

# Consolidated Financial Statements for the Six Months Ended September 30, 2003

November 6, 2003

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

## Oriental Land Co., Ltd.

1-1 Maihama, Urayasu, Chiba 279-8511, Japan

http://www.olc.co.jp

Representative: Toshio Kagami, President

Contact: Kenjiro Mizushima, Director, Finance/Accounting Division

Stock exchange listing:

Tokyo

Code number:

4661

Board of Directors meeting:

November 6, 2003

Use of U.S. accounting standards:

No

## 1. Results for the Six Months Ended September 30, 2003 (April 1, 2003-September 30, 2003)

### (1) Revenues and Income

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

	Revenues (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
6 months ended 9/2003	163,327	1.8	19,886	9.2	17,875	12.1
6 months ended 9/2002	160,394	40.6	18,204	41.2	15,941	190.7
Fiscal 2003	331,753		38,028		33,908	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
6 months ended 9/2003	10,023	9.1	100.11	—
6 months ended 9/2002	9,185	386.6	91.74	—
Fiscal 2003	18,931		188.24	—

Notes:

- Equity in earnings of affiliates: Six months ended Sept. 30, 2003: ¥54 million;  
Six months ended Sept. 30, 2002: ¥33 million; Year ended March 31, 2003: ¥92 million
- Average number of shares outstanding (consolidated): Six months ended Sept. 30, 2003: 100,121,627 shares;  
Six months ended Sept. 30, 2002: 100,122,002 shares; Year ended March 31, 2003: 100,121,970 shares
- Changes in accounting methods: None
- Year-on-year change for revenues, operating income, ordinary income and net income is based on the interim period in the previous fiscal year.

### (2) Financial Position

	Total assets (¥ million)	Stockholders' equity (¥ million)	Stockholders' equity/total assets (%)	Stockholders' equity per share (¥)
6 months ended 9/2003	650,640	365,483	56.2	3,650.41
6 months ended 9/2002	680,260	346,790	51.0	3,463.68
Fiscal 2003	691,882	354,908	51.3	3,543.92

Note:

Number of shares outstanding at end of period (consolidated): Six months ended Sept. 30, 2003: 100,121,379;  
Six months ended Sept. 30, 2002: 100,122,000; Year ended March 31, 2003: 100,121,864 shares

### (3) Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash used in investing activities (¥ million)	Net cash used in financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
6 months ended 9/2003	23,808	(17,332)	(44,257)	24,405
6 months ended 9/2002	40,276	(30,709)	(23,787)	24,623
Fiscal 2003	84,591	(27,807)	(33,453)	62,181

### (4) Scope of consolidation and application of the equity method

Consolidated subsidiaries: 16 companies

Unconsolidated subsidiaries accounted for by the equity method: None

Affiliated companies accounted for by the equity method: 4 companies

### (5) Changes in scope of consolidation and application of the equity method

Consolidation: (New) 1 company (Eliminated) None

Equity method: (New) 1 company (Eliminated) None

## 2. Projected Results for Fiscal 2004 (April 1, 2003-March 31, 2004)

	Revenues (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Fiscal 2004	334,800	34,100	19,000

Reference: Estimated earnings per share (full year): ¥189.77

### Cautionary Remark Regarding Forward-Looking Statements

Statements made in this document with respect to Oriental Land's plans, strategies, beliefs and other statements that are not historical facts are forward-looking statements based on the assumptions and beliefs of the Company's management in light of the information currently available to it and involve risks and uncertainties which may affect the Company's future performance.

## **1. Outline of Oriental Land Group**

Our group includes Oriental Land, 16 consolidated subsidiaries, 4 affiliated companies which are accounted for by the equity method and 2 other affiliates, with the main business being the management and operation of theme parks, entertainment and commercial facilities.

The business segments and the subsidiaries and affiliates that fall into each segment, and their relationships with Oriental Land are as follows:

### **【Subsidiaries】**

#### **Theme Park Segment**

Relationship with Oriental Land	Company Name	Main Operations
-	Oriental Land Co., Ltd.	Management and operation of theme parks
Consolidated subsidiary	Maihama Resort Hotels Co., Ltd.	Management and operation of Tokyo DisneySea Hotel MiraCosta

#### **Entertainment and Commercial Facilities Segment**

Relationship with Oriental Land	Company Name	Main Operations
-	Oriental Land Co., Ltd.	Management of Camp Nepos <sup>1</sup>
Consolidated subsidiary	IKSPIARI Co., Ltd.	Management and operation of IKSPIARI <sup>2</sup>
Consolidated subsidiary	Maihama Resort Hotels Co., Ltd.	Management and operation of Disney Ambassador Hotel

(Notes) 1. Camp Nepos is a facility that provides original programs to nurture children's imaginations.

2. IKSPIARI is a complex that consists of shops, restaurants, a cinema complex, Camp Nepos and other facilities.

#### **Other Business Segment**

Relationship with Oriental Land	Company Name	Main Operations
Consolidated subsidiary	Maihama Corporation Co., Ltd.	Management and operation of shopping centers
Consolidated subsidiary	Maihama Resort Line Co., Ltd.	Management and operation of monorail
Consolidated subsidiary	Green and Arts Co., Ltd.	Landscaping and groundskeeping
Consolidated subsidiary	Photo Works Co., Ltd.	Photofinishing
Consolidated subsidiary	Design Factory Co., Ltd.	Production of publications
Consolidated subsidiary	Bay Food Services Co., Ltd.	Operation of employee cafeterias
Consolidated subsidiary	Maihama Business Services Co., Ltd.	Business services for Oriental Land Group
Consolidated subsidiary	RC Japan Co., Ltd.	Management and operation of themed restaurant
Consolidated subsidiary	Resort Cleaning Services Co., Ltd.	Costume laundry services
Consolidated subsidiary	Maihama Building Maintenance Co., Ltd.	Cleaning and security services
Consolidated subsidiary	OLC Kitchen Techno Co., Ltd.	Sales and maintenance of kitchen equipment
Consolidated subsidiary	Retail Networks Co., Ltd.	Management and operation of The Disney Stores in Japan
Consolidated subsidiary	E Production Co., Ltd.	Entertainment production
Consolidated subsidiary	OLC Rights Entertainment Inc.	Intellectual property rights business

(Note) Maihama Corporation Co., Ltd. manages and operates "Park Square" and "Unimall," shopping centers in Urayasu, Chiba, Japan.

