

Results for the Fiscal Year Ended March 31, 2017 and 2020 Mid-Term Plan

April 27, 2017
Oriental Land Co., Ltd

I. Overview of Results for the Fiscal Year Ended March 2017

Tomoyuki Shimoda
Director, Finance/Accounting Department

Consolidated Statement of Income	Results for FY Ended 3/16 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Net Sales	465.3	477.7	12.3	2.7%
Theme Park Segment	384.6	394.2	9.6	2.5%
Hotel Business Segment	63.1	66.1	2.9	4.7%
Other Business Segment	17.5	17.3	(0.1)	(1.1)%
Operating Income	107.3	113.1	5.7	5.4%
Theme Park Segment	91.6	95.8	4.1	4.6%
Hotel Business Segment	13.8	14.6	0.8	6.1%
Other Business Segment	1.6	2.4	0.7	49.6%
Ordinary Income	109.2	114.6	5.3	4.9%
Profit Attributable to Owners of Parent	73.9	82.3	8.4	11.4%

Net sales and all levels of income/profit increased

Theme Park Segment [1]	Results for FY Ended 3/16	Results for FY Ended 3/17	Change	Change
Net Sales [¥ billion]	384.6	394.2	9.6	2.5%
Attendance [million people]	30.19	30.00	(0.19)	(0.6)%
Net Sales per Guest [¥]	11,257	11,594	337	3.0%
Ticket Receipts	5,007	5,264	257	5.1%
Merchandise	3,964	4,074	110	2.8%
Food and Beverages	2,286	2,256	(30)	(1.3)%

Theme park attendance remained unchanged

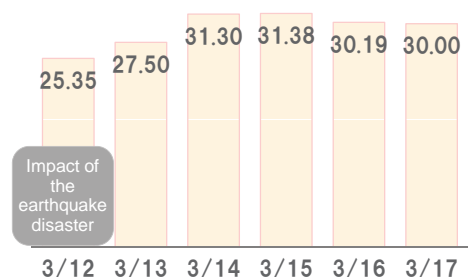
- Exceeded 30 million for the fourth consecutive year

Net sales per guest increased

- Increase in ticket receipts
 - Increase due to the ticket price revision
- Increase in merchandise sales
 - Strong performance of products related to the Tokyo DisneySea 15th Anniversary

Theme park attendance

(million people)



Record high net sales per guest although theme park attendance decreased



1. Results for FY 3/17 / FY 3/16 – Main reasons for Change

Theme Park Segment [2]	Results for FY Ended 3/16 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Net Sales	384.6	394.2	9.6	2.5%
Operating Income	91.6	95.8	4.1	4.6%

Increase in operating income

- Increase in net sales
 - Increase in net sales per guest
- Decrease in merchandise and food/beverages sales cost ratio +¥2.0 billion
- Increase in personnel expenses ¥(3.9 billion)
 - Increase due to revision of personnel system, increase in performance bonus, etc.
- Increase in depreciation and amortization expenses ¥(2.5 billion)
- Miscellaneous costs remained unchanged from previous fiscal year

Note: Increase in costs is expressed by figures in brackets, which shows by how much operating income was negatively affected.

Operating income increased due to reduced sales cost ratio as well as an increase in net sales



1. Results for FY 3/17 / FY 3/16 – Main reasons for Change

Hotel Business Segment	Results for FY Ended 3/16 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Net Sales	63.1	66.1	2.9	4.7%
Operating Income	13.8	14.6	0.8	6.1%

- Increase in net sales at Tokyo DisneySea Hotel MiraCosta
- Increase in miscellaneous costs (e.g., opening expenses of Tokyo Disney Celebration Hotel)

Occupancy Rates and Average Charge per Room

	Tokyo Disneyland Hotel		Tokyo DisneySea Hotel MiraCosta		Disney Ambassador Hotel	
	3/16	3/17	3/16	3/17	3/16	3/17
Occupancy rates	96-99%	96-99%	91-94%	96-99%	91-94%	86-89%
Average charge per room	About ¥60,000	About ¥60,000	About ¥60,000	About ¥65,000	About ¥50,000	About ¥50,000

