

Results for the Fiscal Year Ended March 2021

April 28, 2021
Oriental Land Co., Ltd.



Contents of Presentation for Financial Result Briefing for FY3/21

I. Results for the Fiscal Year Ended March 2021

II. Review of 2020 Medium-term Plan

III. Outlook for the Fiscal Year Ending March 2022

Akiyoshi Yokota

Executive Director and
Officer in charge of
Finance/Accounting
Department

IV. For Long-term Sustainable Growth

Kyoichiro Uenishi

Representative Director,
President and COO



I. Results for the Fiscal Year Ended March 2021

Akiyoshi Yokota
Executive Director and Officer
in charge of Finance/Accounting Department



1. Results for FY3/21 [YoY Comparison]

Consolidated Statement of Income

[¥ billion]

	FY3/20 Results	FY3/21 Results	Change	Change
Net Sales	464.4	170.5	(293.8)	(63.3)%
Theme Park Segment	384.0	134.2	(249.7)	(65.0)%
Hotel Business Segment	64.3	28.6	(35.7)	(55.5)%
Other Business Segment	16.0	7.6	(8.3)	(52.3)%
Operating Profit	96.8	(45.9)	(142.8)	-
Theme Park Segment	79.6	(41.9)	(121.6)	-
Hotel Business Segment	14.7	(1.9)	(16.7)	-
Other Business Segment	2.1	(2.3)	(4.4)	-
Ordinary Profit	98.0	(49.2)	(147.2)	-
Extraordinary Income	0.3	-	(0.3)	-
Extraordinary Loss	9.2	18.5	9.3	100.6%
Profit before Income Taxes	89.1	(67.8)	(156.9)	-
Profit Attributable to Owners of Parent	62.2	(54.1)	(116.4)	-

Net sales and all levels of profit decreased due to temporary Park closure and limited Theme Park attendance



1. Results for FY3/21 [YoY Comparison] – Main Reasons for Change



Theme Park Segment(1)

	FY3/20 Results	FY3/21 Results	Change	Change
Net Sales [¥ billion]	384.0	134.2	(249.7)	(65.0)%
Attendance [million people]	29.01	7.56	(21.45)	(73.9)%
Net Sales per Guest [¥]	11,606	13,642	2,036	17.5%
Ticket Receipts [¥]	5,292	6,538	1,246	23.5%
Merchandise [¥]	3,877	4,122	245	6.3%
Food and Beverages [¥]	2,437	2,982	545	22.4%

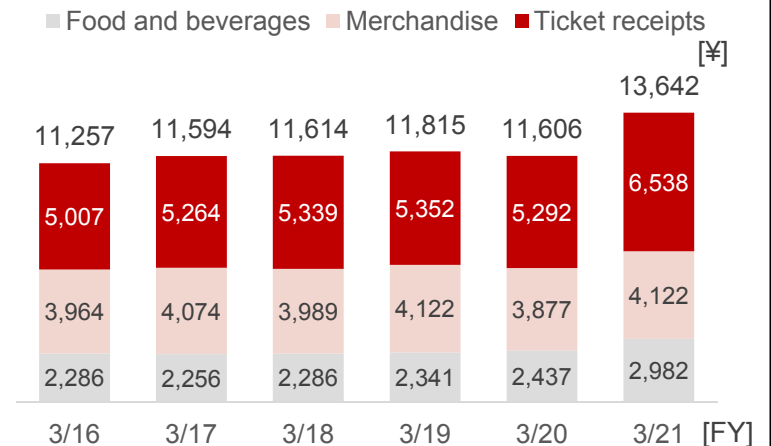
Decrease in Theme Park attendance

- Decrease due to temporary closure of both Parks
- Decrease due to limited Theme Park attendance

Increase in net sales per Guest

- Increase in ticket receipts
 - Increase due to restriction on ticket types, ticket price revision
- Increase in merchandise revenue
 - Temporary increase due to growth in demand after reopening, increase in products related to newly-opened area
- Increase in food and beverages revenue
 - Increase due to ample dining opportunities with limited Theme Park attendance, increase in souvenir products related to newly-opened area

Changes in net sales per Guest



Net sales declined due to a drop in Theme Park attendance although net sales per Guest increased



1. Results for FY3/21 [YoY Comparison] – Main Reasons for Change



Theme Park Segment (2)

