

# Results for the Second Quarter of the Fiscal Year Ending March 31,2021

October 29,2020  
Oriental Land Co., Ltd.



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Kenji Horikawa  
Officer, Director of  
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Kyoichiro Uenishi  
Representative Director,  
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# I . Financial Results

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Kenji Horikawa  
Officer, Director of  
Finance/Accounting Department

## 1. Results for the 1st Half Year Ended 9/20 /Same Period of Previous FY

Consolidated Statement of Income	Results for the 1st Half Ended 9/19 [¥billion]	Results for the 1st Half Ended 9/20 [¥ billion]	[¥billion]	
			Change	Change[%]
Net Sales	248.4	59.1	(189.2)	(76.2)
Theme Park Segment	205.3	47.8	(157.5)	(76.7)
Hotel Business Segment	34.7	8.1	(26.5)	(76.5)
Other Business Segment	8.3	3.1	(5.1)	(62.4)
Operating Profit	60.9	(24.1)	(85.1)	-
Theme Park Segment	49.9	(19.3)	(69.2)	-
Hotel Business Segment	9.0	(3.6)	(12.7)	-
Other Business Segment	1.8	(1.3)	(3.1)	-
Ordinary Profit	62.0	(24.7)	(86.8)	-
Extraordinary loss	-	13.3	13.3	-
Profit before income taxes	62.0	(38.0)	(100.1)	-
Profit attributable to Owners of Parent	43.0	(30.0)	(73.1)	-

Net sales and all levels of profit fell short due to the temporary closure and limited the level of attendance of both Parks

### 1.Results for the 1st Half Year Ended 9/20 /Same Period of Previous FY

Net sales decreased by ¥189.2 billion to ¥59.1 billion,  
operating profit decreased by ¥85.1 billion to ¥(24.1) billion,  
ordinary profit decreased by ¥86.8 billion to ¥(24.7) billion,  
and profit attributable to owners of parent decreased by ¥73.1 billion to ¥(30.0) billion.



## 2. Results for 1st Half Ended 9/20 /Same Period of Previous FY – Main Reasons for Change

Theme Park Segment[1]	Results for the 1st Half Ended 9/19 [¥billion]	Results for the 1st Half Ended 9/20 [¥ billion]	Change	Change [%]
Net Sales [¥billion]	205.3	47.8	(157.5)	(76.7)
Attendance [million people]	15.74	2.69	(13.05)	(82.9)
Net Sales per Guest [¥]	11,504	13,125	1,621	14.1
Ticket Receipts [¥]	5,252	6,278	1,026	19.5
Merchandise [¥]	3,821	4,113	292	7.7
Food and Beverages [¥]	2,432	2,733	301	12.4

### Attendance decreased

- Decrease due to the temporary closure
- Decrease due to limited attendance

### Net sales per Guest increased

- Increase in ticket receipts
  - Increase due to ticket price revision, temporary increase due to restriction on ticket types
- Increase in merchandise revenue
  - Temporary increase due to growth in demand after reopening
- Increase in food and beverages revenue
  - Temporary increase due to ample dining opportunities

### Change in Attendance Level [compared to previous year]

vs. FY2019:  
Change (%)

(60)

(65)

(70)

(75)



Phased recovery in attendance level

July August September

**Despite temporary increase in net sales per Guest,  
net sales decreased due to a fall in attendance**

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## 2. Results for 1st Half Ended 9/20 /Same Period of Previous FY – Main Reasons for Change [Theme Park Segment (1)]

Net sales for the Theme Park Segment decreased year on year by ¥157.5 billion to ¥47.8 billion. Attendance decreased year on year as a result of keeping our Parks closed until the end of June due to the impact of the COVID-19 pandemic, and limited attendance after reopening our Parks in July in consideration for the safety and peace of mind of Guests and Cast Members.

The graph on the lower right provides the rough monthly attendance levels in comparison with the previous year, which may help you gain a general idea.

We reopened our Parks by cautiously setting limits on attendance, but in the past three months, we have been able to gradually increase the attendance level.

Meanwhile, net sales per Guest showed a temporary rise to ¥13,125 due mainly to special factors after reopening.

Ticket receipts also increased temporarily owing to the ticket price revision on April 1, 2020 and to the restriction on the types of tickets offered after reopening.

Merchandise revenue also grew temporarily on the back of increased demand after reopening.

Food and beverages revenue increased temporarily as a result of limited attendance, which generated increased dining opportunities for Guests.



## 2. Results for 1st Half Ended 9/20 /Same Period of Previous FY – Main Reasons for Change

Theme Park Segment [2]	Results for the 1st Half Ended 9/19 [¥billion]	Results for the 1st Half Ended 9/20 [¥ billion]	Change	Change (%)
Net Sales	205.3	47.8	(157.5)	(76.7)
Operating Profit	49.9	(19.3)	(69.2)	-

### Decrease in operating profit

Decrease in net sales		Decrease in miscellaneous costs	12.0
Increase in merchandise and food/beverages cost ratio	(10.2)	Transfer to extraordinary loss	3.2
Decrease in personnel expenses	22.9	Decrease in sales promotion costs	2.4
Transfer to extraordinary loss	10.6	Decrease in costs related to special events	2.0
Decrease due to receipt of employment adjustment subsidy	3.9	Decrease in maintenance costs	1.5
Decrease in personnel expenses for part-time Cast Members	3.9	Others	2.7
Decrease in personnel expenses for full-time employees	3.6	Decrease in depreciation and amortization	6.2
Others	0.7		

Note: Increase in costs is expressed by figures in brackets, which show by how much operating profit was negatively affected.

Despite transfer to extraordinary loss and decrease in various costs, operating profit fell owing to a decline in net sales

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## 2. Results for 1st Half Ended 9/20 /Same Period of Previous FY – Main Reasons for Change [Theme Park Segment (2)]

Operating profit for the Theme Park Segment decreased year on year by ¥69.2 billion to an operating loss of ¥19.3 billion, mainly due to decline in net sales, partially offset from transfer to extraordinary loss from each cost.

Merchandise and food/beverages costs increased by ¥10.2 billion owing to a decline in net sales resulting in production personnel expenses accounting for a larger proportion of the food/beverages cost.

Personnel expenses decreased by ¥22.9 billion owing to a transfer to extraordinary loss, receipt of employment adjustment subsidy, and a reduction in personnel expenses for part-time Cast Members.

Miscellaneous costs decreased ¥12.0 billion as a result of a transfer to extraordinary loss and a decline in sales promotion costs.

