

# Consolidated Financial Statements for the Six Months Ended September 30, 2004

November 5, 2004

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

## Oriental Land Co., Ltd.

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Stock exchange listing: Tokyo

Code number: 4661

Board of Directors meeting: November 5, 2004

Use of U.S. accounting standards: No

## 1. Results for the Six Months Ended September 30, 2004 (April 1, 2004-September 30, 2004)

### (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 9/2004	157,197	(3.8)	14,296	(28.1)	13,503	(24.5)
6 months ended 9/2003	163,327	1.8	19,886	9.2	17,875	12.1
Fiscal 2004	336,516		38,765		34,372	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
6 months ended 9/2004	7,187	(28.3)	71.79	—
6 months ended 9/2003	10,023	9.1	100.11	—
Fiscal 2004	18,530		184.23	—

Notes:

- Equity in earnings of affiliates: Six months ended Sept. 30, 2004: (¥901) million;  
Six months ended Sept. 30, 2003: ¥54 million; Year ended March 31, 2004: (¥226) million
- Average number of shares outstanding (consolidated): Six months ended Sept. 30, 2004: 100,121,182 shares;  
Six months ended Sept. 30, 2003: 100,121,627 shares; Year ended March 31, 2004: 100,121,481 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 (¥)
As of Sept. 30, 2004	637,498	379,112	59.5	3,786.53
As of Sept. 30, 2003	650,640	365,483	56.2	3,650.41
As of March 31, 2004	654,424	373,759	57.1	3,732.22

Note:

Number of shares outstanding at end of period (consolidated): Six months ended Sept. 30, 2004: 100,121,126 shares;

Six months ended Sept. 30, 2003: 100,121,379 shares; Year ended March 31, 2004: 100,121,324 shares

### (3) Cash Flows

	Net cash flows from operating activities (¥ million)	Net cash flows from investing activities (¥ million)	Net cash flows from financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
6 months ended 9/2004	22,780	6,297	(14,602)	44,127
6 months ended 9/2003	23,808	(17,332)	(44,257)	24,405
Fiscal 2004	61,213	(34,540)	(59,226)	29,619

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

Consolidated subsidiaries: 17 companies

Unconsolidated subsidiaries accounted for by the equity method: None

Affiliated companies accounted for by the equity method: 5 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 2005 (April 1, 2004-March 31, 2005)

	Revenues (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Fiscal 2005	335,600	34,900	19,200

Reference: Estimated earnings per share (full year): ¥190.92

### 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, 17 consolidated subsidiaries, 5 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, commercial facilities.

The main operations of each business segment and the main affiliates and other companies conducting each business during the interim period were as follows:

Segment	Main Operations	Main Companies <sup>1</sup>
Theme Parks	Management and operation of theme parks	Oriental Land Co., Ltd.
	Management and operation of Tokyo DisneySea Hotel MiraCosta	Maihama Resort Hotels Co., Ltd.
Commercial Facilities	Management and operation of Disney Ambassador Hotel	Maihama Resort Hotels Co., Ltd.
	Management and operation of IKSPIARI <sup>2</sup>	IKSPIARI Co., Ltd.
	Management of Camp Nepos <sup>3</sup>	Oriental Land Co., Ltd.
Retail Business	Management and operation of The Disney Store Japan	Retail Networks Co., Ltd.
Other Businesses	Management and operation of monorail	Maihama Resort Line Co., Ltd.
	Operation of employee cafeterias	Bay Food Services Co., Ltd.
	Management and operation of restaurants, and others	RC Japan Co., Ltd. and eleven other companies

Notes:

1. Company names and number of companies listed in the Main Companies column all refer to consolidated subsidiaries except Oriental Land.
2. IKSPIARI is a complex that consists of shops, restaurants, a cinema complex, Camp Nepos and other facilities.
3. Camp Nepos is a facility that provides original programs to nurture children's imaginations.

## **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 make additional investments in Tokyo Disney Resort and invest in new businesses for further growth, and pay down interest-bearing debt, thereby enhancing our corporate value.

The interim dividend for the year ending March 31, 2005 is ¥15 per share. We also plan to pay a year-end dividend of ¥15 per share. Therefore, cash dividends applicable to the year are scheduled to total ¥30 per share, including the ¥15 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**

Enhancing corporate governance is an important management issue for Oriental Land. In addition to working to ensure efficient management, such as speedy decision-making, we are making continuous efforts to strengthen our compliance structure, through measures including thorough maintenance of legal standards and enhancement of legality oversight through corporate and internal auditing departments. Moreover, we will raise management transparency and fairness through comprehensive information disclosure.

### **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.
- We have no standing outside management.
- We have established an Auditing Department for internal oversight of strict adherence to the law and to company regulations and of efficient execution, and are working to enhance internal regulation.
- In order to ensure the accuracy of the corporate audit, we receive a report on our financial statements from independent auditors for a third-party viewpoint.

[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 of which companies 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**

Despite signs of economic recovery against the backdrop of increased domestic demand, the economy is expected to remain difficult to predict with lingering severity in consumer spending and employment trends.

It is expected that there will continue to be little room for optimism in the amusement park and leisure industry, due to factors including sluggish consumer spending and the demographic shift toward an older population.

