

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025 (Japanese accounting standards)

July 30, 2024

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, Prime Market of the Tokyo Stock Exchange

URL: <https://www.olc.co.jp/en/>

Representative: Kenji Yoshida, Representative Director and President

Contact: Tsutomu Takahashi, Director of Finance/Accounting Department

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 First Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Cumulative total)

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

	Net sales		Operating profit (loss)		Ordinary profit (loss)	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Three months ended June 30, 2024	148,421	5.6	33,336	(13.8)	34,058	(12.8)
Three months ended June 30, 2023	140,604	43.2	38,680	126.7	39,058	123.2

Note: Comprehensive income:

Three months ended June 30, 2024: ¥ 19,032 million ((48.6)%)

Three months ended June 30, 2023: ¥ 37,046 million (181.6%)

	Profit (Loss) attributable to owners of parent		Earnings per share	Earnings per share (diluted)
	(¥ million)	(%)	(¥)	(¥)
Three months ended June 30, 2024	24,451	(10.9)	14.92	—
Three months ended June 30, 2023	27,439	126.7	16.75	16.45

Note: Earnings per share (diluted) for three months ended June 30, 2024 is not indicated because there is no potential common share with dilutive effects.

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Shareholders' equity ratio (%)	Net assets per share (¥)
As of June 30, 2024	1,314,910	955,762	72.7	583.31
As of March 31, 2024	1,355,215	949,563	70.1	579.56

Reference: Shareholders' equity:

As of June 30, 2024: ¥955,762 million

As of March 31, 2024: ¥949,563 million

2. Dividends

	Annual dividends (¥)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal Year ended March 31, 2024	—	5.00	—	8.00	13.00
Fiscal Year ending March 31, 2025	—	—	—	—	—
Fiscal Year ending March 31, 2025 (Est.)	—	7.00	—	7.00	14.00

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Profit (Loss) attributable to owners of parent		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Six months ending September 30, 2024	314,966	10.8	69,249	(10.1)	70,455	(9.4)	48,424	(11.2)	29.55
Fiscal Year ending March 31, 2025	684,764	10.7	170,000	2.8	171,749	3.5	120,517	0.2	73.55

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

*Notes

- (1) Changes in Major Subsidiaries during the Three Months Ended June 30, 2024 (Changes in specified subsidiaries due to changes in the scope of consolidation): 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: Yes
 - (b) Changes other than (a) above: None
 - (c) Changes in accounting estimates: None
 - (d) Restatement: None

Note: For details, please refer to Change in Accounting Policy in (3) Notes Regarding the Consolidated Financial Statements for the First Quarter Under Review on page 6.

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

(a) Number of shares issued at end of period (including treasury shares)	Three months ended June 30, 2024:	1,818,450,800 shares	Year ended March 31, 2024:	1,818,450,800 shares
(b) Number of treasury shares at end of period	Three months ended June 30, 2024:	179,944,695 shares	Year ended March 31, 2024:	180,017,193 shares
(c) Average number of shares outstanding (quarterly cumulative period)	Three months ended June 30, 2024:	1,638,481,495 shares	Three months ended June 30, 2023:	1,638,104,343 shares

Note: Number of treasury shares includes shares owned by the trusts to the employee stock plan (ESOP) and stock provision trust (J-ESOP).

* **Financial review of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: None**

* 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.
- The Company is scheduled to hold a financial results presentation for institutional investors and analysts on Tuesday, July 30, 2024. Materials used at the presentation and the outline of its Q&A session will be promptly posted on the Company's website following the event.

1. Overview of Operating Results

Overview of the operating results for the first three months of the fiscal year under review is stated in “Financial Results” posted on the Company’s website.

