

# **Results for the Fiscal Year Ended March 31, 2018**

April 26, 2018  
Oriental Land Co., Ltd

## **I. Overview of Results for the Fiscal Year Ended March 2018**

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Tomoyuki Shimoda  
Officer and Director, Finance/Accounting Department

# 1. Results for FY Ended 3/18 / FY Ended 3/17

I. Overview of Results

Consolidated Statement of Income	Results for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	477.7	479.2	1.5	0.3%
Theme Park Segment	394.2	395.9	1.7	0.4%
Hotel Business Segment	66.1	66.4	0.3	0.5%
Other Business Segment	17.3	16.8	(0.5)	(3.1)%
Operating Profit	113.1	110.2	(2.8)	(2.5)%
Theme Park Segment	95.8	91.6	(4.2)	(4.4)%
Hotel Business Segment	14.6	16.2	1.6	11.3%
Other Business Segment	2.4	2.0	(0.3)	(13.7)%
Ordinary Profit	114.6	111.6	(2.9)	(2.6)%
Profit Attributable to Owners of Parent	82.3	81.1	(1.1)	(1.4)%

Net sales hit a record high and operating profit reached a high level

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# 1. Results for FY 3/18 / FY 3/17 – Main reasons for Change

I. Overview of Results

Theme Park Segment [1]	Results for FY Ended 3/17	Results for FY Ended 3/18	Change	Change
Net Sales [¥ billion]	394.2	395.9	1.7	0.4%
Attendance [million people]	30.00	30.10	0.10	0.3%
Net Sales per Guest [¥]	11,594	11,614	20	0.2%
Ticket Receipts	5,264	5,339	75	1.4%
Merchandise	4,074	3,989	(85)	(2.1)%
Food and Beverages	2,256	2,286	30	1.3%

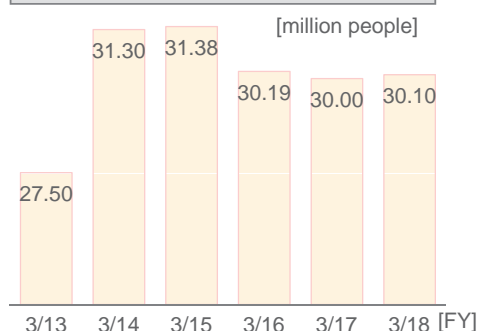
## Theme park attendance rose

- Driven primarily by the success of a new attraction "Nemo & Friends SeaRider"

## Net sales per Guest increased

- Increase in ticket receipts
  - Increase mainly due to the ticket price revision on April 1, 2016
- Increase in food and beverages sales
  - Driven by strong sales of take-out menus

## Theme park attendance



Theme park attendance rose, and net sales per Guest reached a record high

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## 1. Results for FY 3/18 / FY 3/17 – Main reasons for Change

Theme Park Segment [2]	Results for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	394.2	395.9	1.7	0.4%
Operating Profit	95.8	91.6	(4.2)	(4.4)%

### Decrease in operating profit

- Increase in net sales
  - Increase in both theme park attendance and net sales per Guest
- Decrease in merchandise and food/beverages sales cost ratio +¥0.5 billion
- Increase in personnel expenses ¥(4.5 billion)
  - Increase in allowances for part-time employees
  - Increase due to appearance of performance bonus, etc.
- Increase in miscellaneous costs ¥(3.3 billion)
  - Increase in research and development expenses ¥(1.9 billion)
  - Increase in costs related to new special events ¥(0.7 billion) etc.
- Decrease in depreciation and amortization expenses +¥0.5 billion

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

Although net sales climbed, personnel expenses also grew, resulting in a decline in operating profit

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## 1. Results for FY 3/18 / FY 3/17 – Main reasons for Change

Hotel Business Segment	Results for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	66.1	66.4	0.3	0.5%
Operating Profit	14.6	16.2	1.6	11.3%

- Decrease in miscellaneous costs from the previous fiscal year, when opening expenses of Tokyo Disney Celebration Hotel were incurred

