

# Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2022 (Japanese accounting standards)

January 28, 2022

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/>

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Planned Date for Submission of the Quarterly Report: February 14, 2022

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, 2022 (April 1, 2021 to December 31, 2021)

### (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 (loss) (¥ million)	Year-on-year change (%)	Ordinary profit (loss) (¥ million)	Year-on-year change (%)
Nine months ended Dec. 31, 2021	190,313	38.8	(1,617)	—	(15)	—
Nine months ended Dec. 31, 2020	137,113	(64.9)	(19,840)	—	(21,850)	—

Note: Comprehensive income:

Nine months ended December 31, 2021: ¥(4,238 million) (—%)

Nine months ended December 31, 2020: ¥(28,530 million) (—%)

	Profit (loss) attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Nine months ended Dec. 31, 2021	(1,152)	—	(3.52)	—
Nine months ended Dec. 31, 2020	(28,728)	—	(87.75)	—

Notes

- (1) Earnings per share (diluted) for nine months ended December 31, 2021, is not indicated because net loss per share is indicated, although there are potential common shares with dilutive effects.
- (2) The “Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. has been applied since the beginning of the first quarter of the current consolidated fiscal year. Figures for the third quarter of the fiscal year ending March 2022 are stated after the application of the said accounting standard, etc.

### (2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of December 31, 2021	1,091,483	745,645	68.3	2,276.64
As of March 31, 2021	1,040,465	759,948	73.0	2,320.71

Reference: Shareholders' equity:

As of December 31, 2021: ¥745,645 million

As of March 31, 2021: ¥759,948 million

Note: The “Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. has been applied since the beginning of the first quarter of the current consolidated fiscal year. Figures for the third quarter of the fiscal year ending March 2022 are stated after the application of the said accounting standard, etc.

## 2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	—	13.00	—	13.00	26.00
Fiscal year ending March 31, 2022	—	13.00	—		
Fiscal year ending March 31, 2022 (Est.)				13.00	26.00

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

### 3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

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

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal year ending March 31, 2022	261,939	53.6	(7,623)	—	(6,232)	—	(5,874)	—	(17.94)

Note: Revisions to the latest announcement regarding result projection: Yes

#### \*Notes

(1) Changes in Major Subsidiaries during the Nine Months Ended December 31, 2021: 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: Yes

(b) Changes other than (a) above: Yes

(c) Changes in accounting estimates: Yes

(d) Restatement: None

Note: For details, please refer to Change in Accounting Policy and Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting Estimates in (3) Notes Regarding the Consolidated Financial Statements for the Third Quarter Under Review on page 5.

(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, 2021:	363,690,160 shares	Year ended March 31, 2021:	363,690,160 shares
(b) Number of treasury stock at end of period	Nine months ended December 31, 2021:	36,169,741 shares	Year ended March 31, 2021:	36,226,898 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Nine months ended December 31, 2021:	327,492,067 shares	Nine months ended December 31, 2020:	327,410,200 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, 2021)	At the end of the third quarter (December 31, 2021)
<b>ASSETS</b>		
Current assets		
Cash and deposits	197,317	221,697
Notes and accounts receivable—trade	12,040	19,206
Securities	33,495	17,999
Merchandise and finished goods	12,511	6,427
Work in process	118	316
Raw materials and supplies	8,901	9,195
Other	9,757	7,677
Allowance for doubtful accounts	(8)	(11)
Total current assets	274,134	282,510
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	315,411	325,727
Machinery, equipment and vehicles, net	47,849	44,927
Land	115,890	115,890
Construction in progress	165,344	204,966
Other, net	21,063	19,105
Total property, plant and equipment	665,557	710,616
Intangible assets		
Other	17,111	18,145
Total intangible assets	17,111	18,145
Investments and other assets		
Other	83,759	80,305
Allowance for doubtful accounts	(97)	(95)
Total investments and other assets	83,662	80,210
Total non-current assets	766,331	808,973
Total assets	1,040,465	1,091,483