Net sales and operating income increased due to strong performance of Hotel MiraCosta, offsetting a rise in miscellaneous costs

Other Business Segment	Results for FY Ended 3/16 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Net Sales	17.5	17.3	(0.1)	(1.1)%
Operating Income	1.6	2.4	0.7	49.6%

Operating income increased owing mainly to a decrease in miscellaneous costs for the Ikspiari business

1. Results for FY 3/17 / FY 3/16 – Main reasons for Change

Profit Attributable to Owners of Parent	Results for FY Ended 3/16 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Operating Income	107.3	113.1	5.7	5.4%
Non-operating Income	2.9	2.4	(0.5)	(16.9)%
Non-operating Expenses	1.1	1.0	(0.1)	(9.6)%
Ordinary Income	109.2	114.6	5.3	4.9%
Income Taxes	35.2	32.2	(2.9)	(8.4)%
Profit Attributable to Owners of Parent	73.9	82.3	8.4	11.4%

Increase in profit

- Decrease in income taxes

Profit attributable to owners of parent rose to a record high due mainly to a decline in income taxes

7

2. Results for FY Ended 3/17 / Initial Forecast

Consolidated Statements of Income	Initial Forecast for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Net Sales	479.9	477.7	(2.1)	(0.4)%
Theme Park Segment	397.3	394.2	(3.1)	(0.8)%
Hotel Business Segment	65.9	66.1	0.2	0.3%
Other Business Segment	16.6	17.3	0.7	4.6%
Operating Income	109.1	113.1	4.0	3.7%
Theme Park Segment	93.0	95.8	2.7	3.0%
Hotel Business Segment	13.9	14.6	0.6	5.0%
Other Business Segment	1.9	2.4	0.4	25.7%
Ordinary Income	110.5	114.6	4.1	3.7%
Profit Attributable to Owners of Parent	76.8	82.3	5.5	7.2%

All levels of income/profit exceeded the forecast, although net sales in theme park segment were lower than expected

8

Theme Park Segment	Initial Forecast for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Net Sales	397.3	394.2	(3.1)	(0.8)%
Operating Income	93.0	95.8	2.7	3.0%

Higher-than-projected operating income

- Lower-than-projected net sales
- Lower-than-projected merchandise and food/beverages sales cost ratio
about +¥1.5 billion
- Higher-than-projected personnel expenses
– Higher performance bonus, etc.
about ¥(0.5 billion)
- Lower-than-projected miscellaneous costs
– Lower R&D expenses
– Lower other expenses (energy costs, etc.)
about +¥3.5 billion
about +¥1.5 billion
about +¥2.0 billion

Operating income exceeded our forecast owing to lower-than-expected costs, which offset the impact of lower-than-expected net sales

9

Hotel Business Segment	Initial Forecast for FY Ended 3/17 [¥ billion]	Results for FY Ended 3/17 [¥ billion]	Change [¥ billion]	Change
Net Sales	65.9	66.1	0.2	0.3%
Operating Income	13.9	14.6	0.6	5.0%

Higher-than-projected operating income

- Lower-than-projected miscellaneous costs, etc.

Occupancy Rates and Average Charge per Room

	Tokyo Disneyland Hotel		Tokyo DisneySea Hotel MiraCosta		Disney Ambassador Hotel	
	Initial Forecast	Actual Result	Initial Forecast	Actual Result	Initial Forecast	Actual Result
Occupancy rates	96-99%	96-99%	96-99%	96-99%	91-94%	86-89%
Average charge per room	About ¥60,000	About ¥60,000	About ¥60,000	About ¥65,000	About ¥50,000	About ¥50,000

Operating income exceeded our projection owing to higher-than-projected net sales and lower-than-projected costs

