

Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2020 (Japanese accounting standards)

January 30, 2020

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 Submission of the Quarterly Report: February 13, 2020

Planned Date for Start of Dividend Payment: —

Supplementary materials for the quarterly financial statements: Yes

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

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

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019 to December 31, 2019)

(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 profit (¥ million) | Year-on-year change (%) | Ordinary profit (¥ million) | Year-on-year change (%) |
|---------------------------------|--------------------------|----------------------------|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| Nine months ended Dec. 31, 2019 | 390,205 | (2.4) | 101,038 | (5.3) | 102,358 | (4.6) |
| Nine months ended Dec. 31, 2018 | 399,641 | 9.6 | 106,743 | 14.3 | 107,333 | 13.3 |

Note: Comprehensive income:

Nine months ended December 31, 2019: ¥70,598 million ((5.5)%)

Nine months ended December 31, 2018: ¥74,682 million ((1.0)%)

| | Profit attributable to owners of parent (¥ million) | Year-on-year change (%) | Earnings per share (¥) | Diluted earnings per share (¥) |
|---------------------------------|-----------------------------------------------------------|----------------------------|---------------------------|-----------------------------------|
| Nine months ended Dec. 31, 2019 | 70,992 | (4.5) | 215.90 | 208.91 |
| Nine months ended Dec. 31, 2018 | 74,360 | 7.1 | 226.21 | 220.44 |

(2) Consolidated Financial Position

| | Total assets (¥ million) | Net assets (¥ million) | Shareholders' equity ratio (%) | Net assets per share (¥) |
|-------------------------|-----------------------------|---------------------------|-----------------------------------|-----------------------------|
| As of December 31, 2019 | 1,090,877 | 859,820 | 78.8 | 2,614.58 |
| As of March 31, 2019 | 1,051,455 | 803,201 | 76.4 | 2,442.97 |

Reference: Shareholders' equity:

As of December 31, 2019: ¥859,820 million

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

2. Dividends

| | Annual dividends (¥) | | | | |
|------------------------------------------|----------------------|--------------------|-------------------|----------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Year-end | Total |
| Fiscal year ended March 31, 2019 | — | 20.00 | — | 22.00 | 42.00 |
| Fiscal year ending March 31, 2020 | — | 22.00 | — | — | — |
| Fiscal year ending March 31, 2020 (Est.) | — | — | — | 22.00 | 44.00 |

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|--------------------------------------|-------------|-------|------------------|--------|-----------------|--------|--------------------------------------------|--------|-----------------------|
| | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) | (¥) |
| Fiscal Year ending March 31, 2020 | 503,870 | (4.1) | 108,880 | (15.8) | 109,930 | (15.1) | 76,240 | (15.6) | 231.85 |

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

***Notes**

- (1) Changes in Major Subsidiaries during the Nine Months Ended December 31, 2019: None
- (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: None
- (b) Changes in accounting policies due to other than (a) above: None
- (c) Changes in accounting estimates: None
- (d) Restatement: None

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

| | | | | |
|----------------------------------------------------------------------------|-----------------------------------------|-----------------------|-----------------------------------------|-----------------------|
| (a) Number of shares issued at end of period (including treasury stock) | Nine months ended December 31, 2019: | 363,690,160 shares | Year ended March 31, 2019: | 363,690,160 shares |
| (b) Number of treasury stock at end of period | Nine months ended December 31, 2019: | 34,833,992 shares | Year ended March 31, 2019: | 34,908,727 shares |
| (c) Average number of shares outstanding (quarterly cumulative period) | Nine months ended December 31, 2019: | 328,816,970 shares | Nine months ended December 31, 2018: | 328,721,496 shares |

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

*** The Company's quarterly consolidated financial statements are not subject to quarterly 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.

Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| Items | At the end of the previous fiscal year (March 31, 2019) | At the end of the third quarter (December 31, 2019) |
|----------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 377,551 | 329,175 |
| Notes and accounts receivable—trade | 22,083 | 22,619 |
| Securities | 20,999 | 38,996 |
| Merchandise and finished goods | 9,256 | 12,356 |
| Work in process | 477 | 764 |
| Raw materials and supplies | 7,590 | 8,360 |
| Other | 3,882 | 4,609 |
| Allowance for doubtful accounts | (5) | (5) |
| Total current assets | 441,835 | 416,876 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 270,971 | 287,720 |
| Machinery, equipment and vehicles, net | 28,125 | 35,786 |
| Land | 117,653 | 117,653 |
| Construction in progress | 82,342 | 121,768 |
| Other, net | 15,228 | 15,747 |
| Total property, plant and equipment | 514,322 | 578,676 |
| Intangible assets | | |
| Other | 13,770 | 15,359 |
| Total intangible assets | 13,770 | 15,359 |
| Investments and other assets | | |
| Other | 81,616 | 80,054 |
| Allowance for doubtful accounts | (88) | (88) |
| Total investments and other assets | 81,527 | 79,965 |
| Total non-current assets | 609,619 | 674,001 |
| Total assets | 1,051,455 | 1,090,877 |

(Millions of yen)

| Items | At the end of the previous fiscal year (March 31, 2019) | At the end of the third quarter (December 31, 2019) |
|-------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable—trade | 19,907 | 16,709 |
| Current portion of bonds | 20,000 | 20,000 |
| Current portion of long-term borrowings | 6,119 | 6,259 |
| Income taxes payable | 22,470 | 11,199 |
| Other | 86,154 | 83,433 |
| Total current liabilities | 154,652 | 137,601 |
| Non-current liabilities | | |
| Bonds payable | 80,000 | 80,000 |
| Long-term borrowings | 2,304 | 1,255 |
| Retirement benefit liability | 4,483 | 3,755 |
| Other | 6,813 | 8,444 |
| Total non-current liabilities | 93,601 | 93,454 |
| Total liabilities | 248,253 | 231,056 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Share capital | 63,201 | 63,201 |
| Capital surplus | 111,938 | 111,970 |
| Retained earnings | 696,718 | 753,227 |
| Treasury shares | (89,183) | (88,710) |
| Total shareholders' equity | 782,674 | 839,688 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19,320 | 19,007 |
| Deferred gains or losses on hedges | — | 4 |
| Remeasurements of defined benefit plans | 1,206 | 1,119 |
| Total accumulated other comprehensive income | 20,526 | 20,132 |
| Total net assets | 803,201 | 859,820 |
| Total liabilities and net assets | 1,051,455 | 1,090,877 |

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Nine months ended December 31, 2019

(Millions of yen)

| Items | Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018) | Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019) |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Net sales | 399,641 | 390,205 |
| Cost of sales | 240,743 | 237,886 |
| Gross profit | 158,898 | 152,318 |
| Selling, general and administrative expenses | 52,155 | 51,279 |
| Operating profit | 106,743 | 101,038 |
| Non-operating income | | |
| Interest income | 107 | 131 |
| Dividend income | 657 | 740 |
| Insurance received and insurance dividends | 461 | 406 |
| Other | 711 | 924 |
| Total non-operating income | 1,939 | 2,202 |
| Non-operating expenses | | |
| Interest expenses | 155 | 220 |
| Share of losses of entities accounted for using equity method | 356 | 92 |
| Commission expenses | 395 | 400 |
| Other | 441 | 168 |
| Total non-operating expenses | 1,348 | 882 |
| Ordinary profit | 107,333 | 102,358 |
| Profit before income taxes | 107,333 | 102,358 |
| Income taxes—current | 31,491 | 28,474 |
| Income taxes—deferred | 1,482 | 2,890 |
| Total income taxes | 32,973 | 31,365 |
| Profit | 74,360 | 70,992 |
| Profit attributable to owners of parent | 74,360 | 70,992 |

(Quarterly Consolidated Statements of Comprehensive Income)
Nine months ended December 31, 2019

(Millions of yen)

| Items | Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018) | Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019) |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Profit | 74,360 | 70,992 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 373 | (312) |
| Deferred gains or losses on hedges | 278 | 4 |
| Remeasurements of defined benefit plans, net of tax | (329) | (86) |
| Total other comprehensive income | 322 | (394) |
| Comprehensive income | 74,682 | 70,598 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 74,682 | 70,598 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Notes Regarding Quarterly Consolidated Financial Statements

Notes Regarding Going Concern Assumption): None

Notes Regarding the Occurrence of Significant Changes in Amount of Shareholders' Equity: None

Segment Information:

1. Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018)

