

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2007

May 8, 2007

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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Representative: Yoshiro Fukushima, President and Representative Director

Contact: Akiyoshi Yokota, Director, Finance/Accounting Division

Annual General Meeting of Stockholders (scheduled): June 28, 2007

Start of distribution of dividends (scheduled): June 29, 2007

 Filing of Securities Report (*Yuka Shoken Hokokusho*) (scheduled): June 28, 2007

Stock exchange listing:

Tokyo

Code number:

4661

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

1. Consolidated Results for the Fiscal Year Ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(1) Revenues and Income

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

	Revenues (¥ million)	Year-on-year change (%)	Operating Income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal 2007	344,082	3.4	34,110	11.5	30,187	13.1
Fiscal 2006	332,885	0.5	30,604	(11.4)	26,686	(13.5)

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Operating income/total revenues (%)
Fiscal 2007	16,309	3.9	171.46	—	4.3	4.3	9.9
Fiscal 2006	15,703	(8.8)	162.73	—	4.1	3.9	9.2

(Reference) Equity in earnings (loss) of affiliates: Fiscal 2007: ¥(1) million (Fiscal 2006: ¥79 million)

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
Fiscal 2007	699,772	385,000	55.0	4,046.03
Fiscal 2006	718,865	375,832	52.3	3,950.49

(Reference) Equity capital: Fiscal 2007: ¥384,859 million (Fiscal 2006: ¥ — million)

(3) Cash Flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash and cash equivalents at the end of the period (¥ million)
Fiscal 2007	66,503	(67,919)	(36,038)	46,878
Fiscal 2006	59,169	(63,587)	30,158	84,328

2. Dividends

	Dividends per share (¥)			Total dividends paid (full year)	Payout ratio (%)	Dividends/net assets (%)
	Interim	Year-end	Full year			
Fiscal 2007	20.00	25.00	45.00	4,280	27.7	1.1
Fiscal 2006	25.00	30.00	55.00	5,231	32.1	1.4
Fiscal 2008 (est.)	25.00	30.00	55.00	—	35.7	—

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

(Percentages represent change compared to the previous interim period or fiscal year, as applicable)

	Revenues		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Interim Fiscal 2008	162,090	1.0	12,380	4.7	10,300	4.2	5,940	11.2	62.45
Fiscal 2008 (Full year)	342,160	(0.6)	28,990	(15.0)	24,690	(18.2)	14,650	(10.2)	154.02

4. Other

- (1) Changes in Scope of Consolidation and Application of Equity Method: No
- (2) Changes in Accounting Rules, Procedures, Presentation Method, etc. for the Consolidated Financial Statements
 (a) Changes in consolidated accounting methods: Yes
 (b) Changes other than (a) above: No
- (3) Number of shares issued and outstanding (common stock)
 (a) Number of shares at end of period (including treasury stock): Fiscal 2007: 100,122,540 shares, Fiscal 2006: 100,122,540 shares
 (b) Treasury stock at end of period: Fiscal 2007: 5,002,303 shares, Fiscal 2006: 5,001,951 shares

(Reference) Summary of Nonconsolidated Results

1. Nonconsolidated Results for the Fiscal Year Ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(1) Revenues and Income

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

	Revenues (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal 2007	284,528	4.6	29,005	22.1	26,675	6.9
Fiscal 2006	272,039	0.2	23,754	(13.0)	24,950	(18.9)

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Fiscal 2007	14,790	(11.3)	155.50	—
Fiscal 2006	16,680	(15.8)	172.89	—

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
Fiscal 2007	694,918	387,144	55.7	4,070.05
Fiscal 2006	715,629	379,620	53.0	3,990.31

(Reference) Equity capital: Fiscal 2007: ¥387,144 million (Fiscal 2006: ¥— million)

2. Projected Nonconsolidated Results for the Fiscal Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

(Percentages represent change compared to the previous interim period or fiscal year, as applicable.)

	Revenues		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Interim Fiscal 2008	133,490	0.9	10,640	10.2	9,860	6.9	6,310	9.9	66.34
Fiscal 2008 (Full year)	282,030	(0.9)	24,900	(14.2)	21,740	(18.5)	13,380	(9.5)	140.66

Note: 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. Business Results

(1) Analysis of Business Results

A. Summary of Consolidated Results for the Fiscal Year Ended March 31, 2007

(Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2006	Increase (decrease)	Change from previous period (%)
Revenues	344,082	332,885	11,197	3.4
Operating Income	34,110	30,604	3,506	11.5
Ordinary Income	30,187	26,686	3,500	13.1
Net Income	16,309	15,703	605	3.9

In the year ended March 31, 2007, a steady upturn was visible in the Japanese economy against the backdrop of improved corporate earnings, increased capital investment and rising exports, and employment conditions continued to improve. However, weak consumer spending moderated the economic recovery trend.

The leisure industry saw robust conditions, including new openings and announcement of planned construction of large-scale commercial facilities and expansion of business in the areas of healing and health, as well as the opening of luxury hotels in the Tokyo metropolitan area. In addition, leisure became more diversified, as illustrated by the diffusion of games for families and portable games that also target adults, as the range of styles in which people enjoy leisure time broadened.

In these conditions, the Oriental Land Group continued to offer dreams, moving experiences, enjoyment and contentment in its “Fill Your Heart with Energy and Happiness” business domain. In the Theme Park Segment, the Group’s core business, in addition to holding the Tokyo DisneySea 5th Anniversary and introducing the new attraction “Tower of Terror,” we carried out new initiatives to respond to the diversifying values of our guests as we worked to increase attendance at the two theme parks.

As a result, revenues for the fiscal year were ¥344,082 million (up 3.4 percent compared with the previous fiscal year), operating income was ¥34,110 million (up 11.5 percent), ordinary income was ¥30,187 million (up 13.1 percent) and net income was ¥16,309 million (up 3.9 percent).

B. Analysis of Consolidated Results for the Fiscal Year Ended March 31, 2007

[Revenues]

Revenues increased as a result of the strong performance of the Theme Park Segment.

In the Theme Park Segment, total attendance and revenues per guest both increased over the previous fiscal year, and revenues also rose at the Tokyo DisneySea Hotel MiraCosta. Although Retail Business Segment revenues decreased, in the Other Business Segment, the occupancy rate at the Palm & Fountain Terrace Hotel was substantially higher than in the previous fiscal year. As a result, total revenues were ¥344,082 million (up 3.4 percent compared with the previous fiscal year).

[Operating Income]

Operating income increased with higher revenues and efforts to contain expenses.

In addition to the increase in revenues, we worked to contain production costs of entertainment shows as well as other expenses in the Theme Park Segment. In the Other Business Segment, animation production expenses generated in the previous fiscal year were not generated in the fiscal year under review. As a result, operating income was ¥34,110 million (up 11.5 percent).

[Ordinary Income]

Operating income increased and nonoperating income and expenses remained basically unchanged from the previous fiscal year. As a result, ordinary income was ¥30,187 million (up 13.1 percent).

[Net Income]

The Retail Business Segment generated expenses for closing unprofitable stores and related to the liquidation of merchandise inventory. In addition, as a result of posting a loss on revaluation of investment securities, extraordinary loss totaled ¥1,505 million (up 530.1 percent). However, because of the increase in ordinary income, net income was ¥16,309 million (up 3.9 percent).

