

Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2020 (Japanese accounting standards)

October 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.olc.co.jp/en/>

Representative: Kyoichiro Uenishi, Representative Director and President

Contact: Kenji Horikawa, Officer and Director of Finance/Accounting Department

Planned Date for Submission of the Quarterly Report: November 13, 2019

Planned Date for Start of Dividend Payment: December 3, 2019

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, 2020 (April 1, 2019 to September 30, 2019)

(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, 2019	248,428	(0.9)	60,939	(1.5)	62,078	(0.8)
Six months ended Sept. 30, 2018	250,691	7.8	61,882	10.2	62,608	9.5

Note: Comprehensive income:

Six months ended September 30, 2019: ¥43,217 million ((9.8)%)

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

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Diluted earnings per share (¥)
Six months ended Sept. 30, 2019	43,084	(0.7)	131.03	126.81
Six months ended Sept. 30, 2018	43,369	2.1	131.94	128.62

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of September 30, 2019	1,064,186	839,495	78.9	2,553.00
As of March 31, 2019	1,051,455	803,201	76.4	2,442.97

Reference: Shareholders' equity:

As of September 30, 2019: ¥839,495 million

As of March 31, 2019: ¥803,201 million

2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	—	20.00	—	22.00	42.00
Fiscal year ending March 31, 2020	—	22.00			
Fiscal year ending March 31, 2020 (Est.)			—	22.00	44.00

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(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, 2020	503,870	(4.1)	108,880	(15.8)	109,930	(15.1)	76,240	(15.6)	231.86

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

* Notes

- (1) Changes in Major Subsidiaries during the Six Months Ended September 30, 2019: 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 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, 2019	363,690,160 shares	Year ended March 31, 2019	363,690,160 shares
(b) Number of treasury stock at end of period	Six months ended September 30, 2019	34,862,792 shares	Year ended March 31, 2019	34,908,727 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Six months ended September 30, 2019	328,805,678 shares	Six months ended September 30, 2018	328,709,170 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. For details on forecasts of operating results, please see "Qualitative Note Regarding the Second Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019 to September 30, 2019) Explanation Regarding Future Forecast Including Consolidated Performance Projections."

**Qualitative Note Regarding the Second Quarter of the Fiscal Year Ending March 31, 2020
(April 1, 2019 to September 30, 2019)**

Explanation Regarding Future Forecast Including Consolidated Performance Projections

**Revision of the Projected Consolidated Results by Reportable Segment for the Fiscal Year Ending
March 31, 2020**

(April 1, 2019 to March 31, 2020)

(Millions of yen)

	Initial Forecast	Revised Forecast	Change	Change (%)
Net Sales	479,240	503,870	24,630	5.1
Theme Park	397,550	417,410	19,860	5.0
Hotel	65,650	69,530	3,880	5.9
Other Business	16,040	16,930	890	5.5
Operating Profit	92,940	108,880	15,940	17.2
Theme Park	75,910	89,010	13,100	17.3
Hotel	14,670	16,860	2,190	14.9
Other Business	2,150	2,720	570	26.5
Elimination and Corporate	210	290	80	38.1
Ordinary Profit	93,880	109,930	16,050	17.1
Profit attributable to Owners of Parent	65,300	76,240	10,940	16.8

In the first half of the fiscal year ending March 31, 2020, consolidated net sales and operating profit both exceeded the initial forecasts announced on April 25, 2019, primarily due to the record high Theme Park attendance achieved during the period.

In view of this, we have revised our forecasts for the full fiscal year with regard to net sales, operating profit, ordinary profit, and profit attributable to owners of parent.

Our forecasts for operating results are based on currently available information and certain assumptions that are judged reasonable by the Company. Please be advised that the actual results and other situations may differ materially from the forecasts due to various factors. With regard to the risks concerning our business, please refer to the 59th Term Yukashoken Hokokusho (securities filing) submitted on June 27, 2019.

