

Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2018 (Japanese accounting standards)

October 30, 2017

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.olc.co.jp/en/>

Representative: Kyoichiro Uenishi, Representative Director and President

Contact: Tomoyuki Shimoda, Director of Finance/Accounting Department

Planned Date for Submission of the Quarterly Report: November 13, 2017

Planned Date for Start of Dividend Payment: December 7, 2017

Supplementary materials for the quarterly financial statements: Yes

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

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

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2018 (April 1, 2017 to September 30, 2017)

(1) Consolidated Operating Results (Cumulative total)

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

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Six months ended Sept. 30, 2017	232,583	2.2	56,136	5.4	57,159	5.1
Six months ended Sept. 30, 2016	227,535	2.5	53,269	2.2	54,367	2.0

Note: Comprehensive income:

Six months ended September 30, 2017: ¥45,861 million (37.6%)

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

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Diluted earnings per share (¥)
Six months ended Sept. 30, 2017	42,485	11.5	128.92	123.58
Six months ended Sept. 30, 2016	38,115	6.0	114.83	110.96

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of September 30, 2017	858,743	689,115	80.2	2,096.87
As of March 31, 2017	849,798	669,515	78.8	2,020.58

Reference: Shareholders' equity:

As of September 30, 2017: ¥689,115million

As of March 31, 2017: ¥669,515million

2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2017	—	17.50	—	20.00	37.50
Fiscal year ending March 31, 2018	—	20.00			
Fiscal year ending March 31, 2018 (Est.)			—	20.00	40.00

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal Year ending March 31, 2018	469,300	(1.8)	100,170	(11.5)	101,610	(11.3)	70,810	(14.0)	215.16

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

Notes

- (1) Changes in Major Subsidiaries during the Six Months Ended September 30, 2017: None
New: — companies (Company name:)
Eliminated: — companies (Company name:)
- (2) Application of Special Accounting Methods for Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement
 - (a) Changes in accounting policies due to changes in accounting standards: 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)	Six months ended September 30, 2017	363,690,160 shares	Year ended March 31, 2017	363,690,160 shares
(b) Number of treasury stock at end of period	Six months ended September 30, 2017	35,049,917 shares	Year ended March 31, 2017	32,341,617 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Six months ended September 30, 2017	329,547,203 shares	Six months ended September 30, 2016	331,937,022 shares

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

*** Consolidated Financial Statements for the Second Quarter are not subject to quarterly financial review.**

* 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

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2017)	At the end of the second quarter (September 30, 2017)
ASSETS		
Current assets		
Cash and deposits	263,801	252,390
Notes and accounts receivable—trade	18,874	16,304
Securities	10,999	25,711
Merchandise and finished goods	9,874	12,198
Work in process	151	127
Raw materials and supplies	7,222	7,372
Other	8,145	8,886
Allowance for doubtful accounts	(1)	(2)
Total current assets	319,069	322,988
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	275,114	275,282
Machinery, equipment and vehicles, net	27,753	28,499
Land	115,082	117,653
Construction in progress	18,306	22,850
Other, net	15,717	16,275
Total property, plant and equipment	451,973	460,561
Intangible assets		
Other	9,576	8,582
Total intangible assets	9,576	8,582
Investments and other assets		
Other	69,270	66,703
Allowance for doubtful accounts	(92)	(92)
Total investments and other assets	69,178	66,611
Total non-current assets	530,728	535,755
Total assets	849,798	858,743

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2017)	At the end of the second quarter (September 30, 2017)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	17,498	12,690
Current portion of long-term loans payable	4,760	4,768
Income taxes payable	17,412	16,503
Other	71,432	65,454
Total current liabilities	111,103	99,416
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	5,814	5,325
Net defined benefit liability	4,400	4,543
Other	8,963	10,342
Total non-current liabilities	69,179	70,211
Total liabilities	180,282	169,628
NET ASSETS		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,911
Retained earnings	551,630	587,476
Treasury shares	(70,464)	(90,086)
Total shareholders' equity	656,279	672,502
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,405	15,647
Deferred gains or losses on hedges	(319)	(144)
Remeasurements of defined benefit plans	1,149	1,110
Total accumulated other comprehensive income	13,235	16,612
Total net assets	669,515	689,115
Total liabilities and net assets	849,798	858,743

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Six months ended September 30, 2017

(Millions of yen)

Items	Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)
Net sales	227,535	232,583
Cost of sales	141,943	144,193
Gross profit	85,591	88,390
Selling, general and administrative expenses	32,321	32,253
Operating income	53,269	56,136
Non-operating income		
Interest income	235	92
Dividends income	423	447
Share of profit of entities accounted for using equity method	95	96
Insurance and dividends income	406	391
Other	445	526
Total non-operating income	1,606	1,554
Non-operating expenses		
Interest expenses	106	104
Commission fee	265	303
Other	138	123
Total non-operating expenses	509	531
Ordinary income	54,367	57,159
Profit before income taxes	54,367	57,159
Income taxes—current	15,648	17,104
Income taxes—deferred	603	(2,429)
Total income taxes	16,252	14,674
Profit	38,115	42,485
Profit attributable to owners of parent	38,115	42,485

(Quarterly Consolidated Statements of Comprehensive Income)
Six months ended September 30, 2017

(Millions of yen)

Items	Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)
Profit	38,115	42,485
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,015)	3,241
Deferred gains or losses on hedges	(707)	174
Remeasurements of defined benefit plans, net of tax	(69)	(39)
Total other comprehensive income	(4,792)	3,376
Comprehensive income	33,322	45,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,322	45,861
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Regarding Going Concern Assumption: None

(4) Segment Information

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

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

(Millions of yen)

	Reportable 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	187,647	31,334	218,981	8,553	227,535	—	227,535
Intersegment sales or transfers	3,202	312	3,514	1,837	5,352	(5,352)	—
Total	190,849	31,647	222,496	10,391	232,888	(5,352)	227,535
Segment Income	45,730	6,195	51,925	1,236	53,162	107	53,269

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

2. The segment income adjustment amount of 107 million yen is the result of elimination of intersegment transactions.

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

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

2. Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)

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	191,957	32,022	223,980	8,603	232,583	—	232,583
Intersegment sales or transfers	3,293	291	3,584	1,836	5,421	(5,421)	—
Total	195,251	32,313	227,564	10,439	238,004	(5,421)	232,583
Segment Income	47,155	7,633	54,789	1,232	56,022	114	56,136

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

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

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

(5) Note Regarding the Occurrence of Significant Changes in Amount of Shareholders' Equity: None