	FY3/20 Results	FY3/21 Results	Change	Change
Net Sales	384.0	134.2	(249.7)	(65.0)%
Operating Profit	79.6	(41.9)	(121.6)	-

[¥ billion]

Decrease in operating profit

Decrease in net sales	
Increase in merchandise and food/beverages cost ratio	(19.6)
Decrease in personnel expenses	30.2
Transfer to extraordinary loss	7.1
Decrease due to receipts of employment adjustment subsidy	7.2
Decrease in personnel expenses for part-time Cast members	8.7
Decrease in personnel expenses for full-time employees	4.5
Others	2.7

Decrease in miscellaneous costs	25.4
Transfer to extraordinary loss	2.1
Decrease in sales promotion costs	4.5
Decrease in maintenance costs	4.4
Decrease in costs related to special events	4.1
Decrease in costs related to entertainment	2.3
Others	8.0
Increase in depreciation and amortization expenses	(0.3)

[¥ billion]

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

Operating profit declined due to decreased net sales although a part of costs was transferred to extraordinary losses and each cost was reduced



1. Results for FY3/21 [YoY Comparison] – Main Reasons for Change



Hotel Business Segment

	FY3/20 Results	FY3/21 Results	Change	Change
Net Sales	64.3	28.6	(35.7)	(55.5)%
Disney Hotels	56.7	25.5	(31.2)	(55.0)%
Other Hotels	7.5	3.0	(4.5)	(59.7)%
Operating Profit	14.7	(1.9)	(16.7)	-

[¥ billion]

- Decrease in accommodation revenue due to the temporary closure of the hotels
- Decrease in costs transferred to extraordinary loss

- Decrease in accommodation revenue due to limited number of rooms sold

Note: “Disney Hotels” consist of Disney Ambassador Hotel, Tokyo DisneySea Hotel MiraCosta, Tokyo Disneyland Hotel and Tokyo Disney Celebration Hotel

Net sales and operating profit dropped due to the temporary closure of the hotels and limited number of rooms sold



Other Business Segment

	FY3/20 Results	FY3/21 Results	Change	Change
Net Sales	16.0	7.6	(8.3)	(52.3)%
Operating Profit	2.1	(2.3)	(4.4)	-

[¥ billion]

Both net sales and operating profit fell down because of less passengers in Monorail business



2. Results for FY3/21 [Comparison with Forecast]

Consolidated Statement of Income

[¥ billion]

	FY3/21 Forecast	FY3/21 Results	Change	Change
Net Sales	185.4	170.5	(14.8)	(8.0)%
Theme Park Segment	152.4	134.2	(18.1)	(11.9)%
Hotel Business Segment	25.1	28.6	3.4	13.9%
Other Business Segment	7.8	7.6	(0.2)	(2.9)%
Operating Profit	(51.4)	(45.9)	5.4	-
Theme Park Segment	(43.1)	(41.9)	1.1	-
Hotel Business Segment	(5.9)	(1.9)	4.0	-
Other Business Segment	(2.5)	(2.3)	0.2	-
Ordinary Profit	(53.8)	(49.2)	4.6	-
Extraordinary Loss	13.3	18.5	5.2	39.5%
Profit before Income Taxes	(67.2)	(67.8)	(0.5)	-
Profit Attributable to Owners of Parent	(51.1)	(54.1)	(3.0)	-

Net sales and profit attributable to owners of parent were below our projection owing to the influence of the state of emergency and other factors



2. Results for FY3/21 [Comparison with Forecast] – Main Reasons for Change



Theme Park Segment (1)

	FY3/21 Forecast	FY3/21 Results	Change	Change
Net Sales [¥ billion]	152.4	134.2	(18.1)	(11.9)%
Attendance [million people]	9.50	7.56	(1.94)	(20.4)%
Net Sales per Guest [¥]	12,710	13,642	932	7.3%
Ticket Receipts [¥]	6,250	6,538	288	4.6%
Merchandise [¥]	3,620	4,122	502	13.9%
Food and Beverages [¥]	2,840	2,982	142	5.0%

Decrease in Theme Park attendance

- Decrease due to limited Theme Park attendance

Increase in net sales per Guest

- Increase in ticket receipts
 - Increase due to changes in composition ratio of ticket types
- Increase in merchandise revenue
 - Increase in regular products
- Increase in food and beverages revenue
 - Increase in souvenir products related to newly-opened area

