

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

January 30, 2019

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/>

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: February 13, 2019

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, 2019 (April 1, 2018 to December 31, 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 (%)
Nine months ended Dec. 31, 2018	399,641	9.6	106,743	14.3	107,333	13.3
Nine months ended Dec. 31, 2017	364,496	1.1	93,399	1.4	94,731	1.3

Note: Comprehensive income:

Nine months ended December 31, 2018: ¥ 74,682 million ((1.0)%)

Nine months ended December 31, 2017: ¥ 75,423 million (15.3%)

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Diluted earnings per share (¥)
Nine months ended Dec. 31, 2018	74,360	7.1	226.21	220.44
Nine months ended Dec. 31, 2017	69,452	6.3	210.94	202.15

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of December 31, 2018	961,246	784,031	81.6	2,384.77
As of March 31, 2018	910,673	721,976	79.3	2,196.56

Reference: Shareholders' equity:

As of December 31, 2018: ¥784,031million

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)	243.45

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

Notes

- (1) Changes in Major Subsidiaries during the Nine Months Ended December 31, 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)	Nine months ended December 31, 2018:	363,690,160 shares	Year ended March 31, 2018:	363,690,160 shares
(b) Number of treasury stock at end of period	Nine months ended December 31, 2018:	34,923,884 shares	Year ended March 31, 2018:	35,004,817 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Nine months ended December 31, 2018:	328,721,496 shares	Nine months ended December 31, 2017:	329,248,276 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, 2018)	At the end of the third quarter (December 31, 2018)
ASSETS		
Current assets		
Cash and deposits	296,350	321,494
Notes and accounts receivable—trade	19,990	23,304
Securities	21,709	17,998
Merchandise and finished goods	10,301	11,456
Work in process	177	304
Raw materials and supplies	7,494	7,761
Other	3,113	4,573
Allowance for doubtful accounts	(2)	(4)
Total current assets	359,134	386,890
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	275,508	271,185
Machinery, equipment and vehicles, net	27,193	27,375
Land	117,653	117,653
Construction in progress	38,747	62,567
Other, net	14,475	14,562
Total property, plant and equipment	473,578	493,344
Intangible assets		
Other	8,865	10,302
Total intangible assets	8,865	10,302
Investments and other assets		
Other	69,186	70,799
Allowance for doubtful accounts	(91)	(90)
Total investments and other assets	69,095	70,709
Total non-current assets	551,539	574,356
Total assets	910,673	961,246

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2018)	At the end of the third quarter (December 31, 2018)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	17,557	16,987
Current portion of long-term loans payable	4,845	4,988
Income taxes payable	19,989	14,171
Other	81,230	75,875
Total current liabilities	123,623	112,023
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	4,739	3,843
Net defined benefit liability	4,631	4,734
Other	5,702	6,613
Total non-current liabilities	65,073	65,191
Total liabilities	188,697	177,215
NET ASSETS		
Shareholders' equity		
Capital stock	63,201	63,201
Capital surplus	111,911	111,938
Retained earnings	619,599	680,792
Treasury shares	(89,794)	(89,281)
Total shareholders' equity	704,918	766,651
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,585	15,958
Deferred gains or losses on hedges	(314)	(35)
Remeasurements of defined benefit plans	1,787	1,457
Total accumulated other comprehensive income	17,058	17,380
Total net assets	721,976	784,031
Total liabilities and net assets	910,673	961,246

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Nine months ended December 31, 2018

(Millions of yen)

Items	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Net sales	364,496	399,641
Cost of sales	222,199	240,743
Gross profit	142,297	158,898
Selling, general and administrative expenses	48,897	52,155
Operating profit	93,399	106,743
Non-operating income		
Interest income	133	107
Dividend income	715	657
Share of profit of entities accounted for using equity method	130	—
Insurance received and insurance dividends	444	461
Other	683	711
Total non-operating income	2,107	1,939
Non-operating expenses		
Interest expenses	156	155
Share of loss of entities accounted for using equity method	—	356
Loss on retirement of non-current assets	61	341
Commission fee	435	395
Other	122	99
Total non-operating expenses	775	1,348
Ordinary profit	94,731	107,333
Extraordinary income		
Gain on sales of investment securities	1,336	—
Total extraordinary income	1,336	—
Profit before income taxes	96,068	107,333
Income taxes—current	27,711	31,491
Income taxes—deferred	(1,094)	1,482
Total income taxes	26,616	32,973
Profit	69,452	74,360
Profit attributable to owners of parent	69,452	74,360

(Quarterly Consolidated Statements of Comprehensive Income)
Nine months ended December 31, 2018

(Millions of yen)

Items	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Profit	69,452	74,360
Other comprehensive income		
Valuation difference on available-for-sale securities	5,842	373
Deferred gains or losses on hedges	188	278
Remeasurements of defined benefit plans, net of tax	(59)	(329)
Total other comprehensive income	5,971	322
Comprehensive income	75,423	74,682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	75,423	74,682
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. Nine months ended December 31, 2017 (April 1, 2017 to December 31, 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	301,101	50,462	351,563	12,933	364,496	—	364,496
Intersegment sales or transfers	5,022	456	5,478	2,820	8,298	(8,298)	—
Total	306,123	50,918	357,041	15,753	372,795	(8,298)	364,496
Segment Income	78,084	13,273	91,357	1,897	93,255	144	93,399

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 144 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. Nine months ended December 31, 2018 (April 1, 2018 to December 31, 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	332,808	55,127	387,935	11,706	399,641	—	399,641
Intersegment sales or transfers	5,233	495	5,729	2,842	8,571	(8,571)	—
Total	338,042	55,622	393,664	14,549	408,213	(8,571)	399,641
Segment Income	89,305	15,030	104,335	2,245	106,581	162	106,743

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 162million 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