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2021)	At the end of the third quarter (December 31, 2021)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable—trade	9,072	10,912
Current portion of bonds payable	30,000	30,000
Current portion of long-term borrowings	3,859	5,219
Income taxes payable	9,023	889
Other	69,414	83,311
Total current liabilities	121,370	130,333
Non-current liabilities		
Bonds payable	150,000	200,000
Long-term borrowings	2,364	7,685
Retirement benefit liability	3,030	3,492
Other	3,752	4,325
Total non-current liabilities	159,147	215,504
Total liabilities	280,517	345,838
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	63,201	63,201
Capital surplus	112,001	115,005
Retained earnings	678,792	669,346
Treasury shares	(108,771)	(113,546)
Total shareholders' equity	745,223	734,007
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,449	9,513
Deferred gains or losses on hedges	137	141
Remeasurements of defined benefit plans	2,137	1,983
Total accumulated other comprehensive income	14,724	11,638
Total net assets	759,948	745,645
Total liabilities and net assets	1,040,465	1,091,483

**(2) Quarterly Consolidated Statements of (Comprehensive) Income**  
**(Quarterly Consolidated Statements of Income)**  
**Nine months ended December 31, 2021**

(Millions of yen)

Items	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Net sales	137,113	190,313
Cost of sales	*1 121,987	*1 150,047
Gross profit	15,126	40,265
Selling, general and administrative expenses	*1 34,966	*1 41,882
Operating profit (loss)	(19,840)	(1,617)
Non-operating income		
Interest income	46	91
Dividend income	533	513
Insurance received and insurance dividends	337	284
Subsidy income	—	*2 2,048
Other	728	984
Total non-operating income	1,646	3,923
Non-operating expenses		
Interest expenses	241	341
Share of loss of entities accounted for using equity method	371	385
Commission expenses	610	653
Depreciation	667	698
Other	1,766	241
Total non-operating expenses	3,656	2,320
Ordinary profit (loss)	(21,850)	(15)
Extraordinary losses		
Loss on temporary closure	*1 13,333	—
Total extraordinary losses	13,333	—
Profit (loss) before income taxes	(35,184)	(15)
Income taxes—current	412	337
Income taxes—deferred	(6,868)	799
Total income taxes	(6,455)	1,137
Profit (loss)	(28,728)	(1,152)
Profit (loss) attributable to owners of parent	(28,728)	(1,152)

**(Quarterly Consolidated Statements of Comprehensive Income)**  
**Nine months ended December 31, 2021**

(Millions of yen)

Items	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Profit (loss)	(28,728)	(1,152)
Other comprehensive income		
Valuation difference on available-for-sale securities	369	(2,935)
Deferred gains or losses on hedges	(123)	4
Remeasurements of defined benefit plans, net of tax	(47)	(154)
Total other comprehensive income	197	(3,086)
Comprehensive income	(28,530)	(4,238)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(28,530)	(4,238)
Comprehensive income attributable to non-controlling interests	—	—

### (3) Notes Regarding Quarterly Consolidated Financial Statements for the Third Quarter Under Review

Notes Regarding Going Concern Assumption: None

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

#### Change in Accounting Policy

Application of the Accounting Standard for Revenue Recognition, etc.

The "Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020). Hereinafter, "Accounting Standard for Revenue Recognition"), etc. has been applied since the beginning of the first quarter of the current consolidated fiscal year. In accordance with this accounting standard, the Company recognizes revenue as the amount expected to be received in exchange for the promised goods or services when the control of the goods or services is transferred to the customer.

The application of the Accounting Standard for Revenue Recognition is pursuant to the transitional treatment stipulated in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect when applying the new accounting policy retrospectively from before the beginning of the first quarter of the current consolidated fiscal year is added to or subtracted from the retained earnings at the beginning of the first quarter of the current consolidated fiscal year before applying the new accounting policy from the beginning-of-year balance.

The impact of these changes on the Company's consolidated quarterly financial statements is minor.

