

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2019 (Japanese accounting standards)

April 25, 2019

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

Oriental Land Co., Ltd.

Code number: 4661, First Section of the Tokyo Stock Exchange

URL: <http://www.olic.co.jp/en/>

Representative: Kyoichiro Uenishi, Representative Director and President

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

Planned Date for Annual General Meeting of Stockholders: June 27, 2019

Planned Date for Submission of Securities Report (*Yuka shoken hokokusho*): June 27, 2019

Planned Date for Start of Dividend Payment: June 28, 2019

Supplementary materials for the financial statements: Yes

Briefing session on financial results: Yes (for institutional investors)

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

1. Consolidated Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(1) Consolidated Operating Results

(Percentages represent change compared with the previous fiscal year.)

	Net sales (¥ million)	Year-on-year change (%)	Operating profit (¥ million)	Year-on-year change (%)	Ordinary profit (¥ million)	Year-on-year change (%)
Fiscal Year ended March 31, 2019	525,622	9.7	129,278	17.2	129,439	15.9
Fiscal Year ended March 31, 2018	479,280	0.3	110,285	(2.5)	111,660	(2.6)

Note: Comprehensive income:

Fiscal year ended March 31, 2019: ¥93,754 million (10.3%)

Fiscal year ended March 31, 2018: ¥85,014 million (6.3%)

	Profit attributable to owners of parent (¥ million)	Year-on- year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)	Return on equity (%)	Ordinary profit/total assets (%)	Operating profit/total net sales (%)
Fiscal Year ended March 31, 2019	90,286	11.2	274.65	267.59	11.8	13.2	24.6
Fiscal Year ended March 31, 2018	81,191	(1.4)	246.70	236.50	11.7	12.7	23.0

Reference: Equity in earnings of affiliates:

Fiscal year ended March 31, 2019: ¥(349 million)

Fiscal year ended March 31, 2018: ¥109 million

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio(%)	Net assets per share (¥)
As of March 31, 2019	1,051,455	803,201	76.4%	2,442.97
As of March 31, 2018	910,673	721,976	79.3%	2,196.56

Reference: Shareholders' equity:

As of March 31, 2019: ¥803,201 million

As of March 31, 2018: ¥721,976 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) 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, 2019	134,974	(135,360)	36,601	222,551
Fiscal Year ended March 31, 2018	122,860	(44,981)	(33,345)	186,350

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, 2018	—	20.00	—	20.00	40.00	13,167	16.2	1.9
Fiscal Year ended March 31, 2019	—	20.00	—	22.00	42.00	13,825	15.3	1.8
Fiscal Year ending March 31, 2020 (Est.)	—	22.00	—	22.00	44.00		22.2	

Note: Total dividends paid include dividends paid to the trust to the employee stock plan (Fiscal year ended March 31, 2018 ¥20 million, Fiscal year ended March 31, 2019 ¥17 million).

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, 2020

(April 1, 2019 – March 31, 2020)

(Percentages represent change compared with the previous fiscal year or the same quarter of the previous fiscal year, as applicable.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Six months ending September 30, 2019	233,360	(6.9)	48,470	(21.7)	49,480	(21.0)	34,700	(20.0)	105.54
Fiscal Year ending March 31, 2020	479,240	(8.8)	92,940	(28.1)	93,880	(27.5)	65,300	(27.7)	198.61

*Notes

- (1) Changes in Major Subsidiaries during the Period (Changes in specified subsidiaries due to changes in the scope of consolidation): None
- (2) Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement
 - (a) Changes in accounting policies due to changes in accounting standards: None
 - (b) Changes other than (a) above: None
 - (c) Changes in accounting estimates: None
 - (d) Restatement: None

(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, 2019:	363,690,160 shares	Year ended March 31, 2018:	363,690,160 shares
(b) Number of treasury stock at end of period	Year ended March 31, 2019:	34,908,727 shares	Year ended March 31, 2018:	35,004,817 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Year ended March 31, 2019:	328,734,918 shares	Year ended March 31, 2018:	329,108,245 shares

Note: 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, 2019 (April 1, 2018 – March 31, 2019)

(1) Non-consolidated Operating Results

(Percentages represent change compared with the previous fiscal year.)