Depreciation and amortization decreased ¥6.2 billion as a result of transfers to extraordinary loss and non-operating expenses, despite an increase due to the Tokyo Disneyland Large-Scale Expansion Areas.



## 2. Results for 1st Half Ended 9/20 /Same Period of Previous FY – Main Reasons for Change

Hotel Business Segment	Results for the 1st Half Ended 9/19 [¥billion]	Results for the 1st Half Ended 9/20 [¥ billion]	[¥billion]	
			Change	Change [%]
Net Sales	34.7	8.1	(26.5)	(76.5)
Disney Hotels	30.7	7.2	(23.5)	(76.4)
Other Hotels	3.9	0.8	(3.0)	(77.3)
Operating Profit	9.0	(3.6)	(12.7)	-

- Decrease in accommodation revenues due to temporary closure of hotels
  - Decrease in accommodation revenues due to limited number of rooms sold
  - Decrease in personnel expenses
    - Transfer to extraordinary loss, etc.
  - Decrease in depreciation and amortization
    - Transfer to extraordinary loss, etc.
  - Decrease in miscellaneous costs
    - Decrease in costs during temporary closure, transfer to extraordinary loss, etc.
- Note: "Disney Hotels" means Disney Ambassador Hotel, Tokyo DisneySea Hotel MiraCosta, Tokyo Disneyland Hotel and Tokyo Disney Celebration Hotel.

**Net sales and operating profit decreased due to the impact of temporary hotel closure.**

Other Business Segment	Results for the 1st Half Ended 9/19 [¥billion]	Results for the 1st Half Ended 9/20 [¥ billion]	[¥billion]	
			Change	Change [%]
Net Sales	8.3	3.1	(5.1)	(62.4)
Operating Profit	1.8	(1.3)	(3.1)	-

**Net sales and operating profit decreased due to a decline in the number of passengers in the monorail business**

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## 2. Results for 1st Half Ended 9/20 /Same Period of Previous FY

### – Main Reasons for Change [Hotel Business Segment; Other Business Segment]

Net sales for the Hotel Business Segment decreased year on year by ¥26.5 billion to ¥8.1 billion. This was attributable to a fall in accommodation revenues due to temporary closure of hotels and limited the number of rooms sold after reopening.

Operating profit decreased year on year by ¥12.7 billion to an operating loss of ¥3.6 billion as a result of a decline in net sales, although a transfer to extraordinary loss from each cost.

In the Other Business Segment, operating profit decreased year on year owing to a decline in revenues generated by the monorail business as a result of the temporary closure of both Parks and the limited attendance after reopening.

### 3. Major Factors Causing Changes to Extraordinary Loss

#### Decrease in extraordinary loss

1. Decrease due to finalization of the amount of employment adjustment subsidy received
2. Decrease due to reduced winter bonus payments to full-time employees

	1st Half total	1Q	2Q
[¥billion]			
<b>Decrease in operating expenses</b>			
Fixed expenses during the temporary closure were partially transferred to extraordinary loss	19.7	19.7	-
Decreases in personnel expenses for part-time Cast Members, sales promotion costs, costs related to special events, etc.	21.4	7.1	14.3
<b>Extraordinary loss [Losses due to the temporary closure]</b>	<b>(13.3)</b>	<b>(21.1)</b>	<b>7.8</b>
Personnel expenses (e.g., part of personnel expenses incurred during temporary closure)	(0.7)	(7.9)	7.1
Miscellaneous costs (e.g., part of outsourcing expenses and fixed asset tax incurred during the temporary closure)	(3.6)	(3.6)	-
Depreciation and amortization (e.g., depreciation and amortization during the temporary closure)	(8.1)	(8.1)	-
Personnel expenses in sales cost of food/beverages, disposal of merchandise and ingredients, etc.	(0.6)	(1.4)	0.7
<b>Decrease in profit before income taxes</b>	<b>(100.1)</b>	<b>(69.2)</b>	<b>(30.9)</b>
<b>Extraordinary loss decreased as a result of the finalization of employment adjustment subsidy received and reduced winter bonus payments</b>			

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### 3. Major Factors Causing Changes to Extraordinary Loss

The cumulative extraordinary loss for the 1st half of the fiscal year changed from the extraordinary loss posted in the 1st quarter.

The change was attributable to two factors.

One was the fact that the finalized amount of employment adjustment subsidy was more than projected as of the end of the 1st quarter, resulting in the difference being deducted from the extraordinary loss to be posted in the 2nd quarter.

The other factor was the reduction in the winter bonus payments to full-time employees.

Winter bonus payments to corporate employees, initially registered as personnel expenses, were transferred to extraordinary loss as of the end of the 1st quarter. However, as we decided to reduce the winter bonus payments to decrease our cash outflow, we deducted the reduced amount from the extraordinary loss to which we had transferred the winter bonus payments.

As a result, losses due to our temporary closure fell from ¥21.1 billion registered in the 1st quarter to ¥13.3 billion for the 1st half of the fiscal year.



## II . Forecast for the Fiscal year Ending March 31,2021

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Kyoichiro Uenishi  
Representative Director,  
President and COO

First of all, we wish to express our heartfelt sympathy to the people who have been infected with COVID-19, and those who have had their day-to-day lives affected by the spreading infection. We would also like to express our respect for everyone making all-out efforts to prevent the spread of COVID-19, including health care workers combatting the virus in the frontline.

We pray for the patients' speedy recovery and for the pandemic to end at the earliest possible timing.

Our forecast for 2nd Half of FY3/21 is formulated based on the assumption that measures are taken in line with the guidelines below.

“Amusement Park and Theme Park New Coronavirus Infection Containment Guidelines”  
(Revised on August 12, 2020)

#### **Precondition for Formulation of 2nd Half Forecast of FY3/21**

I will now discuss our forecast for the 2nd half of the current fiscal year, which has been formulated based on the assumption that measures are taken in line with “the sector-wide Amusement Park and Theme Park New Coronavirus Infection Containment Guidelines”.

If revisions are made to these guidelines, the forecast may be revised accordingly.

In discussing the forecast for the full fiscal year, I will focus on the 2nd half and the major reasons for change, as the results for the 1st half-year have already been finalized.