### Occupancy Rates and Average Charge per Room

	Tokyo Disneyland Hotel		Tokyo DisneySea Hotel MiraCosta		Disney Ambassador Hotel	
	3/17	3/18	3/17	3/18	3/17	3/18
Occupancy rates	96-99%	About 95%	96-99%	96-99%	86-89%	86-89%
Average charge per room	About ¥60,000	About ¥60,000	About ¥65,000	About ¥65,000	About ¥50,000	About ¥50,000

Both net sales and operating profit increased thanks to Tokyo Disney Celebration Hotel operating throughout the entire fiscal year

Other Business Segment	Results for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	17.3	16.8	(0.5)	(3.1)%
Operating Profit	2.4	2.0	(0.3)	(13.7)%

Both net sales and operating profit decreased due mainly to a decline in net sales for Ikspiari business

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## 1. Results for FY 3/18 / FY 3/17 – Main reasons for Change

Profit Attributable to Owners of Parent	Results for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Operating Profit	113.1	110.2	(2.8)	(2.5)%
Non-operating Income	2.4	2.4	(0.0)	(1.5)%
Non-operating Expenses	1.0	1.0	0.0	4.6%
Ordinary Profit	114.6	111.6	(2.9)	(2.6)%
Extraordinary Income	-	1.3	1.3	-
Income Taxes	32.2	31.8	(0.4)	(1.3)%
Profit Attributable to Owners of Parent	82.3	81.1	(1.1)	(1.4)%

- Increase due to gain on sales of investment securities +¥1.3 billion
- Decrease in income taxes-deferred by appropriating deferred tax assets for subsidiaries +¥2.7 billion

Despite recording deferred tax assets for subsidiaries, profit attributable to owners of parent decreased as operating profit declined

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## 2. Results for FY Ended 3/18 / Initial Forecast

Consolidated Statements of Income	Initial Forecast for FY Ended 3/18 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	469.3	479.2	9.9	2.1%
Theme Park Segment	386.0	395.9	9.9	2.6%
Hotel Business Segment	66.3	66.4	0.1	0.2%
Other Business Segment	16.9	16.8	(0.0)	(0.4)%
Operating Profit	100.1	110.2	10.1	10.1%
Theme Park Segment	82.6	91.6	9.0	10.9%
Hotel Business Segment	15.6	16.2	0.6	3.9%
Other Business Segment	1.7	2.0	0.3	17.7%
Ordinary Profit	101.6	111.6	10.0	9.9%
Profit Attributable to Owners of Parent	70.8	81.1	10.3	14.7%

Net sales and all levels of profit exceeded the initial forecast

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## 2. Results for FY Ended 3/18 / Initial Forecast

Theme Park Segment	Initial Forecast for FY Ended 3/18 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	386.0	395.9	9.9	2.6%
Operating Profit	82.6	91.6	9.0	10.9%

### Higher-than-projected operating profit

- Higher-than-projected net sales
- Lower-than-projected merchandise and food/beverages sales cost ratio  
about +¥2.0 billion
- Higher-than-projected personnel expenses  
– Increase due to appearance of performance bonus, etc. about ¥(2.0 billion)
- Higher-than-projected depreciation and amortization expenses ¥(0.3 billion)

Operating profit surpassed our projection because of higher-than-projected net sales and lower-than projected merchandise and food/beverages sales cost ratio

## 2. Results for FY Ended 3/18 / Initial Forecast – Main reasons for Change

Hotel Business Segment	Initial Forecast for FY Ended 3/18 [¥ billion]	Results for FY Ended 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	66.3	66.4	0.1	0.2%
Operating Profit	15.6	16.2	0.6	3.9%