	Net sales (¥ million)	Year-on-year change (%)	Operating profit (¥ million)	Year-on-year change (%)	Ordinary profit (¥ million)	Year-on-year change (%)
Fiscal Year ended March 31, 2019	449,784	10.2	109,658	15.8	118,726	14.1
Fiscal Year ended March 31, 2018	408,150	0.4	94,703	(3.6)	104,098	2.4

	Net profit (¥ million)	Year-on- year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Fiscal Year ended March 31, 2019	85,662	13.5	260.58	253.92
Fiscal Year ended March 31, 2018	75,450	2.9	229.26	219.83

(2) Non-consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio(%)	Net assets per share (¥)
As of March 31, 2019	996,342	741,812	74.5	2,256.25
As of March 31, 2018	856,774	664,557	77.6	2,021.86

Reference: Shareholders' equity:

As of March 31, 2019: ¥741,812 million

As of March 31, 2018: ¥664,557 million

*** The Company's consolidated financial statements are not subject to financial review by certified public accountants or an auditing firm.**

*** Explanation on the Appropriate Usage of Performance Projections and Other Specific Matters**

The projections and other statements with respect to the future included in this material are based on currently available information and certain assumptions that are judged reasonable by the Company. Please be advised that the Company does not guarantee in any way the achievement of the projections and other goals in this material and that cases may occur where the actual results and other situations differ materially from the projections due to various factors.

1. Operating Results

(1) Overview of Operating Results

During the fiscal year under review, amid the risks of downward swings in overseas business conditions, the Japanese economy showed a gradual recovery, sustained by an improvement trajectory in the employment and income environment. A recovery was also seen in consumer spending.

Regarding the OLC Group, both theme park attendance and net sales per Guest increased driven by Tokyo Disney Resort 35th Anniversary events, resulting in net sales, operating profit, ordinary profit, and profit attributable to owners of parent increasing to ¥525,622 million (up 9.7% from the previous fiscal year), ¥129,278 million (up 17.2%), ¥129,439 million (up 15.9%), and ¥90,286 million (up 11.2%), respectively.

The following is the results of each segment.

Summary of Results by Segment for the Fiscal Year Ended March 31, 2019

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change (decrease)	Change (%)
Net Sales	479,280	525,622	46,342	9.7
Theme Park	395,978	437,495	41,517	10.5
Hotel	66,447	72,427	5,979	9.0
Other	16,854	15,699	(1,154)	(6.9)
Operating Profit	110,285	129,278	18,992	17.2
Theme Park	91,636	107,278	15,642	17.1
Hotel	16,298	19,218	2,920	17.9
Other	2,071	2,527	455	22.0
Elimination and Corporate	279	253	(26)	(9.4)
Ordinary Profit	111,660	129,439	17,778	15.9
Profit Attributable to Owners of Parent	81,191	90,286	9,094	11.2

(2) Analysis of Consolidated Financial Position

[Assets]

Total assets as of March 31, 2019 were ¥1,051,455 million (up 15.5% compared with the end of the previous fiscal year).

Current assets rose to ¥441,835 million (up 23.0%) due mainly to an increase in cash and deposits, etc.

Non-current assets climbed to ¥609,619 million (up 10.5%) due to an increase in property, plant and equipment, etc.

[Liabilities]

Total liabilities as of March 31, 2019 were ¥248,253 million (up 31.6%).

Current liabilities increased to ¥154,652 million (up 25.1%) as a result of a rise in current portion of bonds, etc.

Non-current liabilities climbed to ¥93,601 million (up 43.8%) as a result of a rise in bonds payable, etc.

[Net Assets]

Total net assets as of March 31, 2019 were ¥803,201 million (up 11.3%) due to various factors, including a growth in retained earnings. Shareholders' equity ratio stood at 76.4% (down 2.9 points).

(3) Cash Flows

Despite decreases in net cash from investing, the balance of cash and cash equivalents at the end of the fiscal year under review was ¥222,551 million (balance at the end of the previous fiscal year was ¥186,350 million) owing to an increase in net cash from operating and financing activities.

[Net Cash Provided by Operating Activities]

Net cash from operating activities increased to ¥134,974 million (a net cash inflow of ¥122,860 million for the same period in the previous year) due to factors including an increase in profit before income taxes.

[Net Cash Used in Investing Activities]

Net cash used in investing activities was ¥135,360 million (a net cash outflow of ¥44,981 million for the same period in the previous year) due to factors including an increase in payments into time deposits.

[Net Cash Used in Financing Activities]

Net cash used in financing activities was ¥36,601 million (a net cash outflow of ¥33,345 million for the same period in the previous year) due to factors including an increase in proceeds from issuance of bonds.

