

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2008

May 8, 2008

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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Contact: Akiyoshi Yokota, Officer and Director, Finance/Accounting Department

Annual General Meeting of Stockholders (scheduled): June 27, 2008

Start of distribution of dividends (scheduled): June 30, 2008

Filing of Securities Report (*Yuka shoken hokokusho*) (scheduled): June 27, 2008

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, 2008 (April 1, 2007 - March 31, 2008)

(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 2008	342,421	(0.5)	31,144	(8.7)	27,510	(8.9)
Fiscal 2007	344,082	3.4	34,110	11.5	30,187	13.1

	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 2008	14,730	(9.7)	154.86	—	3.8	3.8	9.1
Fiscal 2007	16,309	3.9	171.46	—	4.3	4.3	9.9

(Reference) Equity in earnings (loss) of affiliates: Fiscal 2008: ¥33 million (Fiscal 2007: ¥(1) million)

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
Fiscal 2008	757,542	388,180	51.2	4,079.44
Fiscal 2007	699,772	385,000	55.0	4,046.03

(Reference) Equity capital: Fiscal 2008: ¥388,036 million (Fiscal 2007: ¥384,859 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 end of period (¥ million)
Fiscal 2008	57,718	(59,575)	52,874	97,901
Fiscal 2007	66,503	(67,919)	(36,038)	46,878

2. Dividends

	Dividends per share (¥)			Total dividends paid (full year) (¥ million)	Payout ratio (consolidated) (%)	Dividends/net assets (consolidated) (%)
	Interim	Year-end	Full year			
Fiscal 2007	25.00	30.00	55.00	5,231	32.1	1.4
Fiscal 2008	30.00	30.00	60.00	5,707	38.7	1.5
Fiscal 2009 (est.)	30.00	35.00	65.00	—	38.1	—

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(Percentages represent change compared to the previous cumulative consolidated second quarter or fiscal year, as applicable.)

	Revenues		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Cumulative consolidated second quarter	169,730	4.1	9,180	(43.8)	8,470	(43.7)	4,930	(41.5)	51.83
Fiscal 2009 (Full year)	364,240	6.4	28,400	(8.8)	26,680	(3.0)	16,220	10.1	170.52

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 2008: 95,122,540 shares, Fiscal 2007: 100,122,540 shares
 (b) Treasury stock at end of period: Fiscal 2008: 2,558 shares, Fiscal 2007: 5,002,303 shares

(Reference) Summary of Nonconsolidated Results

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

(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 2008	282,525	(0.7)	26,772	(7.7)	23,538	(11.8)
Fiscal 2007	284,528	4.6	29,005	22.1	26,675	6.9

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Fiscal 2008	12,187	(17.6)	128.13	—
Fiscal 2007	14,790	(11.3)	155.50	—

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
Fiscal 2008	751,530	388,151	51.6	4,080.65
Fiscal 2007	694,918	387,144	55.7	4,070.05

(Reference) Equity capital: Fiscal 2008: ¥388,151 million (Fiscal 2007: ¥387,144 million)

2. Projected Nonconsolidated Results for the Fiscal Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

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

	Revenues		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal 2009 (Full year)	294,350	4.2	25,650	(4.2)	24,310	3.3	14,630	20.0	153.81

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, 2008

(Millions of yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2007	Increase (decrease)	Change from previous period (%)
Revenues	342,421	344,082	(1,660)	(0.5)
Operating Income	31,144	34,110	(2,966)	(8.7)
Ordinary Income	27,510	30,187	(2,676)	(8.9)
Net Income	14,730	16,309	(1,578)	(9.7)

In the fiscal year ended March 31, 2008, the Japanese economy was solid at the beginning of the fiscal year, with steady exports and capital investment. However, consumer sentiment worsened thereafter as unstable conditions continued, including global financial uncertainty triggered by the subprime mortgage crisis in the United States, rising commodity prices due to increases in the price of crude oil, and foreign exchange fluctuations.

The range of services in the leisure industry expanded, despite the effect of economic uncertainty and the severe environment for consumer sentiment. Sensory and experiential leisure facilities and games were well received due to high interest in lifestyles in which people enjoy leisure time and especially the expansion of needs for study and the enjoyment of connecting with others through leisure.

In these conditions, the OLC Group held various events throughout the year and carried out new initiatives to respond to the diversifying values of its guests in the core Theme Park Segment. As a result, although attendance declined because it was the year following the Tokyo DisneySea 5th Anniversary, it was essentially in line with our forecast. Revenues per guest increased compared with the previous fiscal year in both the first and second halves, with no apparent effect from worsening consumer sentiment.

However, we recorded special costs from an increase in depreciation expenses following a tax code revision enacted in the year ended March 31, 2008 that involved the elimination of residual value and accelerated depreciation, and preparation expenses before opening two new facilities.