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

- (a) Develop Tokyo Disney Resort into a “destination resort”
- (b) Expand businesses outside Tokyo Disney Resort
- (c) Strengthen management

We will work to make Tokyo Disney Resort a “destination resort” by enhancing its appeal as a destination all guests will wish to visit again and again, whether on day trips to the theme parks, on visits to the movies or restaurants, or on multiple-day trips to enjoy all the resort while staying at hotels. In the theme parks, we will aim to further improve the two parks’ ability to attract guests by providing new appeal at Tokyo Disneyland through aggressive replacement and renewals of existing facilities, and by increasing the appeal and capacity of Tokyo DisneySea through the introduction of the new attractions “Raging Spirits” in the year ending March 31, 2006 and “Tower of Terror” in the year ending March 31, 2007. For hotels, we will strengthen our ability to accommodate guests with the introduction of “Tokyo Disney Resort Partner Hotels,” a new hotel alliance system of the four hotels in the Shin-Urayasu area including “Palm & Fountain Terrace Hotel” scheduled to open in February 2005, which will be directly managed by the Oriental Land Group.

In businesses outside Tokyo Disney Resort, we will conduct strategic openings and closures of Disney Stores. We will consider the possibility of new store openings mainly in metropolitan areas where the demand for new stores still exists, and aim for more efficient store expansion while also taking store closures into consideration.

Through aggressive promotion of each business centered on these measures, we aim to achieve consolidated revenues of ¥360 billion or above and consolidated operating income of ¥45 billion or above by the year ending March 31, 2007.

In addition, in order to become a “destination resort,” we are considering introducing facilities in the resort to provide guests who visit Tokyo Disney Resort with a new means of enjoyment, and constructing a third Disney Hotel in addition to Disney Ambassador Hotel and Tokyo DisneySea Hotel MiraCosta.

We will consider expansion into “Power Your Heart with Happiness” business domains in line with the Oriental Land Group’s corporate philosophy, “Inspired by imagination and a sense of adventure, and guided by a desire to fulfill dreams, provide enjoyment and create magic.” In particular, we are considering expansion into the business domains of leisure facilities, hotels, restaurants, retail businesses, intellectual property rights, media, education and theater entertainment. Through development of these businesses, we will alleviate the concentration of business in the Maihama area ( where Tokyo Disney Resort is located ) , and aim for further growth and expansion.

In order to implement the above strategies with greater precision, we will also conduct organizational and personnel reforms. As part of the new organizational strategy, we would like to divide the current organizational structure into a Corporate Division that concentrates on the formulation of strategies for maximizing the corporate value of the entire Oriental Land Group, and a Park Division whose authority will be substantially delegated to enable speedy decision-making and problem solving. In personnel strategy, we reformed the employee system from the current fiscal year with the aim of maximizing personnel performance, and will take other measures including promoting further strengthening of employee training, mid-career employment of exceptional personnel and use of contract employees.

Through these strategies, we will endeavor to maximize the value of the Oriental Land Group and generate high cash flow 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, 2004

(Millions of yen)

(Consolidated)	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2003	Increase (decrease)	Change from previous period (%)
Revenues	157,197	163,327	(6,129)	(3.8)
Operating Income	14,296	19,886	(5,590)	(28.1)
Ordinary Income	13,503	17,875	(4,371)	(24.5)
Net Income	7,187	10,023	(2,835)	(28.3)

In its core theme park business, the Oriental Land Group did its utmost to limit the falloff after the end of the Tokyo Disneyland 20<sup>th</sup> Anniversary events last year by introducing new attraction “Buzz Lightyear’s Astro Blasters” at Tokyo Disneyland and aggressively implementing new events at the two theme parks. In addition, we offered “theme resort” appeal through implementation of business initiatives that capitalized on seasonal products and took advantage of the unique features of the two Disney Hotels, IKSPIARI and other facilities.

However, total attendance of the two parks declined due to factors including the record-breaking heat from the beginning of the summer.

As a result of these measures, on a consolidated basis, revenues for the interim period were ¥157,197 million (down 3.8 percent compared with the same period of the previous fiscal year), operating income was ¥14,296 million (down 28.1 percent), ordinary income was ¥13,503 million (down 24.5 percent) and net income was ¥7,187 million (down 28.3 percent).

##### B. Income Analysis

###### [Revenues]

Consolidated revenues were ¥157,197 million (down 3.8 percent compared with the same period of the previous fiscal year).

In the Theme Park Segment, in addition to the decline in total attendance of the two theme parks due to factors including the record-breaking heat from the beginning of the summer, revenues per guest also declined due to factors including the fall-off in sales of Tokyo Disneyland 20<sup>th</sup> anniversary products, which sold favorably in the same period of the previous fiscal year.

###### [Operating Income]

Cost of revenues was ¥127,772 million (down 1.1 percent compared with the same period of the previous fiscal year). The cost of goods sold ratio decreased due to factors including a review of ordering methods, but loss on disposal of facilities associated with the end of Tokyo Disneyland 20<sup>th</sup> anniversary and other events, and expenses related to renovation and improvement of Tokyo Disney Resort facilities increased.

Selling, general and administrative expenses were ¥15,128 million (up 6.4 percent). Main factors included the effect of the change in classification of corporate tax associated with the introduction of the pro forma tax system, and increases in personnel costs and store rents associated with the opening of a new Disney Store and efforts to strengthen product development.

As a result of the above, operating income was ¥14,296 million (down 28.1 percent).

###### [Ordinary Income]

Nonoperating income was ¥2,415 million (up 125.2 percent compared with the same period of the previous fiscal year) due to factors including a substantial increase in investment income in connection with the expiration of leveraged lease investment.

Nonoperating expenses were ¥3,208 million (up 4.0 percent). Although interest expenses decreased as a result of the repayment of interest-bearing debt, factors leading to the increase included equity in loss of affiliates.

As a result of the above, ordinary income was ¥13,503 million (down 24.5 percent).

###### [Net Income]

Net income for the six months ended September 30, 2004 was ¥7,187 million (down 28.3 percent compared with the same period of the previous fiscal year), as a result of one time settlement of the excess of cost over book value of affiliated companies accounted for by the equity method, and a ¥645 million investment loss, booked as an extraordinary loss, on affiliates accounted for by the equity method.

