ended Sept. 30, 2015	35,942	(1.1)	107.58	104.50

### (2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of September 30, 2016	789,127	631,266	80.0	1,905.38
As of March 31, 2016	810,268	624,941	77.1	1,870.10

Reference: Shareholders' equity:

As of September 30, 2016: ¥631,266 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	231.80

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

#### Notes

- (1) Changes in Major Subsidiaries during the Six Months Ended September 30, 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)

Six months ended September 30, 2016:	363,690,160 shares	Year ended March 31, 2016:	363,690,160 shares
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(b) Number of treasury stock at end of period

Six months ended September 30, 2016:	32,382,217 shares	Year ended March 31, 2016:	29,514,717 shares
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(c) Average number of shares outstanding (quarterly cumulative period)

Six months ended September 30, 2016:	331,937,022 shares	Six months ended September 30, 2015:	334,112,161 shares
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Notes: 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 Second 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 consolidated 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 second 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 second quarter (September 30, 2016)
	Amount	Amount
<b>ASSETS</b>		
Current assets		
Cash and deposits	209,138	209,193
Notes and accounts receivable—trade	25,740	16,030
Securities	32,999	19,998
Merchandise and finished goods	10,206	13,267
Work in process	71	113
Raw materials and supplies	6,836	6,894
Other	8,739	9,457
Allowance for doubtful accounts	(2)	(1)
Total current assets	293,728	274,953
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	274,739	273,856
Machinery, equipment and vehicles, net	30,785	29,208
Land	110,391	115,050
Construction in progress	9,072	9,842
Other, net	14,063	14,880
Total property, plant and equipment	439,052	442,837
Intangible assets		
Other	10,925	10,215
Total intangible assets	10,925	10,215
Investments and other assets		
Investment securities	55,440	49,715
Other	11,207	11,493
Allowance for doubtful accounts	(85)	(87)
Total investments and other assets	66,562	61,121
Total non-current assets	516,540	514,174
Total assets	810,268	789,127

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2016)	At the end of the second quarter (September 30, 2016)
	Amount	Amount
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable—trade	18,723	12,343
Current portion of long-term loans payable	4,257	3,961
Income taxes payable	20,660	16,395
Provision for loss on disaster	12	12
Other	75,441	59,707
Total current liabilities	119,095	92,419
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	2,842	2,786
Net defined benefit liability	4,101	4,289
Other	9,288	8,365
Total noncurrent liabilities	66,232	65,441
Total liabilities	185,327	157,861
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,911
Retained earnings	480,925	513,180
Treasury shares	(46,721)	(67,858)
Total shareholders' equity	609,317	620,435
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,362	10,347
Deferred gains or losses on hedges	(585)	(1,293)
Remeasurements of defined benefit plans	1,847	1,777
Total accumulated other comprehensive income	15,624	10,831
Total net assets	624,941	631,266
Total liabilities and net assets	810,268	789,127

**(2) Quarterly Consolidated Statements of (Comprehensive) Income**  
**(Quarterly Consolidated Statements of Income)**  
**Six months ended September 30, 2016**

(Millions of yen)

Items	Six months ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Net sales	222,037	227,535
Cost of sales	139,795	141,943
Gross profit	82,242	85,591
Selling, general and administrative expenses	30,094	32,321
Operating income	52,147	53,269
Non-operating income		
Interest income	267	235
Dividends income	403	423
Share of profit of entities accounted for using equity method	109	95
Insurance and dividends income	381	406
Other	522	445
Total non-operating income	1,683	1,606
Non-operating expenses		
Interest expenses	109	106
Commission fee	263	265
Other	169	138
Total non-operating expenses	541	509
Ordinary income	53,289	54,367
Extraordinary losses		
Loss on sales of shares of subsidiaries and associates	210	—
Total extraordinary losses	210	—
Profit before income taxes	53,079	54,367
Income taxes—current	15,139	15,648
Income taxes—deferred	1,997	603
Total income taxes	17,136	16,252
Profit	35,942	38,115
Profit attributable to owners of parent	35,942	38,115

**(Quarterly Consolidated Statements of Comprehensive Income)**  
**Six months ended September 30, 2016**

(Millions of yen)

Items	Six months ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Profit	35,942	38,115
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,002)	(4,015)
Deferred gains or losses on hedges	19	(707)
Remeasurements of defined benefit plans, net of tax	(11)	(69)
Total other comprehensive income	(1,994)	(4,792)
Comprehensive income	33,948	33,322
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,948	33,322
Comprehensive income attributable to non-controlling interests	—	—

### (3) Notes Regarding Going Concern Assumption: None

#### (4) Segment Information (Segment Information)

1. Six months ended September 30, 2015 (April 1, 2015 to September 30, 2015)

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

(Millions of yen)

	Reportable Segment			Other Business* <sup>1</sup>	Total	Adjustment* <sup>2</sup>	Amount stated on the Quarterly Consolidated Statements of Income* <sup>3</sup>
	Theme Park	Hotel	Total				
Net sales							
Sales to external customers	182,575	30,578	213,154	8,882	222,037	—	222,037
Intersegment sales or transfers	3,011	286	3,298	1,831	5,130	(5,130)	—
Total	185,587	30,865	216,453	10,714	227,167	(5,130)	222,037
Segment Income	43,939	7,103	51,043	998	52,041	105	52,147

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 105 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. Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)

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

(Millions of yen)

	Reportable Segment			Other Business* <sup>1</sup>	Total	Adjustment* <sup>2</sup>	Amount stated on the Quarterly Consolidated Statements of Income* <sup>3</sup>
	Theme Park	Hotel	Total				
Net sales							
Sales to external customers	187,647	31,334	218,981	8,553	227,535	—	227,535
Intersegment sales or transfers	3,202	312	3,514	1,837	5,352	(5,352)	—
Total	190,849	31,647	222,496	10,391	232,888	(5,352)	227,535
Segment Income	45,730	6,195	51,925	1,236	53,162	107	53,269

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 107 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