### **【Affiliates】**

Relationship with Oriental Land	Company Name	Main Operations
Equity method-applied affiliate	Tokyo Bay City Bus Co., Ltd.	Bus and chartered bus services
Equity method-applied affiliate	Maihama Resort Cab Co., Ltd.	Automobile business
Equity method-applied affiliate	Keisei Transit Bus Co., Ltd.	Bus and chartered bus services
Equity method-applied affiliate	D Wonderland Inc.	Provision of information using communications network
Other affiliate	Keisei Electric Railway Co., Ltd.	Railroad business, automobile and real estate business
Other affiliate	Mitsui Fudosan Co., Ltd.	Real estate business

## **2. Management Policies**

### **(1) Corporate mission and policies**

Our corporate mission is to “provide enjoyment and create magic, inspired by imagination and a sense of adventure, and guided by a desire to fulfill dreams.” This mission is intended to offer today’s individuals the dreams that may be dwelling at the bottom of their hearts, refreshing impressions, and enjoyment and real peace of mind that rejuvenates people.

In order to realize the above corporate mission, our group is united and committed to act in compliance with the following six management policies:

1. Management that communicates
2. Providing the public with original, high-quality value
3. Respect for the individuality of employees, and extension of support to maintain high morale
4. Continuous innovation and evolution in management
5. Profitable growth and contribution to society
6. Harmony and coexistence with society

Based on these corporate policies, the Oriental Land Group will work with stockholders to target growth and further development by fully deploying all of our resources.

### **(2) Policy on distribution of profit**

We believe that higher corporate value and stable dividends are important ways of returning profits to our stockholders. For the time being, we will internally retain net cash generated from each business segment to pay down interest-bearing debt, make additional investments in Tokyo Disney Resort and invest in new businesses for further growth, thereby enhancing our corporate value.

The interim dividend for the year ending March 31, 2004 was initially scheduled to be ¥12 per share, but we have raised it by ¥2 to ¥14 per share to reflect interim results and projections for the full year. We also plan to raise the year-end dividend by ¥2 to ¥14 per share for a full-year dividend raised ¥4 to ¥28 per share, including the ¥14 interim dividend.

In order to fulfill our stockholders’ expectations, we will continue to provide returns on profit in line with our business results.

### **(3) Reasons and policy for reduction of investment unit**

To attract more individual investors and improve the liquidity of our stocks, we changed the investment unit of 1,000 shares to 100 shares when we went public. We will carefully study the possibility of further reduction of the investment unit considering the composition and number of our stockholders and other factors.

### **(4) Basic policy and implementation status regarding corporate governance**

#### **A. Basic policy regarding corporate governance**

Oriental Land is aware of the importance of corporate governance. In addition to working to ensure speedy decision-making by management, we are making efforts to strengthen our corporate structure, such as providing timely, appropriate information disclosure to raise management transparency and fairness.

#### **B. Corporate governance measures and implementation status**

[Status of corporate governance in the management systems regarding decision-making, execution and supervision in the company’s management.]

- We are a company that uses the auditor system.
- We appoint two outside directors, and three out of four auditors are appointed from outside.
- Board of Directors meetings are held regularly once a month, and are attended by both standing and non-standing auditors. The directors conduct discussions in line with the corporate mission and policies and without breaching any laws or the Articles of Incorporation. Directors and auditors, who have different responsibilities, provide checks and balances from their respective points of view.
- Regarding our compliance system, we have established a Compliance Committee to organize our system for legal compliance in business activities, as well as to draw up and publicize a code of ethics for the behavior of managers and employees, with the aim of maintaining and improving compliance awareness among managers and employees. In addition to committee members, we receive counsel from our corporate lawyers, who have specialized knowledge.

Furthermore, we have established a contact for receiving direct inquiries from employees concerning compliance.

[Summary of personal and equity relationships, transaction relationships and other concerns between the company and the company's outside directors and outside auditors]

Regarding the two outside directors and three outside auditors, one director and two former directors are from Keisei Electric Railway Co., Ltd., and two directors are from Mitsui Fudosan Co., Ltd. Both Keisei Electric and Mitsui Fudosan are other affiliates of Oriental Land. Regarding main transaction relationships, Keisei Electric Railway rents a dormitory for single employees, and Mitsui Fudosan is an official sponsor of Tokyo Disneyland.

[Implementation of measures to strengthen the company's corporate governance in the most recent year (the year leading up to the end of the most recent business year)]

The Compliance Committee implemented compliance seminars for all employees to further enhance general understanding of the spirit of compliance and to improve our legal compliance system.

Among other measures, to increase management transparency, in addition to the annual stockholders' meeting and the announcements of operating results, we accurately and fully disclosed information in a timely manner when major events occurred that were judged to have a significant impact on stockholders' interests.

### **(5) Medium- and long-term strategies and issues**

Looking at future business conditions, although a recovery in corporate strength is anticipated, consumer spending is expected to be restrained due to the long-term continuation of deflation. As before, dramatic improvement in the market environment cannot be expected, and the uncertain outlook is forecast to continue.

On the other hand, in the leisure industry, in an annual survey that asks people whether their priority is work or leisure, 36.5 percent of respondents chose the latter in 2002 (White Paper on Leisure 2003, published by the Japan Productivity Center for Socio-Economic Development). That was the highest percentage since the survey began and suggests that even amid unstable economic conditions, the demand for lifestyles that ensure personal fulfillment is firmly entrenched. In addition, the rise of new types of leisure facilities such as food-themed parks and large-scale spa facilities represent the further diversification of consumer preferences in the leisure activities.

Under these conditions, the Oriental Land Group will focus on the following three medium- and long-term strategies aimed at further growth:

- (a) Improve Tokyo Disney Resort
- (b) Expand businesses outside Tokyo Disney Resort
- (c) Strengthen management

For (a), in addition to introducing new attractions, we will continue to offer new entertainment and shows as we work to create a more enjoyable environment in the parks. We plan to introduce one new attraction at Tokyo Disneyland and two at Tokyo DisneySea. To further develop Tokyo Disney Resort, we will actively build an infrastructure to become a resort for overnight guests through measures such as opening a new hotel.