### C. Summary of Results by Segment

As of the year ended March 31, 2004, the retail business was listed separately from Other Business. For this reason, figures for the interim period of the previous year have been restated to reflect the change for purposes of comparison.

#### Revenues (Sales to Outside Customers) (Millions of yen)

	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2003	Increase (decrease)	Change from previous period (%)
Theme Parks	131,352	138,177	(6,825)	(4.9)
Commercial Facilities	10,792	10,635	157	1.5
Retail Business	11,246	11,118	127	1.1
Other Businesses	3,806	3,396	410	12.1
Total	157,197	163,327	(6,129)	(3.8)

#### Operating Income (Millions of yen)

	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2003	Increase (decrease)	Change from previous period (%)
Theme Parks	11,247	16,155	(4,908)	(30.4)
Commercial Facilities	1,153	1,203	(49)	(4.1)
Retail Business	1,426	1,789	(362)	(20.3)
Other Businesses	292	569	(276)	(48.5)
Eliminations and Corporate	175	169	6	3.6
Total	14,296	19,886	(5,590)	(28.1)

#### [Theme Park Segment]

At Tokyo Disneyland, “Buzz Lightyear’s Astro Blasters,” a three-dimensional shooting attraction in which guests are joined by the character Buzz Lightyear from the *Toy Story* movie series, was introduced in April and met with an enthusiastic response. In conjunction with this attraction, we introduced the special event “Buzz Lightyear’s Big Mission” in June. In addition, from July we increased the scale of “Blazing Rhythms,” a summer night entertainment performance that captivated guests in the previous summer with passionate rhythms and fire.

At Tokyo DisneySea, we conducted various special events including “That’s Disneytainment,” a special event launched in April with different entertainment in the day and at night on the American Waterfront area. To mark the third anniversary of Tokyo DisneySea, we conducted from September “Dramatic DisneySea 2004 at Tokyo DisneySea,” a stylish autumn festival which brings guests the artistic joy of Disney. In addition, in July we began “BraviSEAmo!”, the new large-scale nighttime entertainment featuring the strong, brave spirit of fire and the fantastic, graceful spirit of water.

In merchandise sales, we renewed the merchandise store “Planet M” in conjunction with the opening of “Buzz Lightyear’s Astro Blasters” at Tokyo Disneyland, and sold numerous products related to the *Toy Story* movie series. Among these products, “Toy Story Gun,” designed to fit the concept of the attractions and events, met with a particularly enthusiastic response. At Tokyo DisneySea, sales of “Dramatic DisneySea 2004 Jewelry Strap,” an original strap for cellular phones made to go with guests’ favorite charms, were also favorable.

As for food and beverages sales, at Tokyo Disneyland, we launched a rocket-shaped popcorn bucket in conjunction with the opening of “Buzz Lightyear’s Astro Blasters.” In addition, at Tokyo DisneySea, a popular prix-fixe menu with the option of combining salad, main dish, dessert and other items was offered at Vulcania Restaurant and Horizon Bay Restaurant during performances of “Dramatic DisneySea 2004.”

However, due to factors including the record-breaking heat from the beginning of the summer, total attendance of the two theme parks for the six months ended September 30, 2004 was 12,029 thousand (down 2.3 percent from the same period in the previous year).

Revenues per guest at the theme parks was approximately ¥9,050 (down 3.7 percent). Main factors included the effect of the introduction of the Tokyo DisneySea Annual Passport and the Two-Park Annual Passport in July 2003, as well as the fall-off of sales of Tokyo Disneyland 20<sup>th</sup> anniversary products, which sold favorably during the same period of the previous year.

The Tokyo DisneySea Hotel MiraCosta introduced “Precious Dining” program, offering cuisines from around the world, at three hotel restaurants. However, occupancy rate dropped slightly compared with the same period of the previous year due to factors including the lack of nighttime entertainment at Tokyo DisneySea from the end of “DisneySea Symphony” in April to the start of “BraviSEAmo!” in July.

As a result of the above measures, revenues for the Theme Park Segment were ¥131,352 million (down 4.9 percent). Operating income was ¥11,247 million (down 30.4 percent) due to factors including increased loss on disposal of facilities associated with the end of Tokyo Disneyland 20<sup>th</sup> anniversary and other events, and expenses related to renovation and improvement of Tokyo Disney Resort facilities.

[Commercial Facilities Segment]

At IKSPIARI, we conducted aggressive marketing activities including “IKSPIARI Spring Festival,” which featured a spring theme, and “IKSPIARI Vacances,” featuring a southern European motif and enjoyable IKSPIARI-style summer living.

In June, Disney Ambassador Hotel conducted “Disney Ambassador Hotel Original Pouch Present Campaign,” which presented each overnight guest with a memento.

As a result of the above measures, revenues for the Commercial Facilities Segment were ¥10,792 million (up 1.5 percent), but operating income was ¥1,153 million (down 4.1 percent) due to factors including an increase in expenses from strengthening of marketing activities.

[Retail Business Segment]

In addition to opening the Disney Store Hakata Canal City store ( located in Fukuoka Prefecture ) in June, initiatives included a review of the product lineup to meet guest needs at all Disney Stores in each region. We also began online sales of Disney Store products in July through “Disney Mall,” Disney’s official shopping site.

Moreover, we capitalized on synergy with Tokyo Disney Resort through measures including strengthening sales of the *Toy Story* related products in conjunction with the opening of the new attraction “Buzz Lightyear’s Astro Blasters.”

As a result of the above measures, revenues in the Retail Business Segment were ¥11,246 million (up 1.1 percent), but operating income was ¥1,426 million (down 20.3 percent) due to factors including increased sales personnel expenses and store rents associated with the opening of the new store and efforts to strengthen product development.