# 1. Forecast for 2nd Half of FY3/21 /Same Period of Previous FY

Consolidated Statement of Income	[¥billion]			
	Results for the 2nd Half Ended 9/20 [¥billion]	Results for the 2nd Half Ending 9/21 [¥ billion]	Change	Change[%]
Net Sales	216.0	126.3	(89.7)	(41.5)
Theme Park Segment	178.6	104.5	(74.0)	(41.5)
Hotel Business Segment	29.6	16.9	(12.6)	(42.8)
Other Business Segment	7.7	4.7	(2.9)	(38.4)
Operating Profit	35.9	(27.2)	(63.1)	-
Theme Park Segment	29.7	(23.7)	(53.5)	-
Hotel Business Segment	5.6	(2.3)	(7.9)	-
Other Business Segment	0.3	(1.2)	(1.6)	-
Ordinary Profit	35.9	(29.1)	(65.1)	-
Extraordinary income	0.3	-	(0.3)	-
Extraordinary loss	9.2	-	(9.2)	-
Profit before income taxes	27.0	(29.1)	(56.2)	-
Profit attributable to Owners of Parent	19.1	(21.0)	(40.1)	-

Decrease in net sales and operating profit are expected to continue  
as a result of limited attendance at both Parks

## 1. Forecast for the 2nd Half of FY3/21 /Same Period of Previous FY

Net sales are expected to decrease by ¥89.7 billion to ¥126.3 billion,  
operating profit are expected to decrease by ¥63.1 billion to ¥(27.2) billion,  
ordinary profit are expected to decrease by ¥65.1 billion to ¥(29.1) billion,  
and profit attributable to owners of parent are expected to decrease by ¥40.1 billion to ¥(21.0) billion.



## 2. Forecast for 2nd Half of FY3/21 /Same Period of Previous FY – Main Reasons for Change

Theme Park Segment[1]	Results for 2nd Half Ended 3/20	Forecast for 2nd Half Ending 3/21	Change	Change [%]
Net Sales [¥billion]	178.6	104.5	(74.0)	(41.5)
Attendance [million people]	13.27	6.82	(6.46)	(48.7)
Net Sales per Guest [¥]	11,727	12,549	822	7.0
Ticket Receipts [¥]	5,339	6,237	898	16.8
Merchandise [¥]	3,944	3,428	(516)	(13.1)
Food and Beverages [¥]	2,444	2,884	440	18.0

### Decrease in attendance

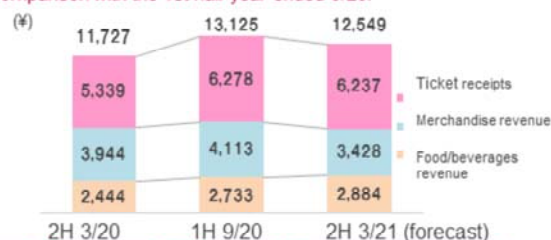
- Decrease due to limited attendance

### Increase in net sales per Guest

- Increase in ticket receipts
  - Increase due to ticket price revision, temporary increase due to restriction on ticket types
- Decrease in merchandise revenue
  - Temporary decrease due to suspension and downsizing of special events
- Increase in food and beverages revenue
  - Temporary increase due to ample dining opportunities

### 2nd Half Net Sales per Guest (vs. 2nd Half ended 3/20 and 1st Half ended 9/20)

Although remaining higher than under normal operation, net sales per Guest are expected to gradually modulate in comparison with the 1st half-year ended 9/20.



**Decrease in net sales and operating profit expected to continue  
as a result of limited attendance at both Parks**

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## 2. Forecast for 2nd Half of FY3/21 /Same Period of Previous FY

### – Main Reasons for Change [Theme Park Segment (1)]

Net sales for the Theme Park Segment in the 2nd half of the fiscal year are expected to decrease year on year by ¥74.0 billion to ¥104.5 billion.

Attendance in the 2nd half is expected to decrease by 6.46 million to 6.82 million from the same period of the previous fiscal year because we take the view that we will need to continue limiting attendance to no more than 50% of the usual level and operate our Parks by ensuring social distancing.

Net sales per Guest in the 2nd half are projected to increase year on year as a result of a temporary rise in ticket receipts and food and beverages revenue, just as in the 1st half of the fiscal year. However, as we will be starting a lottery for open date Park tickets, and merchandise revenue will fall as a result of suspending and downsizing special events, net sales per Guest, which had shown a temporary rise, are expected to modulate in comparison with the 1st half-year ended 9/20, and are projected to settle at ¥12,549.



## 2. Forecast for 2nd Half of FY3/21 / Same Period of Previous FY – Main Reasons for Change

Theme Park Segment [2]	Results for 2nd Half Ended 3/20	Forecast for 2nd Half Ending 3/21	Change	Change [%]
Net Sales	178.6	104.5	(74.0)	(41.5)
Operating Profit	29.7	(23.7)	(53.5)	-

## Decrease in operating profit

		[¥billion]	
Decrease in net sales		Decrease in miscellaneous costs	About 8.0
Increase in merchandise and food/beverages cost ratio	(About 10.0)	Decrease in costs related to special events	About 2.0
Increase in personnel expenses	(About 0.5)	Decrease in sales promotion costs	About 2.0
Increase in personnel expenses for full-time employees	(About 2.0)	Others	About 4.0
Decrease in personnel expenses for part-time Cast Members	About 0.5	Increase in depreciation and amortization	(6.9)
Others	About 1.0		

Note: Increase in costs is expressed by figures in brackets, which show by how much operating profit was negatively affected.

The year-on-year decrease in operating profit is expected to shrink substantially compared to 1st Half as a result of recovery in net sales and reduction of miscellaneous costs

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## 2. Forecast for 2nd Half of FY3/21 / Same Period of Previous FY

### – Main Reasons for Change 【Theme Park Segment (2)】

Operating profit for the Theme Park Segment in the 2nd half of the fiscal year is projected to decrease year on year by ¥53.5 billion to an operating loss of ¥23.7 billion. On the assumption of the 2nd Half Ended 3/20, costs decreased by partially transfer to extraordinary loss due to the temporary closure of both Parks from February 29<sup>th</sup>, 2020.

Merchandise and food/beverages costs are expected to increase by about ¥10.0 billion.

The merchandise cost ratio is projected to increase owing to the merchandise disposal planned this fiscal year in preparation for the scheduled development of new merchandise in and after FY 3/22. The food and beverages cost ratio is also projected to rise owing to a continued rise in the proportion of production personnel expenses as a result of decreased net sales, as in the 1st half of the fiscal year.