2. 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, 2024)	At the end of the first quarter (June 30, 2024)
ASSETS		
Current assets		
Cash and deposits	285,037	299,692
Notes and accounts receivable—trade, and contract assets	28,856	29,446
Securities	111,977	61,983
Merchandise and finished goods	9,381	12,621
Work in process	86	190
Raw materials and supplies	10,033	10,164
Other	6,853	8,561
Allowance for doubtful accounts	(3)	(1)
Total current assets	452,222	422,660
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	333,134	517,160
Machinery, equipment and vehicles, net	45,659	99,730
Land	115,890	115,268
Construction in progress	288,746	30,200
Other, net	14,173	32,340
Total property, plant and equipment	797,604	794,701
Intangible assets		
Other	15,882	15,320
Total intangible assets	15,882	15,320
Investments and other assets		
Other	89,601	82,323
Allowance for doubtful accounts	(95)	(94)
Total investments and other assets	89,506	82,228
Total non-current assets	902,993	892,250
Total assets	1,355,215	1,314,910

(Millions of yen)

Items	At the end of the previous fiscal year (March 31, 2024)	At the end of the first quarter (June 30, 2024)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	23,761	17,634
Current portion of bonds payable	60,000	60,000
Current portion of long-term borrowings	7,701	7,744
Income taxes payable	37,943	9,819
Other	117,574	106,575
Total current liabilities	246,981	201,774
Non-current liabilities		
Bonds payable	140,000	140,000
Long-term borrowings	1,252	841
Provision for share awards	464	463
Retirement benefit liability	4,801	5,020
Other	12,152	11,048
Total non-current liabilities	158,671	157,373
Total liabilities	405,652	359,147
NET ASSETS		
Shareholders' equity		
Share capital	63,201	63,201
Capital surplus	115,672	115,672
Retained earnings	853,295	864,630
Treasury shares	(110,952)	(110,670)
Total shareholders' equity	921,216	932,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,077	20,767
Remeasurements of defined benefit plans	2,269	2,160
Total accumulated other comprehensive income	28,347	22,927
Total net assets	949,563	955,762
Total liabilities and net assets	1,355,215	1,314,910

(2) Quarterly Consolidated Statements of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
Three months ended June 30, 2024

(Millions of yen)

Items	Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Net sales	140,604	148,421
Cost of sales	82,742	91,179
Gross profit (loss)	57,862	57,242
Selling, general and administrative expenses	19,182	23,906
Operating profit (loss)	38,680	33,336
Non-operating income		
Interest income	32	76
Dividend income	330	485
Share of profit of entities accounted for using equity method	36	45
Insurance received and insurance dividends	55	29
Other	229	218
Total non-operating income	685	856
Non-operating expenses		
Interest expenses	89	81
Other	217	52
Total non-operating expenses	307	133
Ordinary profit (loss)	39,058	34,058
Extraordinary income		
Gain on sale of investment securities	—	241
Total extraordinary income	—	241
Profit (Loss) before income taxes	39,058	34,299
Income taxes—current	9,503	9,147
Income taxes—deferred	2,115	700
Total income taxes	11,618	9,847
Profit (Loss)	27,439	24,451
Profit (Loss) attributable to owners of parent	27,439	24,451

(Quarterly Consolidated Statements of Comprehensive Income)
Three months ended June 30, 2024

(Millions of yen)

Items	Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Profit (Loss)	27,439	24,451
Other comprehensive income		
Valuation difference on available-for-sale securities	9,675	(5,309)
Remeasurements of defined benefit plans, net of tax	(69)	(109)
Total other comprehensive income	9,606	(5,419)
Comprehensive income	37,046	19,032
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	37,046	19,032
Comprehensive income attributable to non-controlling interests	—	—

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

Changes in Accounting Policy

Application of Accounting Standard for Current Income Taxes

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”), etc. has been applied since the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policies had no impact on the consolidated financial statements for the first quarter under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the first quarter under review. The change in accounting policies was applied retrospectively to the consolidated financial statements for the first quarter of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on the consolidated financial statements for the first quarter of the previous fiscal year or the entire previous fiscal year.

Notes Regarding Segment Information, etc.

1. Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

A. Net Sales and Profit (Loss) by Reportable Segment and Breakdown of Revenue

(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							
Attractions and shows	54,392	—	54,392	—	54,392	—	54,392
Merchandise	39,634	—	39,634	—	39,634	—	39,634
Food and beverages	20,512	—	20,512	—	20,512	—	20,512
Other revenue	1,988	—	1,988	—	1,988	—	1,988
Hotel	—	20,360	20,360	—	20,360	—	20,360
Other	—	—	—	3,716	3,716	—	3,716
Revenues from external customers	116,527	20,360	136,888	3,716	140,604	—	140,604
Transactions with other segments	2,584	184	2,769	929	3,698	(3,698)	—
Total	119,112	20,544	139,657	4,646	144,303	(3,698)	140,604
Segment profit (loss)	32,463	5,951	38,414	175	38,590	90	38,680

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

2. The segment profit (loss) adjustment amount of 90 million yen is the result of elimination of intersegment transactions.