[Other Business Segment]

In the monorail business, Disney Resort Line continued to draw many guests visiting Tokyo Disney Resort.

In addition to favorable revenues at Rainforest Café, a theme restaurant inside IKSPIARI, we also pursued aggressive sales policies at all subsidiaries.

As a result of the above measures, revenues in the Other Business Segment were ¥3,806 million (up 12.1 percent), but operating income was ¥292 million (down 48.5 percent) due to factors including increased expenses due to monorail car legally mandated inspections.

D. Forecast for the fiscal year ending March 31, 2005

(Millions of yen)

(Consolidated)	Forecast Year ending March 31, 2005	Year ended March 31, 2004	Increase (decrease)	Change from previous period (%)
Revenues	335,600	336,516	(916)	(0.3)
Theme Parks	279,100	282,096	(2,996)	(1.1)
Commercial Facilities	22,500	22,411	88	0.4
Retail Business	25,500	24,767	732	3.0
Other Businesses	8,500	7,241	1,258	17.4
Operating Income	38,000	38,765	(765)	(2.0)
Ordinary Income	34,900	34,372	527	1.5
Net Income	19,200	18,530	669	3.6

For the fiscal year ending March 31, 2005, we project total consolidated revenues of ¥335,600 million, operating income of ¥38,000 million, ordinary income of ¥34,900 million and net income of ¥19,200 million.

[Theme Park Segment]

At Tokyo Disneyland, we will continue to conduct various special events and entertainments. We held “Disney’s Halloween” in September and October, and hold “Christmas Fantasy,” a popular annual event, starting in November. In addition, we will hold special events, “Disney Princess Days” during the daytime and “Cinderellabration: Lights of Romance” at night, beginning in January.

At Tokyo DisneySea, in addition to holding “Harborside Christmas” from November, we will also again hold the popular “Disney’s Rhythms of the World” winter event beginning in February.

As a result of the above measures, total attendance of the two theme parks is projected to be 25.2 million guests for the full fiscal year.

At Tokyo DisneySea Hotel MiraCosta, we will develop business measures in collaboration with Tokyo DisneySea to maintain high levels of occupancy rate. In addition, we introduced “Natale a MiraCosta: *Christmas by the Sea*,” offering romantic theme park scenery and shows, together with special menus, at the three hotel restaurants starting in November.

Based on the above, we project revenues for this segment of ¥279,100 million.

[Commercial Facilities Segment]

At IKSPIARI, on November 5 we opened “Club IKSPIARI,” a nightly venue for live music and seasonal foods. In addition, we will aim for an even more attractive IKSPIARI through aggressive tenant replacement. We will also work to increase the number of guests by implementing original IKSPIARI events and measures for attracting guests in cooperation with Tokyo Disney Resort facilities.

At Disney Ambassador Hotel, in addition to customer attraction activities in cooperation with Tokyo Disneyland, we present the atmospheric “Christmas Wish” featuring a Christmas tree, ornaments and a special menu at the four restaurants in the hotel starting in November.

Based on the above, we project revenues for this segment of ¥22,500 million.

[Retail Business Segment]

Concerning Disney Stores, we will continue to attract guests and improve efficiency of all stores by conducting renewals of current stores as required. Also, we opened the Disney Store Sannomiya Clefy store (located in Hiroshima Prefecture) in October, and will open the Disney Store Koshien LaLaport store (located in Hyogo Prefecture) in November, bringing the total number of stores to fifty.

Based on the above, we project revenues for this segment of ¥25,500 million.

[Other Business Segment]

In the monorail business, Disney Resort Line will continue working to ensure the safe operation of the monorail. In the hotel business, we will open “Palm & Fountain Terrace Hotel” in the Shin-Urayasu area in February, and will continue to respond to the diverse lodging needs of guests at our theme parks. In the business of other subsidiaries, we will make efforts to raise operating efficiency by generating synergy with the Group.

Based on the above, we project revenues for this segment of ¥8,500 million.

## **(2) Financial position**

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

[Assets]

Total assets at the end of the period were ¥637,498 million, a decrease of 2.6 percent from March 31, 2004. Marketable securities decreased as a result of the redemption of the third issue of unsecured bonds (¥20,000 million) in June, despite the increase in cash and cash equivalents due to the issuance of the sixth issue of unsecured bonds (¥20,000 million) as a substitute for a catastrophe bond that expired in May. As a result, current assets were ¥78,045 million (down 1.4 percent).

Fixed assets totaled ¥559,190 million (down 2.7 percent). Construction progressed on new attractions, but tangible and intangible fixed assets decreased due to depreciation and amortization of Tokyo Disney Resort facilities.

[Liabilities]

Total liabilities at the end of the period were ¥258,277 million, a decrease of 7.9 percent from March 31, 2004.

Current liabilities were ¥79,164 million (down 24.7 percent) due to factors including the steady redemption of bonds and the repayment of debt, despite a transfer of the current portion of bonds and long-term debt from long-term liabilities. Long-term liabilities were ¥179,112 million (up 2.1 percent) as the transfer of bonds and long-term debt due within one year to current liabilities were offset by the issuance of bonds and other factors.

Interest-bearing debt totaled ¥196,178 million, a decrease of 6.3 percent from March 31, 2004.

[Stockholders' Equity]

Total stockholders' equity at the end of the period was ¥379,112 million, an increase of 1.4 percent due to factors including an increase in earned surplus, and the stockholders' equity ratio was 59.5 percent, up 2.4 percentage points from March 31, 2004.

### **B. Cash flows**

Cash and cash equivalents at the end of the period increased ¥14,508 million from the beginning of the period to ¥44,127 million. While cash provided by operating activities and sale and redemption of securities was used for additional investments and investments for renovation and improvement of Tokyo Disney Resort facilities, and to redeem bonds and repay debt, cash was provided by the issuance of the sixth issue of unsecured bonds.