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, 2019)	At the end of the second quarter (September 30, 2019)
ASSETS		
Current assets		
Cash and deposits	377,551	329,328
Notes and accounts receivable—trade	22,083	21,776
Securities	20,999	25,998
Merchandise and finished goods	9,256	11,104
Work in process	477	544
Raw materials and supplies	7,590	7,874
Other	3,882	5,391
Allowance for doubtful accounts	(5)	(4)
Total current assets	441,835	402,015
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	270,971	291,916
Machinery, equipment and vehicles, net	28,125	33,745
Land	117,653	117,653
Construction in progress	82,342	106,732
Other, net	15,228	16,248
Total property, plant and equipment	514,322	566,295
Intangible assets		
Other	13,770	14,717
Total intangible assets	13,770	14,717
Investments and other assets		
Other	81,616	81,247
Allowance for doubtful accounts	(88)	(89)
Total investments and other assets	81,527	81,158
Total non-current assets	609,619	662,170
Total assets	1,051,455	1,064,186

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2019)	At the end of the second quarter (September 30, 2019)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	19,907	14,126
Current portion of bonds	20,000	20,000
Current portion of long-term borrowings	6,119	6,480
Income taxes payable	22,470	16,664
Other	86,154	74,374
Total current liabilities	154,652	131,646
Non-current liabilities		
Bonds payable	80,000	80,000
Long-term borrowings	2,304	1,298
Retirement benefit liability	4,483	3,998
Other	6,813	7,748
Total non-current liabilities	93,601	93,045
Total liabilities	248,253	224,691
NET ASSETS		
Shareholders' equity		
Share capital	63,201	63,201
Capital surplus	111,938	111,970
Retained earnings	696,718	732,561
Treasury shares	(89,183)	(88,897)
Total shareholders' equity	782,674	818,835
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,320	19,512
Deferred gains or losses on hedges	—	(1)
Remeasurements of defined benefit plans	1,206	1,148
Total accumulated other comprehensive income	20,526	20,659
Total net assets	803,201	839,495
Total liabilities and net assets	1,051,455	1,064,186

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Six months ended September 30, 2019

(Millions of yen)

Items	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Net sales	250,691	248,428
Cost of sales	154,518	153,287
Gross profit	96,173	95,140
Selling, general and administrative expenses	34,290	34,201
Operating profit	61,882	60,939
Non-operating income		
Interest income	71	83
Dividend income	401	444
Insurance received and insurance dividends	399	359
Other	530	737
Total non-operating income	1,403	1,623
Non-operating expenses		
Interest expenses	103	146
Share of losses of entities accounted for using equity method	217	6
Commission expenses	263	266
Other	94	65
Total non-operating expenses	677	485
Ordinary profit	62,608	62,078
Profit before income taxes	62,608	62,078
Income taxes—current	18,650	17,422
Income taxes—deferred	588	1,571
Total income taxes	19,238	18,993
Profit	43,369	43,084
Profit attributable to owners of parent	43,369	43,084

(Quarterly Consolidated Statements of Comprehensive Income)
Six months ended September 30, 2019

(Millions of yen)

Items	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)	Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)
Profit	43,369	43,084
Other comprehensive income		
Valuation difference on available-for-sale securities	4,549	192
Deferred gains or losses on hedges	317	(1)
Remeasurements of defined benefit plans, net of tax	(300)	(57)
Total other comprehensive income	4,565	132
Comprehensive income	47,935	43,217
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	47,935	43,217
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Regarding Going Concern Assumption: None
(4) Segment Information

1. 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

2. Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)

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	205,395	34,724	240,119	8,308	248,428	—	248,428
Intersegment sales or transfers	3,461	299	3,761	1,938	5,699	(5,699)	—
Total	208,856	35,024	243,881	10,246	254,128	(5,699)	248,428
Segment Income	49,929	9,077	59,007	1,807	60,815	123	60,939

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 123 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
(5) Note Regarding the Occurrence of Significant Changes in Amount of Shareholders’ Equity: None