10

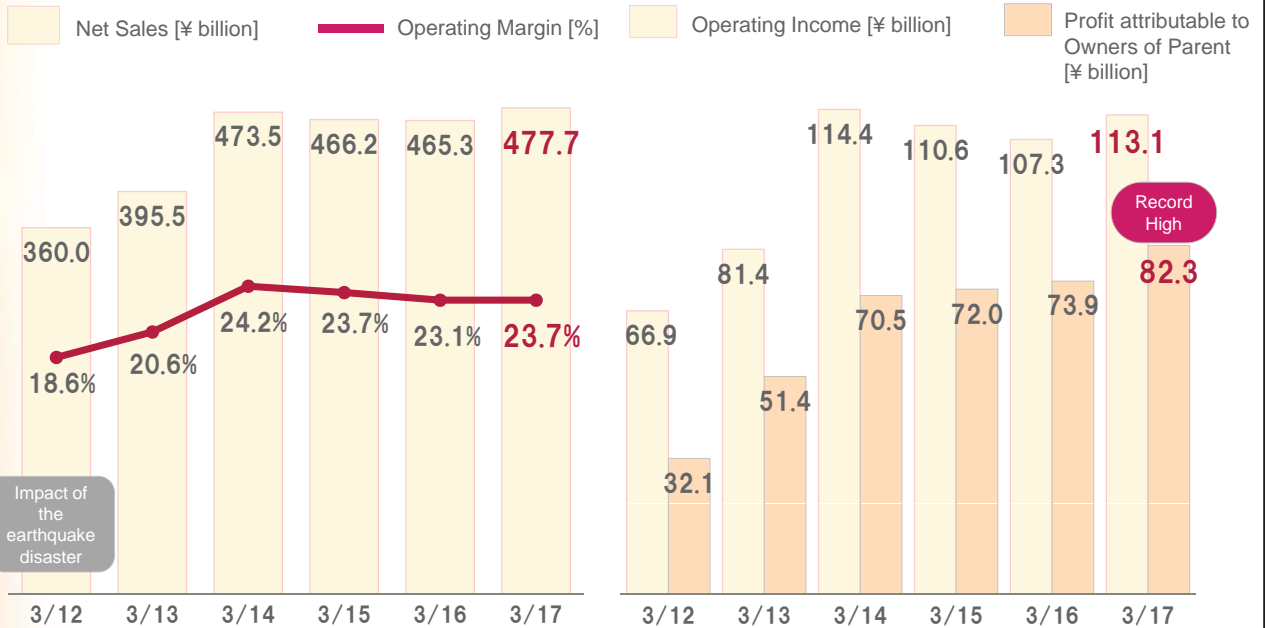


3. Changes in Results

I. Overview of Results

Consolidated Net Sales and Operating Margin

Consolidated Operating Income and Profit Attributable to Owner of Parent



Net sales, operating income, and profit have all remained at high levels

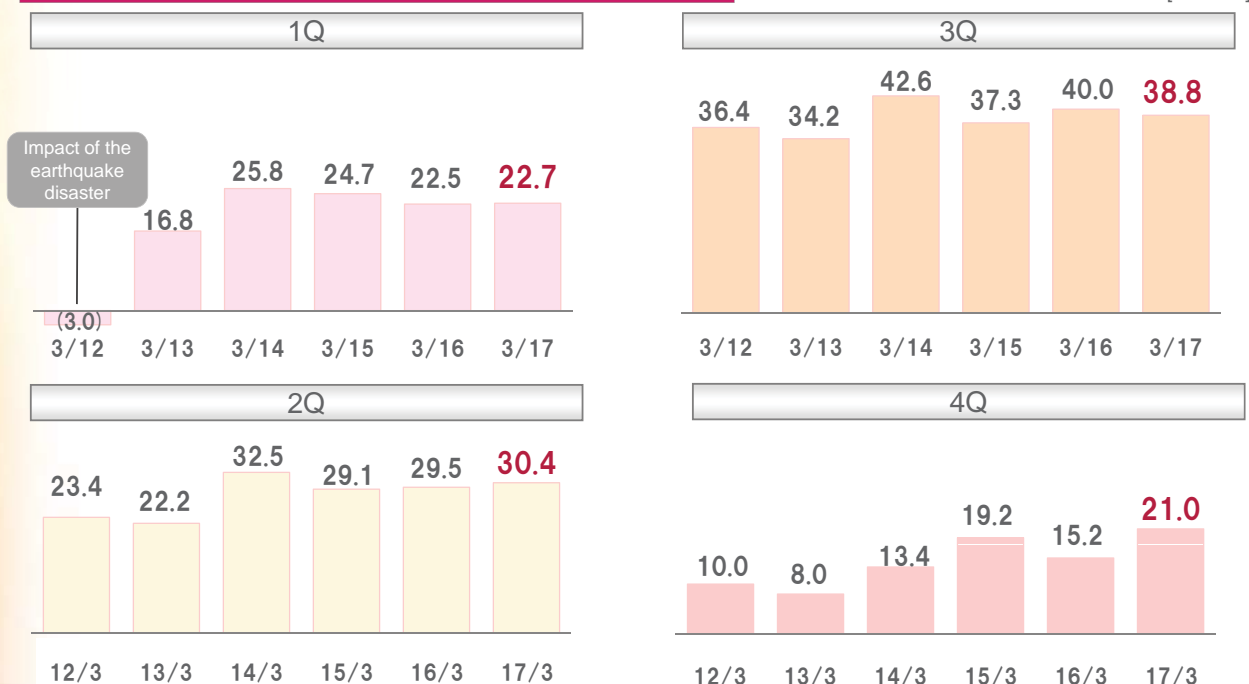


3. Changes in Results

I. Overview of Results

Quarterly Consolidated Operating Income

[¥ billion]



Operating income has increased in both 1Q and 4Q

II. Forecast for the Fiscal Year Ending March 31, 2018



1. Forecast for FY Ending 3/18 / Results for FY Ended 3/17

II. Forecast

Consolidated Statements of Income	Results for FY Ended 3/17 [¥ billion]	Forecast for FY Ending 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	477.7	469.3	(8.4)	(1.8)%
Theme Park Segment	394.2	386.0	(8.1)	(2.1)%
Hotel Business Segment	66.1	66.3	0.1	0.3%
Other Business Segment	17.3	16.9	(0.4)	(2.7)%
Operating Income	113.1	100.1	(12.9)	(11.5)%