C. Summary of Results by Segment

(Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2006	Increase (decrease)	Change from previous period (%)
Revenues	344,082	332,885	11,197	3.4
Theme Parks	289,148	276,281	12,866	4.7
Commercial Facilities	23,177	22,765	412	1.8
Retail Business	17,858	21,466	(3,607)	(16.8)
Other Businesses	13,898	12,372	1,526	12.3
Operating Income (loss)	34,110	30,604	3,506	11.5
Theme Parks	31,496	26,294	5,202	19.8
Commercial Facilities	1,036	1,989	(953)	(47.9)
Retail Business	(1,019)	930	(1,949)	—
Other Businesses	2,323	1,173	1,149	98.0
Eliminations and Corporate	274	217	57	26.4
Ordinary Income	30,187	26,686	3,500	13.1
Net Income	16,309	15,703	605	3.9

[Theme Park Segment]: Tokyo Disneyland, Tokyo DisneySea, Tokyo DisneySea Hotel MiraCosta and others
Events commemorating the Tokyo DisneySea 5th Anniversary, the introduction of a new attraction and contain of expenses resulted in increases in revenues and income.

Revenues ¥289,148 million (up 4.7%)

At Tokyo Disneyland, in April 2006 we began offering “Lilo & Stitch’s Big Panic – ‘Find Stitch!’,” a special event based on the Disney movie *Lilo & Stitch*, and various seasonal events, which were enjoyed by many guests. At Tokyo DisneySea, the Tokyo DisneySea 5th Anniversary that started in July, and “Tower of Terror,” a new attraction that opened in September, were very popular among guests. In addition, with the help of a record-warm winter, attendance at the two theme parks totaled 25,816 thousand (up 4.2 percent compared with the previous fiscal year), the highest total ever. In November, cumulative attendance at the two theme parks reached 400 million guests.

Revenues per guest at the theme parks were ¥9,309 (up 1.0 percent). Ticket revenues increased compared with the previous fiscal year due to a ticket price revision in September. Merchandise sales revenues were basically unchanged from the previous fiscal year. In food and beverage sales, we implemented various measures including renewals of food and beverage facilities. However, due to the decrease in beverage revenues because of lower temperatures during the summer period and other factors, revenues from food and beverage sales decreased.

We also initiated new measures to respond to the diversifying values of our guests. At the two theme parks, “Club Disney,” a special program in which guests can enjoy rhythm and dance, was held during special evening operating hours after the parks closed for a total of six days, and enjoyed by many guests. In addition, we held the “Flower & Tree Tour,” in which a specialized cast provides guided tours of the plantings inside the park, at Tokyo Disneyland, and a limited-time seminar program at Tokyo DisneySea that offered guests the opportunity to sip alcohol while learning about its history.

At Tokyo DisneySea Hotel MiraCosta, we built new “balcony rooms” from which guests can enjoy the view of Tokyo DisneySea. Commemorating the 5th anniversary of its opening together with Tokyo DisneySea, the hotel implemented various programs, including special menus at its restaurants and limited-edition 5th Anniversary room amenities in guest rooms. As a result, the occupancy rate was higher than in the previous fiscal year.

Operating Income ¥31,496 million (up 19.8%)

In addition to the increase in revenues, there were increases in expenses related to facility renovations associated with scrapping theme park facilities and outsourcing expenses associated with the relocation of our call center. At the same time, we worked to contain expenses such as entertainment show production costs while maintaining park quality. As a result, operating income increased substantially.

[Commercial Facilities Segment]: IKSPIARI, Disney Ambassador Hotel and others

Despite higher revenues, income decreased due to a complete renovation of the Disney Ambassador Hotel.

Revenues ¥23,177 million (up 1.8%)

At IKSPIARI, we held events aimed at generating synergy between the movies playing in Cinema IKSPIARI and the shops and restaurants in IKSPIARI. We also held various seasonal events, such as “Piari Christmas.”

At the Disney Ambassador Hotel, a full renovation of guest rooms and elsewhere was carried out from April through July. However, we aggressively conducted events tied to special events at Tokyo Disneyland and exclusive programs for overnight guests, and the occupancy rate was basically the same as the previous fiscal year.

Operating Income ¥1,036 million (down 47.9%)

Operating income decreased because of costs generated by the complete renovation of the Disney Ambassador Hotel and other factors.

[Retail Business Segment]: Disney Store

Revenues and income continued their decline from the previous fiscal year, but we began sweeping improvements aimed at an early recovery.

Revenues ¥17,858 million (down 16.8%)

At Disney Stores, we made efforts to boost sales, including developing tie-in merchandise coinciding with the release of Disney movies, and opening new stores. However, although we tried to halt the decline in the number of store customers, revenues declined from the previous fiscal year.

Operating Loss ¥1,019 million (down ¥1,949 million from the previous fiscal year)

Along with the decrease in revenues, operating income declined substantially compared with the previous fiscal year. To quickly improve this situation, we began sweeping improvements in December in cooperation with corporate turnaround support firm Revamp Corp. While reviewing merchandise initiatives and promoting work reforms at stores, as part of our organizational culture reforms, we consolidated the organization and revised conferring bodies. In addition, as part of cost structure reforms, we rightsized the head office, reduced distribution costs and closed unprofitable stores. Unprofitable store closure costs, expenses related to liquidation of merchandise inventory, head office floor downsizing expenses and other expenses were accounted for as extraordinary losses.

[Other Business Segment]: Palm & Fountain Terrace Hotel, Disney Resort Line and others

The occupancy rate at the Palm & Fountain Terrace Hotel increased substantially, contributing to results.

Revenues ¥13,898 million (up 12.3%)

In the hotel business, we conducted aggressive PR activities for the Palm & Fountain Terrace Hotel aimed at further expanding its recognition using magazines, television and other media. In addition, we worked to expand our sales channels, including travel agents and Internet-based agents. As a result of these activities, the occupancy rate was substantially higher than in the previous fiscal year.

In the monorail business, the Disney Resort Line continued to draw many guests visiting Tokyo Disney Resort. In December, the 100 millionth guest used the Disney Resort Line.

Operating Income ¥2,323 million (up 98.0%)

Operating income increased substantially due to factors including an increase in room charges at the Palm & Fountain Terrace Hotel and the absence of animation production expenses in the intellectual property business that occurred in the previous fiscal year.

D. Forecast for the Fiscal Year Ending March 31, 2008

(Millions of yen)

	Forecast for the year ending March 31, 2008	Results for the year ended March 31, 2007	Increase (decrease)	Change from previous period (%)
Revenues	342,160	344,082	(1,922)	(0.6)
Theme Parks	285,830	289,148	(3,318)	(1.1)
Commercial Facilities	23,600	23,177	422	1.8
Retail Business	16,770	17,858	(1,088)	(6.1)
Other Businesses	15,960	13,898	2,061	14.8
Operating Income	28,990	34,110	(5,120)	(15.0)
Theme Parks	26,900	31,496	(4,596)	(14.6)
Commercial Facilities	1,240	1,036	203	19.7
Retail Business	(450)	(1,019)	569	—
Other Businesses	1,090	2,323	(1,233)	(53.1)
Eliminations and Corporate	210	274	(64)	(23.5)
Ordinary Income	24,690	30,187	(5,497)	(18.2)
Net Income	14,650	16,309	(1,659)	(10.2)

[Theme Park Segment]: Tokyo Disneyland, Tokyo DisneySea, Tokyo DisneySea Hotel MiraCosta and others
Decreases in revenues and income are forecast due to factors including a decline in attendance and an increase in depreciation expenses following tax system revisions.

Revenues ¥285,830 million (down 1.1%)

At the two theme parks, the new attraction will run for the full year and we will also renovate existing attractions to offer new appeal for guests. At Tokyo Disneyland, we will renovate “Space Mountain” in April and “Pirates of the Caribbean” in July. At Tokyo DisneySea, “Tower of Terror,” which opened in September 2006, will run for the full year, and “Sindbad’s Storybook Voyage” reopened in March 2007 following a renovation. In addition, as always, the two theme parks will hold a variety of special events. However, because it will be the year following the Tokyo DisneySea 5th Anniversary, total attendance at the two theme parks is forecast to be 25,400 thousand, down 1.6 percent from the fiscal year ended March 2007.