The schedule of major additional future investments in Tokyo Disney Resort is as follows.

Year ending March 31	Tokyo Disneyland	Tokyo DisneySea	Other
2005	<b>Introduction of new attraction</b> "Buzz Lightyear Astro Blasters"	Introduction of nighttime entertainment "BraviSEAmo!"	—
2006	Additional events and shows	<b>Introduction of new attraction</b> New roller coaster-type attraction	Palm and Fountain Terrace Hotel
2007	Additional events and shows	<b>Introduction of new attraction</b> "Tower of Terror"	—

For (b), while placing priority on repayment of the debt incurred for the construction of Tokyo Disney Resort facilities and capital investment in the core Theme Park Segment, we will consider expansion into "Power Your Heart with Happiness" business domains in line with our corporate philosophy, "Inspired by imagination and a sense of adventure, and guided by a desire to fulfill dreams, provide enjoyment and create magic." We aim to strengthen our earnings base and further grow and develop by broadening operations outside the Maihama area to reduce our heavy

concentration there.

For (c), we will reinforce the management structure of our Group by reviewing the supervisory function and instituting a management system based on results evaluation standards. In addition, we will maintain and improve services and promote efficiency in our operations to ensure a strong profit structure that can endure any business environment. We will also strengthen and thoroughly implement risk management to prevent business risk before it occurs.

Through these strategies, we will endeavor to generate a high level of cash flow and maximize the value of the Oriental Land Group to meet the expectations of our stockholders.

### **3. Corporate Results and Financial Position**

#### **(1) Overview of business results**

##### **A. Summary of consolidated results for the interim period ended September 30, 2003**

(Millions of yen)

(Consolidated)	Six months ended 9/30/2003	Six months ended 9/30/2002	Increase (decrease)	Change from previous period (%)
Revenues	163,327	160,394	2,933	1.8
Operating Income	19,886	18,204	1,682	9.2
Ordinary Income	17,875	15,941	1,933	12.1
Net Income	10,023	9,185	838	9.1

During the six months ended September 30, 2003, movement toward recovery was seen in the Japanese economy, with capital expenditures increasing as corporate earnings continued to improve. However, personal consumption was flat and employment conditions remained challenging.

Under these circumstances, in the Theme Park Segment, the core business of the Oriental Land Group, the number of guests increased compared with the same period of the previous fiscal year due to the 20<sup>th</sup> anniversary events at Tokyo Disneyland from April, and the implementation of new events at Tokyo DisneySea. In addition, we offered “theme resort” appeal through implementation of business initiatives that took advantage of the unique features of the two Disney Hotels, IKSPIARI and other facilities. At Disney Stores, we secured solid sales through active development and marketing of products. As a result of these measures, consolidated revenues for the interim period increased 1.8 percent compared with the same period of the previous fiscal year to ¥163,327 million.

Regarding expenses, while entertainment-related expenses increased due to Tokyo Disneyland 20<sup>th</sup> anniversary events and additional offerings, depreciation expenses for the various facilities in Tokyo Disney Resort decreased. As planned at the start of the period, we were able to raise efficiency through the management of the two theme parks, and we worked to reduce expenses through measures such as reducing the number of suppliers to lower the cost of supplies. As a result, consolidated operating income was ¥19,886 million (up 9.2 percent compared with the same period of the previous fiscal year), ordinary income was ¥17,875 million (up 12.1 percent), and net income ¥10,023 million (up 9.1 percent).

##### **B. Summary of Results by Segment**

Revenues (Sales to Outside Customers)

(Millions of yen)

	Six months ended 9/30/2003	Six months ended 9/30/2002	Increase (decrease)	Change from previous period (%)
Theme Parks	138,177	136,257	1,919	1.4
Entertainment and Commercial Facilities	10,635	10,776	(141)	(1.3)
Other Businesses	14,514	13,359	1,154	8.6
Total	163,327	160,394	2,933	1.8

Operating Income

(Millions of yen)

	Six months ended 9/30/2003	Six months ended 9/30/2002	Increase (decrease)	Change from previous period (%)
Theme Parks	16,155	14,975	1,180	7.9
Entertainment and Commercial Facilities	1,203	1,207	(4)	(0.4)
Other Businesses	2,358	1,809	548	30.3
Eliminations and Corporate	169	211	(42)	(20.0)
Total	19,886	18,204	1,682	9.2

[Theme Park Segment]

Guest attendance for both theme parks during the interim period was 12,307 thousand, an increase of 2.9 percent compared with the same period of the previous fiscal year.

At Tokyo Disneyland, various events were held for the 20<sup>th</sup> anniversary of the opening of the park on April 15. In addition to “Disney’s Dreams on Parade,” a parade celebrating the 20th anniversary

based on the theme of “Dream” that was conducted throughout the period, we welcomed many guests with “Mickey’s Gift of Dreams,” a castle show that started in April, “Blazing Rhythms,” a summer night entertainment performance that started in July, and “Disney’s Halloween,” which started in September.

At Tokyo DisneySea, “Ariel’s Seaside Treasures,” a special event featuring Ariel and her friends from the movie *The Little Mermaid* was held starting in May. “DisneyKids Summer Adventure,” in which children of elementary school age and under explore the park, started in June; “Hot Latin Nights,” a summer fiesta offering passionate Latin music and dance on summer evenings, started in July; and “Tokyo DisneySea 2nd Anniversary” was held starting in September.

Furthermore, we responded to the wishes of our guests by extending the varieties of Annual Passports, which had previously been available for Tokyo Disneyland only, to add the Tokyo DisneySea Annual Passport and the 2-Park Annual Passport, in June. In addition, we began Internet sales of Passports through the Tokyo Disney Resort official Home Page in September.

In merchandise sales, we developed and sold numerous products coordinated with various events at each theme park. Products related to the 20<sup>th</sup> anniversary events at Tokyo Disneyland, such as “Spinlight”, and Ariel-related products at Tokyo DisneySea both sold favorably.

