

Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2019 (Japanese accounting standards)

October 30, 2018

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, Officer and Director of Finance/Accounting Department

Planned Date for Submission of the Quarterly Report: November 13, 2018

Planned Date for Start of Dividend Payment: December 6, 2018

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, 2019 (April 1, 2018 to September 30, 2018)

(1) Consolidated Operating Results (Cumulative total)

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

	Net sales (¥ million)	Year-on-year change (%)	Operating profit (¥ million)	Year-on-year change (%)	Ordinary profit (¥ million)	Year-on-year change (%)
Six months ended Sept. 30, 2018	250,691	7.8	61,882	10.2	62,608	9.5
Six months ended Sept. 30, 2017	232,583	2.2	56,136	5.4	57,159	5.1

Note: Comprehensive income:

Six months ended September 30, 2018: ¥47,935 million (4.5%)

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

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Diluted earnings per share (¥)
Six months ended Sept. 30, 2018	43,369	2.1	131.94	128.62
Six months ended Sept. 30, 2017	42,485	11.5	128.92	123.58

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of September 30, 2018	943,751	763,645	80.9	2,323.00
As of March 31, 2018	910,673	721,976	79.3	2,196.56

Reference: Shareholders' equity:

As of September 30, 2018: ¥763,645million

As of March 31, 2018: ¥721,976million

2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2018	—	20.00	—	20.00	40.00
Fiscal year ending March 31, 2019	—	20.00			
Fiscal year ending March 31, 2019 (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, 2019 (April 1, 2018 to March 31, 2019)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal Year ending March 31, 2019	500,860	4.5	113,470	2.9	114,810	2.8	80,030	(1.4)	243.46

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

Notes

- (1) Changes in Major Subsidiaries during the Six Months Ended September 30, 2018: None
- (2) Application of Special Accounting Methods for Quarterly Consolidated Financial Statements: None
- (3) Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement
 - (a) Changes in accounting policies due to changes in accounting standards: None
 - (b) Changes in accounting policies due to other than (a) above: None
 - (c) Changes in accounting estimates: None
 - (d) Restatement: None

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

(a) Number of shares issued at end of period (including treasury stock)	Six months ended September 30, 2018	363,690,160 shares	Year ended March 31, 2018	363,690,160 shares
(b) Number of treasury stock at end of period	Six months ended September 30, 2018	34,958,184 shares	Year ended March 31, 2018	35,004,817 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Six months ended September 30, 2018	328,709,170 shares	Six months ended September 30, 2017	329,547,203 shares

Notes: 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, 2018)	At the end of the second quarter (September 30, 2018)
ASSETS		
Current assets		
Cash and deposits	296,350	308,219
Notes and accounts receivable—trade	19,990	18,704
Securities	21,709	19,998
Merchandise and finished goods	10,301	12,441
Work in process	177	233
Raw materials and supplies	7,494	7,987
Other	3,113	5,536
Allowance for doubtful accounts	(2)	(3)
Total current assets	359,134	373,118
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	275,508	272,805
Machinery, equipment and vehicles, net	27,193	29,057
Land	117,653	117,653
Construction in progress	38,747	49,643
Other, net	14,475	15,035
Total property, plant and equipment	473,578	484,194
Intangible assets		
Other	8,865	9,235
Total intangible assets	8,865	9,235
Investments and other assets		
Other	69,186	77,292
Allowance for doubtful accounts	(91)	(90)
Total investments and other assets	69,095	77,202
Total non-current assets	551,539	570,632
Total assets	910,673	943,751

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2018)	At the end of the second quarter (September 30, 2018)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	17,557	14,072
Current portion of long-term loans payable	4,845	4,906
Income taxes payable	19,989	18,322
Other	81,230	75,627
Total current liabilities	123,623	112,929
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	4,739	4,127
Net defined benefit liability	4,631	4,976
Other	5,702	8,072
Total non-current liabilities	65,073	67,176
Total liabilities	188,697	180,105
NET ASSETS		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,938
Retained earnings	619,599	656,386
Treasury shares	(89,794)	(89,503)
Total shareholders' equity	704,918	742,021
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,585	20,134
Deferred gains or losses on hedges	(314)	2
Remeasurements of defined benefit plans	1,787	1,486
Total accumulated other comprehensive income	17,058	21,623
Total net assets	721,976	763,645
Total liabilities and net assets	910,673	943,751

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Six months ended September 30, 2018

(Millions of yen)

Items	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)
Net sales	232,583	250,691
Cost of sales	144,193	154,518
Gross profit	88,390	96,173
Selling, general and administrative expenses	32,253	34,290
Operating profit	56,136	61,882
Non-operating income		
Interest income	92	71
Dividend income	447	401
Share of profit of entities accounted for using equity method	96	—
Insurance received and insurance dividends	391	399
Other	526	530
Total non-operating income	1,554	1,403
Non-operating expenses		
Interest expenses	104	103
Share of loss of entities accounted for using equity method	—	217
Commission fee	303	263
Other	123	94
Total non-operating expenses	531	677
Ordinary profit	57,159	62,608
Profit before income taxes	57,159	62,608
Income taxes—current	17,104	18,650
Income taxes—deferred	(2,429)	588
Total income taxes	14,674	19,238
Profit	42,485	43,369
Profit attributable to owners of parent	42,485	43,369

(Quarterly Consolidated Statements of Comprehensive Income)
Six months ended September 30, 2018

(Millions of yen)

Items	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)
Profit	42,485	43,369
Other comprehensive income		
Valuation difference on available-for-sale securities	3,241	4,549
Deferred gains or losses on hedges	174	317
Remeasurements of defined benefit plans, net of tax	(39)	(300)
Total other comprehensive income	3,376	4,565
Comprehensive income	45,861	47,935
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	45,861	47,935
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Regarding Going Concern Assumption: None

(4) Additional Information

(Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018) from the first quarter of the current fiscal year. Accordingly, the Company presents deferred tax assets under investments and other assets and deferred tax liabilities under non-current liabilities.

(5) Segment Information

1. 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 profit 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, 2018 (April 1, 2018 to September 30, 2018)

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

(Millions of yen)

	Reportable Segments			Other Business* ¹	Total	Adjustment* ²	Amount stated on the Quarterly Consolidated Statements of Income* ³
	Theme Park	Hotel	Total				
Net sales							
Sales to external customers	207,907	35,179	243,086	7,604	250,691	—	250,691
Intersegment sales or transfers	3,448	331	3,780	1,849	5,629	(5,629)	—
Total	211,356	35,510	246,866	9,454	256,321	(5,629)	250,691
Segment Income	51,420	9,024	60,444	1,311	61,755	126	61,882

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

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

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

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