Revenues per guest at the theme parks are expected to be ¥9,380 (up 0.8 percent). Ticket revenues are expected to increase due to the continuing effect of the ticket price revisions made in September 2006. Although we will implement various measures including offering an original fashion brand, “D’ 24,” merchandise sales revenues are expected to decrease due to the renovation of Tokyo Disneyland merchandise shops. Revenues from food and beverage sales are expected to increase marginally as restaurants and food wagons will continue to offer menus and services tied in with park events.

Tokyo DisneySea Hotel MiraCosta plans to conduct events linked to special events at Tokyo DisneySea and offer special restaurant menus, as well as various other programs. However, the hotel will carry out a full renovation of guest rooms from January through March 2008, which will likely result in a lower occupancy rate than in the fiscal year ended March 2007.

Operating Income ¥26,900 million (down 14.6%)

In addition to the decrease in revenues, depreciation expenses will increase with tax system revisions, and other expenses will also increase, including attraction development expenses and expenses for the full renovation of Tokyo DisneySea Hotel MiraCosta. Therefore operating income is expected to decrease.

[Commercial Facilities Segment]: IKSPIARI, Disney Ambassador Hotel and others

Revenues and income are forecast to increase, with strong performance at both IKSPIARI and the Disney Ambassador Hotel.

Revenues ¥23,600 million (up 1.8%)

At IKSPIARI, we will replace tenants to match guest needs and will carry out seasonal events unique to IKSPIARI.

At the Disney Ambassador Hotel, we will continue to conduct special programs linked with theme park events and offer special menus. The occupancy rate is expected to increase because of the absence of the full renovations made in the fiscal year ended March 2007.

Operating Income ¥1,240 million (up 19.7%)

In addition to the increase in revenues, renovation expenses for the Disney Ambassador Hotel in the fiscal year ended March 2007 will not occur in the next fiscal year, and therefore operating income is projected to increase.

[Retail Business Segment]: Disney Store

We will steadily execute sweeping improvement measures, and expect revenues to increase from the second half of the period.

Revenues ¥16,770 million (down 6.1%)

At Disney Stores, we will implement aggressive merchandising and sales promotions. For example, we will introduce merchandise tied in with Disney movies and television programs to present Disney's world view. Disney Stores will also actively collaborate with Tokyo Disney Resort to expand sales through group synergy. In addition, we will introduce merchandise commemorating the 15th anniversary of the opening of the first Disney Store and simple merchandise for adults to develop products matching customer needs. Moreover, we will implement new measures to strengthen membership recruitment for "Fantamiliar," our loyal customer program, and will enhance our strong-performing e-commerce business. However, we plan to close several unprofitable stores in the next fiscal year, and because the number of stores will decrease temporarily, revenues are expected to be lower than in the fiscal year ended March 2007.

Operating Loss ¥450 million (decrease in loss of ¥569 million)

We will continue reforming our cost structure in the next fiscal year. As a result, the cost of merchandise ratio and SG&A expense ratio are expected to improve, leading to a decrease in the operating loss. We aim for this segment to return to profitability in the year ending March 31, 2009 and to achieve an operating margin of 4 percent in the fiscal year ending March 2011.

[Other Business Segment]: Palm & Fountain Terrace Hotel, Disney Resort Line and others

Despite an increase in revenues due to a fare revision in the monorail business and developments in other businesses, profits are expected to decrease because of new facility development costs.

Revenues ¥15,960 million (up 14.8%)

In the hotel business, the Palm & Fountain Terrace Hotel will conduct PR activities in conjunction with theme park promotions, as well as various other sales activities in the next fiscal year. However, the occupancy rate is projected to be slightly below the level of the fiscal year ended March 2007.

In the monorail business, the fare revision implemented in April is expected to contribute to results of the Disney Resort Line. In other businesses, we expect to open more food and beverage facilities and increase revenues from our landscaping and groundskeeping business.

Operating Income ¥1,090 million (down 53.1%)

Despite the increase in revenues, we will incur expenses including development costs for the Tokyo Disneyland Hotel and a dedicated theater for Cirque du Soleil, which are due to open in the year ending March 2009. As a result, operating income is projected to decrease.

(2) Analysis of Financial Position (Consolidated)

A. Assets, Liabilities and Net Assets

[Assets]

Total assets as of March 31, 2007 were ¥699,772 million (down 2.7 percent compared with the end of the previous fiscal year).

Current assets were ¥103,725 million (down 23.2 percent), mainly because cash and time deposits decreased with the redemption of the second series of unsecured bonds (¥30,000 million) in June, and other current assets decreased along with a decrease in working capital.

Fixed assets were ¥596,047 million (up 2.1 percent). Despite depreciation of Tokyo Disney Resort facilities, property and equipment increased because of factors including capital investments in Tokyo Disneyland Hotel and other facilities. In addition, investment securities increased with the acquisition of bonds.

[Liabilities]

Total liabilities as of March 31, 2007 were ¥314,771 million (down 8.2 percent compared with the end of the previous fiscal year).

Current liabilities were ¥73,520 million (down 24.1 percent) due to factors including the Company's redemption of the second series of unsecured bonds.

Long-term liabilities were ¥241,251 million (down 2.0 percent) because deferred tax liabilities decreased due to the decline in market value of securities held by the Company.

Interest-bearing debt at the end of the fiscal year totaled ¥235,625 million (down 11.7 percent).

[Net Assets]

Total net assets as of March 31, 2007 were ¥385,000 million (up 2.4 percent compared with the end of the previous fiscal year) due to factors including an increase in earned surplus, despite a decrease in net unrealized holding gains on securities due to a decline in the market value of securities held by the Company. Net worth ratio was 55.0 percent (up 2.7 percentage points).

B. Cash Flows

Cash and cash equivalents as of March 31, 2007 decreased ¥37,450 million from the end of the previous fiscal year to ¥46,878 million, as cash provided by operating activities was used to fund capital investments in Tokyo Disney Resort facilities and to cover redemption of the second series of unsecured bonds.

[Cash Flows from Operating Activities]

In addition to the increase in income before income taxes, inventories decreased and notes and accounts payable increased. As a result, net cash provided by operating activities was ¥66,503 million (up ¥7,334 million compared with the end of the previous fiscal year).

[Cash Flows from Investing Activities]

While proceeds from the redemption and sale of investment assets increased, payments for capital expenditures including new investments in Tokyo Disney Resort facilities, as well as payment for acquisition of investment assets, increased. As a result, net cash used in investing activities was ¥67,919 million (down ¥4,331 million compared with the end of the previous fiscal year).

[Cash Flows from Financing Activities]

Net cash used in financing activities was ¥36,038 million (down ¥66,197 million compared with the end of the previous fiscal year) due to factors including the absence of proceeds from issuing bonds recorded in the previous fiscal year and the redemption of the second series of unsecured bonds.

C. Indicators of Financial Position

	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007
Net worth ratio (%)	51.3	57.1	59.0	52.3	55.0
Net worth ratio on market value basis (%)	79.7	113.2	106.2	90.4	95.3
Debt/equity ratio (%)	74.9	56.0	52.0	71.0	61.2
Interest-bearing debt to cash flow ratio (%)	314.4	341.9	337.9	451.2	354.3
Interest coverage ratio (times)	18.3	14.0	15.4	15.2	15.3

Notes:

- All indicators are calculated from financial figures on a consolidated basis.
- Net worth ratio: Equity capital/Total assets
- Net worth ratio on market value basis: Total market value of stock*/Total assets
* 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.
- Debt/equity ratio: Interest-bearing debt*/ Equity capital
* Interest-bearing debt includes all liabilities stated on the balance sheet on which interest is paid.
- Interest-bearing debt to cash flow ratio: Interest-bearing debt*/Cash flows from operating activities
* Interest-bearing debt: Same as above
- Interest-coverage ratio: Cash flows from operating activities/Interest paid*
* Interest paid is as stated on the consolidated statement of cash flows.