As for food and beverage sales, at Tokyo Disneyland, we aggressively developed special menus coordinated with the 20<sup>th</sup> anniversary of the park’s opening at each restaurant, and the noodles, rice bowls and other dishes that began sales at restaurants renewed in March met with a favorable response. At Tokyo DisneySea, in addition to special menus coordinated with “Ariel’s Seaside Treasures,” a scallop cream croquette sandwich in the shape of a scallop met with a favorable response.

Tokyo DisneySea Hotel MiraCosta welcomed many guests as a result of marketing efforts that took advantage of its added value as a theme park hotel, including offering special menus coordinated with “Ariel’s Seaside Treasures” at its restaurant.

As a result of the above, the Theme Park segment posted revenues of ¥138,177 million (up 1.4 percent compared with the same period of the previous year) and operating income of ¥16,155 million (up 7.9 percent).

#### [Entertainment and Commercial Facilities Segment]

IKSPIARI aggressively carried out activities to attract guests, including active efforts to promote tenant turnover, “IKSPIARI Movie & Fan,” which offers special screenings of popular films, and “Piari Festival,” a special event celebrating the third anniversary of its opening. In the area of opening directly managed stores outside the resort, in April we opened Pitta 00 Iidabashi, which offers Neapolitan pizza.

Disney Ambassador Hotel attracted many guests as a result of its management efforts that focused on its qualities as a Disney hotel, such as offering the “Mickey & Friends Pin Collection,” a series of original Disney pins guests can receive when they order from a special menu at the hotel’s restaurant.

As a result of the above, revenues for the Entertainment and Commercial Facilities segment were ¥10,635 million (down 1.3 percent compared with the same period of the previous fiscal year), and operating income was ¥1,203 million (down 0.4 percent).

#### [Other Business Segment]

In the retail business, revenues at Disney Stores were favorable, as products related to the Princess Series, a collection of representative princesses from Disney movies such as Cinderella and Snow White, and Marie from the Disney movie *The Aristocats*, met with a positive response. To generate greater synergy with Tokyo Disney Resort, we increased the number of Disney Stores that sell dated theme park tickets in the Tokyo metropolitan area from seven to nine stores in July.

In the monorail business, Disney Resort Line drew many guests through synergy with the theme parks.

As a result of the above, revenues for the Other Business segment were ¥14,514 million (up 8.6 percent compared with the same period of the previous fiscal year), and operating income was ¥2,358 million (up 30.3 percent).

## C. Forecast for the fiscal year ending March 31, 2004

(Millions of yen)

(Consolidated)	Year ending March 31, 2004	Year ended March 31, 2003	Increase (decrease)	Change from previous period (%)
Revenues	334,800	331,753	3,046	0.9
Theme Parks	281,200	280,689	510	0.2
Entertainment and Commercial Facilities	21,900	21,700	199	0.9
Other Businesses	31,700	29,362	2,337	8.0
Operating Income	38,500	38,028	471	1.2
Ordinary Income	34,100	33,908	191	0.6
Net Income	19,000	18,931	68	0.4

For the fiscal year ending March 31, 2004, we project total consolidated revenues of ¥334,800 million, operating income of ¥38,500 million, ordinary income of ¥34,100 million and net income of ¥19,000 million.

## [Theme Park Segment]

Tokyo Disneyland will present special events and entertainment as it continues to celebrate the 20th anniversary of its opening. Beginning in November, Tokyo Disneyland will begin the annual favorite “Christmas Fantasy.” Furthermore, “Cinderellabration: Lights of Romance,” which was popular last year, will run again from January, and there will be a grand finale to the 20th anniversary events.

Tokyo DisneySea will open “Waterfront Park,” with features including a special stage for entertainment programs, in American Waterfront in November 2003. Efforts to further increase the appeal of the park to guests include presenting “Harborside Christmas” from November and “Disney’s Rhythms of the World,” which will open in February as the first winter event.

As a result of the above measures, total attendance at both theme parks is projected to be 25 million guests for the full fiscal year.

Tokyo DisneySea Hotel MiraCosta will take full advantage of its added value as a theme park hotel through activities linked to Tokyo DisneySea events and the seasons, and aims to increase the number of guests with the “Dining Voyage” point campaign that awards presents in accordance with the number of restaurant visits.

Based on the above, we project revenues for this segment of ¥281,200 million.

## [Entertainment and Commercial Facilities Segment]

At IKSPIARI, we will strive to improve the profitability of directly managed store, as well as further energize the “town” by aggressively working to acquire strong tenants. In addition, we will continue to leverage the overall synergy of Tokyo Disney Resort by presenting events exclusive to IKSPIARI as well as events coordinated with the theme parks. Moreover, we will strengthen the operations of each division and create a system within the company for actively opening new directly managed stores outside the resort and getting them up and running. Examples will include the opening of “Residents by Archimedes Spiral,” a select men’s accessories and interior shop, at Tamagawa Takashimaya Shopping Center in October.

Disney Ambassador Hotel will attract guests with activities linked to Tokyo Disneyland events and the seasons, and will deal with the needs of families by renovating certain rooms as family rooms that can accommodate up to five guests.

Based on the above, we project revenues for this segment of ¥21,900 million.

## [Other Business Segment]

In the retail business, in addition to opening Disney Store Shinsaibashi in Osaka, our largest flagship store in the Kansai area, in October, we will focus on raising the overall efficiency of Disney Stores by remodeling existing stores as required. In addition, we will continue to aim for a character merchandise lineup that matches the needs of guests, and will leverage synergy with Tokyo Disney Resort by increasing the number of stores that sell dated theme park passports, and enhancing efforts to provide information.

In the monorail business, Disney Resort Line will continue working to ensure the safe operation of the monorail. In the business of other subsidiaries, we will make efforts to raise operating efficiency by generating synergy with our group.

Based on the above, we project revenues for this segment of ¥31,700 million.

## (2) Financial position

### A. Assets, liabilities and stockholders' equity

#### [Assets]

Total assets at the end of the period were ¥650,640 million, a decrease of 6.0 percent from March 31, 2003.