Although personnel expenses for part-time Cast Members will decrease on the back of reduced working hours, personnel expenses are projected to increase by about ¥0.5 billion. This is the result of a rise in personnel expenses for full-time employees owing to a transfer to extraordinary loss registered in the previous fiscal year.

Miscellaneous costs are projected to fall by about ¥8.0 billion, including costs related to special events.

Depreciation and amortization are expected to increase by ¥6.9 billion due to the Tokyo Disneyland Large-Scale Expansion Areas.

Although operating loss will continue to be posted in the 2nd half of the current fiscal year, the year-on-year decrease in operating profit will gradually shrink substantially compared to the 1st half thanks to a recovery in net sales and a reduction in miscellaneous costs.





## 2. Forecast for 2nd Half of FY3/21 / Same Period of Previous FY– Main Reasons for Change

Hotel Business Segment	Results for 2nd Half Ended 3/20	Forecast for 2nd Half Ending 3/21	Change	Change [%]
Net Sales	29.6	16.9	(12.6)	(42.8)
Disney Hotels	26.0	15.0	(10.9)	(42.2)
Other Hotels	3.6	1.9	(1.7)	(47.4)
Operating Profit	5.6	(2.3)	(7.9)	-

- Decrease in accommodation revenues due to limits set on the number of rooms sold
- Decrease in miscellaneous costs and other factors

Note: "Disney Hotels" means Disney Ambassador Hotel, Tokyo DisneySea Hotel MiraCosta, Tokyo Disneyland Hotel and Tokyo Disney Celebration Hotel.

**Net sales and operating profit projected to decrease due to the impact of limited attendance at Theme Parks**

Other Business Segment	Results for 2nd Half Ended 3/20	Forecast for 2nd Half Ending 3/21	Change	Change [%]
Net Sales	7.7	4.7	(2.9)	(38.4)
Operating Profit	0.3	(1.2)	(1.6)	-

**Operating profit projected to decrease due to a decline in the number of passengers in the monorail business**

## 2. Forecast for 2nd Half of FY3/21 / Same Period of Previous FY

### – Main Reasons for Change [Hotel Business Segment; Other Business Segment]

In the 2nd half of the fiscal year, net sales for the Hotel Business Segment are projected to decrease year on year by ¥12.6 billion to ¥16.9 billion owing to an expected decline in accommodation revenues resulting from the continuous limits set on the number of rooms sold.

Operating profit is projected to decrease by ¥7.9 billion, resulting in an operating loss of ¥2.3 billion.

In the Other Business Segment, net sales and operating profit in the 2nd half are projected to decrease year on year as a result of a decline in the number of passengers in the monorail business owing to the ongoing limits set on attendance at both Parks.



## 3. Forecast for FY3/21 /Same Period of Previous FY

Consolidated Statement of Income		Results for FY Ended 3/20	Forecast for FY Ended 3/21	Change	Change[%]
[¥billion]					
Net Sales		464.4	185.4	(278.9)	(60.1)
Theme Park Segment		384.0	152.4	(231.5)	(60.3)
Hotel Business Segment		64.3	25.1	(39.2)	(61.0)
Other Business Segment		16.0	7.8	(8.1)	(50.8)
Operating Profit		96.8	(51.4)	(148.2)	-
Theme Park Segment		79.6	(43.1)	(122.7)	-
Hotel Business Segment		14.7	(5.9)	(20.7)	-
Other Business Segment		2.1	(2.5)	(4.7)	-
Ordinary Profit		98.0	(53.8)	(151.9)	-
Extraordinary loss		9.2	13.3	4.0	43.8
Profit before income taxes		89.1	(67.2)	(156.3)	-
Profit attributable to Owners of Parent		62.2	(51.1)	(113.3)	-
Attendance [million people]		29.01	9.50	(19.51)	(67.3)
Net Sales per Guest [¥]		11,606	12,710	1,104	9.5
Ticket Receipts [¥]		5,292	6,250	958	18.1
Merchandise [¥]		3,877	3,620	(257)	(6.6)
Food and Beverages [¥]		2,437	2,840	403	16.5

**Net sales and all levels of profit are expected to fall short due to the temporary closure and continuing to limit the level of attendance of both Parks**

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**3. Forecast for FY3/21 /Same Period of Previous FY**

Net sales are expected to decrease by ¥278.9 billion to ¥185.4 billion, operating profit are expected to decrease by ¥148.2 billion to ¥(51.4) billion, ordinary profit are expected to decrease by ¥151.9 billion to ¥(53.8) billion, and profit attributable to owners of parent are expected to decrease by ¥113.3 billion to ¥(51.1) billion.

Attendance is expected to decrease by ¥19.51 million people to ¥9.50 million people, Net sales per Guest are expected to increase by ¥1,104 to ¥12,710.

## 4. Reduction of Cash Outflow

Major initiatives to reduce cash outflow (throughout the full fiscal year)

	Reduction amount* (¥billion)	Major initiatives
<b>Personnel expenses</b>	About (31.0)	<ul style="list-style-type: none"> <li>• Reduce directors' compensation</li> <li>• Reduce winter bonus payments to full-time employees</li> <li>• Suspend employment of new Cast Members and reallocate Cast Members in accordance with Park operations needs</li> <li>• Terminate payment of leave allowance in excess of statutory requirement for all categories of employees (end of September 2020)</li> <li>• Receipt of employment adjustment subsidy ,etc.</li> </ul>
<b>Miscellaneous costs</b>	About (19.0)	<ul style="list-style-type: none"> <li>• Review promotional activities to attract Guests</li> <li>• Suspend special events</li> <li>• Suspend or downsize entertainment programs</li> <li>• Review maintenance operation ,etc.</li> </ul>

\* Forecast for FY3/21 compared with actual result for FY3/20 (excluding extraordinary loss)

Implement secure measures to reduce cash outflow

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## 4. Reduction of Cash Outflow

To secure liquidity on hand, we are implementing the initiatives shown on this slide.

As we give top priority to sustaining our business, we are implementing painful human resources initiatives to meet the changes in our management environment.

At the same time, we are also executing workshare to maintain a certain level of employment while reducing personnel expenses so that we will be able to meet the rise in attendance expected in the future.

With regard to miscellaneous costs, we have implemented secure and readily available measures to reduce cash outflow, including reviewing promotional activities to attract Guests, calling off special events, and suspending and downsizing entertainment programs.

In addition, there have been some variable costs that declined due to the impact of the temporary closure.

We will continue to differentiate costs that are necessary and those that can be reduced to implement steady cost control.