(3) Basic Policy on Distribution of Profit and Dividends for the Fiscal Years Ended March 31, 2007 and Ending March 31, 2008

The OLC Group recognizes that returning profits to its stockholders is an important management policy. In “Innovate OLC 2010,” the medium-term management plan formulated this year for the period from April 2007 through March 2011, we have stated a policy of working for continuous stockholder returns, with a target payout ratio of 35 percent or more of consolidated net income starting in the fiscal year ending March 31, 2008. In addition, we will consider stock repurchases as a way of returning profits to stockholders.

Based on this policy, we will set the year-end dividend for the fiscal year ended March 31, 2007 at ¥30.00 per share. Combined with the interim dividend, this will bring total cash dividends for the fiscal year to ¥55.00 per share (an increase of ¥10.00 from the fiscal year ended March 31, 2006). For the fiscal year ending March 31, 2008, we plan to pay total dividends of ¥55.00 per share. In addition, we plan to retire the 5,000,000 shares of treasury stock we have been holding (about 5 percent of total shares outstanding before the retirement) in June 2007.

(4) Business Risk

The main matters that could exert a material effect on the management results, financial position, stock price and other performance of the OLC Group are as follows.

[Influence of Weather]

In the Theme Park Segment, the OLC Group’s core business, the number of guests to the theme parks is easily influenced by the weather (climate and temperature, etc.). Consequently, an extended period of inclement weather could exert an effect on the performance of the OLC Group by decreasing the number of guests.

[Influence of Natural Disasters]

Due to the concentration of OLC Group’s business infrastructure in Maihama, a disaster in the Maihama area could lead to adverse effects. Although the Group 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, exerting an effect on the performance of the OLC Group.

[Influence from Terrorism, Infectious Diseases, etc.]

The OLC Group has numerous facilities that take in guests, and places the highest priority on ensuring safety at each of these facilities. However, in the event of a terrorist attack or similar incident at a large-scale consumer-oriented facility in Japan or overseas, or in the event of an outbreak of an infectious disease for which no treatment is available, such as a new strain of influenza, it is assumed that consumer inclination to spend on leisure would decline. This would likely result in a temporary decrease in the number of guests, which could exert an effect on the performance of the OLC Group.

[Influence of Product Deficiencies and Problems]

An incident (including attraction incidents, product liability or product tampering) involving the products and services of the core theme park business (including attractions, products and foods) could entail serious harm to the guests who are customers, and could result in material costs from factors, including decreased trust in the Group's priority on safety, damage to the Group brand and lawsuits, that could exert an effect on the performance of the OLC Group.

[Handling of Internal Information]

The OLC Group takes full precautions in its business activities to prevent avoidable leaks of the personal information it maintains on guests and the proprietary information it maintains concerning business operations. These precautionary measures include strengthening surveillance systems for internal networks and limiting access to information. However, the unforeseeable or unexpected instances such as hacking of internal information, misuse of internal databases, leaks or falsification could lead to a decrease in trust in the OLC Group or other negative consequences including lawsuits involving large expenses that could exert an effect on the performance of the OLC Group.

2. Outline of the Oriental Land Group (“OLC Group”)

The OLC Group includes Oriental Land Co., Ltd. (the “Company”), 20 consolidated subsidiaries, 5 affiliated companies that are accounted for by the equity method and 2 other affiliates, with the main businesses being the management and operation of theme parks and commercial facilities.

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

Segment	Main Operations	Main Companies ¹
Theme Parks	Management and operation of theme parks	Oriental Land Co., Ltd. (listed company)
	Management and operation of Tokyo DisneySea Hotel MiraCosta	Milial Resort Hotels Co., Ltd. ⁴
Commercial Facilities	Management and operation of IKSPIARI ²	IKSPIARI Co., Ltd.
	Management and operation of Disney Ambassador Hotel	Milial Resort Hotels Co., Ltd. ⁴
	Management of Camp Nepos ³	Oriental Land Co., Ltd. (listed company)
Retail Business	Management and operation of Disney Store Japan	Retail Networks Co., Ltd.
Other Businesses	Management of Palm & Fountain Terrace Hotel	Maihama Resort Line Co., Ltd.
	Management and operation of monorail	Maihama Resort Line Co., Ltd.
	Operation of employee cafeterias	Bay Food Services Co., Ltd.
	Management and operation of themed restaurants, and others	RC Japan Co., Ltd. and 15 other companies

Notes: 1. Company names and number of companies listed in the Main Companies column all refer to consolidated subsidiaries except Oriental Land Co., Ltd.

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.

4. Maihama Resort Hotels Co., Ltd. changed its corporate name to Milial Resort Hotels Co., Ltd. as of July 1, 2006.

3. Management Policies

(1) Corporate Mission and Policies

With a corporate mission to “create happiness and contentment by offering wonderful dreams and moving experiences created with original, imaginative ideas,” the OLC Group continues to be widely loved and popular among both Japanese citizens and people overseas, primarily from Asia. The OLC Group aims to increase corporate value over the long term by maximizing the cash flow that results from its ability to earn the trust and understanding of all stakeholders.

The Tokyo Disney Resort is the OLC Group’s core business. In addition to playing a key role in the Tokyo Bay area, the resort aims to welcome numerous guests and to share the greatest happiness with them by providing friendly spaces while continuing to generate a high level of profits.

The OLC Group will create “spaces” that provide “dreams, moving experiences, enjoyment and contentment” with the aim of growing as a business that can continue on from Tokyo Disney Resort.

(2) Medium- and Long-Term Strategies, Management Indicators and Issues

In 2007, the OLC Group formulated “Innovate OLC 2010,” its medium-term plan for the period from April 2007 through March 2011.

Basically, the four years of this plan are positioned as a period for the OLC Group to promote efforts to generate new growth. Through profit growth (consolidated net income at the ¥27.0 billion level in the fiscal year ending March 2011) and appropriate allocation of resources (emphasis on direct stockholder returns, reduction of interest-bearing debt, promotion of business development), the OLC Group will build a management base that enables stable long-term growth while continuing to create emotions that “bring tears to guests’ eyes.”

The service industry of the future faces further diversification in customer values and Japan’s structural problems of a changing employment environment and changes in customer segmentation resulting from the low birthrate and aging society. Changes in the OLC Group’s operating environment are forecast to be substantially greater than previously.

Based on its perceptions of this environment, the OLC Group formulated the following three fundamental policies for “Innovate OLC 2010.”

1. Further Strengthen the Core Business (Tokyo Disney Resort) for Profit Growth.
2. Establish the Foundation for New Growth.
3. Increase the Value of the OLC Group.

1) Further Strengthen the Core Business (Tokyo Disney Resort) for Profit Growth

i. Enhance Quality

In order to increase customer satisfaction, we must increase the value of our guests’ experiences at the theme parks. To do so, the OLC Group must create an environment in which cast members who offer hospitality can enjoy providing their services. From this perspective, we work to increase employee satisfaction, and we are further strengthening management in this area. In addition, the OLC Group is responding to projected changes in the future employment environment by working harder than before to promote fixed casts and to secure cast employment.

Moreover, we are further strengthening our guest orientation. This will be linked to better understanding the opinions of guests and eliminating negative elements. In addition, we are working to create new experiential value that responds to latent intellectual and aesthetic needs of which guests themselves may not be aware.

In the fiscal year ending March 2009, the OLC Group plans to conduct a twenty-fifth anniversary campaign for the Tokyo Disney Resort, begin operating the Tokyo Disneyland Hotel, and open a dedicated theater for Cirque du Soleil.