Theme Park Segment	95.8	82.6	(13.2)	(13.9)%
Hotel Business Segment	14.6	15.6	1.0	7.1%
Other Business Segment	2.4	1.7	(0.6)	(26.7)%
Ordinary Income	114.6	101.6	(13.0)	(11.3)%
Profit Attributable to Owners of Parent	82.3	70.8	(11.5)	(14.0)%

Both net sales and operating income are projected to decrease year on year owing to the fiscal year ending 3/18 following on the heels of the Tokyo DisneySea 15th Anniversary



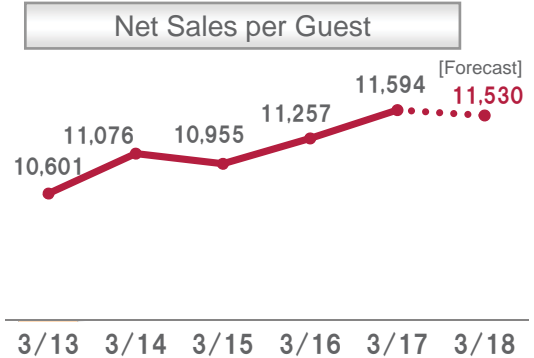
1. Forecast for FY Ending 3/18 / Results for FY Ended 3/17
– Main reasons for Change

II. Forecast

Theme Park Segment [1]	Results for FY Ended 3/17 [¥ billion]	Forecast for FY Ending 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales [¥ billion]	394.2	386.0	(8.1)	(2.1)%
Attendance [million people]	30.00	29.50	(0.5)	(1.7)%
Net Sales per Guest [¥]	11,594	11,530	(64)	(0.6)%
Ticket Receipts	5,264	5,260	(4)	(0.1)%
Merchandise	4,074	4,030	(44)	(1.1)%
Food and Beverages	2,256	2,240	(16)	(0.7)%