### Higher-than-projected operating profit

- Lower-than-projected miscellaneous costs

### Occupancy Rates and Average Charge per Room

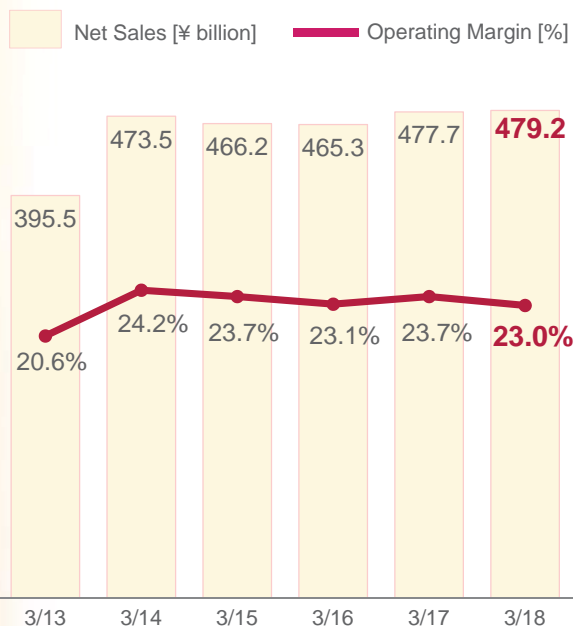
	Tokyo Disneyland Hotel		Tokyo DisneySea Hotel MiraCosta		Disney Ambassador Hotel	
	Initial Forecast	Actual Result	Initial Forecast	Actual Result	Initial Forecast	Actual Result
Occupancy rates	96-99%	About 95%	96-99%	96-99%	86-89%	86-89%
Average charge per room	About ¥60,000	About ¥60,000	About ¥65,000	About ¥65,000	About ¥50,000	About ¥50,000

Operating profit outperformed our initial forecast due to higher-than-projected net sales and lower-than-projected costs