Thus we are placing the highest priority on further raising the quality of the Tokyo Disney Resort in terms of both tangibles and intangibles with the aim of building an unparalleled advantage by providing unique and appealing experiences unavailable elsewhere.

ii. Clarify Targets

The OLC Group is clarifying its targeted customer segments, and is aiming to expand its markets by delivering value that meets needs in each segment. For example, in the Family demographic, our main target, we will further break down our target segmentation and conduct initiatives that effectively address each target. In the New Aging demographic, which is a

new market, we will conduct sustained efforts to cultivate the market. Moreover, we are strengthening efforts to increase our ability to attract guests to the theme parks regardless of external factors such as the weather.

Through these efforts, we aim to increase the number of guests in stages.

iii. Cost Efficiency

The OLC Group is working to enhance cost efficiency by restraining fixed expenses and raising labor productivity, taking advantage of Groupwide economies of scale to reduce costs, and reallocating personnel by rightsizing administration and planning operations. As a result, the OLC Group is aiming to steadily generate the profit it requires regardless of increases or decreases in attendance.

2) Establish the Foundation for New Growth

i. Formulate Business Development Policies

The OLC Group will continue on from Tokyo Disney Resort to develop as a business that creates “spaces” that provide “dreams, moving experiences, enjoyment and contentment.” Through this business, we will deliver value that only the OLC Group can provide by creating spaces that engender communication among people. Placing priority on business development in Japan, we will aggressively form strategic alliances with other companies. We aim to finalize the content of these businesses by the year fiscal ending March 2011.

Moreover, we will further strengthen our partnership with The Walt Disney Company, including business development related to Disney content, and are now jointly examining business expansion. A project for an urban entertainment facility is currently in the full-scale study stage. The facility will be an indoor entertainment facility offering the kind of performances that only Disney can provide, which we are considering opening in the center of a large city (other than in the Kanto region) during or after the fiscal year ending March 2011. We are also exploring a variety of other possible business opportunities with The Walt Disney Company.

In addition to the above, we are promoting research into further growth in the future in our “Fill Your Heart with Energy and Happiness” business domain.

ii. Refine the Business Development Decision-Making Process

The OLC Group is determining evaluation standards according to business objectives and implementing cost and benefit analysis for entering new businesses in line with those objectives. In addition, we are refining our decision-making process for commercialization and methods for evaluating the issues that emerge in building new operations for businesses that are fully under development. By doing so, we can make appropriate decisions regarding matters such as whether to expand, maintain, revise or terminate the business in question. Moreover, we will be able to quickly revise plans for businesses that exhibit little or no profitability or potential.

iii. Reduce Interest-Bearing Liabilities

The OLC Group is reducing excess funds that had been acquired to invest in new growth.

3) Increase the Value of the OLC Group

i. Stockholder Returns

The four years ending March 2011 are positioned as a period for the OLC Group to promote efforts to generate new growth. Currently, we have no plans to make large-scale investments in business development to generate new growth. As a result, our policy will be to raise the ratio of cash flow allocated to direct stockholder returns. We have set a target of increasing the consolidated payout ratio to 35 percent or higher from the fiscal year ending March 2008. In addition, we will consider stock repurchases. As a result, we aim to increase return on equity (ROE) through earnings growth and direct stockholder returns.

ii. Cultivate Human Resources

People are at the core of each of the OLC Group’s businesses. We will cultivate our human resources and create the environment required to do so. Moreover, we will provide employees with new and challenging opportunities outside the company in working to cultivate competitive human resources. Thus we will cultivate and acquire human resources that can effectively apply their creative abilities to various business opportunities.

iii. Corporate Social Responsibility (CSR)

We recognize that both greater financial value and added value from a societal perspective are essential in increasing the OLC Group’s value. While working to establish a foundation of trust among stakeholders based on legal compliance, we will be active under themes the OLC Group can display its strengths, such as “Family ties” and “Learning.” Employees recognize the social significance of conducting their business from the perspective of CSR, which is increasing employee pride in and empathy with the OLC Group. The OLC Group aims to increase its value by strengthening its businesses in this manner and promoting CSR activities that are linked to social contribution.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Items	Fiscal 2007 (as of March 31, 2007)		Fiscal 2006 (as of March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
ASSETS						
I. Current assets						
1. Cash and time deposits	25,393		47,833		(22,439)	
2. Trade notes and receivables	12,210		12,356		(146)	
3. Marketable securities	44,472		40,788		3,684	
4. Inventories	8,965		9,036		(71)	
5. Deferred tax assets	6,314		4,901		1,413	
6. Others	6,369		20,145		(13,775)	
7. Allowance for doubtful receivables	(0)		(0)		(0)	
Total current assets	103,725	14.8	135,061	18.8	(31,336)	(23.2)
II. Fixed assets						
(1) Property and equipment						
1. Buildings and structures	517,085		500,847			
Accumulated depreciation	(189,430)		(175,662)			
	327,654		325,184		2,469	
2. Machinery and delivery equipment	209,394		199,160			
Accumulated depreciation	(146,700)		(136,281)			
	62,693		62,878		(184)	
3. Land	93,301		94,384		(1,083)	
4. Construction in progress	26,823		18,872		7,950	
5. Others	65,185		62,554			
Accumulated depreciation	(49,441)		(44,938)			
	15,743		17,615		(1,872)	
Total property and equipment	526,216	75.2	518,936	72.2	7,280	1.4
(2) Intangible fixed assets						
1. Goodwill	—		190		(190)	
2. Consolidated goodwill	—		2,091		(2,091)	
3. Goodwill	2,103		—		2,103	
4. Others	11,634		10,890		744	
Total intangible fixed assets	13,738	2.0	13,172	1.8	565	4.3
(3) Investments and other assets						
1. Investment securities	44,164		38,976		5,188	
2. Long-term loans	41		16		24	
3. Deferred tax assets	252		444		(191)	
4. Others	11,824		12,424		(599)	
5. Allowance for doubtful receivables	(190)		(183)		(7)	
Total investments and other assets	56,092	8.0	51,677	7.2	4,414	8.5
Total fixed assets	596,047	85.2	583,786	81.2	12,261	2.1
III. Deferred assets						
1. Discount on bonds	—		18		(18)	
Total deferred assets	—	—	18	0.0	(18)	—
Total assets	699,772	100.0	718,865	100.0	(19,093)	(2.7)

(Millions of yen)

Items	Fiscal 2007 (as of March 31, 2007)		Fiscal 2006 (as of March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
I. Current liabilities						
1. Notes and accounts payable	15,367		14,715		652	
2. Current portion of bonds	—		30,000		(30,000)	
3. Accrued income taxes	10,051		7,084		2,967	
4. Others	48,100		45,033		3,067	
Total current liabilities	73,520	10.5	96,833	13.5	(23,312)	(24.1)
II. Non-current liabilities						
1. Bonds	169,984		170,000		(15)	
2. Long-term debt	50,000		50,000		—	
3. Deferred tax liabilities	650		2,826		(2,176)	
4. Reserve for employee retirement benefits	2,396		2,307		89	
5. Others	18,219		20,952		(2,733)	
Total non-current liabilities	241,251	34.5	246,086	34.2	(4,834)	(2.0)
Total liabilities	314,771	45.0	342,919	47.7	(28,147)	(8.2)
MINORITY INTERESTS						
Minority interests	—	—	113	0.0	(113)	—
STOCKHOLDERS' EQUITY						
I. Common stock	—	—	63,201	8.8	(63,201)	—
II. Capital surplus	—	—	111,403	15.5	(111,403)	—
III. Earned surplus	—	—	222,439	30.9	(222,439)	—
IV. Net unrealized holding gains on Securities	—	—	9,052	1.3	(9,052)	—
V. Treasury stock	—	—	(30,263)	(4.2)	30,263	—
Total stockholders' equity	—	—	375,832	52.3	(375,832)	—
Total liabilities, minority interests and stockholders' equity	—	—	718,865	100.0	(718,865)	—