Cash and time deposits and marketable securities set aside from operating activities in the previous period were used for the redemption of the fourth issue of unsecured bonds (¥30,000 million) and the repayment of debt (¥13,000 million). As a result, current assets decreased 27.7 percent from the end of the previous period to ¥75,644 million. Total fixed assets were ¥574,239 million (down 2.1 percent), mainly due to depreciation of Tokyo Disney Resort facilities.

#### [Liabilities and stockholders' equity]

Total liabilities decreased 15.4 percent from the end of the previous period to ¥285,057 million due to the redemption of bonds and the repayment of debt. Stockholders' equity was ¥365,483 million (up 3.0 percent) and the stockholders' equity ratio was 56.2 percent, up 4.9 percentage points from March 31, 2003.

### B. Cash flows

Cash and cash equivalents at the end of the period decreased ¥37,775 million from the beginning of the period to ¥24,405 million (down ¥217 million from the end of the interim period in the previous year), as cash provided by operating activities was used mainly to redeem bonds and repay debt.

#### [Cash flows from operating activities]

Net income increased, mainly due to the increase in guests at both theme parks in the Theme Park Segment and favorable revenues in the retail business. The absence of the refund of deferred consumption taxes booked in the same period of the previous year, together with the lump-sum payment of taxes deferred from the previous period, resulted in an increase in consumption taxes.

As a result, net cash provided by operating activities was ¥23,808 million, a decrease of ¥16,468 million compared with the same period of the previous fiscal year.

#### [Cash flows from investing activities]

The Company carried out new investments and investments in renewals and renovations at Tokyo Disney Resort facilities. In addition, the Company redeemed and sold marketable securities in order to redeem bonds and repay debt.

As a result, net cash from investing activities was negative ¥17,332 million, an increase of ¥13,376 million compared with the same period of the previous fiscal year.

#### [Cash flows from financing activities]

Net cash from financing activities was negative ¥44,257 million, a decrease of ¥20,469 million, mainly due to the redemption of bonds and the repayment of debt.

Trends in cash flow indicators are as follows:

	Fiscal 2002		Fiscal 2003		Fiscal 2004
	Year ended March 2002	Year ended March 2002	Year ended March 2003	Year ended March 2003	Year ending March 2004
	Interim	Year-end	Interim	Year-end	Interim
Stockholders' equity ratio (%)	45.9	48.7	51.0	51.3	56.2
Stockholders' equity ratio on market value basis (%)	102.7	118.7	114.5	79.7	92.0
Debt repayment period (years)	7.2	4.7	3.4	3.1	4.7
Interest coverage ratio (times)	9.4	13.9	17.2	18.3	10.3

Notes: Stockholders' equity ratio: Stockholders' equity/Total assets

Stockholders' equity ratio based on market value: Total market value of stock/Total assets

Debt repayment period: Interest-bearing debt/Cash flows from operations

Interest coverage ratio: Cash flows from operations/Interest expenses

\* All indicators are calculated from financial figures on a consolidated basis.

\* Total market value of stock is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing stock price at the end of the period.

\* Cash flows from operations is as stated in the consolidated statements of cash flows.

\* Interest-bearing debt includes all liabilities stated on the balance sheet on which interest is paid.

\* Debt repayment period for interim periods is calculated by multiplying cash flows from operations by two for conversion to full year period.

\* Interest expenses are as stated on the consolidated statements of cash flows.

## 4. Interim Consolidated Financial Statements

### (1) Interim Consolidated Balance Sheets

( Millions of Yen )

Items	Interim 2004 (at Sept. 30, 2003)		Interim 2003 ( at Sept. 30, 2002 )		Increase (decrease) from previous period		Fiscal 2003 (at March 31, 2003)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
. Current assets								
1. Cash and time deposits	18,906		22,622		(3,715)		47,290	
2. Trade notes and receivables	7,998		7,661		337		10,574	
3. Marketable securities	31,265		28,853		2,412		33,601	
4. Inventories	8,280		8,801		(521)		7,747	
5. Others	9,192		5,940		3,251		5,401	
Total current assets	75,644	11.6	73,879	10.8	1,764	2.4	104,615	15.1
. Fixed assets								
(1) Property and equipment								
1. Buildings and structures	330,428		343,095		(12,667)		337,692	
2. Machinery and delivery equipment	84,638		98,691		(14,052)		91,619	
3. Land	70,636		70,963		(326)		70,636	
4. Construction in progress	5,441		1,464		3,976		2,658	
5. Others	26,447		31,112		(4,665)		29,103	
Total property and equipment	517,592	79.6	545,326	80.2	(27,734)	(5.1)	531,709	76.8
(2) Intangible fixed assets								
1. Goodwill	2,418		2,549		(130)		2,484	
2. Others	13,101		16,889		(3,788)		15,164	
Total intangible fixed assets	15,520	2.4	19,439	2.9	(3,918)	(20.2)	17,648	2.6
(3) Investments and other assets								
1. Others	41,341		40,422		918		36,965	
2. Allowance for doubtful receivables	(215)		(62)		(153)		(62)	
Total investments and other assets	41,126	6.3	40,360	5.9	765	1.9	36,903	5.3
Total fixed assets	574,239	88.3	605,127	89.0	(30,887)	(5.1)	586,261	84.7
. Deferred assets	756	0.1	1,253	0.2	(496)	(39.6)	1,005	0.2
Total assets	650,640	100.0	680,260	100.0	(29,619)	(4.4)	691,882	100.0

( Millions of Yen )