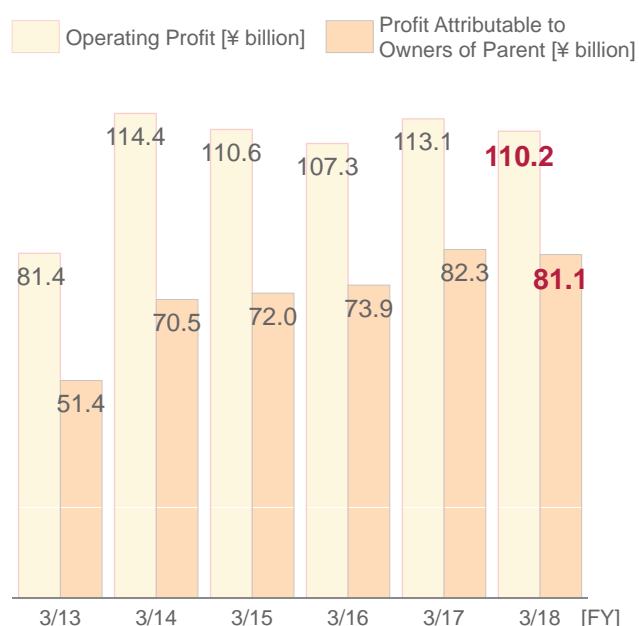
### 3. Changes in Results

I. Overview of Results

#### Consolidated Net Sales and Operating Margin



#### Consolidated Operating Profit and Profit Attributable to Owner of Parent



Net sales and each profit stay in the high level

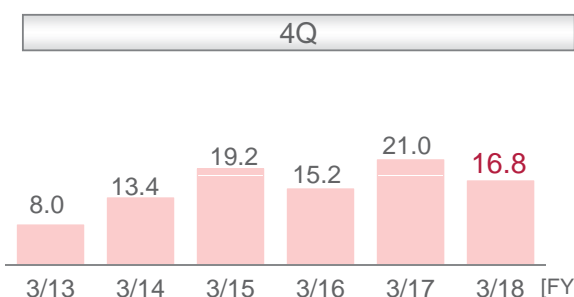
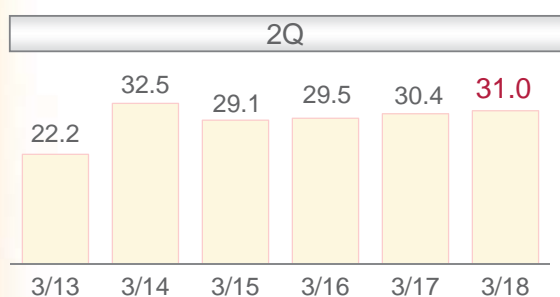
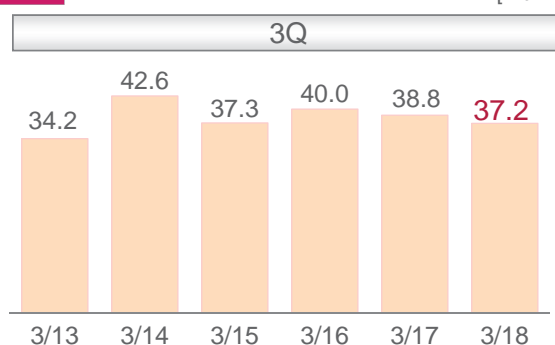
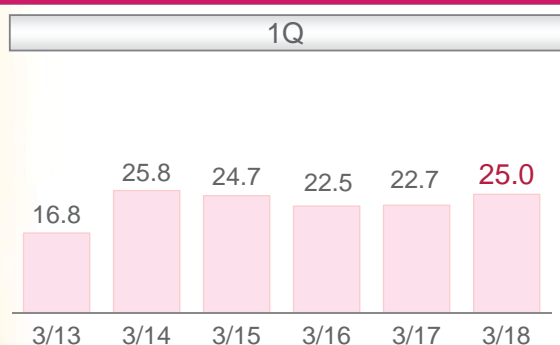
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### 3. Changes in Results

I. Overview of Results

#### Quarterly Consolidated Operating Profit

[¥ billion]



Operating profit has increased in both 1Q and 4Q

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## II. Forecast for the Fiscal Year Ending March 31, 2019



### 1. Forecast for FY Ending 3/19 / Results for FY Ended 3/18

II. Forecast

Consolidated Statements of Income	Results for FY Ended 3/18 [¥ billion]	Forecast for FY Ending 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	479.2	500.8	21.5	4.5%
Theme Park Segment	395.9	417.9	21.9	5.6%
Hotel Business Segment	66.4	67.8	1.3	2.1%
Other Business Segment	16.8	15.0	(1.8)	(10.7)%
Operating Profit	110.2	113.4	3.1	2.9%
Theme Park Segment	91.6	94.4	2.8	3.1%
Hotel Business Segment	16.2	16.6	0.3	2.1%
Other Business Segment	2.0	2.2	0.1	7.7%
Ordinary Profit	111.6	114.8	3.1	2.8%
Profit Attributable to Owners of Parent	81.1	80.0	(1.1)	(1.4)%

Both net sales and operating profit are expected to increase  
driven by Tokyo Disney Resort 35th Anniversary events

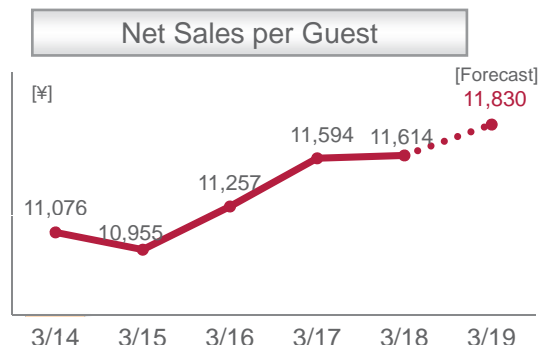
## 1. Forecast for FY Ending 3/19 / Results for FY Ended 3/18 – Main reasons for Change