(Millions of yen)

Items	Fiscal 2007 (as of March 31, 2007)		Fiscal 2006 (as of March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
NET ASSETS						
I. Stockholders' equity						
1. Common stock	63,201	9.0	—	—	63,201	—
2. Capital surplus	111,403	15.9	—	—	111,403	—
3. Earned surplus	233,932	33.5	—	—	233,932	—
4. Treasury stock	(30,265)	(4.3)	—	—	(30,265)	—
Total stockholders' equity	378,270	54.1	—	—	378,270	—
II. Adjustments for valuation, hedge gain or loss and others						
1. Net unrealized holding gains on securities	6,348	0.9	—	—	6,348	—
2. Deferred hedge gain	240	0.0	—	—	240	—
Total adjustments for valuation, hedge gain or loss and others	6,588	0.9	—	—	6,588	—
III. Minority interests	141	0.0	—	—	141	—
Total net assets	385,000	55.0	—	—	385,000	—
Total liabilities and total net assets	699,772	100.0	—	—	699,772	—

(2) Consolidated Statements of Income

(Millions of yen)

Items	Fiscal 2007 (April 1, 2006 to March 31, 2007)		Fiscal 2006 (April 1, 2005 to March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
I. Revenues	344,082	100.0	332,885	100.0	11,197	3.4
II. Cost of revenues	276,855	80.5	269,680	81.0	7,174	2.7
Gross profit	67,226	19.5	63,204	19.0	4,022	6.4
III. Selling, general and administrative expenses	33,116	9.6	32,600	9.8	515	1.6
Operating income	34,110	9.9	30,604	9.2	3,506	11.5
IV. Non-operating income						
1. Interest income	302		111			
2. Dividend income	188		118			
3. Equity in earnings of affiliates	—		79			
4. Insurance received and insurance dividends	373		331			
5. Others	576		699			
Total non-operating income	1,441	0.4	1,341	0.4	100	7.5
V. Non-operating expenses						
1. Interest expenses	4,301		3,784			
2. Equity in loss of affiliates	1		—			
3. Retirement benefit expenses	394		635			
4. Others	666		839			
Total non-operating expenses	5,364	1.5	5,259	1.6	105	2.0
Ordinary income	30,187	8.8	26,686	8.0	3,500	13.1
VI. Extraordinary income						
1. Gain on sales of fixed assets	181		—			
Total extraordinary income	181	0.0	—	—	181	—
VII. Extraordinary loss						
1. Impairment loss on investment securities	769		85			
2. Special termination benefit	—		153			
3. Loss on business restructuring	735		—			
Total extraordinary loss	1,505	0.4	238	0.1	1,266	530.1
Income before income taxes	28,863	8.4	26,447	7.9	2,415	9.1
Income, residential and enterprise taxes	14,284		10,822			
Adjustment for income taxes	(1,738)		(85)			
	12,545	3.7	10,737	3.2	1,808	16.8
Minority gain	8	0.0	6	0.0	2	42.6
Net income	16,309	4.7	15,703	4.7	605	3.9

(3) Consolidated Statements of Retained Earnings

(Millions of yen)

Items	Fiscal 2006 (April 1, 2005 to March 31, 2006)
CAPITAL SURPLUS	
I. Capital surplus at the beginning of the period	111,403
II. Capital surplus at the end of the period	111,403
EARNED SURPLUS	
I. Earned surplus at the beginning of the period	210,725
II. Increases in earned surplus	
1. Net income	15,703
	15,703
III. Decreases in earned surplus	
1. Dividends	3,904
2. Bonuses to directors	85
[Bonuses to corporate auditors included in above]	[6]
Total decrease in earned surplus	3,989
IV. Earned surplus at the end of the period	222,439

(4) Consolidated Statements of Changes in Stockholders' Equity, etc.

Fiscal 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Stockholders' equity				
	Common stock	Capital Surplus	Earned Surplus	Treasury stock	Total stockholders' equity
Balance at March 31, 2006	63,201	111,403	222,439	(30,263)	366,780
Changes during the period					
Dividends from retained earnings (Note1)			(4,756)		(4,756)
Bonuses paid to directors and corporate auditors (Note2)			(60)		(60)
Net income			16,309		16,309
Acquisition of treasury stock				(2)	(2)
Net change of items other than stockholders' equity during the period					
Total changes during the period	—	—	11,493	(2)	11,490
Balance at March 31, 2007	63,201	111,403	233,932	(30,265)	378,270

(Millions of yen)

	Adjustments for valuation, hedge gain or loss and others			Minority interests	Total net assets
	Net unrealized holding gains on securities	Deferred hedge gain or loss	Total adjustments for valuation, hedge gain or loss and others		
Balance at March 31, 2006	9,052	—	9,052	113	375,946
Changes during the period					
Dividends from retained earnings (Note1)					(4,756)
Bonuses paid to directors and corporate auditors (Note2)					(60)
Net income					16,309
Acquisition of treasury stock					(2)
Net change of items other than stockholders' equity during the period	(2,704)	240	(2,464)	27	(2,436)
Total changes during the period	(2,704)	240	(2,464)	27	9,054
Balance at March 31, 2007	6,348	240	6,588	141	385,000

Notes: 1. Item for appropriation of income at the June 2006 Annual General Meeting of Stockholders (¥(2,378) million) is included.
2. Item for appropriation of income at the June 2006 Annual General Meeting of Stockholders.

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Items	Fiscal 2007 (April 1, 2006 to March 31, 2007)	Fiscal 2006 (April 1, 2005 to March 31, 2006)	Increase (decrease) From previous period
I. Cash flows from operating activities			
1. Income before income taxes	28,863	26,447	2,415
2. Depreciation and amortization, aggregate	42,950	43,373	(423)
3. Consolidated adjustments (goodwill)	—	130	(130)
4. Amortization of goodwill	178	—	178
5. Increase (decrease) in allowances	246	(303)	550
6. Interest and dividend income	(490)	(230)	(260)
7. Interest expenses	4,301	3,784	517
8. Exchange (gain) loss	(2)	(13)	11
9. Impairment loss on investment securities	769	85	684
10. Gain on sales of fixed assets	(181)	—	(181)
11. Equity in (earnings) loss of affiliates	1	(79)	81
12. Increase in trade receivables	(857)	(1,256)	398
13. (Increase) decrease in inventories	71	(937)	1,009
14. Increase (decrease) increase in trade payables	1,349	(94)	1,443
15. Increase (decrease) in accrued consumption taxes	637	392	245
16. Others	4,241	2,876	1,364
Sub-total	82,079	74,175	7,904
17. Interest and dividends received	448	225	223
18. Interest paid	(4,359)	(3,898)	(460)
19. Income taxes paid	(11,664)	(11,331)	(333)
Net cash provided by operating activities	66,503	59,169	7,334

(Millions of yen)