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

(Millions of yen)

| | Reportable Segments | | | Other Business* ¹ | Total | Adjustment* ² | Amount stated on the Quarterly Consolidated Statements of Income* ³ |
|---------------------------------|---------------------|--------|---------|------------------------------|---------|--------------------------|--------------------------------------------------------------------------------|
| | Theme Park | Hotel | Total | | | | |
| Net sales | | | | | | | |
| Sales to external customers | 332,808 | 55,127 | 387,935 | 11,706 | 399,641 | — | 399,641 |
| Intersegment sales or transfers | 5,233 | 495 | 5,729 | 2,842 | 8,571 | (8,571) | — |
| Total | 338,042 | 55,622 | 393,664 | 14,549 | 408,213 | (8,571) | 399,641 |
| Segment Income | 89,305 | 15,030 | 104,335 | 2,245 | 106,581 | 162 | 106,743 |

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 162 million yen is the result of elimination of intersegment transactions.

3. The segment income is adjusted to be recorded as operating profit in the Quarterly Consolidated Statements of Income.

B. Information regarding impairment loss on fixed assets and goodwill by reportable segment: None

2. Nine months ended December 31, 2019 (April 1, 2019 to December 31, 2019)

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

(Millions of yen)

| | Reportable Segments | | | Other Business* ¹ | Total | Adjustment* ² | Amount stated on the Quarterly Consolidated Statements of Income* ³ |
|---------------------------------|---------------------|--------|---------|------------------------------|---------|--------------------------|--------------------------------------------------------------------------------|
| | Theme Park | Hotel | Total | | | | |
| Net sales | | | | | | | |
| Sales to external customers | 324,122 | 53,520 | 377,642 | 12,562 | 390,205 | — | 390,205 |
| Intersegment sales or transfers | 5,284 | 446 | 5,730 | 2,943 | 8,674 | (8,674) | — |
| Total | 329,407 | 53,966 | 383,373 | 15,505 | 398,879 | (8,674) | 390,205 |
| Segment Income | 83,502 | 14,644 | 98,147 | 2,728 | 100,875 | 162 | 101,038 |

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 162million yen is the result of elimination of intersegment transactions.

3. The segment income is adjusted to be recorded as operating profit in the Quarterly Consolidated Statements of Income.

B. Information regarding impairment loss on fixed assets and goodwill by reportable segment: None

Important Subsequent Event:

Share repurchase and share repurchase tender offer

At a meeting held on January 30, 2020 the Board of Directors of Oriental Land Co., Ltd. resolved to repurchase shares of the Company pursuant to Article 156, Paragraph 1 of the Companies Act of Japan, updated as applicable by the provisions of Article 165, Paragraph 3 of the Companies Act of Japan, and the Company's Articles of Incorporation, and, as a specific method, further resolved to conduct a share repurchase tender offer.

1. Objective of the tender offer

Mitsui Fudosan Co., Ltd., the second largest stockholder of Oriental Land and a corporate participant of the Theme Parks which Oriental Land manages and operates, indicated its intention to sell a portion of its shareholdings in the Company.

Following this indication, Oriental Land, launched a review to determine how to handle the situation. The Company undertook a comprehensive examination of methods by which it could ensure financial soundness and security, as well as of what the impact to the Company's common share price would be when a block of its shares was sold in the market. The Company concluded that it was appropriate to purchase the shares as treasury stock. This is because the purchase would contribute to an increase in earnings per share and improvement of capital efficiency, including return on equity, and lead to the enhancement of shareholder returns as set out in the 2020 Medium-Term Plan.

As for the concrete method of the share repurchase, Oriental Land concluded that a tender offer for share repurchase was appropriate in terms of stockholder equality and transparency of the transaction.

2. Details of the Board of Directors' resolution related to the share repurchase

| | |
|----------------------------------------|-----------------------------------------|
| A. Type of shares to be repurchased: | Common shares of the Company |
| B. Number of shares to be repurchased: | 1,500,100 shares(Maximum) |
| C. Total repurchase cost: | ¥20,746,383,000(Maximum) |
| D. Repurchase period: | From January 31, 2020 to March 31, 2020 |

3. Overview of the share repurchase tender offer

| | |
|----------------------------------------------|----------------------------------------|
| A. Planned number of shares to be purchased: | 1,500,000 shares |
| B. Tender offer price: | ¥13,830 per common share |
| C. Tender offer period: | From January 31, 2020 to March 2, 2020 |
| D. Tender offer opening date: | January 31, 2020 |
| E. Settlement starting date: | March 25, 2020 |