As a result, revenues for the fiscal year were ¥342,421 million (down 0.5 percent compared with the previous fiscal year), operating income was ¥31,144 million (down 8.7 percent), ordinary income was ¥27,510 million (down 8.9 percent), and net income was ¥14,730 million (down 9.7 percent).

B. Analysis of Consolidated Results for the Fiscal Year Ended March 31, 2008

[Revenues]

Revenues decreased slightly due to a decline in attendance in the Theme Park Segment.

In the Theme Park Segment, despite an increase in revenues per guest, attendance declined because it was the year following the Tokyo DisneySea 5th Anniversary. Although Retail Business Segment revenues decreased, Other Business Segment revenues increased. As a result, total revenues were ¥342,421 million (down 0.5 percent compared with the previous fiscal year).

[Operating Income]

Operating income decreased due to factors including a decrease in revenues and an increase in depreciation expenses following a tax code revision.

In addition to the decrease in revenues, there were increased depreciation expenses in the Theme Park Segment following a tax code revision, as well as increases in preparation expenses before opening two new facilities and expenses including expenses preceding the Tokyo Disney Resort 25th Anniversary. As a result, operating income was ¥31,144 million (down 8.7 percent).

[Ordinary Income]

Although non-operating income increased due to factors including an increase in interest income, operating income decreased. As a result, ordinary income was ¥27,510 million (down 8.9 percent).

[Net Income]

In addition to the decrease in ordinary income, extraordinary loss included an impairment loss following the decision to terminate operations at Camp Nepos, as well as a loss on doubtful receivables and an impairment loss due to the bankruptcy of a contracting company for a hydroponic culture facility. As a result, net income was ¥14,730 million (down 9.7 percent).

C. Summary of Results by Segment

(Millions of yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2007	Increase (decrease)	Change from previous period (%)
Revenues	342,421	344,082	(1,660)	(0.5)
Theme Park Segment	286,842	289,148	(2,306)	(0.8)
Commercial Facilities Segment	23,279	23,177	102	0.4
Retail Business Segment	16,903	17,858	(954)	(5.3)
Other Business Segment	15,396	13,898	1,497	10.8
Operating Income (Operating Loss)	31,144	34,110	(2,966)	(8.7)
Theme Park Segment	28,198	31,496	(3,298)	(10.5)
Commercial Facilities Segment	1,151	1,036	115	11.1
Retail Business Segment	(301)	(1,019)	717	—
Other Business Segment	1,653	2,323	(669)	(28.8)
Eliminations, etc.	442	274	167	61.1
Ordinary Income	27,510	30,187	(2,676)	(8.9)
Net Income	14,730	16,309	(1,578)	(9.7)

[Theme Park Segment]: Tokyo Disneyland, Tokyo DisneySea, Tokyo DisneySea Hotel MiraCosta and others

In addition to decreased revenues from a decline in attendance, an increase in depreciation expenses following a tax code revision and an increase in expenses including expenses preceding the Tokyo Disney Resort 25th Anniversary resulted in a decrease in operating income.

Revenues ¥286,842 million (down 0.8% compared with the previous fiscal year)

At Tokyo Disneyland, we opened the renovated “Pirates of the Caribbean” attraction along with water programs in the first half of the fiscal year, and held the popular annual events “Disney’s Halloween” and “Christmas Fantasy,” as well as the final performance of “Cinderellabration: Lights of Romance” and other events in the second half. At Tokyo DisneySea, “Tower of Terror,” a new attraction that opened in the previous fiscal year, continued to be popular, and we held various special events including “Harborside Christmas” in the second half. However, because it was the year following the Tokyo DisneySea 5th Anniversary, total attendance at the two theme parks was 25,424 thousand (down 1.5 percent).

Revenues per guest at the theme parks were ¥9,370 (up 0.7 percent). Ticket receipts were ¥4,226 (up 1.8 percent) due to a ticket price revision in September 2006. Merchandise sales revenues were ¥3,096 (down 1.5 percent) due in part to renovation work at Tokyo Disneyland merchandise shops. Revenues from food and beverage sales were ¥2,048 (up 1.7 percent) due to factors including strong sales of one-hand menu items.

At Tokyo DisneySea Hotel MiraCosta, the hotel implemented programs linked with Tokyo DisneySea special events and carried out a full renovation of guest rooms and other areas from January to March 2008. As a result, the occupancy rate was about 90 percent.

Operating Income ¥28,198 million (down 10.5%)

Operating income decreased due to an increase in expenses including expenses preceding the Tokyo Disney Resort 25th Anniversary and expenses for the full renovation of Tokyo DisneySea Hotel MiraCosta, in addition to an increase in depreciation expenses following a tax code revision.

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

Operating income increased due to the absence of expenses for the full renovation of Disney Ambassador Hotel made during the previous fiscal year and other factors.

Revenues ¥23,279 million (up 0.4%)

At IKSPIARI, in addition to holding events unique to IKSPIARI such as the popular annual “IKSPIARI Halloween” and “PIARI Christmas,” we opened new stores and carried out store renovations.