Items	Fiscal 2007 (April 1, 2006 to March 31, 2007)	Fiscal 2006 (April 1, 2005 to March 31, 2006)	Increase (decrease) from previous period
II. Cash flows from investing activities			
1. Addition to time deposits	(1,000)	—	(1,000)
2. Addition to marketable securities	(34,869)	(20,695)	(14,173)
3. Proceeds from maturity of marketable securities	30,190	8,549	21,641
4. Acquisition of property and equipment	(50,842)	(33,571)	(17,271)
5. Proceeds from sales of property and equipment	1,797	—	1,797
6. Addition to investment securities	(10,488)	(10,614)	126
7. Proceeds from sales of investment securities	—	561	(561)
8. Proceeds from maturity of investment securities	—	3,032	(3,032)
9. Lending of loans	(32)	(2)	(30)
10. Proceeds from collection of loans	8	4	3
11. Acquisition of deferred assets	—	(50)	50
12. Acquisition of certificate of deposit	(7,000)	(5,000)	(2,000)
13. Increase in funds on maturity of certificate of deposit	9,000	—	9,000
14. Payment for purchase of business	—	(835)	835
15. Others	(4,683)	(4,966)	282
Net cash used in investing activities	(67,919)	(63,587)	(4,331)
III. Cash flows from financing activities			
1. Proceeds from long-term debt	—	31,000	(31,000)
2. Repayment of long-term debt	—	(5,200)	5,200
3. Proceeds from issuing bonds	—	49,805	(49,805)
4. Redemption of bonds	(30,000)	(10,000)	(20,000)
5. Dividends paid	(4,732)	(3,887)	(844)
6. Acquisition of treasury stock	(2)	(30,251)	30,249
7. Others	(1,303)	(1,306)	3
Net cash provided by (used in) financing activities	(36,038)	30,158	(66,197)
IV. Effect of exchange rate changes on cash and cash equivalents	4	10	(6)
V. Net increase (decrease) in cash and cash equivalents	(37,450)	25,751	(63,201)
VI. Cash and cash equivalents at the beginning of the period	84,328	58,577	25,751
VII. Cash and cash equivalents at the end of the period	46,878	84,328	(37,450)

5. Nonconsolidated Financial Statements

(1) Nonconsolidated Balance Sheets

(Millions of yen)

Items	Fiscal 2007 (as of March 31, 2007)		Fiscal 2006 (as of March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
ASSETS						
I. Current assets						
1. Cash and time deposits	23,649		46,351		(22,701)	
2. Trade receivables	10,203		9,701		501	
3. Marketable securities	44,472		40,788		3,684	
4. Merchandise	2,991		3,359		(368)	
5. Raw materials	497		476		21	
6. Supplies	2,215		2,097		117	
7. Prepaid expenses	813		721		92	
8. Deferred tax assets	5,353		4,272		1,081	
9. Short-term loans	205		15,968		(15,762)	
10. Other current assets	3,637		3,553		84	
Total current assets	94,040	13.5	127,290	17.8	(33,249)	(26.1)
II. Fixed assets						
(1) Property and equipment						
1. Buildings	329,751		316,522			
Accumulated depreciation	(115,273)		(107,991)			
	214,477		208,531		5,946	
2. Structures	146,021		143,359			
Accumulated depreciation	(66,479)		(61,427)			
	79,542		81,932		(2,389)	
3. Machinery and equipment	185,221		176,684			
Accumulated depreciation	(131,845)		(121,876)			
	53,375		54,808		(1,432)	
4. Vessels	6,371		4,533			
Accumulated depreciation	(3,010)		(3,287)			
	3,360		1,246		2,114	
5. Vehicles and delivery equipment	5,773		5,922			
Accumulated depreciation	(4,220)		(4,346)			
	1,553		1,576		(22)	
6. Tools, furniture and fixtures	58,599		56,084			
Accumulated depreciation	(44,785)		(40,688)			
	13,813		15,396		(1,582)	
7. Land	93,631		94,714		(1,083)	
8. Construction in progress	25,332		18,755		6,576	
Total property and equipment	485,087	69.8	476,959	66.7	8,127	1.7
(2) Intangible fixed assets						
1. Goodwill	—		190		(190)	
2. Goodwill	142		—		142	
3. Trademark rights	1		2		(1)	
4. Software	5,783		4,465		1,317	
5. Usage rights for water supply facilities	4,306		4,763		(456)	
6. Other intangible fixed assets	758		827		(68)	
Total intangible fixed assets	10,992	1.6	10,249	1.4	742	7.2

(Millions of yen)

Items	Fiscal 2007 (as of March 31, 2007)		Fiscal 2006 (as of March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
(3) Investments and other assets						
1. Investment securities	32,301		27,121		5,179	
2. Investments in affiliated companies	19,338		20,158		(820)	
3. Investments in capital	835		842		(6)	
4. Long-term loans to employees (housing loans)	9		16		(7)	
5. Long-term loans to affiliated companies	44,991		43,661		1,330	
6. Long-term prepaid expenses	4,567		5,164		(596)	
7. Other investments	4,438		4,327		111	
8. Allowance for doubtful receivables	(1,683)		(179)		(1,503)	
Total investments and other assets	104,798	15.1	101,110	14.1	3,687	3.6
Total fixed assets	600,878	86.5	588,320	82.2	12,557	2.1
III. Deferred assets						
1. Discount on bonds	—		18		(18)	
Total deferred assets	—	—	18	0.0	(18)	—
Total assets	694,918	100.0	715,629	100.0	(20,710)	(2.9)

(Millions of yen)

Items	Fiscal 2007 (as of March 31, 2007)		Fiscal 2006 (as of March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
I. Current liabilities						
1. Accounts payable	13,341		12,520		821	
2. Current portion of bonds	—		30,000		(30,000)	
3. Other payables	16,100		15,659		440	
4. Accrued expenses	9,622		7,520		2,101	
5. Accrued income taxes	8,306		5,583		2,723	
6. Accrued consumption taxes	1,984		1,152		832	
7. Advances received	9,642		10,003		(360)	
8. Deposits received	11,719		11,247		472	
9. Other current liabilities	63		65		(1)	
Total current liabilities	70,782	10.2	93,751	13.1	(22,969)	(24.5)
II. Long-term liabilities						
1. Bonds	169,984		170,000		(15)	
2. Long-term debt	50,000		50,000		—	
3. Long-term payables	14,700		15,999		(1,298)	
4. Deferred tax liabilities	114		2,820		(2,705)	
5. Reserve for employee retirement benefits	1,816		1,838		(22)	
6. Other long-term liabilities	376		1,598		(1,222)	
Total long-term liabilities	236,992	34.1	242,256	33.9	(5,264)	(2.2)
Total liabilities	307,774	44.3	336,008	47.0	(28,233)	(8.4)
STOCKHOLDERS' EQUITY						
I. Common stock						
—	—		63,201	8.8	(63,201)	—
II. Capital surplus						
1. Additional paid-in capital	—		111,403			
Total capital surplus	—	—	111,403	15.6	(111,403)	—
III. Earned surplus						
1. Legal reserve	—		1,142			
2. Voluntary reserve						
(1) Nonrestricted reserve	—		206,200			
3. Unappropriated retained earnings	—		18,893			
Total earned surplus	—	—	226,236	31.6	(226,236)	—
IV. Net unrealized holding gains on Securities						
—	—		9,043	1.2	(9,043)	—
V. Treasury stock						
—	—		(30,263)	(4.2)	30,263	—
Total stockholders' equity	—	—	379,620	53.0	(379,620)	—
Total liabilities, minority interests and stockholders' equity	—	—	715,629	100.0	(715,629)	—

(Millions of yen)

Items	Fiscal 2007 (as of March 31, 2007)		Fiscal 2006 (as of March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
NET ASSETS						
I. Stockholders' equity						
1. Common stock	63,201	9.1	—	—	63,201	—
2. Capital surplus						
(1) Additional paid-in capital	111,403		—			
Total capital surplus	111,403	16.1	—	—	111,403	—
3. Earned surplus						
(1) Legal reserve	1,142		—			
(2) Other earned surplus						
Nonrestricted reserve	217,700		—			
Earned surplus carried forward	17,368		—			
Total earned surplus	236,210	34.0	—	—	236,210	—
4. Treasury stock	(30,265)	(4.4)	—	—	(30,265)	—
Total stockholders' equity	380,549	54.8	—	—	380,549	—
II. Adjustments for valuation, hedge gain or loss and others						
1. Net unrealized holding gains on securities	6,354	0.9	—	—	6,354	—
2. Deferred hedge gain or loss	240	0.0	—	—	240	—
Total adjustments for valuation, hedge gain or loss and others	6,594	0.9	—	—	6,594	—
Total net assets	387,144	55.7	—	—	387,144	—
Total liabilities and total net assets	694,918	100.0	—	—	694,918	—