Furthermore, in accordance with the transitional treatment stipulated in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), information on the breakdown of revenue generated from contracts with customers for the third quarter of the previous consolidated fiscal year is not shown.

Application of Accounting Standard for Fair Value Measurement, etc.

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc., have been applied since the beginning of the first quarter of the current consolidated fiscal year. In accordance with the transitional treatment prescribed in Paragraph 19 of the "Accounting Standard for Fair Value Measurement" and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement, etc. in the future.

These changes had no impact on the Company's quarterly consolidated financial statements.

#### Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting Estimates

##### Changes in Depreciation Method for Property, Plant and Equipment

While the Company had previously adopted the declining-balance method mainly for depreciation of property, plant and equipment of Tokyo Disneyland (however, the straight-line method had been applied for buildings acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016), the method was changed to the straight-line method from the first quarter of the current consolidated fiscal year.

The business environment surrounding the Company is currently undergoing major changes due to the impact of COVID-19, in addition to demographic changes such as the declining birthrate and aging population. Against this backdrop, we examined the effects of attracting guests to the facility during the period between fiscal 2020 and fiscal 2021, in the wake of the opening of large-scale development areas in Tokyo Disneyland, which was the largest investment since the opening of the park. As a result, since Tokyo Disneyland is expected to operate stably and contribute to earnings for a long period of time similarly to Tokyo DisneySea, which adopts the straight-line method, we judged that it will become possible to reflect the actual conditions of the parks more adequately on the Company's financial statements by unifying the depreciation methods.

As a result of this change, for the nine months of the current consolidated fiscal year, operating loss decreased by 4,410 million yen, and ordinary loss and loss before income taxes decreased by 4,454 million yen, respectively, compared with the previous method.

## Additional Information

### Impact of COVID-19

The OLC Group's Theme Parks, which constitute its core business, take measures primarily based on the sector-wide guidelines for preventing the spread of COVID-19. Furthermore, in view of the COVID-19 pandemic situation, the quasi-state of emergency applied to Chiba Prefecture, and other factors, we currently limit our daily attendance in line with requests from the national and local governments. It may take some time before we can restore normal operations, depending on the external environment including trends in consumer sentiment for leisure activities. As such, the situation of the spread of COVID-19 is expected to exert a material impact on our consolidated financial results in and after the fourth quarter of the fiscal year ending March 31, 2022.

### Significant accounting estimates and underlying assumptions

As of the end of the previous fiscal year and the end of the first quarter of the current fiscal year ending March 2022, the OLC Group made various consolidated accounting estimates on the assumption that the COVID-19 pandemic will linger for a certain period during the current fiscal year.

With regard to the second quarter ended September 30, 2021, in view of the prolonged impact of the COVID-19 pandemic, we revised our assumption to deem that the impact will remain for a certain period in the next fiscal year, based on which we have made consolidated accounting estimates on the impairment of non-current assets and realizability of deferred tax assets. As a result, we revised our assessment on the realizability of deferred tax assets and have recorded a partial reversal of our deferred tax assets. However, the impact of this revision on the Company's consolidated quarterly financial statements is minor.

We make estimates and judgments deemed to be rational in view of the current situation and available information, but given the highly uncertain outlook of the COVID-19 pandemic including the extent of its spread and when it will end, the pandemic may exert further impact on the consolidated financial results in and after the fourth quarter of the current fiscal year in the event that the impact is more prolonged or exacerbated than is expected.

## Matters Concerning Consolidated Statements of Income

### \*1 Employment adjustment subsidies

The OLC Group has been applied to special case of employment adjustment subsidy for paid treatments to prevent the spread of the COVID-19 pandemic.

As a result, the employment adjustment subsidy received or expected to be received from the government has been registered by deducting 4,594 million yen, 842 million yen, and 12,796 million yen from the cost of sales, selling, general and administrative expenses, and extraordinary loss, respectively, in the previous third quarter of the fiscal year ended March 31, 2021; furthermore, in the third quarter under review, 7,589 million yen and 199 million yen are deducted from the cost of sales and selling, general and administrative expenses respectively.

