

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023 (Japanese accounting standards)

April 27, 2023

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.olec.co.jp/en/>

Representative: Kenji Yoshida, Representative Director and President

Contact: Yutaka Yokoyama, Director of Finance/Accounting Department

Planned Date for Annual General Meeting of Stockholders: June 29, 2023

Planned Date for Submission of Securities Report (*Yuka shoken hokokusho*): June 29, 2023

Planned Date for Start of Dividend Payment: June 30, 2023

Supplementary materials for the financial statements: Yes

Briefing session on financial results: Yes (for institutional investors)

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Results for the Fiscal Year Ended March 31, 2023

(April 1, 2022 – March 31, 2023)

(1) Consolidated Operating Results

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

| | Net sales | | Operating profit (loss) | | Ordinary profit (loss) | |
|----------------------------------|-------------|------|-------------------------|-----|------------------------|-------|
| | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) |
| Fiscal Year ended March 31, 2023 | 483,123 | 75.2 | 111,199 | — | 111,789 | 891.2 |
| Fiscal Year ended March 31, 2022 | 275,728 | 61.6 | 7,733 | — | 11,278 | — |

Note: Comprehensive income:

Fiscal year ended March 31, 2023: ¥82,594 million (—%)

Fiscal year ended March 31, 2022: ¥6,144 million (—%)

| | Profit (Loss) attributable to owners of parent | | Earnings per share | Earnings per share (diluted) | Return on equity | Ordinary profit/total assets | Operating profit/total net sales |
|----------------------------------|--|-------|--------------------|------------------------------|------------------|------------------------------|----------------------------------|
| | (¥ million) | (%) | (¥) | (¥) | (%) | (%) | (%) |
| Fiscal Year ended March 31, 2023 | 80,734 | 900.7 | 49.29 | 48.49 | 10.2 | 9.7 | 23.0 |
| Fiscal Year ended March 31, 2022 | 8,067 | — | 4.93 | 4.92 | 1.1 | 1.1 | 2.8 |

Reference: Equity in earnings of affiliates:

Fiscal year ended March 31, 2023: ¥(90 million)

Fiscal year ended March 31, 2022: ¥(480 million)

Note: On April 1, 2023, Oriental Land Co., Ltd. conducted a 5-for-1 common stock split. Earnings per share and diluted earnings per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

| | Total assets (¥ million) | Net assets (¥ million) | Shareholders' equity ratio(%) | Net assets per share (¥) |
|----------------------|-----------------------------|---------------------------|----------------------------------|-----------------------------|
| As of March 31, 2023 | 1,206,419 | 829,689 | 68.8 | 506.50 |
| As of March 31, 2022 | 1,086,884 | 756,317 | 69.6 | 461.82 |

Reference: Shareholders' equity:

As of March 31, 2023: ¥829,689 million

As of March 31, 2022: ¥756,317 million

Note: On April 1, 2023, the Company conducted a 5-for-1 common stock split. Net assets per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

| | Net cash provided by (used in) operating activities (¥ million) | Net cash provided by (used in) investing activities (¥ million) | Net cash provided by (used in) financing activities (¥ million) | Cash and cash equivalents at end of period (¥ million) |
|----------------------------------|--|--|--|--|
| Fiscal Year ended March 31, 2023 | 167,729 | (144,426) | (10,939) | 142,232 |
| Fiscal Year ended March 31, 2022 | 54,602 | (138,984) | 48,933 | 129,868 |

2. Dividends

| | Annual dividends (¥) | | | | | Total dividends paid (total) (¥ million) | Payout ratio (consolidated) (%) | Dividends/ Net assets (consolidated) (%) |
|--|----------------------|--------------------|-------------------|----------|-------|--|---------------------------------|--|
| | First quarter-end | Second quarter-end | Third quarter-end | Year-end | Total | | | |
| Fiscal Year ended March 31, 2022 | — | 13.00 | — | 15.00 | 28.00 | 9,178 | 113.8 | 1.2 |
| Fiscal Year ended March 31, 2023 | — | 18.00 | — | 22.00 | 40.00 | 13,115 | 16.2 | 1.7 |
| Fiscal Year ending March 31, 2024 (Est.) | — | 4.00 | — | 5.00 | 9.00 | | 17.0 | |

Notes

- On April 1, 2023, the Company conducted a 5-for-1 common stock split. Dividends prior to the end of the fiscal year ended March 31, 2023 are presented in actual value terms on a pre-split basis.
- Total dividends paid include dividends paid to the trust to the employee stock plan (Fiscal year ended March 31, 2022 ¥7 million, Fiscal year ended March 31, 2023 ¥11 million). Payout ratio has been calculated by dividing total dividends paid by profit attributable to owners of parent.