Decrease in net sales

- Decrease in theme park attendance
 - Decrease owing to the fiscal year following on the heels of the Tokyo DisneySea 15th Anniversary
- Decrease in net sales per guest
 - Decrease owing to termination of sales of products related to the Tokyo DisneySea 15th Anniversary



Net sales per guest are projected to remain at a high level although theme park attendance is expected to decline



1. Forecast for FY Ending 3/18 / Results for FY Ended 3/17
– Main reasons for Change

II. Forecast

Theme Park Segment [2]	Results for FY Ended 3/17 [¥ billion]	Forecast for FY Ending 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	394.2	386.0	(8.1)	(2.1)%
Operating Income	95.8	82.6	(13.2)	(13.9)%

Decrease in operating income

- Decrease in net sales
 - Decrease in theme park attendance and net sales per guest
- Increase in merchandise and food/beverages sales cost ratio about ¥(1.5 billion)
- Increase in personnel expenses about ¥(2.5 billion)
 - Increase due to higher allowances for part-time employees about ¥(2.0 billion)
 - Increase due to other factors about ¥(0.5 billion)
- Increase in miscellaneous costs about ¥(3.5 billion)
 - Increase in costs related to new special events about ¥(1.5 billion)
 - Increase in R&D expenses about ¥(1.5 billion)
 - Increase in energy costs, etc about ¥(0.5 billion)
- Decrease in depreciation and amortization expenses about +¥0.8 billion

Operating income is expected to decrease owing to increased costs as well as a fall in net sales



1. Forecast for FY Ending 3/18 / Results for FY Ended 3/17 – Main reasons for Change

II. Forecast

Hotel Business Segment	Results for FY Ended 3/17 [¥ billion]	Forecast for FY Ending 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	66.1	66.3	0.1	0.3%
Operating Income	14.6	15.6	1.0	7.1%

- Increase in net sales generated by Tokyo Disney Celebration Hotel
- Decrease in miscellaneous costs (e.g., costs for opening Tokyo Disney Celebration Hotel)

Occupancy Rates and Average Charge per Room

	Tokyo Disneyland Hotel		Tokyo DisneySea Hotel MiraCosta		Disney Ambassador Hotel	
	FY 3/17	FY 3/18 [forecast]	FY 3/17	FY 3/18 [forecast]	FY 3/17	FY 3/18 [forecast]
Occupancy rates	96-99%	96-99%	96-99%	96-99%	86-89%	86-89%
Average charge per room	About ¥60,000	About ¥60,000	About ¥65,000	About ¥65,000	About ¥50,000	About ¥50,000

Operating income is expected to increase mainly owing to reduced miscellaneous costs

Other Business Segment	Results for FY Ended 3/17 [¥ billion]	Forecast for FY Ending 3/18 [¥ billion]	Change [¥ billion]	Change
Net Sales	17.3	16.9	(0.4)	(2.7)%
Operating Income	2.4	1.7	(0.6)	(26.7)%

Both net sales and operating income are projected to decrease owing to a decline in net sales for the Ikspiari business and a rise in miscellaneous costs

17



III. 2020 Medium-Term Plan

Representative Director, President and COO
Kyoichiro Uenishi

Long-term Sustainable Growth of Core Business

2016 Medium-Term Plan		Actual Results
1	Decide on large-scale investment projects aimed at maximizing theme park value toward "OLC in 2023" and embark on the projects in phases	<ul style="list-style-type: none"> • Moved up the schedule for achieving the targets under "OLC in 2023"  <ul style="list-style-type: none"> • Announced a facility development plan that presents our development roadmap for the period through FY3/21
2	[Strategies] (1) Enhance theme park value (2) Increase theme park attendance by stabilizing attendance levels (3) Pricing strategy that reflects experience value (4) Be more prepared to welcome overseas guests	(1) Steadily introduced new products Implemented measures to enhance guest satisfaction (2) Increased net sales in 1Q and 4Q (3) Revised ticket prices in view of increased value (4) Successfully attracted inbound tourists
3	Achieve operating cash flow of at least ¥280 billion in the three-year period	<ul style="list-style-type: none"> • Outperformed the target by generating an operating cash flow of <u>¥337.2 billion</u>