Results fell below our forecast as a result of tightening of the limit set on Theme Park attendance when a state of emergency was declared



2. Results for FY3/21 [Comparison with Forecast] – Main Reasons for Change



Theme Park Segment (2)

	FY3/21 Forecast	FY3/21 Results	Change	Change
Net Sales	152.4	134.2	(18.1)	(11.9)%
Operating Profit	(43.1)	(41.9)	1.1	-

[¥ billion]

Increase in operating profit

Decrease in net sales	
Decrease in merchandise and food/beverages cost ratio	About 0.5
Decrease in personnel expenses	About 7.0
Decrease due to receipts of employment adjustment subsidy	3.2
Decrease in personnel expenses for part-time Cast members	About 2.0
Decrease in personnel expenses for full-time employees, etc.	About 1.5

Decrease in miscellaneous costs	About 5.5
Decrease in maintenance costs	About 3.0
Decrease in energy costs	About 0.5
Others	About 2.0
Decrease in depreciation and amortization expenses	0.3

[¥ billion]

Operating profit exceeded our forecast mainly due to lower-than-expected personnel expenses and miscellaneous costs



2. Results for FY3/21 [Comparison with Forecast] – Main Reasons for Change



Hotel Business Segment

	FY3/21 Forecast	FY3/21 Results	Change	Change
				[¥ billion]
Net Sales	25.1	28.6	3.4	13.9%
Disney Hotels	22.3	25.5	3.2	14.6%
Other Hotels	2.8	3.0	0.2	8.8%
Operating Profit	(5.9)	(1.9)	4.0	-

- Increase in accommodation revenue
- Decrease in personnel expenses

- Decrease in miscellaneous costs

Note: "Disney Hotels" consist of Disney Ambassador Hotel, Tokyo DisneySea Hotel MiraCosta, Tokyo Disneyland Hotel and Tokyo Disney Celebration Hotel

Actual results exceeded the forecast thanks to higher-than-expected accommodation revenue and reduced costs



Other Business Segment

	FY3/21 Forecast	FY3/21 Results	Change	Change
				[¥ billion]
Net Sales	7.8	7.6	(0.2)	(2.9)%
Operating Profit	(2.5)	(2.3)	0.2	-

Results for other business segment were roughly in line with the forecast



3. Outcome of Cash Outflow Reduction

Major initiatives to reduce cash outflow

[¥ billion]

	Forecasted reduction amount*1	Actual reduction amount*2	Major initiatives
Personnel expenses	About (31.0)	About (41.0)	<ul style="list-style-type: none"> Reduce directors' compensation Reduce winter bonus payments to full-time employees Suspend employment of new Cast Members and reallocate Cast Members in accordance with Park operations needs Receipt of employment adjustment subsidy, etc.
Miscellaneous costs	About (19.0)	About (24.5)	<ul style="list-style-type: none"> Review promotional activities to attract Guests Review maintenance operation Suspend special events Suspend or downsize entertainment programs, etc.

*1 Forecast for FY3/21 compared with actual result for FY3/20 (excluding extraordinary loss)

*2 Actual result for FY3/21 compared with actual result for FY3/20 (excluding extraordinary loss)

Actual amount of capital expenditure (comparison with forecast)

[¥ billion]

FY3/21 Forecast	FY3/21 Result	Reasons for decrease
147.2	108.3	<ul style="list-style-type: none"> Postponement to FY3/22 Suspending, downsizing and postponing less urgent remodeling works

Cash outflow was steadily reduced as planned



II. Review of 2020 Medium-term Plan



1. Review of 2020 Medium-term Plan

Policy: Strengthen business foundation toward long-term sustainable growth

	2020 Medium-term Plan	Results
Target	To consistently provide a highly satisfying Theme Park experience	<ul style="list-style-type: none">● Up until FY3/20, the Intent to Return rate, an indicator of Guests' satisfaction, was maintained at high levels● As the Park environment changed considerably in FY3/21, we took rigorous measures against COVID-19, giving top priority to safety and peace of mind
	To achieve record high Theme Park attendance and operating cash flow* in FY3/21	Withdrawal of quantitative target due to changes in management environment

*Operating cash flow = Profit attributable to owners of parent + Depreciation and amortization

