

## Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2021 (Japanese accounting standards)

October 29, 2020

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

Planned Date for Submission of the Quarterly Report: November 13, 2020

Planned Date for Start of Dividend Payment: December 2, 2020

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, 2021 (April 1, 2020 to September 30, 2020)

#### (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 September 30, 2020	59,149	(76.2)	(24,178)	—	(24,745)	—
Six months ended September 30, 2019	248,428	(0.9)	60,939	(1.5)	62,078	(0.8)

Note: Comprehensive income:

Six months ended September 30, 2020: ¥ (32,071) million (—%)

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

	Profit attributable to owners of parent (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Six months ended September 30, 2020	(30,095)	—	(91.92)	—
Six months ended September 30, 2019	43,084	(0.7)	131.03	126.81

Note: Earnings per share (diluted) for six months ended September 30, 2020, is not indicated because net loss per share is indicated, although there are potential common shares with dilutive effects.

#### (2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio(%)	Net assets per share (¥)
As of September 30, 2020	1,051,352	781,296	74.3	2,386.20
As of March 31, 2020	1,010,651	820,257	81.2	2,505.55

Reference: Shareholders' equity:

As of September 30, 2020: ¥781,296 million

As of March 31, 2020: ¥820,257 million

### 2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal Year ended March 31, 2020	—	22.00	—	22.00	44.00
Fiscal Year ending March 31, 2021	—	13.00			
Fiscal Year ending March 31, 2021 (Est.)			—	13.00	26.00

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

### 3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2021

(April 1, 2020 to March 31, 2021)

(Percentages represent change compared with the previous fiscal year or the same quarter of the previous fiscal year, as applicable.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal Year ending March 31, 2021	185,460	(60.1)	(51,400)	—	(53,890)	—	(51,110)	—	(156.10)

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

#### \*Notes

- (1) Changes in Major Subsidiaries during the Six Months Ended September 30, 2020: 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, 2020:	363,690,160 shares	Year ended March 31, 2020:	363,690,160 shares
(b) Number of treasury stock at end of period	Six months ended September 30, 2020:	36,267,956 shares	Year ended March 31, 2020:	36,313,892 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Six months ended September 30, 2020:	327,398,108 shares	Six months ended September 30, 2019:	328,805,678 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, 2020)	At the end of the second quarter (September 30, 2020)
<b>ASSETS</b>		
Current assets		
Cash and deposits	261,164	253,054
Notes and accounts receivable—trade	7,225	14,402
Securities	19,999	13,488
Merchandise and finished goods	11,679	16,481
Work in process	172	128
Raw materials and supplies	8,236	8,891
Other	8,263	12,396
Allowance for doubtful accounts	(0)	(5)
Total current assets	316,741	318,837
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	291,012	325,588
Machinery, equipment and vehicles, net	34,557	50,906
Land	117,653	117,653
Construction in progress	152,165	124,419
Other, net	15,197	25,459
Total property, plant and equipment	610,586	644,027
Intangible assets		
Other	16,334	16,486
Total intangible assets	16,334	16,486
Investments and other assets		
Other	67,078	72,090
Allowance for doubtful accounts	(88)	(88)
Total investments and other assets	66,989	72,001
Total non-current assets	693,910	732,514
Total assets	1,010,651	1,051,352

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2020)	At the end of the second quarter (September 30, 2020)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable—trade	13,921	6,916
Current portion of long-term borrowings	4,580	3,888
Income taxes payable	7,991	8,530
Other	74,001	61,291
Total current liabilities	100,495	80,627
Non-current liabilities		
Bonds payable	80,000	180,000
Long-term borrowings	2,488	2,427
Retirement benefit liability	3,537	3,191
Other	3,873	3,809
Total non-current liabilities	89,898	189,428
Total liabilities	190,394	270,056
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	63,201	63,201
Capital surplus	111,970	112,001
Retained earnings	744,452	707,147
Treasury shares	(109,325)	(109,036)
Total shareholders' equity	810,298	773,312
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	7,743
Deferred gains or losses on hedges	74	8
Remeasurements of defined benefit plans	261	230
Total accumulated other comprehensive income	9,958	7,983
Total net assets	820,257	781,296
Total liabilities and net assets	1,010,651	1,051,352

**(2) Quarterly Consolidated Statements of (Comprehensive) Income**  
**(Quarterly Consolidated Statements of Income)**  
**Six months ended September 30, 2020**

(Millions of yen)

Items	Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)	Six months ended September 30, 2020 (April 1, 2020 to September 30, 2020)
Net sales	248,428	59,149
Cost of sales	153,287	*1 62,604
Gross profit (loss)	95,140	(3,455)
Selling, general and administrative expenses	34,201	*1 20,723
Operating profit (loss)	60,939	(24,178)
Non-operating income		
Interest income	83	28
Dividend income	444	340
Insurance received and insurance dividends	359	310
Other	737	486
Total non-operating income	1,623	1,165
Non-operating expenses		
Interest expenses	146	129
Share of losses of entities accounted for using equity method	6	282
Commission expenses	266	399
Depreciation and amortization expenses	—	399
Other	65	520
Total non-operating expenses	485	1,731
Ordinary profit (loss)	62,078	(24,745)
Extraordinary loss		
Loss on temporary closure	—	*1, *2 13,333
Total extraordinary loss	—	13,333
Profit (loss) before income taxes	62,078	(38,078)
Income taxes—current	17,422	319
Income taxes—deferred	1,571	(8,301)
Total income taxes	18,993	(7,982)
Profit (loss)	43,084	(30,095)
Profit (loss) attributable to owners of parent	43,084	(30,095)