[Cash flows from operating activities]

Net income before income taxes decreased compared to the same period in the previous fiscal year. The

lump-sum payment in the previous year of taxes deferred from the year before resulted in a decrease in consumption taxes.

As a result, net cash provided by operating activities was ¥22,780 million, a decrease of ¥1,027 million compared with the same period of the previous year.

[Cash flows from investing activities]

Net cash provided by investing activities was ¥6,297 million, an increase of ¥23,630 million compared with the same period of the previous fiscal year. Negative factors included additional investments and investments for renovation and improvement of Tokyo Disney Resort facilities, while positive factors included an increase in revenues due to sale and redemption of securities.

[Cash flows from financing activities]

Net cash used in financing activities was ¥14,602 million, an increase of ¥29,654 million compared with the same period of the previous year, due to the redemption of bonds and the repayment of debt continuing from the previous fiscal year, and the issuance of the sixth issue of unsecured bonds.

Trends in cash flow indicators are as follows:

	Year ended March 2003		Year ended March 2004		Year ending March 2005
	Interim	Year-end	Interim	Year-end	Interim
Stockholders' equity ratio (%)	51.0	51.3	56.2	57.1	59.5
Stockholders' equity ratio on market value basis (%)	114.5	79.7	92.0	113.2	104.8
Debt repayment period (years)	3.4	3.1	4.7	3.4	4.3
Interest coverage ratio (times)	17.2	18.3	10.3	14.0	11.5

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.

### C. Business Risk

Among matters concerning financial, performance and other information appearing in this document, the following risks may exert an important influence on the decisions of investors. Statements concerning the future in this Interim Consolidated Financial Statements represent the judgment of the Oriental Land Group as of November 5, 2004, the date of its release.

#### (Influence of Weather)

In the theme park business, Oriental Land Group's core business, the number of guests to the theme parks is easily influenced by the weather. Consequently, an extended period of inclement weather may exert an effect on the performance of the Oriental Land Group by decreasing the number of guests.

#### (Influence of Natural Disasters)

Due to the concentration of Oriental Land Group's business infrastructure in Maihama, a disaster in the Maihama area could lead to adverse effects. Although the Company has given sufficient consideration to disaster resistance at all Tokyo Disney Resort facilities, there is a possibility that in the event of a disaster the damage caused to facilities and public transportation and the likely drop in consumer confidence would lead to a temporary decrease in the number of guests, adversely affecting performance.

#### 4. Interim Consolidated Financial Statements

##### (1) Interim Consolidated Balance Sheets

(Millions of Yen)

Items	Interim 2005 ( at Sept. 30, 2004)		Interim 2004 ( at Sept. 30, 2003)		Increase(decrease) from previous period		Fiscal 2004 ( at March 31, 2004)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
. Current assets								
1. Cash and time deposits	37,926		18,906		19,019		21,420	
2. Trade notes and receivables	8,149		7,998		150		10,316	
3. Marketable securities	14,901		31,265		(16,364)		32,487	
4. Inventories	8,149		8,280		(130)		6,490	
5. Others	8,919		9,192		(273)		8,467	
6. Allowance for doubtful receivables	(0)		—		(0)		(0)	
Total current assets	78,045	12.3	75,644	11.6	2,401	3.2	79,182	12.1
. Fixed assets								
(1) Property and equipment								
1. Buildings and structures	321,434		330,428		(8,993)		326,494	
2. Machinery and delivery equipment	78,039		84,638		(6,599)		79,333	
3. Land	77,053		70,636		6,416		77,023	
4. Construction in progress	11,308		5,441		5,867		10,865	
5. Others	22,562		26,447		(3,884)		24,683	
Total property and equipment	510,399	80.1	517,592	79.6	(7,193)	(1.4)	518,400	79.2
(2) Intangible fixed assets								
1. Goodwill	2,288		2,418		(130)		2,353	
2. Others	9,920		13,101		(3,181)		11,303	
Total intangible fixed assets	12,208	1.9	15,520	2.4	(3,311)	(21.3)	13,657	2.1
(3) Investments and other assets								
1. Others	36,798		41,341		(4,543)		42,892	
2. Allowance for doubtful receivables	(215)		(215)		(0)		(215)	
Total investments and other assets	36,582	5.7	41,126	6.3	(4,543)	(11.0)	42,677	6.5
Total fixed assets	559,190	87.7	574,239	88.3	(15,048)	(2.6)	574,734	87.8
. Deferred assets	261	0.0	756	0.1	(494)	(65.4)	508	0.1
Total assets	637,498	100.0	650,640	100.0	(13,142)	(2.0)	654,424	100.0

(Millions of Yen)