### \*2 Subsidy income

This is the income from the subsidies for cooperation paid by local governments for the reduction of operating hours in an effort to prevent the spread of COVID-19.



## Segment Information

1. Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)

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

(Millions of yen)

	Reportable Segments			Other Business* <sup>1</sup>	Total	Adjustment* <sup>2</sup>	Amount stated on the Quarterly Consolidated Statements of Income* <sup>3</sup>
	Theme Park	Hotel	Total				
Net sales							
Sales to external customers	109,159	22,158	131,318	5,795	137,113	—	137,113
Intersegment sales or transfers	2,784	278	3,062	2,746	5,809	(5,809)	—
Total	111,944	22,436	134,380	8,542	142,923	(5,809)	137,113
Segment Profit (Loss)	(18,384)	(378)	(18,762)	(1,224)	(19,987)	146	(19,840)

Notes: 1. The “Other Business” segment, which includes the Ikspiari, monorail, and employee cafeteria businesses, etc., is not a reportable segment.

2. The segment profit (loss) adjustment amount of 146 million yen is the result of elimination of intersegment transactions.

3. The segment profit (loss) is adjusted to be recorded as operating profit (loss) 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, 2021 (April 1, 2021 to December 31, 2021)

### A. Net Sales and Profit (Loss) by Reportable Segment and Breakdown of Revenue

(Millions of yen)

	Reportable Segments			Other Business* <sup>1</sup>	Total	Adjustment* <sup>2</sup>	Amount stated on the Quarterly Consolidated Statements of Income* <sup>3</sup>
	Theme Park	Hotel	Total				
Net sales							
Attractions and shows	70,873	—	70,873	—	70,873	—	70,873
Merchandise	49,194	—	49,194	—	49,194	—	49,194
Food and beverages	25,676	—	25,676	—	25,676	—	25,676
Other revenue	3,281	—	3,281	—	3,281	—	3,281
Hotel	—	34,341	34,341	—	34,341	—	34,341
Other	—	—	—	6,946	6,946	—	6,946
Sales to external customers	149,024	34,341	183,366	6,946	190,313	—	190,313
Intersegment sales or transfers	4,448	377	4,826	2,802	7,628	(7,628)	—
Total	153,473	34,719	188,192	9,749	197,942	(7,628)	190,313
Segment Profit (Loss)	(5,106)	4,300	(805)	(1,050)	(1,856)	238	(1,617)

Notes: 1. The “Other Business” segment, which includes the Ikspiari, monorail, and employee cafeteria businesses, is not a reportable segment.

2. The segment profit (loss) adjustment amount of 238 million yen is the result of elimination of intersegment transactions.

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

### B. Matters Regarding the Changes in Reportable Segment, etc.

Application of the Accounting Standard for Revenue Recognition, etc.

As stated under the “Notes Regarding the Change in Accounting Policy,” the Accounting Standards for Revenue Recognition, etc. has been applied since the beginning of the first quarter of the current consolidated fiscal year. As a result of a change in the method of accounting treatment for revenue recognition, the method of measuring profit or loss in each business segment has also been changed accordingly.

The impact of these changes on the Company’s consolidated quarterly financial statements is minor.

#### Changes in Depreciation Method for Property, Plant and Equipment

As stated under the “Notes Regarding the Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting Estimates,” while the Company had previously adopted the declining-balance method mainly for depreciation of property, plant and equipment of Tokyo Disneyland (however, the straight-line method had been applied for buildings acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016), the method was changed to the straight-line method from the first quarter of the current consolidated fiscal year. As a result of this change, segment profit for the nine months of the current consolidated fiscal year increased by 6 million yen for the “Hotel” segment, and segment loss for the same period decreased by 4,399 million yen for the “Theme Park” segment and 4 million yen for the “Other Business” segment, compared with the previous method.

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