**(Quarterly Consolidated Statements of Comprehensive Income)**  
**Six months ended September 30, 2020**

(Millions of yen)

Items	Six months ended September 30, 2019 (April 1, 2019 to September 30, 2019)	Six months ended September 30, 2020 (April 1, 2020 to September 30, 2020)
Profit (loss)	43,084	(30,095)
Other comprehensive income		
Valuation difference on available-for-sale securities	192	(1,879)
Deferred gains or losses on hedges	(1)	(65)
Remeasurements of defined benefit plans, net of tax	(57)	(30)
Total other comprehensive income	132	(1,975)
Comprehensive income	43,217	(32,071)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43,217	(32,071)
Comprehensive income attributable to non-controlling interests	—	—

### (3) Notes Regarding the Consolidated Financial Statements for the Second Quarter Under Review

Notes Regarding Going Concern Assumption: None

Notes Regarding the Occurrence of Significant Changes in Amount of Shareholders' Equity: None

#### Additional Information

##### Impact of COVID-19

The OLC Group's Theme Parks, which constitute its core business, were temporarily closed along with its hotels during the first quarter under review. Our Theme Parks resumed operations on July 1, 2020 while taking measures primarily based on the sector-wide guidelines for preventing the spread of COVID-19 at amusement and theme parks and limiting attendance. It may take some time before we can restore normal operations, depending on the external environment including trends in consumer sentiment for leisure activities. As such, the situation of the spread of COVID-19 is expected to exert a material impact on our consolidated financial results in and after the third quarter of the fiscal year ending March 31, 2021.

##### Significant accounting estimates and underlying assumptions

As of the end of the previous fiscal year and the end of the first quarter of the current fiscal year ending March 2021, the OLC Group made various consolidated accounting estimates on the assumption that the COVID-19 pandemic will linger for a certain period during the current fiscal year.

With regard to the second quarter ended September 30, 2020, in view of the prolonged impact of the COVID-19 pandemic, we revised our assumption to deem that the impact will remain for a certain period in the next fiscal year, based on which we have made consolidated accounting estimates on the impairment of non-current assets, valuation of inventories, and realizability of deferred tax assets, etc. As a result, we revised our assessment on the realizability of deferred tax assets and have recorded a partial reversal of our deferred tax assets.

We make estimates and judgments deemed to be rational in view of the current situation and available information, but given the highly uncertain outlook of the COVID-19 pandemic including the extent of its spread and when it will end, the pandemic may exert further impact on the consolidated financial results in and after the third quarter of the current fiscal year in the event that the impact is more prolonged or exacerbated than is expected.

#### Matters Concerning Consolidated Statements of Income

##### \*<sup>1</sup> Employment adjustment subsidies

The OLC Group has been applied to special case of employment adjustment subsidy for paid treatments, such as unemployed treatment by closing facilities to prevent the spread of the COVID-19 pandemic. As a result, the employment adjustment subsidy received or expected to be received from the government to address the impact of the COVID-19 pandemic has been registered by deducting 4,093 million yen, 783 million yen, and 12,760 million yen from the cost of sales, selling, general and administrative expenses, and extraordinary loss, respectively.

##### \*<sup>2</sup> Loss on temporary closure

In view of the spread of COVID-19 and requests from the national and local governments, the OLC Group temporarily closed Tokyo Disneyland® and Tokyo DisneySea® from February 29 to June 30, 2020. As a result, we primarily registered the fixed expenses, including personnel expenses and depreciation and amortization expenses, incurred for the Theme Park Segment during the temporary closure as an extraordinary loss.

**Segment Information**

1. 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* <sup>1</sup>	Total	Adjustment* <sup>2</sup>	Amount stated on the Quarterly Consolidated Statements of Income* <sup>3</sup>
	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)	—
<b>Total</b>	<b>208,856</b>	<b>35,024</b>	<b>243,881</b>	<b>10,246</b>	<b>254,128</b>	<b>(5,699)</b>	<b>248,428</b>
<b>Segment Income</b>	<b>49,929</b>	<b>9,077</b>	<b>59,007</b>	<b>1,807</b>	<b>60,815</b>	<b>123</b>	<b>60,939</b>

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**

2. Six months ended September 30, 2020 (April 1, 2020 to September 30, 2020)

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

(Millions of yen)

	Reportable Segments			Other Business* <sup>1</sup>	Total	Adjustment* <sup>2</sup>	Amount stated on the Quarterly Consolidated Statements of Income* <sup>3</sup>
	Theme Park	Hotel	Total				
Net sales							
Sales to external customers	47,848	8,174	56,023	3,125	59,149	—	59,149
Intersegment sales or transfers	1,402	157	1,559	1,718	3,278	(3,278)	—
<b>Total</b>	<b>49,251</b>	<b>8,331</b>	<b>57,582</b>	<b>4,844</b>	<b>62,427</b>	<b>(3,278)</b>	<b>59,149</b>
<b>Segment Loss</b>	<b>(19,321)</b>	<b>(3,668)</b>	<b>(22,990)</b>	<b>(1,305)</b>	<b>(24,295)</b>	<b>117</b>	<b>(24,178)</b>

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

2. The segment loss adjustment amount of 117 million yen is the result of elimination of intersegment transactions.

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

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