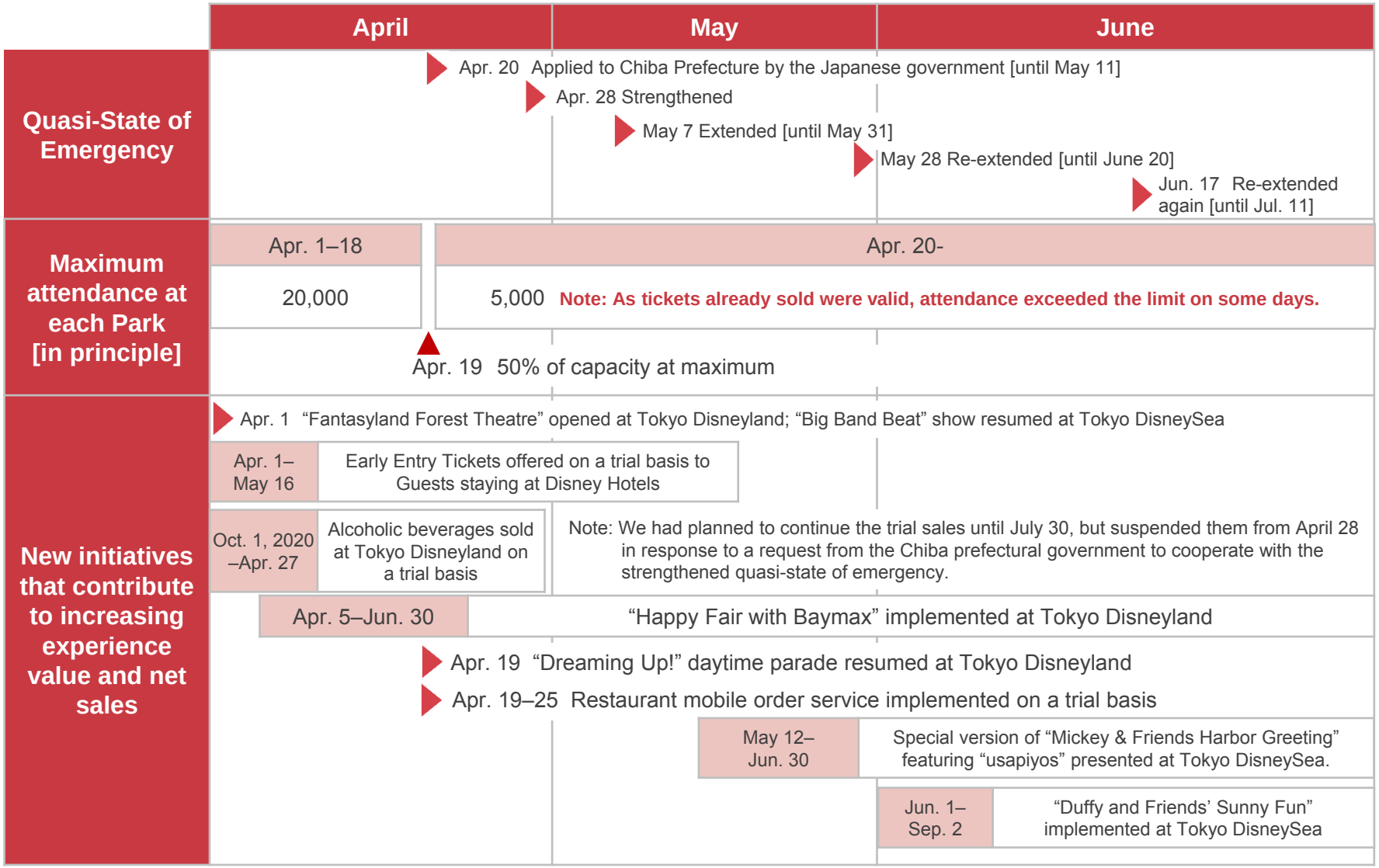
Oriental Land Co.,Ltd.

Results for the First Quarter of the Fiscal Year Ending March 2022

July 29, 2021
Oriental Land Co., Ltd.