Items	Interim 2005 ( at Sept. 30, 2004)		Interim 2004 ( at Sept. 30, 2003)		Increase(decrease) from previous period		Fiscal 2004 ( at March 31, 2004)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>LIABILITIES</b>								
. Current liabilities								
1. Notes and accounts payable	12,826		13,083		(256)		14,598	
2. Current portion of bonds	10,000		20,000		(10,000)		20,000	
3. Current portion of long-term debt	13,500		25,400		(11,900)		21,500	
4. Accrued income taxes	4,647		7,741		(3,093)		8,186	
5. Others	38,190		34,867		3,323		40,874	
Total current liabilities	79,164	12.4	101,091	15.5	(21,927)	(21.7)	105,159	16.1
. Long-term liabilities								
1. Bonds	150,000		140,000		10,000		140,000	
2. Long-term debt	3,800		17,300		(13,500)		8,200	
3. Reserve for employee retirement benefits	2,055		1,992		63		1,989	
4. Retirement allowances for directors	515		432		83		473	
5. Others	22,741		24,241		(1,499)		24,736	
Total long-term liabilities	179,112	28.1	183,965	28.3	(4,852)	(2.6)	175,399	26.8
Total liabilities	258,277	40.5	285,057	43.8	(26,780)	(9.4)	280,559	42.9
<b>MINORITY INTERESTS</b>								
Minority interests	108	0.0	99	0.0	9	9.8	106	0.0
<b>STOCKHOLDERS' EQUITY</b>								
. Common stock	63,201	9.9	63,201	9.7	—	—	63,201	9.7
. Capital surplus	111,403	17.5	111,403	17.1	—	—	111,403	17.0
. Earned surplus	201,955	31.7	189,249	29.1	12,706	6.7	196,354	30.0
. Net unrealized holding gain on securities	2,562	0.4	1,638	0.3	923	56.4	2,808	0.4
. Treasury stock	(9)	(0.0)	(8)	(0.0)	(1)	—	(8)	(0.0)
Total stockholders' equity	379,112	59.5	365,483	56.2	13,628	3.7	373,759	57.1
Total liabilities, minority interests and stockholders' equity	637,498	100.0	650,640	100.0	(13,142)	(2.0)	654,424	100.0

## (2) Interim Consolidated Statements of Income

(Millions of Yen)

Items	Interim 2005 〔 April 1, 2004 to Sept. 30, 2004 〕		Interim 2004 〔 April 1, 2003 to Sept. 30, 2003 〕		Increase (decrease) from previous period		Fiscal 2004 〔 April 1, 2003 to March 31, 2004 〕	
	Amount	%	Amount	%	Amount	%	Amount	%
	. Revenues	157,197	100.0	163,327	100.0	(6,129)	(3.8)	336,516
. Cost of Revenues	127,772	81.3	129,224	79.1	(1,451)	(1.1)	267,481	79.5
Gross Profit	29,424	18.7	34,102	20.9	(4,678)	(13.7)	69,035	20.5
. Selling, general and administrative expenses	15,128	9.6	14,216	8.7	912	6.4	30,270	9.0
Operating income	14,296	9.1	19,886	12.2	(5,590)	(28.1)	38,765	11.5
. Nonoperating income								
1. Interest income	113		142		(28)		181	
2. Dividend income	100		13		87		27	
3. Equity in earnings of affiliates	—		54		(54)		—	
4. Insurance received and insurance dividends	293		295		(1)		458	
5. Gain from leasing investment	1,429		125		1,304		259	
6. Others	477		441		35		924	
Total nonoperating income	2,415	1.5	1,072	0.6	1,343	125.2	1,851	0.6
. Nonoperating expenses								
1. Interest expenses	1,939		2,086		(147)		4,087	
2. Equity in losses of affiliates	255		—		255		226	
3. Others	1,013		997		16		1,929	
Total nonoperating expenses	3,208	2.0	3,083	1.9	124	4.0	6,243	1.9
Ordinary income	13,503	8.6	17,875	10.9	(4,371)	(24.5)	34,372	10.2
. Extraordinary loss								
1. Loss on disposal of fixed assets	—		—		—		914	
2. Equity in losses of affiliates	645		—		645		—	
Total extraordinary loss	645	0.4	—	—	645	-	914	0.3
Income before income taxes	12,858	8.2	17,875	10.9	(5,016)	(28.1)	33,458	9.9
Income, residential and enterprises taxes	5,122	3.3	8,405	5.1	(3,283)	(39.1)	16,352	4.9
Adjustment for income taxes	546	0.3	(560)	(0.3)	1,106	-	(1,438)	(0.5)
Minority gain (loss)	2	0.0	6	0.0	(3)	(63.4)	13	0.0
Net income	7,187	4.6	10,023	6.1	(2,835)	(28.3)	18,530	5.5

## (3) Interim Consolidated Statements of Retained Earnings

(Millions of Yen)

Items	Interim 2005 〔 April 1, 2004 to Sept. 30, 2004 〕	Interim 2004 〔 April 1, 2003 to Sept. 30, 2003 〕	Increase (decrease) from previous period	Fiscal 2004 〔 April 1, 2003 to March 31, 2004 〕
	Amount	Amount	Amount	Amount
<b>CAPITAL SURPLUS</b>				
. 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	196,354	180,512	15,842	180,512
. Increases in earned surplus				
1 . Net income	7,187	10,023	(2,835)	18,530
	7,187	10,023	(2,835)	18,530
. Decreases in earned surplus				
1 . Dividends	1,501	1,201	300	2,603
2 . Bonuses to directors	85	85	—	85
[Bonuses to corporate auditors included in above]	( 6 )	( 6 )	( — )	( 6 )
Total decreases in earned surplus	1,586	1,286	300	2,688
. Earned surplus at end of period	201,955	189,249	12,706	196,354

## (4) Interim Consolidated Statements of Cash Flows

(Millions of Yen)