II. Forecast

Theme Park Segment [1]	Results for FY Ended 3/18	Forecast for FY Ending 3/19	Change	Change
Net Sales [¥ billion]	395.9	417.9	21.9	5.6%
Attendance [million people]	30.10	31.00	0.90	3.0%
Net Sales per Guest [¥]	11,614	11,830	216	1.9%
Ticket Receipts	5,339	5,350	11	0.2%
Merchandise	3,989	4,220	231	5.8%
Food and Beverages	2,286	2,260	(26)	(1.1)%

### Increase in net sales

- Increase in theme park attendance
  - Increase owing to Tokyo Disney Resort 35th Anniversary events
- Increase in net sales per Guest
  - Increase due to the sales of products related to Tokyo Disney Resort 35th Anniversary



Theme park attendance is expected to rise,  
and net sales per Guest are projected to create a new record

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## 1. Forecast for FY Ending 3/19 / Results for FY Ended 3/18 – Main reasons for Change

II. Forecast

Theme Park Segment [2]	Results for FY Ended 3/18 [¥ billion]	Forecast for FY Ending 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	395.9	417.9	21.9	5.6%
Operating Profit	91.6	94.4	2.8	3.1%

### Increase in operating profit

- Increase in net sales
- Increase in merchandise and food/beverages sales cost ratio about¥(1.0 billion)
- Increase in personnel expenses about ¥(1.0 billion)
  - Increase in personnel expenses for part-time employees about ¥(2.0 billion)
  - Decrease in other factors about +¥1.0 billion
- Increase in miscellaneous costs about ¥(7.0 billion)
  - Increase in costs related to Tokyo Disney Resort 35th Anniversary event about ¥(3.0 billion)
  - Increase in computer-system-related expenses about ¥(2.0 billion)
  - Increase in maintenance costs about ¥(0.5 billion)
  - Increase in other factors about ¥(1.5 billion)
- Increase in depreciation and amortization expenses ¥(1.1 billion)

Both net sales and operating profit are projected to increase  
despite a rise in miscellaneous costs

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# 1. Forecast for FY Ending 3/19 / Results for FY Ended 3/18 – Main reasons for Change

## II. Forecast

Hotel Business Segment	Results for FY Ended 3/18 [¥ billion]	Forecast for FY Ending 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	66.4	67.8	1.3	2.1%
Disney Hotels	57.2	58.2	1.0	1.8%
Other	9.2	9.6	0.3	4.1%
Operating Profit	16.2	16.6	0.3	2.1%

- Increase in accommodation revenue

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

**Both net sales and operating profit are forecast to climb  
along with an increase in theme park attendance**

Other Business Segment	Results for FY Ended 3/18 [¥ billion]	Forecast for FY Ending 3/19 [¥ billion]	Change [¥ billion]	Change
Net Sales	16.8	15.0	(1.8)	(10.7)%
Operating Profit	2.0	2.2	0.1	7.7%

**Operating profit is expected to rise due to a decrease in  
miscellaneous costs despite lower net sales for Ikspiari business**

## III. Progress of 2020 Medium-Term Plan

Representative Director, President and COO  
Kyoichiro Uenishi



### Overall Structure of 2020 Medium-Term Plan

III. Progress of 2020 Medium-Term Plan

Strengthen business foundation toward long-term sustainable growth

#### Targets

- To consistently provide a highly satisfying theme park experience
- To achieve record high theme park attendance and operating cash flow in FY3/21

#### Strategies

1	Core Business Strategy	<ul style="list-style-type: none"> <li>• Strengthen structural aspects to provide novelty and comfort</li> <li>• Strengthen non-structural aspects (human resources capacity) on a long-term sustainable basis</li> </ul>
2	Financial Policy	<ul style="list-style-type: none"> <li>• Allocate operating cash flow to growth investment and aim to enhance corporate value</li> </ul>

Note: Operating cash flow = Profit attributable to owners of parent + Depreciation and amortization expenses

## 2020 Medium-Term Plan Core Business Strategy

### Background

External environment	Internal environment
<ul style="list-style-type: none"> <li>Declining birth rate and aging population</li> <li>Increase in inbound tourists</li> <li>Reduction in labor force</li> </ul>	<ul style="list-style-type: none"> <li>Increasing theme park attendance at a faster-than-expected pace</li> </ul>