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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 attributable to owners of parent | | Earnings per share |
|--------------------------------------|-------------|------|-------------------------|------|------------------------|------|---|------|--------------------|
| | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) | (¥) |
| Six months ending September 30, 2023 | 257,184 | 26.0 | 55,316 | 45.6 | 55,672 | 44.3 | 38,690 | 46.2 | 23.62 |
| Fiscal Year ending March 31, 2024 | 543,954 | 12.6 | 122,169 | 9.9 | 122,564 | 9.6 | 86,991 | 7.8 | 53.11 |

Note: On April 1, 2023, the Company conducted a 5-for-1 common stock split. Our forecast of earnings per share on a consolidated basis has been calculated based on the number of shares issued and outstanding, excluding treasury shares, after the stock split.

*Notes

- Changes in Major Subsidiaries during the Period (Changes in specified subsidiaries due to changes in the scope of consolidation): None
- Changes in Accounting Policies, Changes in Accounting Estimates, or Restatement
 - Changes in accounting policies due to changes in accounting standards: Yes
 - Changes other than (a) above: None
 - Changes in accounting estimates: None
 - Restatement: None

Note: For details, please refer to Change in Accounting Policy in (5) Notes Regarding the Consolidated Financial Statements on page 10.

(3) Number of Shares Issued and Outstanding (Common stock)

| | | | | |
|--|----------------------------|----------------------|----------------------------|----------------------|
| (a) Number of shares issued at end of period (including treasury shares) | Year ended March 31, 2023: | 1,818,450,800 shares | Year ended March 31, 2022: | 1,818,450,800 shares |
| (b) Number of treasury shares at end of period | Year ended March 31, 2023: | 180,364,610 shares | Year ended March 31, 2022: | 180,774,705 shares |
| (c) Average number of shares outstanding (quarterly cumulative period) | Year ended March 31, 2023: | 1,637,872,420 shares | Year ended March 31, 2022: | 1,637,504,655 shares |

Notes:

- On April 1, 2023, the Company conducted a 5-for-1 common stock split. Number of shares issued and outstanding (common stock) have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.
- Number of treasury shares includes shares owned by the ESOP trust account of the employee stock plan.

[Reference] Non-consolidated Results

Non-consolidated Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-consolidated Operating Results

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

| | Net sales | | Operating profit (loss) | | Ordinary profit (loss) | |
|----------------------------------|-------------|------|-------------------------|-----|------------------------|-------|
| | (¥ million) | (%) | (¥ million) | (%) | (¥ million) | (%) |
| Fiscal Year ended March 31, 2023 | 410,532 | 77.8 | 98,622 | — | 100,109 | 753.8 |
| Fiscal Year ended March 31, 2022 | 230,902 | 58.1 | 8,071 | — | 11,725 | — |

| | Net profit (loss) | | Earnings per share | Earnings per share (diluted) |
|----------------------------------|-------------------|-------|--------------------|------------------------------|
| | (¥ million) | (%) | (¥) | (¥) |
| Fiscal Year ended March 31, 2023 | 71,533 | 619.2 | 43.67 | 42.97 |
| Fiscal Year ended March 31, 2022 | 9,945 | — | 6.07 | 6.04 |

Note: On April 1, 2023, the Company conducted a 5-for-1 common stock split. Earnings per share and diluted earnings per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

| | Total assets (¥ million) | Net assets (¥ million) | Shareholders' equity ratio(%) | Net assets per share (¥) |
|----------------------|-----------------------------|---------------------------|----------------------------------|-----------------------------|
| As of March 31, 2023 | 1,163,532 | 778,811 | 66.9 | 475.44 |
| As of March 31, 2022 | 1,048,404 | 713,703 | 68.1 | 435.80 |

Reference: Shareholders' equity:

As of March 31, 2023: ¥778,811 million

As of March 31, 2022: ¥713,703 million

Note: On April 1, 2023, the Company conducted a 5-for-1 common stock split. Net assets per share have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

*** The Company's consolidated financial statements are not subject to 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.

1. Operating Results

(1) Overview of Operating Results

During the fiscal year under review, a moderate recovery trend was seen in the Japanese economy as society underwent a shift toward a new phase of living alongside COVID-19.

During the previous fiscal year, the OLC Group limited attendance in line with the state of emergency and quasi-state of emergency declared by Chiba Prefecture, as well as requests from the national and local governments. This fiscal year, the social distancing requirement set forth in the Amusement Park and Theme Park New Coronavirus Infection Containment Guidelines was eased to “a distance sufficient to enable people to avoid physical contact.” In response, the OLC Group operated its Tokyo Disneyland and Tokyo DisneySea Theme Parks by easing the limits on attendance numbers in phases, which resulted in a significant increase in attendance during the fiscal year under review.