(2) Nonconsolidated Statements of Income

(Millions of yen)

Items	Fiscal 2007 (April 1, 2006 to March 31, 2007)		Fiscal 2006 (April 1, 2005 to March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
I. Revenues						
1. Attractions and shows	128,253		121,731			
2. Consumer products	93,377		89,359			
3. Food and beverages	52,320		50,736			
4. Others	10,576		10,211			
Total revenues	284,528	100.0	272,039	100.0	12,488	4.6
II. Operating expenses						
1. Cost of revenues						
(1) Consumer products	43,901		41,915			
(2) Food and beverages	21,988		21,367			
(3) Personnel costs	44,544		43,562			
(4) Other operating expenses	130,494		127,331			
Total cost of revenues	240,930	84.7	234,177	86.1	6,752	2.9
Gross profit	43,598	15.3	37,862	13.9	5,736	15.2
2. General and administrative expenses	14,593	5.1	14,107	5.2	485	3.4
Operating income	29,005	10.2	23,754	8.7	5,250	22.1
III. Non-operating income						
1. Interest income	438		358			
2. Interest income from investment in securities	245		107			
3. Dividend income	1,423		4,985			
4. Insurance received and insurance dividends	365		317			
5. Miscellaneous income	506		624			
Total non-operating income	2,979	1.0	6,393	2.4	(3,414)	(53.4)
IV. Non-operating expenses						
1. Interest expenses	751		653			
2. Bond interest expenses	3,585		3,135			
3. Retirement benefit expenses	394		635			
4. Miscellaneous expenses	577		773			
Total non-operating expenses	5,308	1.8	5,197	1.9	111	2.1
Ordinary income	26,675	9.4	24,950	9.2	1,725	6.9

(Millions of yen)

Items	Fiscal 2007 (April 1, 2006 to March 31, 2007)		Fiscal 2006 (April 1, 2005 to March 31, 2006)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
V. Extraordinary income						
1. Gain on sales of fixed assets	181		—			
Total extraordinary income	181	0.0	—	—	181	—
VI. Extraordinary loss						
1. Impairment loss on investment securities	669		85			
2. Special termination benefit	—		153			
3. Impairment loss on stock of affiliate	449		—			
4. Transfer to allowance for doubtful receivables	1,496		—			
Total extraordinary loss	2,616	0.9	238	0.1	2,377	995.0
Income before income taxes	24,240	8.5	24,711	9.1	(470)	(1.9)
Income, residential and enterprise taxes	11,574		8,004			
Adjustment for income taxes	(2,124)		27			
	9,449	3.3	8,031	3.0	1,418	17.7
Net income	14,790	5.2	16,680	6.1	(1,889)	(11.3)
Retained earnings brought forward	—		4,115		—	
Interim dividend	—		1,902		—	
Unappropriated retained earnings	—		18,893		—	

Breakdown of Cost of Revenues

(Millions of yen)

Items	Fiscal 2007 (April 1, 2006 to March 31, 2007)		Fiscal 2006 (April 1, 2005 to March 31, 2006)	
	Amount	%	Amount	%
1. Cost of merchandise revenues				
Merchandise inventories at the beginning of the year	3,359		3,104	
Purchasing during the year	43,533		42,171	
Subtotal	46,893		45,275	
Merchandise inventories at the end of the year	2,991		3,359	
	43,901	18.2	41,915	17.9
2. Cost of food and beverages revenues				
Ingredients inventories at the beginning of the year	476		419	
Ingredients during the year	14,443		14,155	
Subtotal	14,919		14,575	
Ingredients inventories at the end of the year	497		476	
	14,422		14,098	
Personnel expenses				
Wages/benefits	4,796		4,778	
Bonuses	422		320	
Others	572		546	
	5,791		5,644	
Overhead				
Utility expenses	560		533	
Depreciation expenses	457		432	
Others	756		657	
	1,774		1,623	
	21,988	9.1	21,367	9.1
3. Personnel expenses				
Wages/benefits	34,106		34,439	
Bonuses	5,526		4,380	
Others	4,911		4,741	
	44,544	18.5	43,562	18.6
4. Other business expenses				
Business material expenses	10,873		10,976	
Facility renovation-related expenses	14,210		12,794	
Entertainment show production expenses	13,008		14,487	
Business consignment expenses	10,363		8,658	
Sales promotion expenses	8,410		8,523	
Royalties	19,492		18,467	
Taxes and public charges	4,902		5,275	
Depreciation expenses	38,256		37,887	
Others	10,976		10,260	
	130,494	54.2	127,331	54.4
Total	240,930	100.0	234,177	100.0

Notes: 1. Percentages represent percentage of cost of revenues.

2. Cost of food and beverage revenues is calculated based on actual total cost.

(3) Nonconsolidated Statements of Appropriation of Retained Earnings

(Millions of yen)

Items	Fiscal 2006 (Approved by General Meeting of Stockholders on June 29, 2006)
I. Unappropriated retained earnings at the end of the year	18,893
II. Appropriation of retained earnings	
1. Dividends	2,378 [¥25 per share]
2. Bonuses to directors [Bonuses to corporate auditors included in above]	60 [5]
3. Voluntary reserve	11,500
Nonrestricted reserve	13,938
III. Retained earnings to be carried forward to the next period	4,955

Note: Interim dividends amounting to ¥1,902 million (¥20 per share) were paid on December 6, 2005.

Nonconsolidated Statements of Changes in Stockholders' Equity, etc.

Fiscal 2007 (April 1, 2006 to March 31, 2007)

(Millions of yen)

	Stockholders' equity								
	Common stock	Capital surplus		Legal reserve	Earned surplus			Treasury stock	Total stockholders' equity
		Additional paid-in capital	Total capital surplus		Non-restricted reserve	Earned surplus carried forward	Total earned surplus		
Balance at March 31, 2006	63,201	111,403	111,403	1,142	206,200	18,893	226,236	(30,263)	370,576
Changes during the period									
Dividend from retained earnings (Note1)						(4,756)	(4,756)		(4,756)
Bonuses paid to directors and corporate auditors (Note2)						(60)	(60)		(60)
Transfer to nonrestricted reserve (Note2)					11,500	(11,500)	—		—
Net income						14,790	14,790		14,790
Acquisition of treasury stock								(2)	(2)
Net change of items other than stockholders' equity during the period									
Total changes during the period	—	—	—	—	11,500	(1,525)	9,974	(2)	9,972
Balance at March 31, 2007	63,201	111,403	111,403	1,142	217,700	17,368	236,210	(30,265)	380,549

(Millions of yen)

	Adjustments for valuation, hedge gain or loss and others			Total net assets
	Net unrealized holding gains on securities	Deferred hedge gain or loss	Total adjustments for valuation, hedge gain or loss and others	
Balance at March 31, 2006	9,043	—	9,043	379,620
Changes during the period				
Dividend from retained earnings (Note1)				(4,756)
Bonuses paid to directors and corporate auditors (Note2)				(60)
Transfer to nonrestricted reserve (Note2)				—
Net income				14,790
Acquisition of treasury stock				(2)
Net change of items other than stockholders' equity during the period	(2,689)	240	(2,448)	(2,448)
Total changes during the period	(2,689)	240	(2,448)	7,523
Balance at March 31, 2007	6,354	240	6,594	387,144

Notes: 1. Item for appropriation of income at the June 2006 Annual General Meeting of Stockholders (¥(2,378) million) is included.
2. Item for appropriation of income at the June 2006 Annual General Meeting of Stockholders.