### Strategies

Strengthen structural aspects

“novelty”

“comfort”

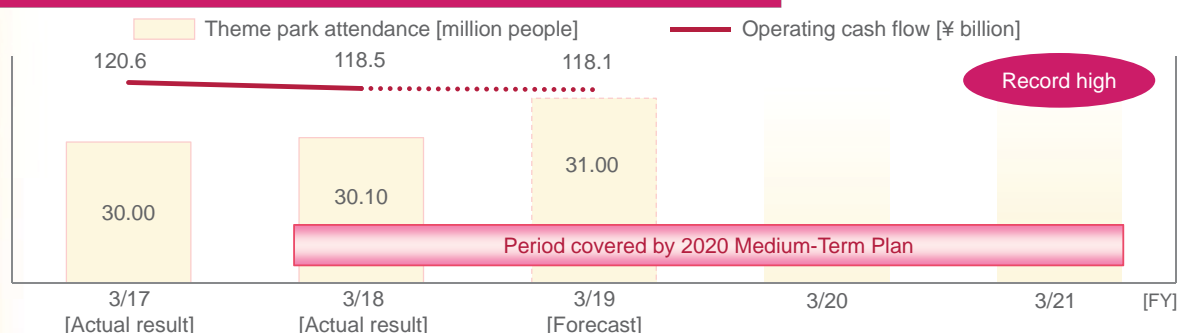
Strengthen non-structural aspects  
(human resources capacity)  
on a long-term sustainable basis

Enhance satisfaction and capacity to attract Guests on the basis of strategies

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## 2020 Medium-Term Plan : Current status

### Theme park attendance and operating cash flow



### Core business strategies

#### Strengthen structural aspects

- Strengthen “novelty” and “comfort” by introducing new products
- Utilization of IT progressed; e.g., official smartphone app
- Strengthened measures to accommodate and secure Guests from abroad
- Launch of large-scale development

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#### Strengthen non-structural aspects (human resources capacity)

- Promotion of a comfortable workplace environment; measures to promote a tangible sense of personal growth

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## 1. Core business strategy: Strengthen structural aspects

### Major new products

#### Nemo & Friends SeaRider

Opened on May 12, 2017 [Investment amount Approx. ¥5.0 billion]

#### "it's a small world"

Opened April 15, 2018

#### New daytime parade "Dreaming Up!"

Started on April 15, 2018 [Investment amount Approx. ¥2.4 billion]

#### New nighttime spectacular "Celebrate! Tokyo Disneyland"

Scheduled to start July 10, 2018

#### Soarin' [tentative name]

Scheduled to open in FY 3/20

[Investment amount Approx. ¥18.0 billion]

New at Tokyo  
Disneyland

New at Tokyo  
DisneySea

#### Large-scale investment projects

Scheduled to open in FY 3/21

[Investment amount Approx. ¥75.0 billion]

Tokyo Disney Resort  
35th Anniversary

Note: Plans announced as of April 26, 2018.

Introduce products for strengthening "novelty" and "comfort"

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## 1. Core business strategy: Strengthen structural aspects

### Attractions

Examples	Novelty	Comfort
"it's a small world"	<ul style="list-style-type: none"> <li>Added characters featured in Disney films</li> </ul>	<ul style="list-style-type: none"> <li>Expanded indoor queuing spaces</li> </ul>
Nemo & Friends SeaRider	<ul style="list-style-type: none"> <li>Offered the concept depicted in the Disney/Pixar films</li> </ul>	<ul style="list-style-type: none"> <li>Improved waiting environment by installing a roof at outdoor waiting area</li> <li>Allowed more Guests to experience attraction by making operational changes</li> </ul>

### Others

- Refurbished restaurants to improve dining environment
- Planning to build a multistory parking facility in 2019 and redesign theme park entrances in 2020