In addition to the above factors, the growth in attendance in the Theme Park Segment was also attributable to the success of various special events held at both Parks and the new nighttime entertainment “Believe! Sea of Dreams” at Tokyo DisneySea, as well as the recovery in leisure demand, driven partly by measures taken by the Japanese government and municipalities to stimulate tourism. Net sales per Guest also increased, primarily due to the newly introduced Disney Premier Access. In the Hotel Business Segment, Tokyo Disney Resort Toy Story Hotel opened in April 2022. As a result, the Group recorded net sales, operating profit, ordinary profit, and profit attributable to owners of parent of ¥483,123 million (up 75.2% from the previous fiscal year), ¥111,199 million (up from an operating profit of ¥7,733 million), ¥111,789 million (up 891.2%), and ¥80,734 million (up 900.7%), respectively.

The following is the results of each segment.

Summary of Results by Segment for the Fiscal Year Ended March 31, 2023

(Millions of yen)

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Change (decrease) | Change (%) |
|--|-------------------------------------|-------------------------------------|----------------------|------------|
| Net Sales | 275,728 | 483,123 | 207,394 | 75.2 |
| Theme Park | 218,564 | 396,098 | 177,534 | 81.2 |
| Hotel | 47,437 | 73,861 | 26,424 | 55.7 |
| Other | 9,726 | 13,162 | 3,435 | 35.3 |
| Operating Profit (Loss) | 7,733 | 111,199 | 103,466 | — |
| Theme Park | 2,512 | 93,394 | 90,882 | — |
| Hotel | 6,202 | 17,272 | 11,070 | 178.5 |
| Other | (1,305) | 232 | 1,538 | — |
| Elimination and Corporate | 324 | 299 | (24) | (7.5) |
| Ordinary Profit (Loss) | 11,278 | 111,789 | 100,511 | 891.2 |
| Profit (Loss) Attributable to Owners of Parent | 8,067 | 80,734 | 72,666 | 900.7 |

(2) Analysis of Consolidated Financial Position

[Assets]

Total assets as of March 31, 2023 were ¥1,206,419 million (up 11.0% compared with the end of the previous fiscal year).

Current assets increased to ¥348,941 million (up 28.6%), due mainly to an increase in securities, etc.

Non-current assets climbed to ¥857,477 million (up 5.2%), due mainly to an increase in property, plant and equipment, etc.

[Liabilities]

Total liabilities as of March 31, 2023 were ¥376,730 million (up 14.0%).

Current liabilities increased to ¥161,249 million (up 89.2%) mainly as a result of an increase in current portion of bonds payable, etc.

Non-current liabilities decreased to ¥215,480 million (down 12.2%) mainly as a result of a decrease in bonds payable, etc.

[Net Assets]

Total net assets as of March 31, 2023 were ¥829,689 million (up 9.7%), due to various factors, including an increase in retained earnings. Shareholders' equity ratio stood at 68.8% (down 0.8 points).

(3) Cash Flows

Despite a decrease in net cash from investing and financing activities, the balance of cash and cash equivalents at the end of the fiscal year under review was ¥142,232 million (balance at the end of the previous year was ¥129,868 million), owing to an increase in cash from operating activities.

[Net Cash from Operating Activities]

Net cash provided by operating activities was ¥167,729 million (up from a net cash inflow of ¥54,602 million for the previous fiscal year), due to factors that included an increase in profit before income taxes.

[Net Cash from Investing Activities]

Net cash used in investing activities was ¥144,426 million (up from a net cash outflow of ¥138,984 million for the previous fiscal year), due to factors that included an increase in outflow owing to purchase of securities.

[Net Cash from Financing Activities]

Net cash used in financing activities was ¥10,939 million (up from a net cash inflow of ¥48,933 million for the previous fiscal year), due to factors that included a decrease in proceeds from issuance of bonds.

(4) Future Outlook

In the fiscal year ending March 31, 2024, Theme Park attendance and net sales per Guest are projected to increase, driven by Tokyo Disney Resort 40th Anniversary events and an increase in the number of overseas Guests on the back of a recovery in the number of inbound tourists from abroad. Consequently, net sales, operating profit, ordinary profit, and profit attributable to owners of parent for the fiscal year are projected to be ¥543,954 million (up 12.6% year on year), ¥122,169 million (up 9.9% year on year), ¥122,564 million (up 9.6% year on year), and ¥86,991 million (up 7.8% year on year), respectively.