Items	Interim 2004 (at Sept. 30, 2003)		Interim 2003 (at Sept. 30, 2002)		Increase (decrease) from previous period		Fiscal 2003 (at March 31, 2003)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>LIABILITIES</b>								
. Current liabilities								
1. Notes and accounts payable	13,083		12,548		534		14,655	
2. Current portion of bonds	20,000		30,000		(10,000)		30,000	
3. Current portion of long-term debt	25,400		21,414		3,986		26,000	
4. Accrued income taxes	7,741		7,055		686		10,597	
5. Others	34,867		32,609		2,257		39,773	
Total current liabilities	101,091	15.5	103,627	15.2	(2,535)	(2.4)	121,027	17.5
. Long-term liabilities								
1. Bonds	140,000		160,000		(20,000)		160,000	
2. Long-term debt	17,300		42,700		(25,400)		29,700	
3. Reserve for employee retirement benefits	1,992		1,694		298		1,952	
4. Retirement allowances for directors	432		660		(228)		697	
5. Others	24,241		24,702		(461)		23,503	
Total long-term liabilities	183,965	28.3	229,756	33.8	(45,791)	(19.9)	215,853	31.2
Total liabilities	285,057	43.8	333,384	49.0	(48,326)	(14.5)	336,880	48.7
<b>MINORITY INTERESTS</b>								
Minority interests	99	0.0	85	0.0	13	15.5	92	0.0
<b>STOCKHOLDERS' EQUITY</b>								
. Common stock	63,201	9.7	63,201	9.3	—	—	63,201	9.1
. Capital surplus	111,403	17.1	111,403	16.4	—	—	111,403	16.1
. Earned surplus	189,249	29.1	171,967	25.3	17,281	10.0	180,512	26.1
. Net unrealized holding gain on securities	1,638	0.3	223	0.0	1,415	634.0	(202)	(0.0)
. Treasury stock	(8)	(0.0)	(4)	(0.0)	(3)	—	(5)	(0.0)
Total stockholders' equity	365,483	56.2	346,790	51.0	18,693	5.4	354,908	51.3
Total liabilities, minority interests and stockholders' equity	650,640	100.0	680,260	100.0	(29,619)	(4.4)	691,882	100.0

## (2) Interim Consolidated Statements of Income

(Millions of Yen)

Items	Interim 2004 (April 1, 2003 to Sept. 30, 2003)		Interim 2003 (April 1, 2002 to Sept. 30, 2002)		Increase (decrease) from previous period		Fiscal 2003 (April 1, 2002 to Mar. 31, 2003)	
	Amount	%	Amount	%	Amount	%	Amount	%
. Revenues	163,327	100.0	160,394	100.0	2,933	1.8	331,753	100.0
. Cost of revenues	129,224	79.1	128,492	80.1	731	0.6	264,659	79.8
Gross profit	34,102	20.9	31,901	19.9	2,201	6.9	67,094	20.2
. Selling, general and administrative expenses	14,216	8.7	13,697	8.6	519	3.8	29,065	8.7
Operating income	19,886	12.2	18,204	11.3	1,682	9.2	38,028	11.5
. Nonoperating income								
1. Interest income	142		159		(16)		251	
2. Dividend income	13		41		(28)		58	
3. Equity in earnings of affiliates	54		33		21		92	
4. Insurance received and insurance dividends	295		131		163		560	
5. Gain from leasing investment	125		107		18		224	
6. Others	441		358		83		702	
Total nonoperating income	1,072	0.6	831	0.5	241	29.0	1,890	0.5
. Nonoperating expenses								
1. Interest expenses	2,086		2,341		(254)		4,668	
2. Others	997		753		243		1,342	
Total nonoperating expenses	3,083	1.9	3,094	1.9	(10)	(0.3)	6,010	1.8
Ordinary income	17,875	10.9	15,941	9.9	1,933	12.1	33,908	10.2
. Extraordinary income								
1. Gain from sales of fixed assets	—		—		—		1,077	
Total extraordinary income	—	—	—	—	—	—	1,077	0.3
. Extraordinary loss								
1. Loss from revaluation of investment securities	—		—		—		1,219	
Total extraordinary loss	—	—	—	—	—	—	1,219	0.3
Income before income taxes	17,875	10.9	15,941	9.9	1,933	12.1	33,766	10.2
Income, residential and enterprise taxes	8,405	5.1	7,276	4.5	1,129	15.5	16,380	4.9
Adjustment for income taxes	(560)	(0.3)	(521)	(0.3)	(38)	—	(1,554)	(0.4)
Minority gain	6	0.0	1	0.0	4	247.6	8	0.0
Net income	10,023	6.1	9,185	5.7	838	9.1	18,931	5.7

(3) Interim Consolidated Statements of Retained Earnings

(Millions of Yen)

Items	Interim 2004 (April 1, 2003 to Sept. 30, 2003)	Interim 2003 (April 1, 2002 to Sept. 30, 2002)	Increase (decrease) from previous period	Fiscal 2003 (April 1, 2002 to March 31, 2003)
	Amount	Amount	Amount	Amount
<b>CAPITAL SURPLUS</b>				
. Capital surplus at beginning of period	111,403	—	111,403	—
1. Additional paid-in capital at beginning of period	—	111,403	(111,403)	111,403
Total capital surplus at beginning of period	111,403	111,403	—	111,403
. Capital surplus at end of period	111,403	111,403	—	111,403
<b>EARNED SURPLUS</b>				
. Earned surplus at beginning of period	180,512	—	180,512	—
1. Retained earnings at beginning of period	—	164,068	(164,068)	164,068
Total earned surplus at beginning of period	180,512	164,068	16,443	164,068
. Increases in earned surplus				
1. Net income	10,023	9,185	838	18,931
Total increases in earned surplus	10,023	9,185	838	18,931
. Decreases in earned surplus				
1. Dividends	1,201	1,201	(0)	2,402
2. Bonuses to directors	85	85	—	85
[Bonuses to corporate auditors included in above]	[6]	[6]	[—]	[6]
Total increases in earned surplus	1,286	1,286	(0)	2,487
. Earned surplus at end of period	189,249	171,967	17,281	180,512

## (4) Interim Consolidated Statements of Cash Flows

(Millions of Yen)