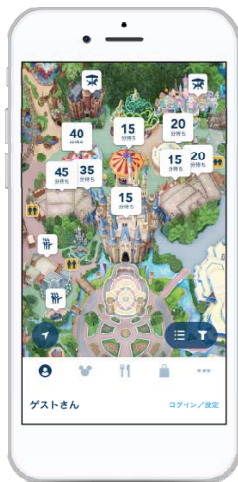
Promoting introduction of new and remodeled attractions and other facilities

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## 1. Core business strategy: Strengthen structural aspects

### Utilization of IT

- Development “Tokyo Disney Resort App” as our official smartphone app [to be introduced in summer 2018]



Imagery of app screen

- Purchase park tickets and Vacation Packages
- Search and purchase merchandise sold within parks
- Make reservation for Disney Hotels and restaurants inside the theme parks
- Acquire information on waiting time for each attraction and facility
- Hotel check-in
- Show ticket lotteries
- Information and digital guide maps

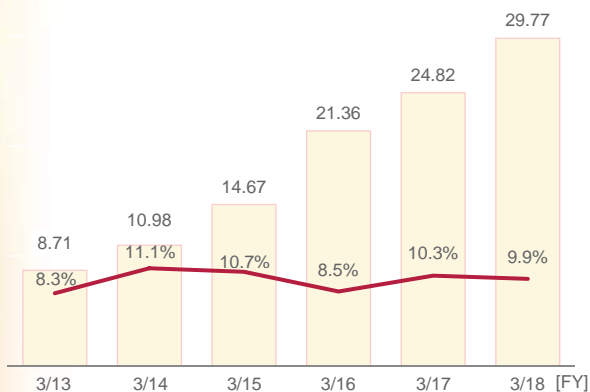
Aim at enhancing Guests' comfort and experience value

## 1. Core business strategy: Strengthen structural aspects

### Measures for Guests from outside Japan

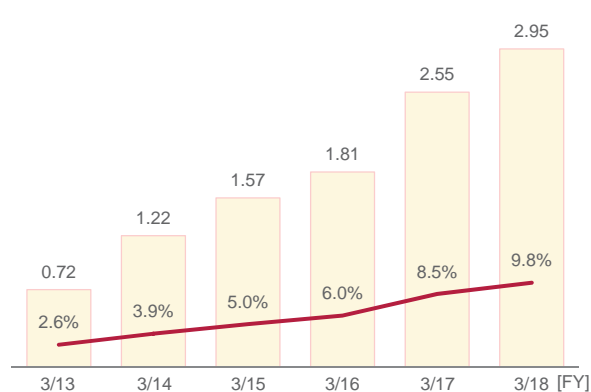
#### Number of Inbound Travelers and Ratio of Guests among the Travelers

- Inbound travelers [million people]
- Ratio of Guests among the travelers [%]



#### Number/Ratio of Overseas Guests

- Number of overseas Guests [million people]
- Ratio of overseas Guests



Source: Prepared by the OLC Group based on the materials created by Japan National Tourist Organization (JNTO)

- Offered official website in multiple languages for overseas Guests, introduced language assistance tools and etc.
- Marketing activities tailored to each country

Strengthened measures to accommodate and secure Guests from abroad



## 1. Core business strategy: Strengthen structural aspects

### Large scale investment projects

Theme park	Projects	Time of introduction/ Investment value
Tokyo DisneySea	Major attraction "Soarin'" (tentative name)	FY3/20
		Approx. ¥18.0 billion



Effect	Novelty	<ul style="list-style-type: none"> <li>Introduce Soarin', a popular attraction at Disney theme parks abroad, adding scenes exclusive to Tokyo DisneySea</li> </ul>
	Comfort	<ul style="list-style-type: none"> <li>Allow more Guests to experience attractions</li> <li>Balance out Guests' retention time within the park</li> </ul>