The following is the forecast of each segment.

(Millions of yen)

| | Results for the fiscal year ended March 31, 2023 | Forecast for the fiscal year ending March 31, 2024 | Change (decrease) | Change (%) |
|--|--|--|-------------------|------------|
| Net Sales | 483,123 | 543,954 | 60,831 | 12.6 |
| Theme Park | 396,098 | 450,015 | 53,916 | 13.6 |
| Hotel | 73,861 | 78,882 | 5,020 | 6.8 |
| Other | 13,162 | 15,057 | 1,894 | 14.4 |
| Operating Profit (Loss) | 111,199 | 122,169 | 10,970 | 9.9 |
| Theme Park | 93,394 | 103,710 | 10,315 | 11.0 |
| Hotel | 17,272 | 17,961 | 688 | 4.0 |
| Other | 232 | 181 | (51) | (22.0) |
| Elimination and Corporate | 299 | 316 | 16 | 5.6 |
| Ordinary Profit (Loss) | 111,789 | 122,564 | 10,774 | 9.6 |
| Profit (Loss) Attributable to Owners of Parent | 80,734 | 86,991 | 6,257 | 7.8 |

2. Basic Policy on the selection of accounting standards

As the OLC group is not engaged in global business operations or capital procurement, its consolidated financial statements are formulated based on Japanese accounting standards.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| Items | At the end of the previous fiscal year (March 31, 2022) | At the end of the fiscal year (March 31, 2023) |
|--|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 199,870 | 213,234 |
| Notes receivable—trade | 2 | 2 |
| Accounts receivable—trade | 15,373 | 22,055 |
| Contract assets | 205 | 20 |
| Securities | 34,997 | 84,994 |
| Merchandise and finished goods | 6,062 | 13,752 |
| Work in process | 109 | 75 |
| Raw materials and supplies | 8,783 | 9,183 |
| Other | 6,016 | 5,632 |
| Allowance for doubtful accounts | (10) | (10) |
| Total current assets | 271,410 | 348,941 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 788,176 | 819,933 |
| Accumulated depreciation | (465,346) | (484,382) |
| Buildings and structures, net | 322,830 | 335,551 |
| Machinery, equipment and vehicles | 310,129 | 323,078 |
| Accumulated depreciation | (265,298) | (275,072) |
| Machinery, equipment and vehicles, net | 44,831 | 48,006 |
| Land | 115,890 | 115,890 |
| Construction in progress | 218,731 | 257,669 |
| Other | 108,307 | 106,945 |
| Accumulated depreciation | (90,348) | (92,543) |
| Other, net | 17,958 | 14,401 |
| Total property, plant and equipment | 720,241 | 771,518 |
| Intangible assets | | |
| Other | 18,329 | 17,492 |
| Total intangible assets | 18,329 | 17,492 |
| Investments and other assets | | |
| Investment securities | 46,334 | 50,936 |
| Retirement benefit asset | 9,628 | 9,020 |
| Deferred tax assets | 16,580 | 2,967 |
| Other | 4,455 | 5,638 |
| Allowance for doubtful accounts | (95) | (95) |
| Total investments and other assets | 76,903 | 68,467 |
| Total non-current assets | 815,474 | 857,477 |
| Total assets | 1,086,884 | 1,206,419 |

(Millions of yen)

| Items | At the end of the previous fiscal year (March 31, 2022) | At the end of the fiscal year (March 31, 2023) |
|---|---|---|
| LIABILITIES | | |
| Current liabilities | | |
| Notes and accounts payable—trade | 12,164 | 20,305 |
| Current portion of bonds payable | — | 30,000 |
| Current portion of long-term borrowings | 5,246 | 5,557 |
| Income taxes payable | 2,578 | 18,355 |
| Contract liabilities | 24,830 | 27,355 |
| Other | 40,427 | 59,676 |
| Total current liabilities | 85,247 | 161,249 |
| Non-current liabilities | | |
| Bonds payable | 230,000 | 200,000 |
| Long-term borrowings | 7,401 | 5,407 |
| Provision for share awards | — | 229 |
| Retirement benefit liability | 3,641 | 4,200 |
| Deferred tax liabilities | — | 1,200 |
| Other | 4,276 | 4,442 |
| Total non-current liabilities | 245,320 | 215,480 |
| Total liabilities | 330,567 | 376,730 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Share capital | 63,201 | 63,201 |
| Capital surplus | 115,005 | 115,628 |
| Retained earnings | 678,566 | 748,481 |
| Treasury shares | (113,257) | (112,282) |
| Total shareholders' equity | 743,515 | 815,027 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 10,741 | 13,729 |
| Deferred gains or losses on hedges | 172 | — |
| Remeasurements of defined benefit plans | 1,886 | 932 |
| Total accumulated other comprehensive income | 12,801 | 14,661 |
| Total net assets | 756,317 | 829,689 |
| Total liabilities and net assets | 1,086,884 | 1,206,419 |