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

4. In terms of net sales, as revenues other than those derived from contracts with customers are of little significance, revenues derived from contracts with customers and other revenues are not presented separately.

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

2. Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

A. Net Sales and Profit (Loss) by Reportable Segment and Breakdown of Revenue

(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							
Attractions and shows	59,926	—	59,926	—	59,926	—	59,926
Merchandise	39,936	—	36,936	—	36,936	—	36,936
Food and beverages	22,082	—	22,082	—	22,082	—	22,082
Other revenue	2,454	—	2,454	—	2,454	—	2,454
Hotel	—	22,796	22,796	—	22,796	—	22,796
Other	—	—	—	4,225	4,225	—	4,225
Revenues from external customers	121,400	22,796	144,196	4,225	148,421	—	148,421
Transactions with other segments	2,959	283	3,243	947	4,190	(4,190)	—
Total	124,360	23,079	147,439	5,172	152,612	(4,190)	148,421
Segment profit (loss)	28,174	4,320	32,495	649	33,144	192	33,336

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

2. The segment profit (loss) adjustment amount of 192 million yen is the result of elimination of intersegment transactions.

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

4. In terms of net sales, as revenues other than those derived from contracts with customers are of little significance, revenues derived from contracts with customers and other revenues are not presented separately.

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

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

Notes Regarding Going Concern Assumption: None

Notes to Quarterly Consolidated Statements of Cash Flows

The Company has not prepared a quarterly consolidated statement of cash flows for the first quarter under review. Depreciation, including amortization related to intangible assets, for the first quarter under review is as shown below.

(millions of yen)

	Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Depreciation and amortization	11,541	13,442

Significant Subsequent Event

Significant Event Related to New Business

The Company announced that Disney cruises are coming to Japan, and a license agreement was concluded today as follows with Disney Enterprises, Inc. (hereinafter “Disney Company”) regarding cruise business in Japan. This decision is based on the board of directors meeting held on July 9, 2024.

1. Objective

The Oriental Land Group has previously announced its goals for the year 2030, with the objective of contributing to our society, and achieving long term growth. The Company has remodeled its business structure, and is promoting actions to achieve further growth. As part of this effort, plans were being considered for a new business opportunity.

The Company reached a decision to enter into the cruise business in Japan, and has concluded a license agreement with the Disney Company to bring the magic of Disney cruises to the market. This decision was based on the potential growth of the cruise market in Japan, the experience the Company has gained in its theme park and hotel operations, and its strong relationship with the Disney Company which will serve as a great advantage for this business opportunity.

2. Description

Disney cruises were first launched in 1998 in the United States, and its fleet currently consists of five ships. Building on its success, three more ships are expected, and services are also scheduled to start in Singapore.

Disney cruises offer fun and relaxation for guests of all ages with the incredible entertainment, world-class dining and exceptional guest service. Cruise fare covers everything guests need for a magical vacation, including spacious accommodations, immersive experiences with Disney characters, a wide range of upscale and casual dining options, pools and recreation, and more. Certain incremental items such as some experiences, food, and beverage are associated with additional fees.

The Company has been offering guests immersive experiences through its theme park business at Tokyo Disney Resort®. This is a new opportunity to add another unique immersive Disney experience that will create lifelong memories for families. The family entertainment on Disney cruises will bring happiness and enjoyment for guests.

3. Schedule

Based on the license agreement concluded with the Disney Company, constructions for shipbuilding will commence from the fiscal year ending March 2026, with the objective to become operational from the fiscal year ending March 2029.

4. Significant impact of the new business on operating activities

The total investment in the new business is projected to be approximately ¥330.0 billion. Its impact on the Company’s consolidated financial results will be closely monitored and matters that need to be announced will be promptly disclosed.