(4) Forecast of Results by Segment for the Fiscal Year Ending March 31, 2020

In the fiscal year ending March 31, 2020, total theme park attendance and net sales per Guest will decrease due mainly to the fact that the current year is on the heels of Tokyo Disney Resort 35th Anniversary events. As a result, net sales, operating profit, ordinary profit, and profit attributable to owners of parent are projected to decrease to ¥479,240 million (down 8.8% from the fiscal year ended March 31, 2019), ¥92,940 million (down 28.1%), ¥93,880 million (down 27.5%), and ¥65,300 million (down 27.7%), respectively.

The following is the forecast of each segment.

	Results for the fiscal year ended March 31, 2019	Forecast for the fiscal year ending March 31, 2020	Change (decrease)	Change (%)
Net Sales	525,622	479,240	(46,382)	(8.8)
Theme Park	437,495	397,550	(39,945)	(9.1)
Hotel	72,427	65,650	(6,777)	(9.4)
Other	15,699	16,040	340	2.2
Operating Profit	129,278	92,940	(36,338)	(28.1)
Theme Park	107,278	75,910	(31,368)	(29.2)
Hotel	19,218	14,670	(4,548)	(23.7)
Other	2,527	2,150	(377)	(14.9)
Elimination and Corporate	253	210	(43)	(17.1)
Ordinary Profit	129,439	93,880	(35,559)	(27.5)
Profit Attributable to Owners of Parent	90,286	65,300	(24,986)	(27.7)

2. 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 statement are formulated based on Japanese accounting standards.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2018)	At the end of the fiscal year (March 31, 2019)
ASSETS		
Current assets		
Cash and deposits	296,350	377,551
Notes and accounts receivable—trade	19,990	22,083
Securities	21,709	20,999
Merchandise and finished goods	10,301	9,256
Work in process	177	477
Raw materials and supplies	7,494	7,590
Other	3,113	3,882
Allowance for doubtful accounts	(2)	(5)
Total current assets	359,134	441,835
Non-current assets		
Property, plant and equipment		
Buildings and structures	676,401	686,623
Accumulated depreciation	(400,892)	(415,651)
Buildings and structures, net	275,508	270,971
Machinery, equipment and vehicles	262,533	270,947
Accumulated depreciation	(235,340)	(242,821)
Machinery, equipment and vehicles, net	27,193	28,125
Land	117,653	117,653
Construction in progress	38,747	82,342
Other	86,795	90,917
Accumulated depreciation	(72,320)	(75,689)
Other, net	14,475	15,228
Total property, plant and equipment	473,578	514,322
Intangible assets		
Other	8,865	13,770
Total intangible assets	8,865	13,770
Investments and other assets		
Investment securities	51,493	60,810
Retirement benefit asset	4,664	5,666
Other	13,028	15,140
Allowance for doubtful accounts	(91)	(88)
Total investments and other assets	69,095	81,527
Total non-current assets	551,539	609,619
Total assets	910,673	1,051,455

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2018)	At the end of the fiscal year (March 31, 2019)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	17,557	19,907
Current portion of bonds	—	20,000
Current portion of long-term loans payable	4,845	6,119
Income taxes payable	19,989	22,470
Other	81,230	86,154
Total current liabilities	123,623	154,652
Non-current liabilities		
Bonds payable	50,000	80,000
Long-term loans payable	4,739	2,304
Retirement benefit liability	4,631	4,483
Other	5,702	6,813
Total non-current liabilities	65,073	93,601
Total liabilities	188,697	248,253
NET ASSETS		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,938
Retained earnings	619,599	696,718
Treasury shares	(89,794)	(89,183)
Total shareholders' equity	704,918	782,674
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,585	19,320
Deferred gains or losses on hedges	(314)	—
Remeasurements of defined benefit plans	1,787	1,206
Total accumulated other comprehensive income	17,058	20,526
Total net assets	721,976	803,201
Total liabilities and net assets	910,673	1,051,455

(2) Consolidated Statements of Income

(Millions of yen)

Items	Fiscal Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Net sales	479,280	525,622
Cost of sales	302,771	326,283
Gross profit	176,508	199,339
Selling, general and administrative expenses	66,223	70,061
Operating profit	110,285	129,278
Non-operating income		
Interest income	170	146
Dividend income	734	707
Share of profit of entities accounted for using equity method	109	—
Insurance received and insurance dividends	498	508
Other	931	837
Total non-operating income	2,443	2,198
Non-operating expenses		
Interest expenses	208	222
Share of loss of entities accounted for using equity method	—	349
Loss on retirement of non-current assets	64	403
Commission expenses	575	754
Other	219	306
Total non-operating expenses	1,068	2,037
Ordinary profit	111,660	129,439
Extraordinary income		
Gain on sales of investment securities	1,336	—
Total extraordinary income	1,336	—
Profit before income taxes	112,997	129,439
Income taxes—current	35,432	39,193
Income taxes—deferred	(3,626)	(40)
Total income taxes	31,805	39,153
Profit	81,191	90,286
Profit attributable to owners of parent	81,191	90,286