Steadily maintaining theme park attendance at approx. 30 million

Policy: Strengthen business foundation toward long-term sustainable growth

Targets

- To consistently provide a highly satisfying theme park experience
- To achieve record high theme park attendance and operating cash flow in FY3/21

Strategy

1	Core Business Strategy	<ul style="list-style-type: none"> • Strengthen structural aspects to provide novelty and comfort • Strengthen non-structural aspects (human resources development)
2	Financial Policy	<ul style="list-style-type: none"> • Allocate operating cash flow to growth investment and aim to enhance corporate value

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

Recognition of internal/external business environment and the direction to aim for

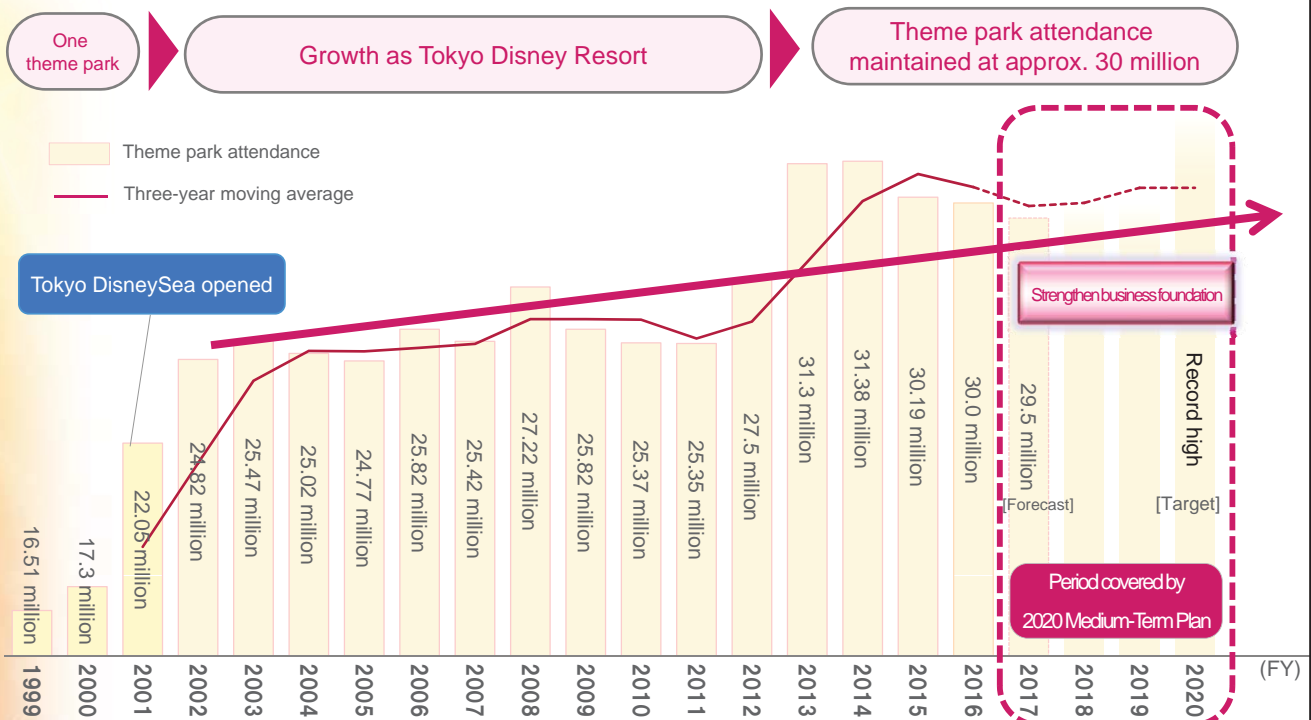
External environment

1	Decline in birthrate and aging population	Foster medium- to long-term fans (repeat guests)
2	Increase in inbound tourists	Prepare to offer overseas guests a comfortable time at theme parks
3	Reduction in labor force	Strengthen human resources capacity on a long-term sustainable basis