Up until the COVID-19 pandemic, we had been achieving growth in both attendance and operating cash flow, with Guests' satisfaction maintained at high level



1. Review of 2020 Medium-term Plan

2020 Medium-term Plan		Results		
Core Business Strategy	Strengthen structural aspects to provide “novelty” and “comfort”	Novelty	Made steady progress up until the end of FY3/20 ↓	<ul style="list-style-type: none"> ● Tokyo Disney Resort 35th Anniversary event ● Introduction of “Soaring: Fantastic Flight” ● Opening of Tokyo Disneyland Large-Scale Development area
		Comfort		<ul style="list-style-type: none"> ● Renovation of service facilities ● Start offering official app and added new functions
	Strengthen non-structural aspects [human resources capacity] on a long-term sustainable basis	Create a comfortable workplace environment	In FY3/21, reviewed action plan to give top priority to taking measures against COVID-19	<ul style="list-style-type: none"> ● Started hiring “Theme Park operations employees” ● Expanded the scope of employees working at home ● Providing nursery facility within the company
		Promote a tangible sense of personal growth		<ul style="list-style-type: none"> ● Improve hospitality ● Strengthen career support
Financial Policy	Allocate operating cash flow to growth investments and aim to enhance corporate value		Up until FY3/20, operating cash flow was allocated to growth investments. In FY3/21, secured liquidity on hand despite the challenging business environment, and continued with our growth investments	

Strengthened business foundation by steady execution of activities based on core business strategy and continued with growth investments. Reviewed action plan in FY3/21 due to the COVID-19 pandemic



2. Actions Taken in FY3/21

FY3/21									
Temporary closure	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Measures planned and executed amid to COVID-19 pandemic									
	<ul style="list-style-type: none"> ● Advance ticket reservation system ● Introduced two-dimensional barcodes for checking menus 			<ul style="list-style-type: none"> ● Introduced Standby Pass system ● Introduced entry request system 		<ul style="list-style-type: none"> ● Started offering online shopping service on app to all members of the public including those who are not visiting Parks ● Started holding lotteries for Park tickets 			<ul style="list-style-type: none"> ● Expansion of applicable attractions

Swiftly implemented digital initiatives as part of our infection countermeasures by bringing forward some measures that had been under discussion and applying the results of past actions

Measures implemented as part of our infection countermeasures will be examined for possible upgrades and expansions. Transformation of business structure is required to prepare for sudden changes in the environment



III. Outlook for the Fiscal Year Ending March 2022



1. Outlook for the Fiscal Year Ending March 2022

In view of the application of the “priority measures to prevent the spread of disease” to Urayasu City, Chiba Prefecture, and the opaque external environment ahead, it is difficult to formulate a highly accurate financial forecast of results for FY3/22. We will therefore disclose our forecast when circumstances change for the better.

Policy and Funding Status for FY3/22

Sales	<ul style="list-style-type: none">● Implement rigorous infection countermeasures and set limits on attendance to ensure safety and peace of mind throughout the year● Continue discussing measures to increase net sales per Guest
Cost	<ul style="list-style-type: none">● Enhance cost efficiency in line with attendance level● Re-examine work volume and scrutinize non-essential/non-urgent costs
Capex DP	<ul style="list-style-type: none">● Project capital expenditure to be in the ¥130 billion range and depreciation and amortization expenses to be in the ¥45 billion range● The depreciation method, mainly for tangible assets of Tokyo Disneyland will be changed from declining-balance to straight-line
Funding	<ul style="list-style-type: none">● Prepare capital resources* in order to secure working capital for use and capital for growth investments <p>*Include line of credit [¥200 billion] and unissued corporate bonds [¥100 billion]</p>
Dividend	<ul style="list-style-type: none">● An annual dividend per share is not yet determined although policy of aiming steady payout of cash dividends

Current Operation Status

- Apr. 20-May 11: Daily attendance is limited to 5,000 for each Park, and Park operating hours are shortened to from 9AM to 8PM
- Each Disney Hotel operates with limited number of rooms sold
- Ikspiari shortens operating hours
- Disney Resort Line continues its operation
- Halt alcohol sales in the resort from Apr. 28-May 11