Kenji Yoshida
Representative Director,
President and COO

Park Operations during the First Quarter of FY3/22



Introduced measures to contribute to enhancing Guests' Experience value and net sales while limiting attendance

Results for the First Quarter of FY3/22 / FY3/21

[Billion yen]

Consolidated Statement of Income	FY3/21 Results [1Q]	FY3/22 Results [1Q]	Change	Change
Net Sales	6.1	49.8	43.6	708.2%
Theme Park Segment	5.1	39.6	34.5	674.5%
Hotel Business Segment	0.1	7.9	7.8	-
Other Business Segment	0.8	2.1	1.2	141.9%
Operating Profit (Loss)	(15.6)	(8.8)	6.8	-
Theme Park Segment	(11.4)	(7.5)	3.9	-
Hotel Business Segment	(3.1)	(0.8)	2.3	-
Other Business Segment	(1.0)	(0.4)	0.5	-
Ordinary Profit (Loss)	(15.2)	(8.2)	7.0	-
Extraordinary Loss	21.1	-	(21.1)	-
Profit (Loss) before Income Taxes	(36.4)	(8.2)	28.2	-
Profit (Loss) Attributable to Owners of Parent	(24.8)	(6.0)	18.8	-

Despite limits set on attendance, net sales grew and operating loss decreased year on year, primarily due to the low base of comparison resulting from the temporary closure of both Parks in the same period of the previous fiscal year

Results for the First Quarter of FY3/22 / FY3/21: Net Sales for Theme Park Segment

[Billion yen]

Theme Park Segment [1]	FY3/21 Results [1Q]	FY3/22 Results [1Q]	Change	Change
Net Sales	5.1	39.6	34.5	674.5%

As Tokyo Disneyland and Tokyo DisneySea were temporarily closed during the first quarter of FY 3/21, there is no data for attendance and net sales per Guest.

Increase in net sales

・Increase due to temporary Park closure in the same period of the previous fiscal year

----------Reference----------

Net sales per Guest

Comparison with FY3/21 Results	FY3/21 Results	FY3/22 Results [1Q]	Primary reasons for change
Net Sales per Guest [¥]	13,642	increased	
Ticket Receipts	6,538	increased	Introduction of variable pricing, etc.
Merchandise	4,122	increased	Strong sales of new products related to Duffy, etc.
Food and Beverages	2,982	increased	Strong sales of food souvenir items, etc.

Parks were temporarily closed in the same period of the previous fiscal year. Net sales per Guest were strong

Results for the First Quarter of FY3/22 / FY3/21: Operating Loss for Theme Park Segment

Theme Park Segment [2]

[Billion yen]

	FY3/21 Results [1Q]	FY3/22 Results [1Q]	Change	Change
Net Sales	5.1	39.6	34.5	674.5%
Operating Profit (Loss)	(11.4)	(7.5)	3.9	-

Decrease in operating loss

[Billion yen]

Increase in net sales	
Increase in personnel expenses	(9.2)
Transfer to extraordinary loss in 1Q of FY 3/21	
Receipt of employment adjustment subsidy*, etc.	

Increase in miscellaneous costs	(2.9)
Transfer to extraordinary loss in 1Q of FY 3/21, etc.	
Increase in depreciation and amortization expenses	(8.5)
Transfer to extraordinary loss in 1Q of FY 3/21	
Increase due to new asset acquisition, etc.	