Items	Interim 2004 (April 1, 2003 to Sept. 31, 2003)	Interim 2003 (April 1, 2002 to Sept. 31, 2002)	Increase (decrease) from previous period	Fiscal 2003 (April 1, 2002 to March 31, 2003)
	Amount	Amount	Amount	Amount
. Cash flows from operating activities				
1. Income before income taxes	17,875	15,941	1,933	33,766
2. Depreciation and amortization, aggregate	22,954	23,702	(748)	47,935
3. Amortization of goodwill	65	65	—	130
4. Decrease in allowances	(72)	300	(373)	599
5. Interest and dividends income	(155)	(200)	45	(309)
6. Interest expenses	2,086	2,341	(254)	4,668
7. Exchange gain (loss)	37	57	(19)	54
8. Equity in earnings of affiliates	(54)	(33)	(21)	(92)
9. Increase in trade receivables	2,534	2,658	(124)	(250)
10. Increase in inventories	(1,122)	(590)	(531)	(157)
11. Increase in accounts payable	(1,119)	(431)	(687)	1,518
12. Increase in consumption taxes	(5,950)	10,251	(16,201)	14,515
13. Others	141	(2,815)	2,957	938
Total adjustments	37,220	51,245	(14,024)	103,317
14. Interest and dividends received	157	189	(32)	282
15. Interest paid	(2,307)	(2,338)	31	(4,627)
16. Income taxes paid	(11,262)	(8,819)	(2,442)	(14,381)
Net cash provided by operating activities	23,808	40,276	(16,468)	84,591
. Cash flows from investing activities				
1. Addition to marketable securities	(18,854)	(25,892)	7,038	(32,991)
2. Proceeds from sales of marketable securities	4,000	—	4,000	6,000
3. Proceeds from maturity of marketable securities	7,803	6,787	1,016	16,059
4. Acquisition of fixed assets	(5,821)	(5,001)	(819)	(12,421)
5. Proceeds from sales of fixed assets	5	—	5	1,555
6. Addition to investment securities	(4,506)	(6,053)	1,547	(11,614)
7. Proceeds from maturity of investment securities	2,927	4,090	(1,163)	9,491
8. Acquisition of stocks of a newly consolidated subsidiary	—	(5,420)	5,420	(5,420)
9. Lending of loans	(2,000)	(9,999)	7,999	(11,001)
10. Proceeds from collection of loans	6	12,002	(11,995)	13,008
11. Others	(894)	(1,221)	327	(472)
Net cash used in investing activities	(17,332)	(30,709)	13,376	(27,807)
. Cash flows from financing activities				
1. Payment of short-term borrowings	—	(17,000)	17,000	(17,000)
2. Repayment of long-term debt	(13,000)	(5,536)	(7,464)	(13,950)
3. Redemption of bonds	(30,000)	—	(30,000)	—
4. Dividends paid	(1,197)	(1,195)	(1)	(2,389)
5. Others	(59)	(56)	(3)	(113)
Net cash provided by financing activities	(44,257)	(23,787)	(20,469)	(33,453)
. Effect of exchange rate changes on cash and cash equivalents	6	(2)	8	4
. Net decrease in cash and cash equivalents	(37,775)	(14,222)	(23,552)	23,335
. Cash and cash equivalents at beginning of period	62,181	38,846	23,335	38,846
. Cash and cash equivalents at end of period	24,405	24,623	(217)	62,181

# Summary of Nonconsolidated Financial Statements for the Six Months Ended September 30, 2003

November 6, 2003

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

## Oriental Land Co., Ltd.

1-1 Maihama, Urayasu, Chiba 279-8511, Japan

http://www.olc.co.jp

Representative: Toshio Kagami, President

Contact: Kenjiro Mizushima, Director, Finance/Accounting Division

Stock exchange listing: Tokyo

Code number: 4661

Board of Directors meeting: November 6, 2003

Start of payment of interim dividend: December 9, 2003

Interim dividend system: Yes

Stock unit system: Yes (1 unit=100 shares)

## 1. Results for the Six Months Ended September 30, 2003 (April 1, 2003-September 30, 2003)

### (1) Revenues and Income

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

	Revenues (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
6 months ended 9/2003	135,650	1.4	15,420	10.8	17,516	33.5
6 months ended 9/2002	133,725	31.3	13,920	8.2	13,118	74.5
Fiscal 2003	275,787		29,167		27,406	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)
6 months ended 9/2003	11,559	50.3	115.46
6 months ended 9/2002	7,689	105.4	76.80
Fiscal 2003	15,703		156.00

Notes:

- Average number of shares outstanding: Six months ended Sept. 30, 2003: 100,121,627 shares;  
Six months ended Sept. 30, 2002: 100,122,002 shares; Year ended March 31, 2003: 100,121,970 shares
- Changes in accounting methods: None
- Year-on-year change for revenues, operating income, ordinary income and net income is based on the interim period of the previous fiscal year.

### (2) Dividends

	Dividends per share (¥)	
	Interim	Year-end
6 months ended 9/2003	14.00	—
6 months ended 9/2002	12.00	—
Fiscal 2003	—	24.00

Note: No commemorative or special dividend was paid in the interim period from April 1 to September 30, 2003.

### (3) Financial Position

	Total assets (¥ million)	Stockholders' equity (¥ million)	Stockholders' equity/ total assets (%)	Stockholders' equity per share (¥)
6 months ended 9/2003	641,845	367,981	57.3	3,675.36
6 months ended 9/2002	669,329	349,483	52.2	3,490.58
Fiscal 2003	675,785	355,870	52.7	3,553.52

Notes:

- Number of shares outstanding at end of period: Six months ended Sept. 30, 2003: 100,121,379 shares;  
Six months ended Sept. 30, 2002: 100,122,000 shares; Year ended March 31, 2003: 100,121,864 shares
- Number of shares of treasury stock at end of period: Six months ended Sept. 30, 2003: 1,161 shares;  
Six months ended Sept. 30, 2002: 540 shares; Year ended March 31, 2003: 676 shares

## 2. Projected Results for Fiscal 2004 (April 1, 2003-March 31, 2004)

	Revenues (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)	
				Year-end	
Fiscal 2004	276,200	30,700	19,200	14.00	28.00

Reference: Estimated earnings per share (full year): ¥191.77

### Cautionary Remark Regarding Forward-Looking Statements

Statements made in this document with respect to Oriental Land's plans, strategies, beliefs and other statements that are not historical facts are forward-looking statements based on the assumptions and beliefs of the Company's management in light of the information currently available to it and involve risks and uncertainties which may affect the Company's future performance.