IV. For Long-term Sustainable Growth

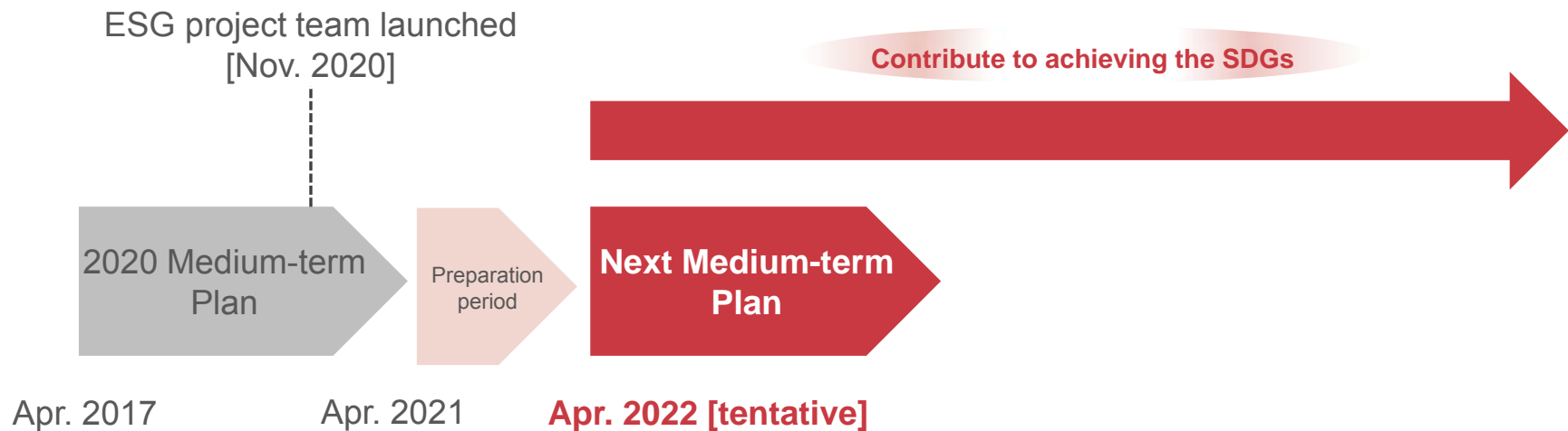
Kyoichiro Uenishi
Representative Director, President and COO



1. For Long-term Sustainable Growth [e.g., ESG]

Strategy Roadmap

Address global environmental and social issues as an integral part of our management and business strategies to aim for more sustainable management



Establish strategies to contribute to a sustainable society and achieve profit growth as a corporation, and plan to announce them in the spring of 2022



1. For Long-term Sustainable Growth [e.g., ESG]

Recognition of Environmental Change

Issues recognized prior to the COVID-19 pandemic	
Strategies so far	Risks
[1] Continuously make large-scale investments to generate value to motivate Park visits	Surging development/construction costs
[2] Secure a large volume of Guests to sustain the apparatus industry	Decrease in total population
[3] Secure a sufficient number of employees to attend to the large volume of Guests	Decrease in working-age population
[4] Make concentrated investments in the Maihama area	Climate change/natural disasters

+

Recognition gained through COVID-19 pandemic
<ul style="list-style-type: none"> • Value of happiness brought about by person-to-person interactions • Diversified perspectives on leisure activities resulting from altered awareness of the 3 Cs [Closed spaces; Crowded places; Close-contact settings]

Future Direction of Businesses

Existing businesses	<p>Evolve business operations to offer options that more closely cater to Guest needs; Improve our capacity to address fluctuations in demand to enhance the added value of the Tokyo Disney Resort as a whole</p> <p style="text-align: center;">E.g., Leverage innovation E.g., Enhance Guest engagement</p>
New businesses	<p>Take on the challenge of establishing new businesses that help us resolve issues and enhance values in our core business, and provide us with growth opportunities</p> <p style="text-align: center;">E.g., Help children gain experience E.g., Labor saving; flexible staffing; manpower saving E.g., Measures against heat and cold; energy consumption</p>

Consider addressing ESG issues as an integral part of management and business strategies