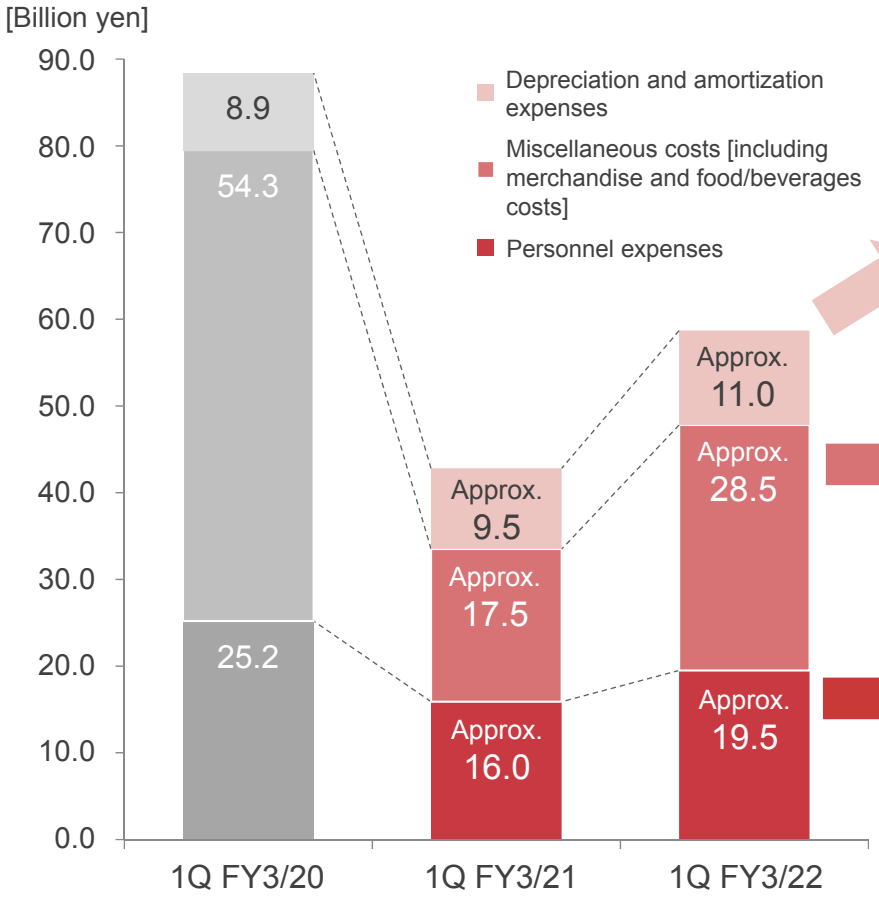
Notes: Increase in costs is expressed by figures in brackets, which show by how much operating loss was increased.
Impact of merchandise and food/beverages cost ratio is not presented above as a major factor behind the change in operating loss, given that the ratio cannot be calculated owing to the temporary Park closure.
* The employment adjustment subsidy excluding the portion received (or expected to be received) due to the temporary closure is deducted from operating expenses.

Each item of cost increased year on year as costs had been transferred to extraordinary loss in the same period of the previous year, but operating loss was reduced owing to an increase in net sales

[Reference] Costs: First Quarter of FY3/22 [vs. FY3/20 & FY3/21]

Changes in costs* [consolidated basis]

* Operating expenses plus the extraordinary loss resulting from the COVID-19 pandemic and part of the non-operating expenses, less the amount of employment adjustment subsidy received or expected to be received.



Main reasons for changes in costs for 1Q of FY3/22
YoY comparison

Depreciation and amortization expenses

- Increase due to Tokyo Disneyland Large-Scale Development area
- Decrease due to change in depreciation method

Miscellaneous costs

- Increase resulting from resumption of operations
  E.g., merchandise and food/beverages costs, royalties

Personnel expenses

- Increase due to a difference in the amount of employment adjustment subsidy received

While some costs increased owing to resumption of operations, we continued to promote cost control as in the previous fiscal year

Results for the First Quarter of FY3/22 / FY3/21: Hotel Business Segment and Other Business Segment

Hotel Business Segment

[Billion yen]

	FY3/21 Results [1Q]	FY3/22 Results [1Q]	Change	Change
Net Sales	0.1	7.9	7.8	-
Disney Hotels	0.0	7.3	7.3	-
Other Hotels	0.1	0.6	0.5	430.2%
Operating Profit (Loss)	(3.1)	(0.8)	2.3	-

Increase in net sales

- YoY increase in accommodation revenues due to temporary closure in 1Q of FY3/21.