## 1. Core business strategy: Strengthen structural aspects

### Large scale investment projects

Theme park	Projects	Time of introduction/ Investment value
Tokyo Disneyland	<ul style="list-style-type: none"> <li>Beauty and the Beast Area (tentative name)</li> <li>Live Entertainment Theater</li> <li>New attraction themed to the Disney film, <i>Big Hero 6</i></li> <li>New Disney Character Greeting Facility</li> </ul>	Spring in 2020
		¥75.0 billion level



Effect	Novelty	<ul style="list-style-type: none"> <li><i>Beauty and the Beast</i> and other attractions unique to Japan</li> <li>First indoor theater at Tokyo Disneyland</li> </ul>
	Comfort	<ul style="list-style-type: none"> <li>Allow more Guests to experience attractions</li> <li>Introduce an all-weather-type theater and an indoor restaurant</li> </ul>

Large-scale development launched as planned  
with steady progress made toward opening



## 1. Core business strategy: Strengthen human resources capacity

Strengthen both hospitality skills and operational efficiency by creating a comfortable workplace environment and implementing measures to encourage Cast Members to feel a tangible sense of personal growth

Promotion of a comfortable workplace environment	Rectify uneven distribution of workforce among job types and time slots	<ul style="list-style-type: none"> <li>• Changed recruitment marketing method</li> <li>• Change job-specific wages and shift allowances</li> </ul>
	Addressing transformations in workstyles	<ul style="list-style-type: none"> <li>• Allowed flexible workstyles by adopting a new schedule management system</li> <li>• Housing assistance for employees with long commute</li> </ul>
Measures to promote a tangible sense of personal growth	New concept: "Creating happiness"	<ul style="list-style-type: none"> <li>• Introduced training programs to promote understanding of the new concept and instill it in Cast Members' minds</li> <li>• Executed measures to offer Guest service based on the new concept</li> </ul>
	Strengthen career support	<ul style="list-style-type: none"> <li>• Provided career support mainly through business skills training</li> <li>• Examined training programs to provide further career support</li> </ul>
Number of Cast Members is on a steady increase; human resources development will be continued		

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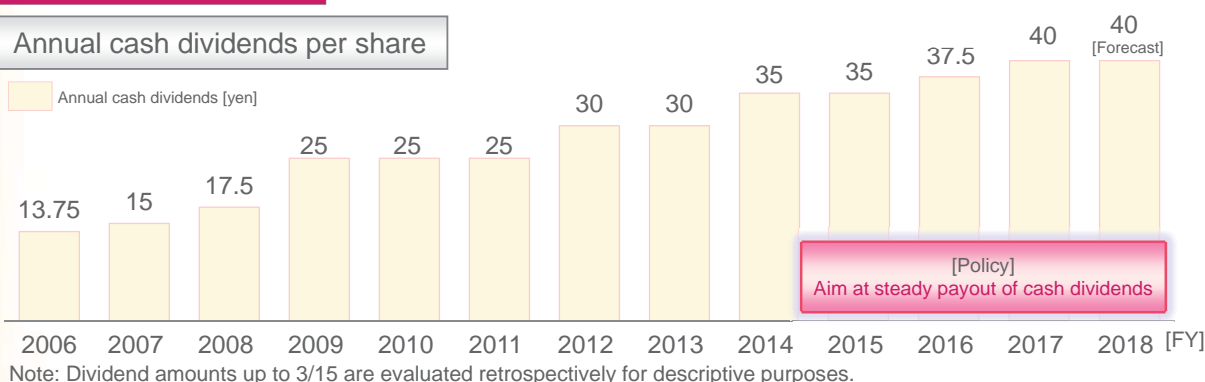
## 2. Financial Policy

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

### Cash dividends

Annual cash dividends per share

Annual cash dividends [yen]



### ROE

ROE for FY ending 3/19 is expected to reach 10.6%

Enhance shareholder returns

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**Oriental Land Co., Ltd.**

Investor Relations Group, Finance/Accounting Department

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**Cautionary Statement:**

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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