(2) Consolidated Statements of Income

(Millions of yen)

| Items | Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022) | Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023) |
|---|---|---|
| Net sales | 275,728 | 483,123 |
| Cost of sales | * 209,983 | * 296,895 |
| Gross profit | 65,744 | 186,227 |
| Selling, general and administrative expenses | * 58,011 | * 75,027 |
| Operating profit (loss) | 7,733 | 111,199 |
| Non-operating income | | |
| Interest income | 130 | 113 |
| Dividend income | 523 | 472 |
| Insurance received and insurance dividends | 424 | 281 |
| Surrender value of insurance policies | 2,166 | — |
| Other | 3,369 | 1,185 |
| Total non-operating income | 6,614 | 2,053 |
| Non-operating expenses | | |
| Interest expenses | 455 | 362 |
| Share of loss of entities accounted for using equity method | 480 | 90 |
| Commission expenses | 841 | 541 |
| Depreciation | 807 | — |
| Loss on retirement of non-current assets | 183 | 202 |
| Other | 300 | 265 |
| Total non-operating expenses | 3,069 | 1,463 |
| Ordinary profit (loss) | 11,278 | 111,789 |
| Extraordinary income | | |
| Gain on sales of investment securities | 421 | 239 |
| Total extraordinary income | 421 | 239 |
| Profit (loss) before income taxes | 11,699 | 112,028 |
| Income taxes—current | 1,804 | 17,269 |
| Income taxes—deferred | 1,826 | 14,025 |
| Total income taxes | 3,631 | 31,294 |
| Profit (loss) | 8,067 | 80,734 |
| Profit (loss) attributable to owners of parent | 8,067 | 80,734 |

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

| Items | Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022) | Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023) |
|--|---|---|
| Profit (loss) | 8,067 | 80,734 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1,707) | 2,987 |
| Deferred gains or losses on hedges | 34 | (172) |
| Remeasurements of defined benefit plans, net of tax | (251) | (954) |
| Total other comprehensive income | (1,923) | 1,860 |
| Comprehensive income | 6,144 | 82,594 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 6,144 | 82,594 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Consolidated Statements of Changes in Net Assets

Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 63,201 | 112,001 | 678,792 | (108,771) | 745,223 |
| Cumulative effects of changes in accounting policies | | | 226 | | 226 |
| Restated balance | 63,201 | 112,001 | 679,018 | (108,771) | 745,449 |
| Changes during period | | | | | |
| Dividends of surplus | | | (8,519) | | (8,519) |
| Profit (Loss) attributable to owners of parent | | | 8,067 | | 8,067 |
| Purchase of treasury shares | | | | (6,772) | (6,772) |
| Disposal of treasury shares | | 3,004 | | 2,285 | 5,290 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | 3,004 | (452) | (4,486) | (1,934) |
| Balance at end of period | 63,201 | 115,005 | 678,566 | (113,257) | 743,515 |

| | Accumulated other comprehensive income | | | | Total net assets |
|--|---|------------------------------------|---|--|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 12,449 | 137 | 2,137 | 14,724 | 759,948 |
| Cumulative effects of changes in accounting policies | | | | | 226 |
| Restated balance | 12,449 | 137 | 2,137 | 14,724 | 760,174 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (8,519) |
| Profit (Loss) attributable to owners of parent | | | | | 8,067 |
| Purchase of treasury shares | | | | | (6,772) |
| Disposal of treasury shares | | | | | 5,290 |
| Net changes in items other than shareholders' equity | (1,707) | 34 | (251) | (1,923) | (1,923) |
| Total changes during period | (1,707) | 34 | (251) | (1,923) | (3,857) |
| Balance at end of period | 10,741 | 172 | 1,886 | 12,801 | 756,317 |

Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 63,201 | 115,005 | 678,566 | (113,257) | 743,515 |
| Cumulative effects of changes in accounting policies | | | | | — |
| Restated balance | 63,201 | 115,005 | 678,566 | (113,257) | 743,515 |
| Changes during period | | | | | |
| Dividends of surplus | | | (10,819) | | (10,819) |
| Profit (Loss) attributable to owners of parent | | | 80,734 | | 80,734 |
| Purchase of treasury shares | | | | (690) | (690) |
| Disposal of treasury shares | | 622 | | 1,665 | 2,287 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | 622 | 69,914 | 974 | 71,511 |
| Balance at end of period | 63,201 | 115,628 | 748,481 | (112,282) | 815,027 |

| | Accumulated other comprehensive income | | | | Total net assets |
|--|---|------------------------------------|---|--|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 10,741 | 172 | 1,886 | 12,801 | 756,317 |
| Cumulative effects of changes in accounting policies | | | | | — |
| Restated balance | 10,741 | 172 | 1,886 | 12,801 | 756,317 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (10,819) |
| Profit (Loss) attributable to owners of parent | | | | | 80,734 |
| Purchase of treasury shares | | | | | (690) |
| Disposal of treasury shares | | | | | 2,287 |
| Net changes in items other than shareholders' equity | 2,987 | (172) | (954) | 1,860 | 1,860 |
| Total changes during period | 2,987 | (172) | (954) | 1,860 | 73,372 |
| Balance at end of period | 13,729 | — | 932 | 14,661 | 829,689 |

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022) | Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023) |
|---|---|---|
| Cash flows from operating activities | | |
| Profit (loss) before income taxes | 11,699 | 112,028 |
| Depreciation | 44,103 | 46,327 |
| Increase (decrease) in retirement benefit liability | 482 | 507 |
| Interest and dividend income | (653) | (585) |
| Surrender value of insurance policies | (2,166) | — |
| Interest expenses | 455 | 362 |
| Foreign exchange losses (gains) | (0) | — |
| Shares of loss (profit) of entities accounted for using equity method | 480 | 90 |
| Loss (gain) on sales of investment securities | (429) | (239) |
| Decrease (increase) in trade receivables | (2,119) | (6,524) |
| Decrease (increase) in inventories | 5,363 | (8,057) |
| Increase (decrease) in trade payables | 970 | 7,713 |
| Increase (decrease) in accrued consumption taxes | 9,161 | 5,752 |
| Other, net | (5,537) | 12,503 |
| Subtotal | 61,810 | 169,879 |
| Interest and dividends received | 629 | 630 |
| Interest paid | (455) | (362) |
| Income taxes paid | (7,383) | (2,417) |
| Net cash provided by (used in) operating activities | 54,602 | 167,729 |
| Cash flows from investing activities | | |
| Payments into time deposits | (310,000) | (360,000) |
| Proceeds from withdrawal of time deposits | 260,000 | 350,000 |
| Purchase of securities | (32,997) | (195,978) |
| Proceeds from redemption of securities | 43,499 | 154,989 |
| Purchase of property, plant and equipment | (98,838) | (88,517) |
| Purchase of intangible assets | (6,363) | (4,688) |
| Purchase of investment securities | (551) | (510) |
| Proceeds from sales of investment securities | 1,876 | 499 |
| Other, net | 4,391 | (220) |
| Net cash provided by (used in) investing activities | (138,984) | (144,426) |
| Cash flows from financing activities | | |
| Proceeds from long-term borrowings | 6,773 | — |
| Repayments of long-term borrowings | (350) | (1,682) |
| Proceeds from issuance of bonds | 79,820 | — |
| Redemption of bonds | (30,000) | — |
| Dividends paid | (8,511) | (10,809) |
| Purchase of treasury shares | (142) | (0) |
| Proceeds from sales of treasury shares | 1,345 | 1,575 |
| Other, net | (1) | (21) |
| Net cash provided by (used in) financing activities | 48,933 | (10,939) |
| Effect of exchange rate change on cash and cash equivalents | 0 | — |
| Net increase (decrease) in cash and cash equivalents | (35,448) | 12,363 |
| Cash and cash equivalents at beginning of period | 165,317 | 129,868 |
| Cash and cash equivalents at end of period | 129,868 | 142,232 |

(5) Notes Regarding Consolidated Financial Statements

Notes Regarding Going Concern Assumption: None

Change in Accounting Policy

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

The “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter, “the Implementation Guidance”) has been applied since the beginning of the current consolidated fiscal year. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance, the Company has decided to apply the new accounting policies set forth by the Implementation Guidance going forward.

The change had no impact on the Company’s consolidated financial statements.

Matters Concerning Consolidated Statements of Income

* Employment adjustment subsidies

The OLC Group has been applied to special case of employment adjustment subsidy for paid treatments 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 has been registered by deducting ¥8,087 million from the cost of sales and ¥203 million from the selling, general and administrative expenses in the previous fiscal year ended March 31, 2022. The employment adjustment subsidy was also deducted from the cost of sales and selling, general and administrative expenses for the current fiscal year under review, but the impact is minor.