E

2. Environmental Materiality [Updates on Discussions]





Materiality	Direction of measures	What we aim to be	Indicator (KPI)	Quantitative target/ Target status	Target FY	SDG to contribute to
Measures to address climate change and natural disasters	Contribute to achieving a decarbonized society [Mitigate climate change]	Contribute to achieving a decarbonized society by reducing greenhouse gas emissions and mitigating climate change	Amount of greenhouse gas emissions	40% reduction from FY 3/19 level Net zero emissions	2030 2050	
	Strengthen resilience [Adaptation to climate change]	What we aim to be			Identify risks posed by natural disasters and rising temperatures stemming from climate change and consider measures to strengthen the resilience of facilities and manuals	
Measures to promote circulation-type society	Adopt resource-saving products/services and reduce waste	<ul style="list-style-type: none"> • Adopt resource-saving products/services and easily reusable/recyclable resources, engineering and design with the aim of contributing to achieving a circulation-type society • While pursuing conventional recycling projects, focus on new solutions to help increase the recycling rate and achieve resource sustainability 				
	Use sustainable resources	Give preference to resources that promote sustainability with the aim of contributing to resource sustainability				
	Make effective use of water resources	Strive to reduce water intake and promote wastewater recycling with the aim of contributing to water resource sustainability				
	Contribute to forming symbiotic relations with nature	<ul style="list-style-type: none"> • Strive to reduce the amount of chemical substances used and implement proper management thereof to alleviate environmental impact, thereby contributing to forming symbiotic relations with nature • Strive to reduce the amount of air pollutant emissions to alleviate environmental impact, thereby contributing to forming symbiotic relations with nature • Strive to preserve biodiversity in the local communities in which we engage in business, thereby contributing to forming symbiotic relations with nature 				

Promptly strengthen measures to address environmental issues that exert prominent impacts on society at large





3. Social and Governance Materiality [Updates on Discussions]

S Society

Materiality	Direction of measures
Employees 	Foster HR with spontaneous creativity Promote HR diversity Provide a fulfilling workplace environment
Children 	Help children achieve their hopes and dreams
Diversity & Inclusion 	Respond to changes in social and Guest needs based on employees' diverse values Implement systematic measures to respect human rights
Supply chain management 	Promote sustainability and collaboration across supply chains

G Governance

Materiality	Direction of measures
Fairness in business management 	Fair decision-making
Stakeholder engagement 	Achieve relationships of trust and collaboration with stakeholders based on open dialogues

To be determined based on stakeholder engagement and further discussions



Appendix



Changing factors of extraordinary losses

[¥ billion]

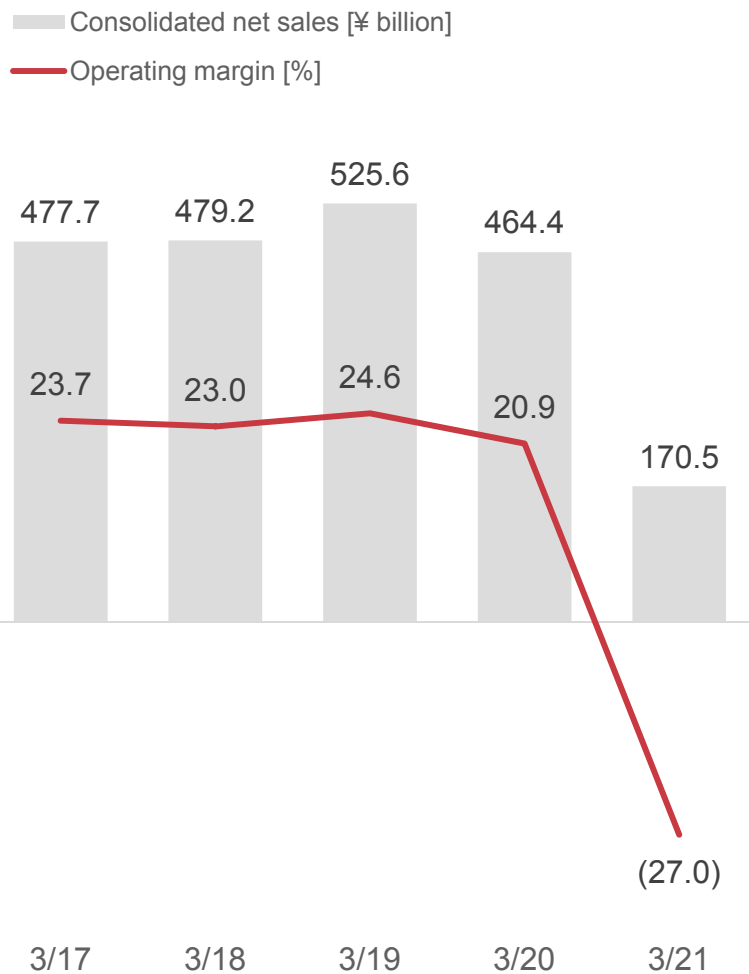
	Full Year	1st Half	2nd Half
Decrease in operating expenses			
A part of fixed expenses during temporary closure of both Parks transferred to extraordinary loss	19.7	19.7	-
Decrease in personnel expenses for part-time employees, sales promotion costs, and maintenance costs, etc.	47.5	21.4	25.9
Extraordinary losses (Loss on temporary closure)	(12.9)	(13.3)	0.3
Personnel expenses (A part of personnel expenses during Park closure, etc.)	(0.6)	(0.7)	0.1
Miscellaneous costs (A part of outsourcing and fixed asset tax during Park closure, etc.)	(3.4)	(3.6)	0.2
Depreciation and amortization expenses (amount during Park closure, etc.)	(8.1)	(8.1)	-
Personnel expenses in costs of food and beverages and disposal of merchandise and raw material, etc.	(0.6)	(0.6)	-
Extraordinary losses (Impairment losses)	(5.6)	-	(5.6)
Total extraordinary losses	(18.5)	(13.3)	(5.2)