**Policy: Allocate operating cash flow to growth investments with the aim of enhancing corporate value.**

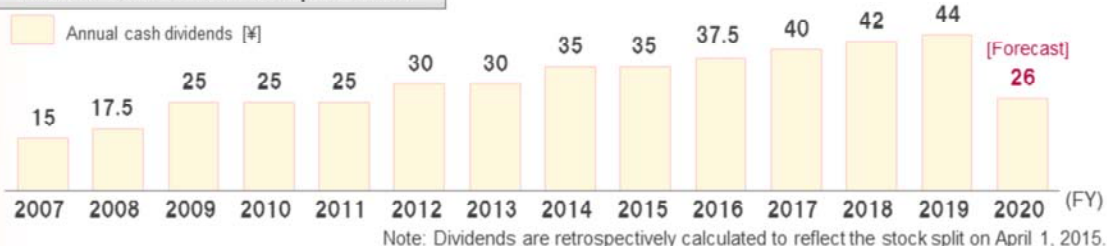
Capital expenditure		[¥billion]	
	Amount of reduction (vs. planned amount)	Total amount (full FY forecast)	
While suspending, downsizing and postponing less urgent remodeling works, we will continue making growth investments, including the Tokyo DisneySea Large-Scale Expansion Project.	(Approx. 18.0)	147.2	

## Cash Dividends

**[Policy] To aim for a steady payout of cash dividends**

An annual dividend per share for FY3/21 is planned to be ¥26. Although our policy of aiming for a steady payout of dividends remains unchanged, we will reduce our annual dividend to give priority to securing liquidity on hand and securing capital for growth investments.

### Annual cash dividends per share



**Continue growth investments by securing liquidity on hand**

As always, our policy to allocate operating cash flow generated to growth investments with the aim of enhancing corporate value remains unchanged.

In view of our current circumstances, we have suspended, downsized and postponed less urgent remodeling investments to reduce capital expenditure.

However, we are continuing with our growth investments such as the Tokyo Disney Sea Large-Scale Expansion Project.

Although we have been able to significantly reduce our remodeling investments, we will be making large-scale investments for growth, so our total capital expenditure is expected to amount to ¥147.2 billion, which is about ¥18.0 billion less than the initial plan.

Our policy to offer steady cash dividends remains unchanged. However, as in the 1st half of the fiscal year, we are also expecting a challenging management environment in the 2nd half, so we are planning to reduce our annual dividend to ¥26 per share for FY 3/21 in order to give priority to securing liquidity on hand and capital for growth investments.

We express our deepest apologies to our shareholders. We are determined to make all-out efforts to achieve a recovery in our financial performance and would like to ask for your continued support.

### III. 2020 Medium-term Plan: Targets and Progress

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## 2020 Medium-term Plan

### Targets

To consistently provide a highly satisfying Theme Park experience

To achieve record high Theme Park attendance and operating cash flow\* in FY3/21

Withdrawal of quantitative target  
due to changes in  
management environment

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

### Strategies

#### 1. Core Business Strategy

Strengthen structural aspects to provide "novelty" and "comfort"

Strengthen non-structural aspects [human resources capacity] on a long-term sustainable basis

#### 2. Financial Policy

Allocate operating cash flow to growth investments and aim to enhance corporate value

Basic approach remains unchanged.  
But priority will be given to taking measures against COVID-19.  
Business activities will be appropriately examined in line with  
changes in the management environment.

Review of 2020 Medium-term Plan will be announced along with  
end-of-fiscal-year financial results including results for second half.

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### 2020 Medium-term Plan

The OLC Group has designated the period under the 2020 Medium-term Plan as the time to "strengthen business foundation toward long-term sustainable growth." For this, we upheld two targets: "To consistently provide a highly satisfying Theme Park experience" and "to achieve record high Theme Park attendance and operating cash flow in the fiscal year ending March 2021."

The current fiscal year is the final year under the medium-term plan.

However, unexpected changes have taken place in our management environment due to the COVID-19 pandemic. We temporarily closed our Parks and limited attendance after reopening them and the number of inbound travelers to Japan has also plunged.

As our forecast for FY 3/21 shows, we will not be able to achieve our quantitative target under the 2020 Medium-term Plan, so we decided to withdraw quantitative target.

Although our basic strategic approach remains unchanged for the remaining half of FY 3/21, priority will be given to taking measures against COVID-19, so our business activities will be appropriately examined in line with whatever changes may occur in the management environment.

Review of our progress made under the medium-term plan will be announced along with fiscal-year-end financial results, including the second-half results amid the ongoing pandemic.

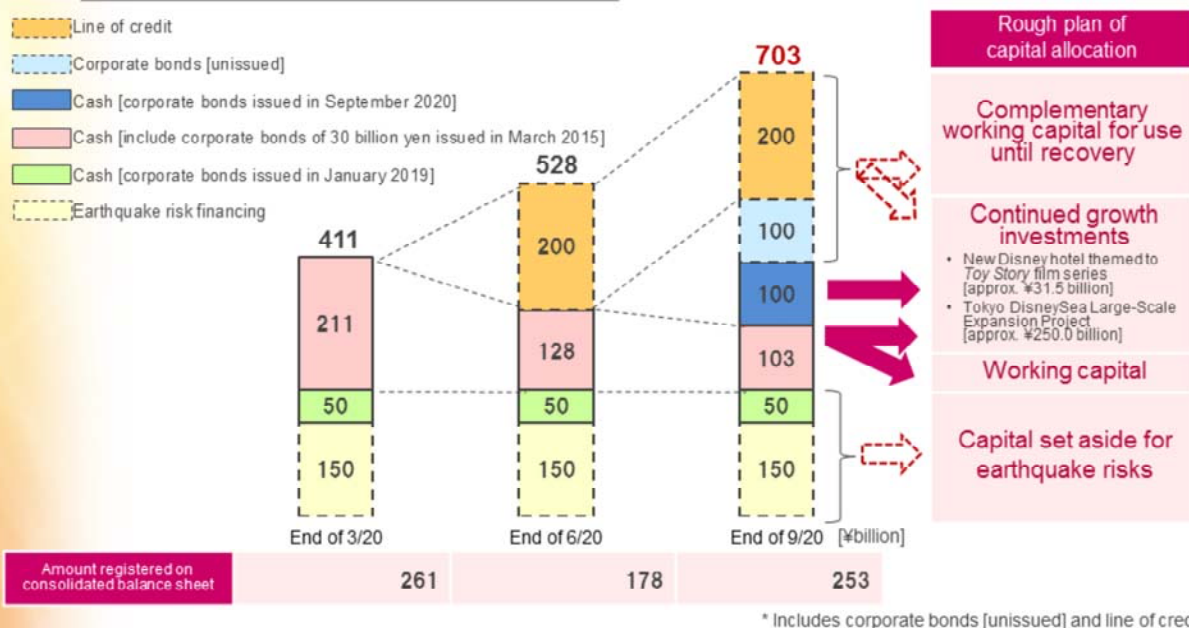
## IV. State of Financing

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## State of Financing

### Changes in capital resources\* and liquidity



**Secured necessary capital resources to acquire immediately available working capital and funds for medium- and long-term growth**

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### State of Financing

We concluded a line of credit contract worth ¥200.0 billion in May 2020 to enable us to swiftly and flexibly procure necessary capital if we need to.