Items	Interim 2005	Interim 2004	Increase (decrease) from previous period	Fiscal 2004
	(April 1, 2004 to Sept. 30, 2004)	(April 1, 2003 to Sept. 30, 2003)		(April 1, 2003 to March 31, 2004)
	Amount	Amount	Amount	Amount
. Cash flows from operating activities				
1. Income before income taxes	12,858	17,875	(5,016)	33,458
2. Depreciation and amortization, aggregate	22,181	22,954	(772)	45,981
3. Amortization of goodwill	65	65	—	130
4. Decrease in allowances	107	(72)	179	(33)
5. Interest and dividends income	(214)	(155)	(58)	(209)
6. Interest expenses	1,939	2,086	(147)	4,087
7. Exchange (gain) loss	(34)	37	(71)	68
8. Gain from sales of property and equipment	—	—	—	914
9. Equity in losses (earnings) of affiliates	901	(54)	955	226
10. Decrease in trade receivables	2,354	2,534	(179)	113
11. (Increase) Decrease in inventories	(1,575)	(1,122)	(453)	1,257
12. (Decrease) in trade payables	(1,019)	(1,119)	99	(320)
13. (Decrease) in consumption taxes	(1,026)	(5,950)	4,924	(5,981)
14. Others	(3,343)	141	(3,484)	4,435
Total adjustments	33,193	37,220	(4,026)	84,128
15. Interest and dividends received	222	157	64	213
16. Interest paid	(1,975)	(2,307)	332	(4,365)
17. Income taxes paid	(8,660)	(11,262)	2,601	(18,764)
Net cash provided by operating activities	22,780	23,808	(1,027)	61,213
. Cash flows from investing activities				
1. Addition to marketable securities	(4,199)	(18,854)	14,655	(28,911)
2. Proceeds from sales of marketable securities	4,000	4,000	—	4,000
3. Proceeds from maturity of marketable securities	15,784	7,803	7,980	20,850
4. Acquisition of fixed assets	(11,910)	(5,821)	(6,089)	(24,698)
5. Proceeds from sales of fixed assets	18	5	12	8
6. Addition to investment securities	(3,034)	(4,506)	1,471	(8,334)
7. Proceeds from maturity of investment securities	6,017	2,927	3,090	3,642
8. Lending of loans	(0)	(2,000)	1,999	(2,002)
9. Proceeds from collection of loans	5	6	(0)	2,014
10. Others	(383)	(894)	510	(1,110)
Net cash provided by (used in) investing activities	6,297	(17,332)	23,630	(34,540)
. Cash flows from financing activities				
1. Repayment of long-term debt	(12,400)	(13,000)	600	(26,000)
2. Increase of bonds	19,998	—	19,998	—
3. Redemption of bonds	(20,000)	(30,000)	10,000	(30,000)
4. Dividends paid	(1,491)	(1,197)	(294)	(2,587)
5. Others	(709)	(59)	(649)	(639)
Net cash used in financing activities	(14,602)	(44,257)	29,654	(59,226)
. Effect of exchange rate changes on cash and cash equivalents	33	6	27	(7)
. Net decrease in cash and cash equivalents	14,508	(37,775)	52,283	(32,561)
. Cash and cash equivalents at beginning of period	29,619	62,181	(32,561)	62,181
. Cash and cash equivalents at end of period	44,127	24,405	19,722	29,619

# Nonconsolidated Financial Statements for the Six Months Ended September 30, 2004

November 5, 2004

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 and Representative Director

Contact: Kenjiro Mizushima, Director, Finance/Accounting Division

Stock exchange listing: Tokyo

Code number: 4661

Board of Directors meeting: November 5, 2004

Start of payment of interim dividend: December 7, 2004

Interim dividend system: Yes

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

## 1. Results for the Six Months Ended September 30, 2004 (April 1, 2004-September 30, 2004)

### (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 9/2004	129,174	(4.8)	10,700	(30.6)	16,151	(7.8)
6 months ended 9/2003	135,650	1.4	15,420	10.8	17,516	33.5
Fiscal 2004	276,898		29,191		29,680	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)
6 months ended 9/2004	11,280	(2.4)	112.67
6 months ended 9/2003	11,559	50.3	115.46
Fiscal 2004	18,036		179.30

Notes:

1. Average number of shares outstanding: Six months ended Sept. 30, 2004: 100,121,182 shares;

Six months ended Sept. 30, 2003: 100,121,627 shares; Year ended March 31, 2004: 100,121,481 shares

2. Changes in accounting methods: None

3. 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 9/2004	15.00	—
6 months ended 9/2003	14.00	—
Fiscal 2004	—	29.00

### (3) Financial Position

	Total assets (¥ million)	Stockholders' equity (¥ million)	Stockholders' equity/ total assets (%)	Stockholders' equity per share (¥)
As of Sept. 30, 2004	629,765	383,672	60.9	3,832.08
As of Sept. 30, 2003	641,845	367,981	57.3	3,675.36
As of March 31, 2004	645,578	374,225	58.0	3,736.87

Notes:

1. Number of shares outstanding at end of period: Six months ended Sept. 30, 2004: 100,121,126 shares;

Six months ended Sept. 30, 2003: 100,121,379 shares; Year ended March 31, 2004: 100,121,324 shares

2. Number of shares of treasury stock at end of period: Six months ended Sept. 30, 2004: 1,414 shares;

Six months ended Sept. 30, 2003: 1,161 shares; Year ended March 31, 2004: 1,216 shares

## 2. Projected Results for Fiscal 2005 (April 1, 2004-March 31, 2005)

	Revenues (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)	
				Year-end	
Fiscal 2005	274,800	33,200	21,300	15.00	30.00

Reference: Estimated earnings per share (full year): ¥211.89

### 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.

Interim Nonconsolidated Financial Statements

(1) Interim Nonconsolidated Balance Sheets

(Millions of Yen)