Extraordinary losses increased mainly because of loss on temporary closure and impairment losses

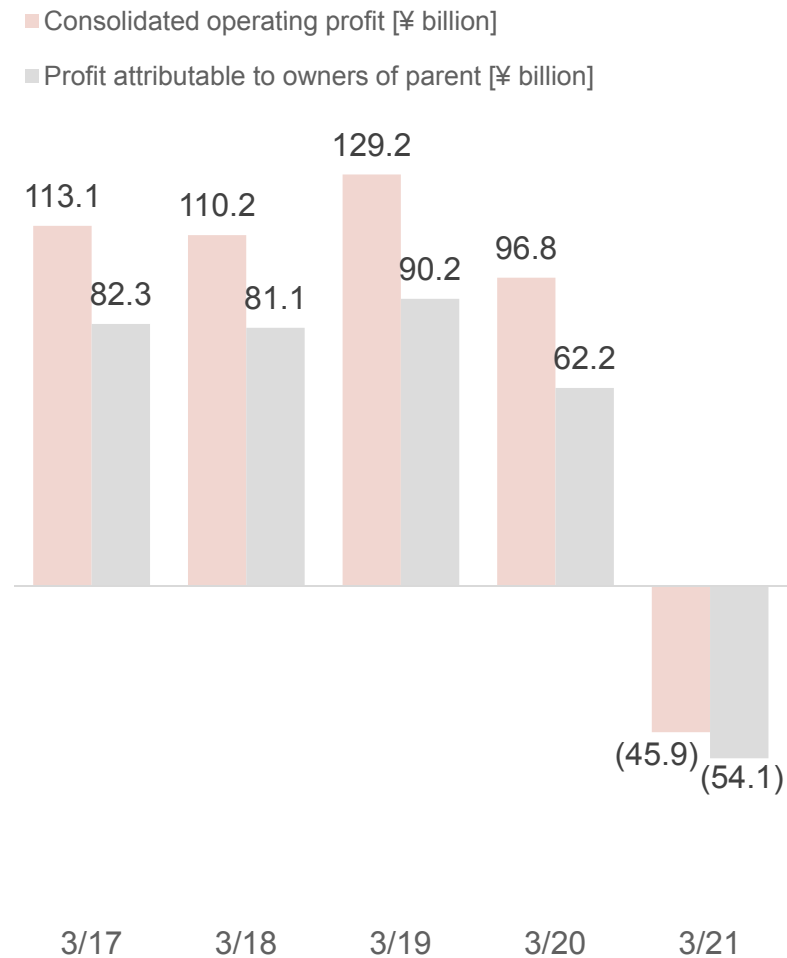


[Reference] Changes in Full FY Results (Past Five FYs)