Segment Information

1. Overview of Reportable Segments

The Company's reportable segments are components of the Company for which separate financial information is available and for which the Board of Directors conducts regular reviews to determine allocation of management resources and assess financial performance.

Because the main business of the Company and its affiliates is the management and operation of Theme Parks and hotels, etc., "Theme Park" and "Hotel" are designated as the Company's reportable segments in consideration of the types and nature of services and the similarity of sales markets.

The Theme Park Segment manages and operates Theme Parks. The Hotel Segment manages and operates hotels.

2. Method of calculating the amounts of net sales, profit or loss, assets and other items for each reportable segment

The method of accounting for the reported business segments is in accordance with the accounting policies adopted for the preparation of the consolidated financial statements.

Reportable segment profit or loss, which is indicated with parentheses (), is based on operating profit.

Internal revenue and transfers between segments are based on prevailing market prices.

3. Net Sales, Profit (Loss), Assets and Other Items by Reportable Segment and Breakdown of Revenue

Previous Consolidated Fiscal Year (April 1, 2021 to March 31, 2022)

(Millions of yen)

| | Reportable Segments | | | Other Business*1 | Total | Adjustment*2 | Amount stated on the Consolidated Statements of Income*3 |
|---|---------------------|---------|---------|------------------|---------|--------------|--|
| | Theme Park | Hotel | Total | | | | |
| Net sales | | | | | | | |
| Attractions and shows | 107,338 | — | 107,338 | — | 107,338 | — | 107,338 |
| Merchandise | 67,408 | — | 67,408 | — | 67,408 | — | 67,408 |
| Food and beverages | 39,165 | — | 39,165 | — | 39,165 | — | 39,165 |
| Other revenue | 4,652 | — | 4,652 | — | 4,652 | — | 4,652 |
| Hotel | — | 47,437 | 47,437 | — | 47,437 | — | 47,437 |
| Other | — | — | — | 9,726 | 9,726 | — | 9,726 |
| Sales to external customers | 218,564 | 47,437 | 266,001 | 9,726 | 275,728 | — | 275,728 |
| Intersegment sales or transfers | 6,248 | 551 | 6,799 | 3,826 | 10,626 | (10,626) | — |
| Total | 224,812 | 47,988 | 272,801 | 13,553 | 286,355 | (10,626) | 275,728 |
| Segment profit (loss) | 2,512 | 6,202 | 8,714 | (1,305) | 7,408 | 324 | 7,733 |
| Segment assets | 719,461 | 140,133 | 859,595 | 45,925 | 905,521 | 181,363 | 1,086,884 |
| Other items*4 | | | | | | | |
| Depreciation and amortization | 36,500 | 3,608 | 40,108 | 3,237 | 43,346 | (50) | 43,296 |
| Increase in property, plant and equipment and intangible assets | 60,871 | 37,793 | 98,664 | 1,923 | 100,588 | (319) | 100,269 |

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

2-1. The segment profit (loss) adjustment amount of 324 million yen is the result of elimination of intersegment transactions.

2-2. Adjustments to segment assets of ¥181,363 million include intersegment eliminations of ¥(4,968 million) and unallocated corporate assets of ¥186,331 million. Corporate assets mainly consist of surplus investment funds (time deposits and securities) and long-term investment funds (investment securities) of the parent company.

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

4. Other items include the amortization and increase in long-term prepaid expenses.

Current Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)

(Millions of yen)

| | Reportable Segments | | | Other Business* ¹ | Total | Adjustment* ² | Amount stated on the Consolidated Statements of Income* ³ |
|---|---------------------|---------|---------|------------------------------|---------|--------------------------|--|
| | Theme Park | Hotel | Total | | | | |
| Net sales | | | | | | | |
| Attractions and shows | 197,847 | — | 197,847 | — | 197,847 | — | 197,847 |
| Merchandise | 122,685 | — | 122,685 | — | 122,685 | — | 122,685 |
| Food and beverages | 68,711 | — | 68,711 | — | 68,711 | — | 68,711 |
| Other revenue | 6,853 | — | 6,853 | — | 6,853 | — | 6,853 |
| Hotel | — | 73,861 | 73,861 | — | 73,861 | — | 73,861 |
| Other | — | — | — | 13,162 | 13,162 | — | 13,162 |
| Sales to external customers | 396,098 | 73,861 | 469,960 | 13,162 | 483,123 | — | 483,123 |
| Intersegment sales or transfers | 9,539 | 656 | 10,195 | 4,272 | 14,467 | (14,467) | — |
| Total | 405,638 | 74,517 | 480,156 | 17,434 | 497,590 | (14,467) | 483,123 |
| Segment profit (loss) | 93,394 | 17,272 | 110,667 | 232 | 110,899 | 299 | 111,199 |
| Segment assets | 767,633 | 151,666 | 919,300 | 47,595 | 966,895 | 239,524 | 1,206,419 |
| Other items* ⁴ | | | | | | | |
| Depreciation and amortization | 38,179 | 4,876 | 43,056 | 3,327 | 46,383 | (56) | 46,327 |
| Increase in property, plant and equipment and intangible assets | 78,219 | 17,806 | 96,026 | 3,519 | 99,546 | (73) | 99,472 |