## 5. Interim Nonconsolidated Financial Statements

### (1) Interim Nonconsolidated Balance Sheets

(Millions of Yen)

Items	Interim 2004 (at Sept. 30, 2003)		Interim 2003 (at Sept. 30, 2002)		Increase (decrease) from previous period		Fiscal 2003 (at March 31, 2003)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
· Current assets								
1. Cash and time deposits	17,471		16,252		1,218		38,080	
2. Trade receivables	5,710		5,328		382		7,795	
3. Marketable securities	31,265		28,853		2,412		33,601	
4. Inventories	6,057		6,811		(754)		6,022	
5. Others	8,473		5,370		3,103		4,807	
Total current assets	68,978	10.7	62,616	9.4	6,362	10.2	90,308	13.4
· Fixed assets								
(1) Property and equipment								
1. Buildings	214,902		224,101		(9,198)		219,944	
2. Structures	86,280		88,900		(2,620)		88,119	
3. Machinery and equipment	72,326		84,160		(11,833)		78,107	
4. Land	70,883		71,210		(326)		70,883	
5. Construction in progress	4,887		1,428		3,459		2,608	
6. Others	28,615		33,554		(4,938)		31,726	
Total property and equipment	477,896	74.5	503,354	75.2	(25,458)	(5.1)	491,389	72.7
(2) Intangible fixed assets	12,766	2.0	16,494	2.4	(3,727)	(22.6)	14,783	2.2
(3) Investments and other assets								
1. Long-term loans to affiliated companies	34,605		39,175		(4,570)		35,515	
2. Investments and other assets	47,814		47,750		63		43,850	
3. Allowance for doubtful receivables	(215)		(62)		(153)		(62)	
Total investments and other assets	82,204	12.8	86,863	13.0	(4,659)	(5.4)	79,303	11.7
Total fixed assets	572,867	89.3	606,713	90.6	(33,846)	(5.6)	585,477	86.6
Total assets	641,845	100.0	669,329	100.0	(27,483)	(4.1)	675,785	100.0

( Millions of Yen )

Items	Interim 2004 (at Sept. 30, 2003)		Interim 2003 (at Sept. 30, 2002)		Increase (decrease) from previous period		Fiscal 2003 (at March 31, 2003)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>LIABILITIES</b>								
. Current liabilities								
1. Accounts payable	10,946		10,394		551		12,840	
2. Current portion of bonds	20,000		30,000		(10,000)		30,000	
3. Current portion of long-term debt	25,400		21,414		3,986		26,000	
4. Accrued income taxes	5,791		5,289		502		6,931	
5. Others	31,766		27,281		4,485		32,298	
Total current liabilities	93,904	14.7	94,378	14.1	(474)	(0.5)	108,069	16.0
. Long-term liabilities								
1. Bonds	140,000		160,000		(20,000)		160,000	
2. Long-term debt	17,300		42,700		(25,400)		29,700	
3. Reserve for employee retirement benefits	1,706		1,537		168		1,725	
4. Retirement allowances for directors	432		660		(228)		697	
5. Others	20,521		20,569		(47)		19,722	
Total long-term liabilities	179,960	28.0	225,466	33.7	(45,506)	(20.2)	211,845	31.3
Total liabilities	273,864	42.7	319,845	47.8	(45,981)	(14.4)	319,915	47.3
<b>STOCKHOLDERS' EQUITY</b>								
. Common stock	63,201	9.8	63,201	9.4	—	—	63,201	9.4
. Capital surplus								
1. Additional paid-in capital	111,403		111,403		—		111,403	
Total capital surplus	111,403	17.3	111,403	16.7	—	—	111,403	16.5
. Earned surplus								
1. Legal reserve	1,142		1,142		—		1,142	
2. Voluntary reserve	176,200		163,200		13,000		163,200	
3. Unappropriated retained earnings	14,404		10,318		4,086		17,131	
Total earned surplus	191,747	29.9	174,660	26.1	17,086	9.8	181,473	26.8
. Net unrealized holding gain on securities	1,638	0.3	223	0.0	1,415	634.5	(202)	(0.0)
. Treasury stock	(8)	(0.0)	(4)	(0.0)	(3)	—	(5)	(0.0)
Total stockholders' equity	367,981	57.3	349,483	52.2	18,497	5.3	355,870	52.7
Total liabilities and stockholders' equity	641,845	100.0	669,329	100.0	(27,483)	(4.1)	675,785	100.0

## (2) Interim Nonconsolidated Statements of Income

(Millions of Yen)

Items	Interim 2004 (April 1, 2003 to Sept. 30, 2003)		Fiscal 2003 (April 1, 2002 to Sept. 30, 2002)		Increase (decrease) from previous period		Fiscal 2003 (April 1, 2002 to March 31, 2003)	
	Amount	%	Amount	%	Amount	%	Amount	%
. Revenues	135,650	100.0	133,725	100.0	1,925	1.4	275,787	100.0
II . Operating expenses								
(1) Cost of revenues	113,414	83.6	112,553	84.2	861	0.8	231,587	84.0
Gross profit	22,235	16.4	21,171	15.8	1,063	5.0	44,200	16.0
(2) General and administrative expenses	6,815	5.0	7,251	5.4	(436)	(6.0)	15,032	5.4
Operating income	15,420	11.4	13,920	10.4	1,500	10.8	29,167	10.6
III . Nonoperating income	4,739	3.5	1,791	1.3	2,947	164.5	3,357	1.2
. Nonoperating expenses	2,642	2.0	2,593	1.9	49	1.9	5,118	1.9
Ordinary income	17,516	12.9	13,118	9.8	4,398	33.5	27,406	9.9
. Extraordinary income	—	—	—	—	—	—	1,077	0.4
. Extraordinary loss	—	—	—	—	—	—	1,219	0.4
Income before income taxes	17,516	12.9	13,118	9.8	4,398	33.5	27,264	9.9
Income, residential and enterprise taxes	6,531	4.8	5,513	4.1	1,018	18.5	12,479	4.5
Adjustment for income taxes	(574)	(0.4)	(84)	(0.1)	(490)	—	(918)	(0.3)
Net income	11,559	8.5	7,689	5.8	3,870	50.3	15,703	5.7
Retained earnings brought forward	2,844		2,629		215		2,629	
Interim dividend	—		—		—		1,201	
Unappropriated retained earnings	14,404		10,318		4,086		17,131	