Items	Interim 2005 ( at Sept. 30, 2004)		Interim 2004 ( at Sept. 30, 2003)		Increase(decrease) from previous period		Fiscal 2004 ( at March 31, 2004)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
. Current assets								
1. Cash and time deposits	36,183		17,471		18,712		19,892	
2. Trade notes and receivables	5,735		5,710		25		7,658	
3. Marketable securities	14,901		31,265		(16,364)		32,487	
4. Inventories	5,765		6,057		(292)		4,522	
5. Others	9,689		8,473		1,216		7,566	
Total current assets	72,276	11.5	68,978	10.7	3,297	4.8	72,126	11.2
. Fixed assets								
(1) Property and equipment								
1. Buildings	209,508		214,902		(5,394)		212,587	
2. Structures	83,285		86,280		(2,995)		84,939	
3. Machinery and equipment	66,634		72,326		(5,692)		67,932	
4. Land	77,382		70,883		6,498		77,352	
5. Construction in progress	5,254		4,887		366		8,695	
6. Others	25,099		28,615		(3,515)		26,534	
Total property and equipment	467,164	74.2	477,896	74.5	(10,732)	(2.2)	478,042	74.0
(2) Intangible fixed assets	9,536	1.5	12,766	2.0	(3,229)	(25.3)	10,980	1.7
(3) Investments and other assets								
1. Long-term loans to affiliated companies	37,006		34,605		2,401		34,945	
2. Investments and other assets	43,992		47,814		(3,821)		49,696	
3. Allowance for doubtful receivables	(212)		(215)		2		(212)	
Total investments and other assets	80,786	12.8	82,204	12.8	(1,417)	(1.7)	84,429	13.1
Total fixed assets	557,487	88.5	572,867	89.3	(15,379)	(2.7)	573,451	88.8
. Deferred assets	1	0.0	—	—	1	-	—	—
Total assets	629,765	100.0	641,845	100.0	(12,079)	(1.9)	645,578	100.0

( Millions of Yen )

Items	Interim 2005 ( at Sept. 30, 2004 )		Interim 2004 ( at Sept. 30, 2003 )		Increase(decrease) from previous period		Fiscal 2004 ( at March 31, 2004 )	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>LIABILITIES</b>								
. Current liabilities								
1. Notes and accounts payable	10,617		10,946		(328)		12,315	
2. Current portion of bonds	10,000		20,000		(10,000)		20,000	
3. Current portion of long-term debt	13,500		25,400		(11,900)		21,500	
4. Accrued income taxes	2,998		5,791		(2,793)		5,497	
5. Others	33,962		31,766		2,196		40,685	
Total current liabilities	71,078	11.3	93,904	14.7	(22,825)	(24.3)	99,998	15.5
. Long-term liabilities								
1. Bonds	150,000		140,000		10,000		140,000	
2. Long-term debt	3,800		17,300		(13,500)		8,200	
3. Reserve for employee retirement benefits	1,671		1,706		(34)		1,688	
4. Retirement allowances for directors	515		432		83		473	
5. Others	19,027		20,521		(1,493)		20,992	
Total long-term liabilities	175,015	27.8	179,960	28.0	(4,945)	(2.7)	171,354	26.5
Total liabilities	246,093	39.1	273,864	42.7	(27,770)	(10.1)	271,352	42.0
<b>STOCKHOLDERS' EQUITY</b>								
. Common stock	63,201	10.0	63,201	9.8	—	—	63,201	9.8
. Capital surplus								
1. Additional paid-in capital	111,403		111,403		—		111,403	
Total capital surplus	111,403	17.7	111,403	17.3	—	—	111,403	17.3
. Earned surplus								
1. Legal reserve	1,142		1,142		—		1,142	
2. Voluntary reserve	191,200		176,200		15,000		176,200	
3. Unappropriated retained earnings	14,174		14,404		(230)		19,480	
Total earned surplus	206,516	32.8	191,747	29.9	14,769	7.7	196,822	30.5
. Net unrealized holding gain on securities	2,561	0.4	1,638	0.3	923	56.3	2,807	0.4
. Treasury stock	(9)	(0.0)	(8)	(0.0)	(1)	—	(8)	(0.0)
Total stockholders' equity	383,672	60.9	367,981	57.3	15,690	4.3	374,225	58.0
Total liabilities and stockholders' equity	629,765	100.0	641,845	100.0	(12,079)	(1.9)	645,578	100.0

## (2) Interim Nonconsolidated Statements of Income

( Millions of Yen )

Items	Interim 2005 〔 April 1, 2004 to Sept. 30, 2004 〕		Interim 2004 〔 April 1, 2003 to Sept. 30, 2003 〕		Increase (decrease) from previous period		Fiscal 2004 〔 April 1, 2003 to March 31, 2004 〕	
	Amount	%	Amount	%	Amount	%	Amount	%
	. Revenues	129,174	100.0	135,650	100.0	(6,476)	(4.8)	276,898
. Operating expenses								
(1) Cost of revenues	111,753	86.5	113,414	83.6	(1,661)	(1.5)	233,893	84.5
Gross Profit	17,421	13.5	22,235	16.4	(4,814)	(21.7)	43,004	15.5
(2) General and administrative expenses	6,720	5.2	6,815	5.0	(94)	(1.4)	13,812	5.0
Operating income	10,700	8.3	15,420	11.4	(4,719)	(30.6)	29,191	10.5
. Nonoperating income	7,955	6.1	4,739	3.5	3,216	67.9	5,599	2.0
. Nonoperating expenses	2,504	1.9	2,642	2.0	(138)	(5.2)	5,110	1.8
Ordinary income	16,151	12.5	17,516	12.9	(1,365)	(7.8)	29,680	10.7
. Extraordinary loss	803	0.6	—	-	803	—	914	0.3
Income before income taxes	15,347	11.9	17,516	12.9	(2,168)	(12.4)	28,765	10.4
Income, residential and enterprises taxes	3,611	2.8	6,531	4.8	(2,920)	(44.7)	12,035	4.4
Adjustment for income taxes	456	0.4	(574)	(0.4)	1,030	—	(1,306)	(0.5)
Net income	11,280	8.7	11,559	8.5	(278)	(2.4)	18,036	6.5
Retained earnings brought forward	2,893		2,844		48		2,844	
Interim dividends	—		—		—		1,401	
Unappropriated retained earnings	14,174		14,404		(230)		19,480	