In addition, we also had corporate bonds worth ¥200.0 billion registered in August 2020, of which bonds worth ¥100.0 billion were issued in September with proceeds to be used for long-term capital expenditure for such initiatives as the Tokyo DisneySea Large-Scale Expansion Project.

Therefore, even if we need capital going forward, we have in place the means for securing the capital we need to continue with our business and medium- and long-term growth.

## V. Operation Updates

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## Initiatives to Increase Net Sales and Guests' Experience Value [1]



	Initiatives		Effects
Theme Parks	Changes in operation	Increased the Guest capacity of facilities by resuming closed facilities and installing acrylic partitions between attraction seats [in phases since reopening]	[1]+[3]
	Opening of new areas	Opened Tokyo Disneyland Large-Scale Development area [Sep. 28, 2020]	[1]+[2]+[3]
	Changes to Park admission times	Change Park admission times for Fixed Date and Time Passport [Oct. 31, 2020]	[2]+[3]
	Resumption of entertainment	<ul style="list-style-type: none"><li>Resumed fireworks at both Parks and started "Nightfall Glow," a mini parade at Tokyo Disneyland [Sep. 1, 2020]</li><li>Partly resumed character greetings [Sep. 19, 2020]</li></ul>	[1]+[3]
	Food/merchandise	<ul style="list-style-type: none"><li>Started selling alcoholic beverages on a trial basis at Tokyo Disneyland [Oct. 1, 2020]</li><li>Preparing for Go To Eat campaign and common regional coupons under the Go To Travel campaign</li></ul>	[2]+[3]
Hotels	Increasing maximum occupancy rate from 50% [in phases since reopening]		[1]
	Registered as business operator participating in Go To Travel campaign [July 22, 2020]		
	Started offering a new Tokyo Disney Resort Vacation Package that offers a character greeting experience at temporarily closed facilities [Oct. 5, 2020]		[1]+[2]+[3]

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### Initiatives to Increase Net Sales and Guests' Experience Value (1)

Amid the ongoing COVID-19 pandemic, we are hoping to proactively execute initiatives that can be implemented in the short term and are sure to produce earnings and enhance experience value. To this end, we have been striving to enrich our operations since resuming our business. Let me elaborate on our initiatives.

The effects brought about by our initiatives are depicted by the three circles in the upper part of the slide: (1) Attendance; number of hotel guests; (2) Ticket receipts; merchandise revenue; and food/beverages revenue; and (3) Experience value. Our initiatives produce one or more of these effects.

We have been operating our Theme Parks by limiting attendance in accordance with the sector-wide Amusement Park and Theme Park New Coronavirus Infection Containment Guidelines, but we have reopened some facilities that had initially remained closed after the reopening, gradually increasing attendance within the limit of 50% of the usual level while ensuring safety.

Furthermore, having observed how Guests move and how Cast Members have familiarized themselves with the new operations procedures, we decided to move up the Park admission times for Fixed Date and Time Passport holders, starting October 31, 2020. We are also gradually stepping up our entertainment programs. In addition, we started selling alcoholic beverages on a trial basis at Tokyo Disneyland from the beginning of October, and also preparing for Go To Eat campaign and common regional coupons under the Go To Travel campaign.

With regard to our Disney hotels, we have been gradually increasing the maximum occupancy rate. The hotels have also been registered to participate in the Go To Travel campaign and resumed offering the Tokyo Disney Resort Vacation Packages from September 23.

Starting October 5, we have also been offering a new Vacation Package that provides a character greeting experience by making use of temporarily closed facilities such as the Broadway Music Theatre where the Big Band Beat had been shown.





## Initiatives to Increase Net Sales and Guests' Experience Value [2]

### Initiatives using IT



Tokyo Disney Resort App

	Initiatives	Effects
Theme Parks	Standby Pass introduced for "Toy Story Mania!" and "Soaring: Fantastic Flight" [Sep. 23, 2020]	[3]
	Park admission lottery held for Annual Passport holders [Aug. 7 to Dec. 31, 2020]	[1]+[3]
	Park admission lottery to be held for holders of Shareholder Passport and other open date Park tickets [Dec. 1, 2020] Note: Applications to be accepted from Nov. 2, 2020	
	<ul style="list-style-type: none"> <li>Online merchandise shopping offered on official app for Annual Passport holders regardless of whether or not visiting our Parks [Aug. 4 to Oct. 31, 2020]</li> <li>Online merchandise shopping on official app to be opened to the public regardless of whether or not visiting our Parks [Nov. 1, 2020]</li> </ul>	[2]
	Started offering crowd level forecast for shops on Tokyo Disney Resort Official Website [Aug. 27, 2020]	[2]+[3]

Examine and execute initiatives that can be implemented right away and are sure to produce earnings and enhance experience value.  
Initiatives under 2020 Medium-term Plan, including promotion of IT, are proving effective

### Initiatives to Increase Net Sales and Guests' Experience Value (2)

With regard to changes in Park operations after reopening, the use of IT, which is promoted under the 2020 Medium-term Plan, has been playing a significant role in many of our new operations procedures.

By leveraging the Disney FASTPASS and show-viewing lottery systems, we introduced the Standby Pass for "Toy Story Mania!" and "Soaring: Fantastic Flight." We are also holding time-limited Park admission lotteries for Annual Passport holders.

In December, we will also roll out Park admission lotteries for holders of the Shareholder Passport and other types of tickets.

We also expanded the scope of eligible users of the shopping service offered via the Tokyo Disney Resort App.

From August to October 2020, the shopping service was modified to accept purchase requests from Annual Passport holders, regardless of whether or not they were visiting our Parks. From November, the shopping service will be open to all members of the public including those who are not visiting our Parks.