Decrease in operating loss

- Increase in net sales
- Increase in personnel expenses
  -Transfer to extraordinary loss in 1Q of FY3/21

Net sales increased and operating loss decreased owing to temporary closure of hotels in 1Q of FY3/21

Other Business Segment

[Billion yen]

	FY3/21 Results [1Q]	FY3/22 Results [1Q]	Change	Change
Net Sales	0.8	2.1	1.2	141.9%
Operating Profit (Loss)	(1.0)	(0.4)	0.5	-

Increase in net sales

- Increase in Ikspiari business due to temporary closure of Ikspiari in 1Q of FY3/21

Decrease in operating loss

- Increase in net sales, etc.

Net sales increased and operating loss decreased owing to temporary closure of Ikspiari in 1Q of FY3/21

Outlook for FY3/22

In view of the continued opacity of the external environment, we will disclose our forecast of results for FY3/22 when a rational forecast becomes possible.

Policy for FY3/22	
Attendance	● Operate Parks in accordance with requests from the national and local governments ● Implement rigorous infection countermeasures and set limits on attendance in consideration of the health and safety of Guests and Cast Members
Net sales per Guest	● Continue examining ticket strategy and initiatives to turn Guest experiences into new sources of earnings ● Capitalize on “Tokyo DisneySea 20th: Time to Shine!” to the extent possible by rolling out related products and menu items
Personnel expenses	● Review operation hours, personnel deployment, and workload in accordance with the level of attendance, while ensuring Guest satisfaction
Miscellaneous costs	● Costs required for increasing Guests’ experience value and net sales are expected to rise from the same period of the previous fiscal year e.g., costs related to sales promotion activities, special events, and entertainment programs ● Maintain costs at the same level as in the same period of the previous fiscal year for activities other than the above
Capex DP	● Capital expenditure and depreciation and amortization expenses are projected to be around ¥130 billion and ¥45 billion, respectively ● Keep investments under rigorous control and minimize the increase
Dividend	● Our policy to aim for steady cash dividends remains unchanged, but our annual dividend per share is yet to be determined

While continuing to keep a close eye on the external environment, we will swiftly implement a number of measures in preparation for every eventuality we may face

Updates on Park Operations [as of July 29]

Employees	● New Cast Members are hired for some job types. Recruitment will be performed as necessary in accordance with the conditions of our Park operations ● COVID-19 workplace vaccination for employees started on July 5
Attendance	● In line with the request from the national and local governments, attendance is limited to 5,000 per Park Note: Attendance exceeds the limit on some days as tickets already sold are valid.
Park operation hours	● 10:00–19:00
Ticket prices	● 1-Day Passport for one adult: ¥8,200/¥8,700
Food and beverages	● Stopped offering alcoholic beverages on menus
Programs/ Entertainment	● "Duffy and Friends' Sunny Fun" implemented at Tokyo DisneySea [June 1 to September 2] ● Launched "Club Mouse Beat," a new entertainment program, at Tokyo Disneyland Note: Entry Request required [From July 2]



Club Mouse Beat

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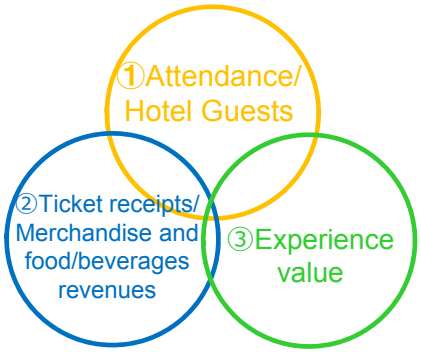
Parks operated in line with the requests from the national and local governments

Contents Planned to Be Introduced during FY3/22



Content		Planned launch time	Major effects
Implementation of "Tokyo DisneySea 20th: Time to Shine!"		Sep. 4	① + ② + ③
Opening of Tokyo Disney Resort Toy Story Hotel		Second half	① + ③
Introduction of new nighttime entertainment at Tokyo DisneySea, "Believe! Sea of Dreams"		TBD	① + ③

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We are planning to introduce contents that are expected to increase earnings and experience value