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

2-1. The segment profit (loss) adjustment amount of 299 million yen is the result of elimination of intersegment transactions.

2-2. Adjustments to segment assets of ¥239,524 million include intersegment eliminations of ¥(6,406 million) and unallocated corporate assets of ¥245,930 million. Corporate assets mainly consist of surplus investment funds (time deposits and securities) and long-term investment funds (investment securities) of the parent company.

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

4. Other items include the amortization and increase in long-term prepaid expenses.

Per Share Information

| | Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022) | Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023) |
|----------------------------------|---|---|
| Net assets per share (¥) | 461.82 | 506.50 |
| Earnings (loss) per share (¥) | 4.93 | 49.29 |
| Earnings per share (diluted) (¥) | 4.92 | 48.49 |

- Notes:
1. On April 1, 2023, the Company conducted a 5-for-1 common stock split. Net assets per share, earnings (loss) per share, and earnings per share (diluted) have been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.
 2. Earnings (loss) per share and earnings per share (diluted) were calculated on the basis of the following data.

| | Fiscal Year ended March 31, 2022 (April 1, 2021 to March 31, 2022) | Fiscal Year ended March 31, 2023 (April 1, 2022 to March 31, 2023) |
|---|---|---|
| Earnings (loss) per share | | |
| Profit (loss) attributable to owners of parent (¥ million) | 8,067 | 80,734 |
| Amount not attributable to shareholders of common stock (¥ million) | — | — |
| Profit (loss) related to common stock attributable to owners of parent (¥ million) | 8,067 | 80,734 |
| Average number of common stock shares outstanding (quarterly cumulative period) (thousand shares) | 1,637,504 | 1,637,872 |
| Earnings per share (diluted) | | |
| Adjustment to profit attributable to owners of parent (¥ million) | 211 | 211 |
| (Of which, commission expenses (after deducting tax equivalent) (¥ million)) | (211) | (211) |
| Number of additional common stock shares (thousand shares) | 45,399 | 31,618 |
| (Of which, share acquisition rights (thousand shares)) | (45,399) | (31,618) |
| Outline of dilutive shares not included in the calculation of earnings per share (diluted) due to lack of dilutive effect | — | — |

- Notes: The number of treasury shares, which is deducted from the total number of shares issues at end of period when calculating net assets per share, includes the Company's shares held by the ESOP trust account of the employee stock plan (1,663 thousand shares in the previous fiscal year and 1,426 thousand shares in the current fiscal year). In addition, the number of treasury shares, which is deducted from the average number of outstanding (quarterly cumulative period) when calculating earnings (loss) per share and earnings per share (diluted), includes the Company's shares held by the ESOP trust account of the employee stock plan (1,208 thousand shares in the previous fiscal year and 1,491 thousand shares in the current fiscal year).

Significant Subsequent Event

Stock Split

Based on the resolution at the Board of Directors meeting on December 27, 2022, the Company conducted a stock split effective April 1, 2023.

(1) Purpose of stock split

We conducted a stock split and lowered the amount per investment unit for the purpose of enhancing the liquidity of the Company's stock and expanding the investor base of the Company.

(2) Outline of stock split

(a) Method of stock split

We conducted a 5-for-1 stock split with the record date of March 31, 2023 whereby each share of common stock held by shareholders listed on the final registered and/or beneficial shareholders' lists of the same day has been split into five shares.

(b) Increase in number of shares from split

| | |
|--|----------------------|
| Total number of shares issued before stock split | 363,690,160 shares |
| The number of shares to be increased from this split | 1,454,760,640 shares |
| Total number of shares issued after stock split | 1,818,450,800 shares |
| Total number of shares authorized to be issued after stock split | 6,600,000,000 shares |

(c) Schedule

| | |
|------------------------------|----------------|
| Record date of public notice | March 16, 2023 |
| Record date | March 31, 2023 |
| Effective date | April 1, 2023 |

(d) Impact on per share information

The impact of the stock split on per-share information is shown in the applicable section.