Consolidated net sales and operating margin



Consolidated operating profit and profit

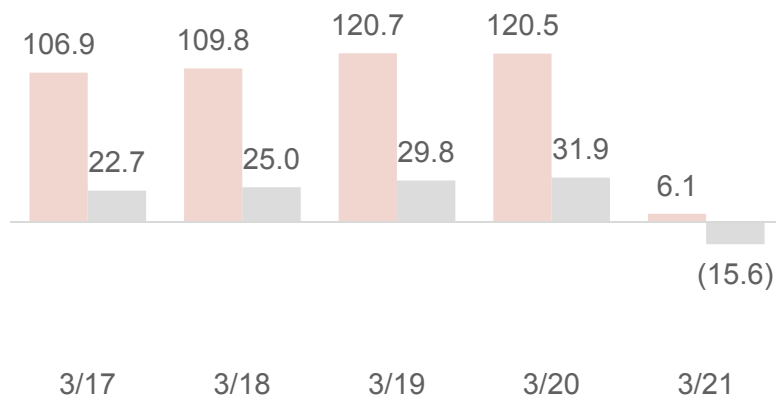




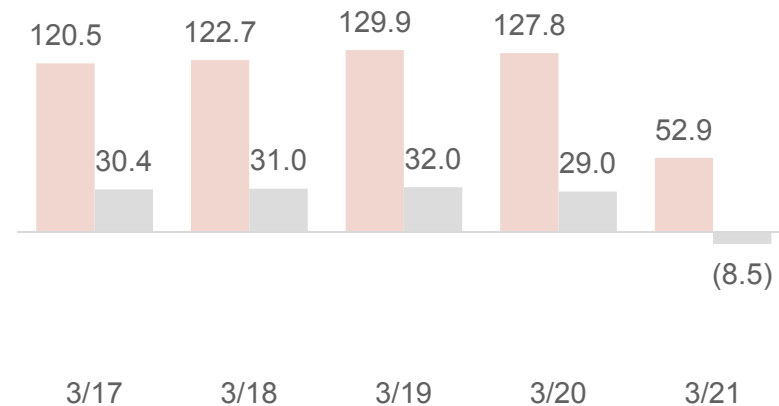
[Reference] Changes in Quarterly Results (Past Five FYs)

Consolidated net sales [¥ billion]
Consolidated operating profit [¥ billion]

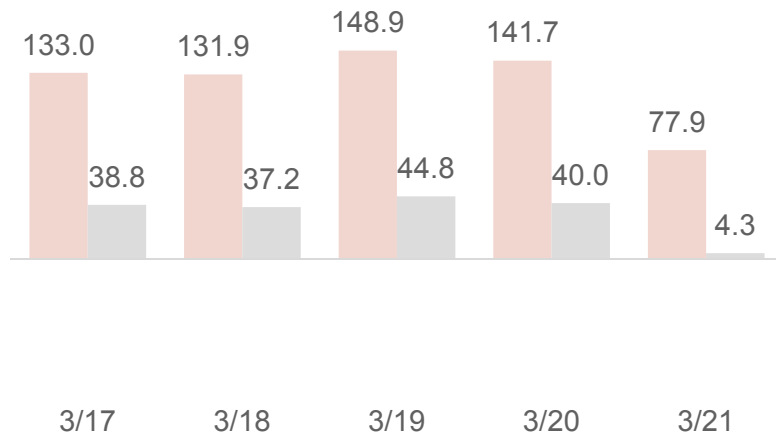
1st quarter



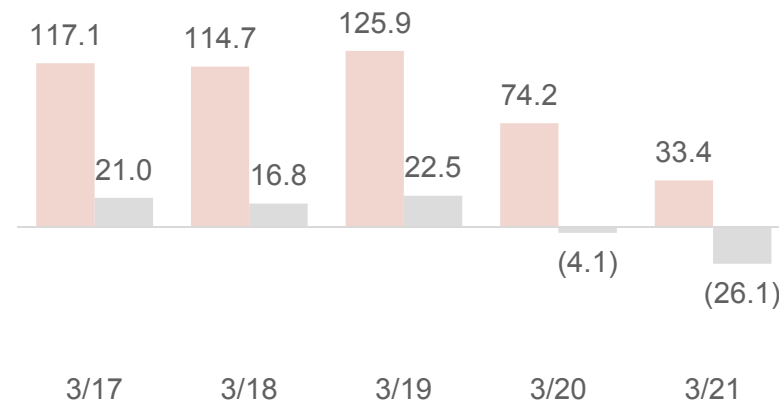
2nd quarter



3rd quarter



4th quarter





Oriental Land Co., Ltd.

Investor Relations Group, Finance/Accounting Department

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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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