Internal environment

1	Theme park attendance increasing at a faster-than-expected pace	Speedily proceed with development plans
---	---	---

Business foundation needs to be strengthened to aim for long-term sustainable growth



Period for building a business foundation aimed at long-term sustainable growth

Targets under 2020 Medium-Term Plan

Targets

- To consistently provide a highly satisfying theme park experience
- To achieve record high theme park attendance and operating cash flow in FY3/21

Consolidated financial targets

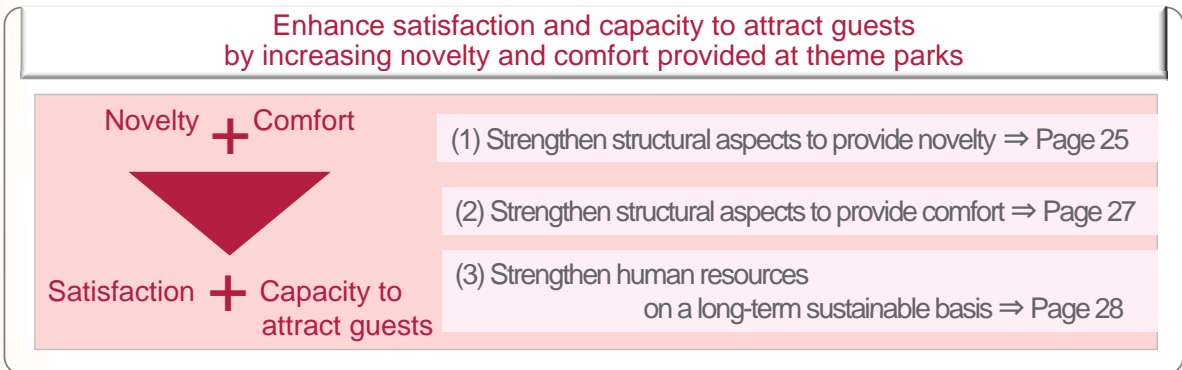
	FY3/17 (Actual result)	FY3/18 (Plan)	FY3/21 (Target)	Record high level as of FY3/17 (reference)
Theme park attendance	30.0 million	29.5 million	Record high	31.38 million (FY3/15)
Operating cash flow	¥120.6 billion	¥107.9 billion	Record high	¥120.6 billion (FY3/17)

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

Aim to achieve record high figures in both theme park attendance and operating cash flow in FY3/21

Outline of Core Business Strategy

Strategy



Aim to offer theme parks that provide both novelty and comfort

(1) Strengthen structural aspects to provide novelty

Large-scale investment projects at Tokyo Disneyland and Tokyo DisneySea

Theme park	Projects	Time of introduction/ investment value
Tokyo Disneyland	<ul style="list-style-type: none"> •Beauty and the Beast Area (tentative name) —Major attraction •Live Entertainment Theater •New attraction themed to the Disney film, <i>Big Hero 6</i> •New Disney Character Greeting Facility 	Spring 2020
		Approx. ¥75.0 billion level
Tokyo DisneySea	Major attraction “Soarin” (tentative name)	FY3/20
		Approx. ¥18.0 billion

Complete large-scale investment projects as planned

(1) Strengthen structural aspects to provide novelty

Major new products

Nemo & Friends SeaRider

Scheduled to open on May 12, 2017 (Investment value: approx. ¥5.0 billion)

Turtle Talk to be refurbished

Scheduled to reopen on May 12, 2017

Tokyo Disneyland Electrical Parade *Dreamlights* to be redesigned

Scheduled to restart on July 11, 2017

New at Tokyo Disneyland

It's a Small World to be refurbished

Scheduled to reopen in FY3/19

New at Tokyo DisneySea

New daytime parade

Scheduled to start in FY3/19 (Investment value: approx. ¥2.4 billion)

* Based on a plan disclosed as of April 27, 2017

Soarin' (tentative name)

Scheduled to open in FY3/20

Tokyo Disney Resort
35th Anniversary

Large-scale investment project
Scheduled to open in spring 2020

Attractive contents to be rolled out, e.g., in timely coordination with launch of Disney movies

(2) Strengthen structural aspects to provide comfort

Major initiatives

1	Large-scale development	<Tokyo Disneyland>
		<Tokyo DisneySea>
2	Other initiatives	
3	Measures for overseas guests	

Aim at increasing guests' convenience and mitigating the sense of crowdedness

(3) Strengthen human resources capacity on a long-term sustainable basis

By creating a comfortable workplace environment where a diversity of employees can gain a tangible sense of personal growth, strengthen the foundation for human resources to display hospitality and operational capacity.