At some restaurants, we introduced two-dimensional codes offering menu details and self-service registers.

## New Area Opened on Sep. 28, 2020

	Major facilities	Major measures against COVID-19 pandemic
Attractions	Enchanted Tale of Beauty and the Beast	<ul style="list-style-type: none"> <li>Entry requests accepted via app after Park admission</li> <li>Acrylic partitions installed between seats</li> </ul>
	The Happy Ride with Baymax	Entry requests accepted via app after Park admission
Character greeting facilities	Minnie's Style Studio	Entry requests accepted via app after Park admission
Shop	Village Shoppes	<ul style="list-style-type: none"> <li>Online reservation required</li> <li>Promotion of official app</li> </ul>
Restaurants and refreshments	<ul style="list-style-type: none"> <li>La Taverne de Gaston</li> <li>The Big Pop</li> </ul>	Online reservation required

Note: The opening date of Fantasyland Forest Theatre, an indoor theater in Fantasyland, is yet to be decided



Beauty and the Beast Castle



The Happy Ride with Baymax



The Big Pop



Minnie's Style Studio

	Effects observed so far		Effects expected going forward
Novelty	Original to Japan	+	First indoor theater at Tokyo Disneyland
Comfort	<ul style="list-style-type: none"> <li>Greater Guest capacity</li> <li>Installation of indoor restaurant</li> </ul>	+	<ul style="list-style-type: none"> <li>Increased number of Guests experiencing the attractions</li> <li>All-weather theater</li> </ul>

While giving top priority to safety and peace of mind, the new area is proving effective for enhancing attendance, novelty and comfort.

The opening of the new indoor theater is expected to further enhance these effects

### New Area Opened on Sep. 28, 2020

I would now like to elaborate on the new areas opened on September 28, 2020.

On a site spanning approximately 47,000 m<sup>2</sup> at Tokyo Disneyland, we installed the new areas by investing an approximate total of about ¥75.0 billion, the largest ever investment since the opening of both Parks.

To prevent crowding in the new areas, we accept entry requests via our app for some facilities and have installed an advance reservations system as measures against the spread of COVID-19 infection.

While giving top priority to safety and peace of mind, we have been able to enhance “novelty” by introducing attractions original to Japan. The new areas have been developed with meticulous attention to detail, allowing Guests to steep themselves in the world of Disney films like never before.

Moreover, areas that had been closed due to construction works are now open, which helped us increase our Guest capacity within the scope of our limit of 50% of the usual level.

The opening date for the Fantasyland Forest Theatre is yet to be decided, as we are facing some difficulties in securing social distancing among show performers and Cast Members. If we can solve this problem and open this theater, we believe we will be able to boost the appeal of our facilities and increase our Guest capacity.

## VI. For Medium- and Long-term Growth in and after FY 3/22

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## For Medium- and Long-term Growth

Cross-divisional discussions are held to consider how Theme Parks should be operated during this “new normal” period, and how to maximize revenues generated by Tokyo Disney Resort in its entirety including hotels		
Theme Park Segment	Net sales	<u>Under consideration</u> <ul style="list-style-type: none"><li>• Introduce a new ticket strategy [e.g., dynamic pricing]</li><li>• Introduce initiatives to create new earnings sources based on Guests' experience [e.g., start charging for Disney FASTPASS]</li></ul>
	Costs	Continue pursuing leaner cost structure
Hotel Business Segment	Consider collaborative measures with Parks to ensure that hotel accommodation demand of Park Guests can be captured	
Growth investments	<ul style="list-style-type: none"><li>• New Disney hotel themed to the Disney/Pixar <i>Toy Story</i> film series [approx. ¥31.5 billion]</li><li>• Fantasy Springs [approx. ¥250.0 billion]</li></ul> <p>Note: The figures in brackets are projected investment amounts</p>	
New businesses	<ul style="list-style-type: none"><li>• Generation of new businesses at Oriental Land Innovations Co., Ltd.</li><li>• Continue R&amp;D activities at specialized division to explore business fields expected to achieve long-term growth.</li></ul>	
Management plan	Launch an ESG project team led by the president and comprised of executive vice presidents and executive directors.	
Accelerate discussions on introducing new earnings measures, and continue with growth investments. Incorporate ESG factors into future management plans		

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### For Medium- and Long-term Growth

From the perspective of enhancing Guests' experience value, our earnings, and the efficiency of the Group in its entirety, we must, as our key agenda, discuss how Theme Parks should be operated during this “new normal” period and how we can maximize revenues generated by Tokyo Disney Resort as a whole including hotels. To take swift and steady steps to solve these challenges, we have clarified the roles and responsibilities in pursuing each agenda and established an organizational framework for this purpose.

Going forward, the key agenda that need to be prioritized will be addressed across all divisions over the medium and long term.

We are accelerating concrete discussions on initiatives aimed at increasing net sales per Guest, such as adopting a dynamic pricing system as our new ticket strategy and exploring the creation of new earnings sources based on Guests' experience at our Parks. We also restructured our organization in September 2020 to help us formulate and execute IT-related strategies and operations as an integral part of our plans for the Theme Park Segment. Our aim is to step up efforts to develop and utilize IT with the aim of gaining higher earnings.

With regard to our large-scale investments already announced, we will follow through with the aim of increasing our net sales over the medium- to long-term. We have decided that growth investments should never be suspended if we are to achieve growth for Tokyo Disney Resort after overcoming this crisis.

As for our endeavor to cultivate new businesses, we have sown our seeds by using our new subsidiary established in June 2020 and our specialized division will also continue research and development to explore business fields that are expected to grow over the long term.

Furthermore, next month will see the launch of an ESG project team, which I myself will lead.



## For Medium- and Long-term Growth



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### For Medium- and Long-term Growth

The crisis we are confronting prompted me to think afresh about how we should operate as a corporation, and I reaffirmed the importance of maintaining sustainability as a company.

If we are to face another state of emergency in the future, instead of repeating the same steps we have taken, we should be able to take more prompt and flexible actions as a totally transformed company. To this end, I believe that we must take a renewed look at our management plan, which we have been working on since before the pandemic, by reconsidering our earnings structure and employees' workstyles, as well as giving thought to how we should handle the rapidly spreading use of IT and changes in how leisure time is spent, both of which were precipitated by the crisis.

We are establishing the ESG project team with the aim of furthering discussions on how to incorporate an ESG perspective into our management plan. I hope to provide you with updates on our discussions in the spring of 2021.