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Fiscal Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Profit	81,191	90,286
Other comprehensive income		
Valuation difference on available-for-sale securities	3,179	3,735
Deferred gains or losses on hedges	5	314
Remeasurements of defined benefit plans, net of tax	637	(580)
Total other comprehensive income	3,822	3,468
Comprehensive income	85,014	93,754
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	85,014	93,754
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets

Fiscal Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	551,630	(70,464)	656,279
Changes of items during period					
Dividends of surplus			(13,222)		(13,222)
Profit attributable to owners of parent			81,191		81,191
Purchase of treasury shares				(19,999)	(19,999)
Disposal of treasury shares				669	669
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	67,969	(19,330)	48,639
Balance at end of current period	63,201	111,911	619,599	(89,794)	704,918

	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	12,405	(319)	1,149	13,235	669,515
Changes of items during period					
Dividends of surplus					(13,222)
Profit attributable to owners of parent					81,191
Purchase of treasury shares					(19,999)
Disposal of treasury shares					669
Net changes of items other than shareholders' equity	3,179	5	637	3,822	3,822
Total changes of items during period	3,179	5	637	3,822	52,461
Balance at end of current period	15,585	(314)	1,787	17,058	721,976

Fiscal Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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	619,599	(89,794)	704,918
Changes of items during period					
Dividends of surplus			(13,167)		(13,167)
Profit attributable to owners of parent			90,286		90,286
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		26		611	638
Net changes of items other than shareholders' equity					
Total changes of items during period	—	26	77,118	611	77,756
Balance at end of current period	63,201	111,938	696,718	(89,183)	782,674

	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	15,585	(314)	1,787	17,058	721,976
Changes of items during period					
Dividends of surplus					(13,167)
Profit attributable to owners of parent					90,286
Purchase of treasury shares					(0)
Disposal of treasury shares					638
Net changes of items other than shareholders' equity	3,735	314	(580)	3,468	3,468
Total changes of items during period	3,735	314	(580)	3,468	81,224
Balance at end of current period	19,320	—	1,206	20,526	803,201

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	Fiscal Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	112,997	129,439
Depreciation	37,339	38,214
Amortization of goodwill	247	—
Increase (decrease) in retirement benefit liability	388	(367)
Interest and dividend income	(904)	(853)
Interest expenses	208	222
Foreign exchange losses (gains)	(14)	14
Shares of loss (profit) of entities accounted for using equity method	(109)	349
Loss (gain) on sales of investment securities	(1,336)	—
Decrease (increase) in notes and accounts receivable—trade	(1,126)	(2,134)
Decrease (increase) in inventories	(743)	649
Increase (decrease) in notes and accounts payable—trade	(66)	3,421
Increase (decrease) in accrued consumption taxes	1,147	393
Other, net	7,180	1,690
Subtotal	155,206	171,041
Interest and dividend income received	966	908
Interest expenses paid	(207)	(206)
Income taxes paid	(33,104)	(36,768)
Net cash provided by (used in) operating activities	122,860	134,974
Cash flows from investing activities		
Payments into time deposits	(240,000)	(290,000)
Proceeds from withdrawal of time deposits	245,000	250,000
Purchase of securities	(36,998)	(38,998)
Proceeds from redemption of securities	43,998	34,708
Purchase of property, plant and equipment	(55,122)	(78,574)
Purchase of intangible assets	(2,665)	(5,277)
Purchase of investment securities	(1,019)	(4,398)
Proceeds from sales of investment securities	2,336	—
Other, net	(511)	(2,820)
Net cash provided by (used in) investing activities	(44,981)	(135,360)
Cash flows from financing activities		
Proceeds from long-term loans payable	3,850	3,850
Repayments of long-term loans payable	(4,839)	(5,011)
Proceeds from issuance of bonds	—	49,855
Cash dividends paid	(13,173)	(13,134)
Purchases of treasury shares	(19,999)	(0)
Proceeds from sales of treasury shares	876	1,046
Other, net	(59)	(3)
Net cash provided by (used in) financing activities	(33,345)	36,601
Effect of exchange rate change on cash and cash equivalents	14	(14)
Net increase (decrease) in cash and cash equivalents	44,548	36,200
Cash and cash equivalents at beginning of period	141,801	186,350
Cash and cash equivalents at end of period	186,350	222,551