Measures to enable employees to gain a tangible sense of growth

1	Diversification of learning opportunities	<ul style="list-style-type: none"> • Introduce new training programs • Promote measures tailored to Cast Members • Expand incentive award systems and measures to encourage communication
2	In-depth understanding of Disney philosophy	

Promotion of a comfortable workplace environment

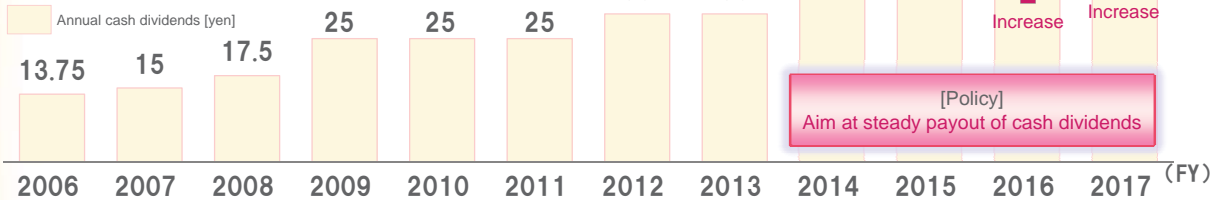
1	Efficient workplace environment	<ul style="list-style-type: none"> • Enhance productivity and reduce workload by utilizing IT e.g., Provide service in foreign languages by using tablet computers Leverage IT systems to optimize workload
2	Employment/compensation	<ul style="list-style-type: none"> • Compensation system that takes the external environment into • Employment environment catered to diverse personnel (e.g., shorter work hours)

Strengthen foundation for human resources to achieve long-term growth

Policy: Allocate operating cash flow to growth investment with the aim of enhancing corporate value

(1) Cash dividends

Annual cash dividends per share



Note: Dividend amounts up to 3/15 are evaluated retrospectively for descriptive purposes.

(2) Share Repurchase

Number of shares to be repurchased	Total value of shares to be repurchased
Maximum of 3.5 million shares	Maximum of ¥20 billion

•Repurchase share from open market



•Expand shareholder returns and enhance capital efficiency

Note: ROE for FY3/18 is projected to be 10.3%

Expand shareholder returns

Policy for FY3/22 and after

1	Long-term sustainable growth of the core business	Development plans for further growth of both parks
		<p><Tokyo Disneyland> The new plans will apply to all seven themed lands, including Fantasyland. An area-based development for each themed land is intended to leave a lasting impact on the park</p> <p><Tokyo DisneySea> To achieve a significant breakthrough, the expansion of the existing site and utilization of new development will create an environment with a higher degree of guest satisfaction from qualitative as well as quantitative standpoint.</p>



Further boost attendance level over the long term with continued large-scale investment

2	Development of Tokyo Disney Resort	Investigate various ways to add more value to Tokyo Disney Resort as a whole, such as increasing the number of guest rooms at the hotels within the Resort
3	Further growth through new business	Plans for the new business aimed at growing it into single business segment will continue to be considered in ways that are not by specific timeframe



Broader investigation for long-term sustainable growth

Formulate policy from a long-term perspective and embody plans by taking the internal/external environment into consideration



Oriental Land Co., Ltd.

Investor Relations Group, Finance/Accounting Department

URL: www.olc.co.jp/en

This document includes statements about Oriental Land's plans, estimates, strategies and beliefs. The statements made that are not based on historical fact represent the assumptions and expectations of Oriental Land in light of the information available to it as of the date when this document was prepared, and should be considered as forward-looking.

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.

All rights reserved.