Amid the temporary closure of our Parks as well as some drastic human resources initiatives, many of our employees must have felt great anxiety. However, they have persevered through this crisis, sustained by their belief in this Group, their love for Tokyo Disney Resort, and their desire to work here. Our employees have been bouncing ideas off one another, shaping them into concrete measures, and evolving them through countless cycles of trial and error. Without a doubt, these people are our assets.

For these employees, as well as for Guests who have believed in and waited for our Parks to reopen and have revisited them, we need to transform this crisis into an opportunity and envision a bright future.

We ask our stakeholders for your continued and even stronger support.



## Appendix

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Note: Increase in operating costs is expressed by figures in brackets, which show by how much operating profit was negatively affected, and decrease in extraordinary loss is expressed by figures in brackets.



【Appendix】Analysis of Operating Expenses by Segment  
( 1<sup>st</sup> Quarter of FY 3/21 /Same Period of Previous FY )

[Appendix]

Theme Park Segment	[¥billion]			
	Three months ended June 30, 2019	Three months ended June 30, 2020	Change	Change [%]
Net Sales	100.1	5.1	(95.0)	(94.9)
Operating Profit	27.1	(11.4)	(38.6)	-

Items	Primary reasons for decrease in operating expenses (Year-on-year comparison)		Major reasons for change in extraordinary loss	
Personnel expenses	14.5	Transfer to extraordinary loss, decrease in personnel expenses for part-time employees, etc.	7.7	Part of the personnel expenses incurred during the temporary closure of both Parks*
Miscellaneous expenses	6.9	Transfer to extraordinary loss, decrease in marketing expenses, special events related costs, etc.	3.2	Outsourcing, fixed asset tax during the temporary closure of both Parks, etc.
Depreciation and amortization expenses	6.8	Transfer to extraordinary loss, etc.	7.2	Depreciation and amortization expenses during the temporary closure of both Parks
Others			1.4	Personnel expenses in costs of food and beverages, disposal of merchandise and raw material, etc.

\*As the employment adjustment subsidy to be received from the government as a special measure to address the impact of COVID-19, highly accurate amount to be received is reasonably calculated, and has been deducted from the extraordinary loss.

**In addition to decrease in personnel expenses for part-time employees and miscellaneous expenses, etc., we partially recorded expenses into extraordinary loss**

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Hotel Business Segment	[¥billion]			
	Three months ended June 30, 2019	Three months ended June 30, 2020	Change	Change [%]
Net Sales	16.4	0.1	(16.2)	(99.1)
Operating Profit	3.7	(3.1)	(6.9)	-

[¥billion]				
Items	Primary reasons for decrease in operating expenses (Year-on-year comparison)		Major reasons for change in extraordinary loss	
Personnel expenses	2.3	Transfer to extraordinary loss, decrease due to reduction of working hours, etc.	0.1	Part of the personnel expenses incurred during the temporary closure of hotels*
Miscellaneous expenses	0.9	Decrease in maintenance costs, transfer to extraordinary loss, etc.	0.3	Fixed asset tax during the temporary closure of hotels, etc.
Depreciation and amortization expenses	0.7	Transfer to extraordinary loss, etc.	0.7	Depreciation and amortization expenses during the temporary closure of hotels

\*As the employment adjustment subsidy to be received from the government as a special measure to address the impact of COVID-19, highly accurate amount to be received is reasonably calculated, and has been deducted from the extraordinary loss.

**In addition to reduction of working hours, etc.,  
we partially recorded expenses into extraordinary loss**

Theme Park Segment	Results for 2Q of FY3/20	Results for 2Q of FY3/21	Change	Change [%]
Net Sales	105.2	42.7	(62.4)	(59.4)
Operating Profit	22.7	(7.8)	(30.6)	-

[¥billion]

Item	Major reasons for change in operating expenses (compared with 2 <sup>nd</sup> Quarter of FY3/20)		Major reasons for change in extraordinary loss	
Personnel expenses	8.3	Decrease due to receipt of employment adjustment subsidy; decrease in personnel expenses for full-time employees, etc.*1	(6.8)	Decrease due to receipt of employment adjustment subsidy*2; Decrease due to reduced winter bonus payments to full-time employees
Miscellaneous costs	5.0	Decrease in sales promotion costs; decrease in costs related to special events, etc.		
Depreciation and amortization expenses	(0.6)	Increase due to acquisition of new assets, etc.		
Other			(0.7)	Decrease due to receipt of employment adjustment subsidy*2 Decrease due to reduced winter bonus payments to full-time employees

\*1 The employment adjustment subsidy for addressing the impact of the COVID-19 pandemic received or expected to be received after resuming business operation has been deducted.

\*2 As the finalized employment adjustment subsidy for addressing the impact of the COVID-19 pandemic exceeded the amount projected as of the end of the first quarter, the amount in excess was deducted from the extraordinary loss posted in 2Q.

**The amount of employment adjustment subsidy was finalized,  
which resulted in a decline in extraordinary loss.**

# 【Appendix】Analysis of Operating Expenses by Segment (2<sup>nd</sup> Quarter of FY3/21 / Same Period of Previous FY )

[Appendix]

Hotel Business Segment	Results for 2nd Half of FY3/20	Results for 2nd Half of FY3/21	[¥billion]	
			Change	Change [%]
Net Sales	18.3	8.0	(10.2)	(56.1)
Operating Profit	5.2	(0.4)	(5.7)	-

[¥billion]

Item	Major reasons for change in operating expenses (compared with 2 <sup>nd</sup> Quarter of FY3/20)		Major reasons for change in extraordinary loss	
Personnel expenses	1.5	Decreased working hours; Decrease due to receipt of employment adjustment subsidy*1	(0.3 )	Decrease due to receipt of employment adjustment subsidy*2, Decrease due to reduced winter bonus payments to full-time employees
Miscellaneous costs	Roughly the same			
Depreciation and amortization expenses	Roughly the same			

\*1 The employment adjustment subsidy for addressing the impact of the COVID-19 pandemic received or expected to be received after resuming business operation has been deducted.

\*2 As the finalized employment adjustment subsidy for addressing the impact of the COVID-19 pandemic exceeded the amount projected as of the end of the first quarter, the amount in excess was deducted from the extraordinary loss posted in 2Q.

The amount of employment adjustment subsidy was finalized,  
which resulted in a decline in extraordinary loss.





**Oriental Land Co., Ltd.**

Investor Relations Group, Finance/Accounting Department

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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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