Aiming for OLC Group's New Growth



Fantasy Springs

ESG initiatives currently undertaken

E

- Endorsed recommendations of TCFD*
- Introduced straw-free lids on a trial basis
- Started selling products made with organic cotton and recycled materials

S

- Set a target to increase the proportion of female managers to at least 25% by the end of FY3/26

G

- Changed directors' term of office to one year
- Revised organization [e.g., established Sustainability Promotion Department and Corporate Conduct Committee]

* The Task Force on Climate-related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board (FSB) as a private-sector task force in response to a request from G20. TCFD recommends that companies evaluate the financial impact of climate-change-related risks and opportunities on business management, and disclose information related to governance, strategies, risk management, indicators, and targets.

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We will make concerted efforts to achieve new growth by harnessing our structural assets that serve as the launch pad for growth and our management that makes the most of people

Appendix

[Reference] Changes in Maximum Attendance, Park Operation Hours, and Ticket Prices during FY3/21

	FY3/21 1Q	FY3/21 2Q			FY3/21 3Q			FY3/21 4Q		
	Apr.-Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Attendance	Temporary closure	Jul. 1–Oct. 30: Attendance limited in compliance with the Amusement Park and Theme Park New Coronavirus Infection Containment Guidelines [50% of capacity at maximum, social distancing of at least 2 m]			Oct. 31–Jan. 11: Parks operated in line with the easing of the Guidelines [100% of capacity at maximum, social distancing of at least 1 m]			Jan. 12–Mar. 18: Attendance limited to 5,000 per Park in view of the declaration of a state of emergency issued by the national government and requests from local municipalities		▲ Mar. 19–31: As the state of emergency was lifted, the limit was eased to 10,000 per Park
Park operation hours		Jul. 1–Aug. 31: 8:00–20:00			Sep. 1–Jan. 7: 9:00–21:00			Jan. 12–Feb. 12: 9:00–19:00	Feb. 13–Mar. 31: 10:00–19:00	
								▲ Jan. 8–Jan. 11: 9:00–20:00 in view of requests from local municipalities to cooperate		

Ticket price [for one adult]

Admission from Jul. 1 to Oct. 30	
1 Day	¥8,200
11:00–	¥7,300
14:00–	¥6,300

Admission from Oct. 31 to Jan. 11	
1 Day	¥8,200
10:30–	¥7,700
12:00–	¥7,300

Admission from Jan. 12 to Mar. 19	
1 Day	¥8,200

Admission from Mar. 20 to Apr. 19	
1 Day	¥8,200/ ¥8,700
10:30–	¥7,700/ ¥8,200
12:00–	¥7,300/ ¥7,700

★Variable pricing introduced

[Reference] Changes in Maximum Attendance, Park Operation Hours, and Ticket Prices during 1Q of FY3/22

	April	May	June
Park operation hours	Apr. 1–19 Tokyo Disneyland 9:00–20:00 Tokyo DisneySea 9:00–21:00	Apr. 20–May 16 9:00–20:00	May 17–Aug. 22 10:00–19:00
Ticket prices [for one adult]	Admission from Apr. 1 to May 21 1 Day: ¥8,200/¥8,700 10:30–: ¥7,700/¥8,200 12:00–: ¥7,300/¥7,700		Admission from May 22 to Aug. 22 1 Day: ¥8,200/¥8,700
	Admission from Apr. 1 to May 16 Early Entry Ticket [Trial basis]: ¥3,000		

Note: We had planned to offer Early Entry Tickets on a trial basis until June 30, but suspended sales from May 16 in view of the quasi-state of emergency in Chiba Prefecture.



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Cautionary Statement:
The purpose of this document is to provide information on the operating results and future management strategies of the OLC Group, and not to solicit investment in securities issued by the Company.

The data disclosed in this document are based on the judgments and available information as of the date of publication. The OLC Group's business is sensitive to factors such as customer preferences, and social and economic conditions, and therefore the forecasts and outlook presented in this document contain uncertainties.

Theme Park attendance figures have been rounded, and financial figures have been truncated.

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