At Disney Ambassador Hotel, in addition to conducting events linked to special events at Tokyo Disneyland, the impact of the full renovation of guest rooms and other areas that was carried out in the previous fiscal year was absent. As a result, the occupancy rate was in the lower 90 percent range.

Operating Income ¥1,151 million (up 11.1%)

Operating income increased due to the absence of expenses related to the full renovation of Disney Ambassador Hotel that occurred during the previous fiscal year and other factors.

[Retail Business Segment]: The Disney Store

Despite a decline in revenues, operating loss improved as a result of efforts to improve the cost structure.

Revenues ¥16,903 million (down 5.3%)

At The Disney Store, in addition to offering items commemorating the 15th anniversary of its opening and tie-in merchandise coinciding with the release of a Disney movie, we enhanced membership campaigns for “Fantamiliar,” our loyal customer program, to promote purchasing. Although a recovery trend was apparent in the first half, with a diminishing scale of decrease in revenues, revenues for the year decreased due to a continuing trend toward a decline in the number of customers in a changing environment of worsening consumer sentiment in the second half.

Operating Loss ¥301 million (an improvement of ¥717 million)

Cost structure reforms that have been ongoing since the previous fiscal year led to decreases in store rent, distribution expenses, head office rent, personnel expenses and other expenses. In addition, we closed two unprofitable stores and improved store earnings structure during the fiscal year (53 stores as of March 31, 2008). As a result, operating loss improved.

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

Despite an increase in revenues, operating income decreased due to preparation expenses before opening new facilities and other factors.

Revenues ¥15,396 million (up 10.8%)

At Palm & Fountain Terrace Hotel, we implemented several measures including aggressive PR activities and sales of original packages. As a result of these activities, the occupancy rate was in the lower 80 percent range.

Revenues of Disney Resort Line increased due to a fare revision implemented in April 2007.

In addition, movie-related revenues and revenues from food and beverage sales increased.

Operating Income ¥1,653 million (down 28.8%)

While revenues increased, operating income decreased due to recording preparation expenses before the opening of Tokyo Disneyland Hotel and Cirque du Soleil Theatre Tokyo in the fiscal year ending March 31, 2009 and movie-related costs.

D. Forecast for the Fiscal Year Ending March 31, 2009

(Millions of yen)

	Forecast for the fiscal year ending March 31, 2009	Results for the fiscal year ended March 31, 2008	Increase (decrease)	Change from previous period (%)
Revenues	364,240	342,421	21,818	6.4
Theme Park Segment	278,350	272,853	5,496	2.0
Hotel Segment	43,600	33,181	10,418	31.4
Retail Business Segment	17,630	16,903	726	4.3
Other Business Segment	24,660	19,482	5,177	26.6
Operating Income	28,400	31,144	(2,744)	(8.8)
Theme Park Segment	25,150	26,367	(1,217)	(4.6)
Hotel Segment	4,560	5,956	(1,396)	(23.4)
Retail Business Segment	40	(301)	341	—
Other Business Segment	(1,690)	(684)	(1,005)	—
Eliminations, etc.	340	(193)	533	—
Ordinary Income	26,680	27,510	(830)	(3.0)
Net Income	16,220	14,730	1,489	10.1

Note: Results for the year ended March 31, 2008 have been reclassified to reflect the change in segments.

The OLC Group will change its business segments as of the fiscal year ending March 31, 2009. Main points of the changes in segments are as follows:

i. Establishment of the Hotel Segment

The newly established Hotel Segment will encompass all hotels in the Group, including Tokyo Disneyland Hotel which is due to open. The Commercial Facilities Segment will be abolished due to its resulting diminished size. IKSPIARI will be included in the Other Business Segment.

ii. Reclassification of subsidiaries and affiliates

The OLC Group reclassified subsidiaries and affiliates among segments in consideration of management based on their respective future orientation and current state of revenues. As a result, seven companies related to the operation of theme parks, in addition to Oriental Land Co., Ltd., will be included in the Theme Park Segment, and the number of subsidiaries and affiliates included in the Other Business Segment will decrease.

As a result of the change, the main operations of each business segment and the main companies of the OLC Group conducting each business will be as follows:

New Segments	Main Operations	Main Companies ¹
Theme Park Segment	Management and operation of theme parks	Oriental Land Co., Ltd. (listed company) and 7 other companies ²
Hotel Segment	Management and operation of Tokyo Disneyland Hotel	Milial Resort Hotels Co., Ltd.
	Management and operation of Tokyo DisneySea Hotel MiraCosta	" "
	Management and operation of Disney Ambassador Hotel	" "
	Management and operation of Palm & Fountain Terrace Hotel	" "
Retail Business Segment	Management and operation of The Disney Store Japan	Retail Networks Co., Ltd.
Other Business Segment	Management and operation of IKSPIARI	IKSPIARI Co., Ltd.
	Management and operation of Cirque du Soleil Theatre Tokyo	Oriental Land Co., Ltd. (listed company)
	Management and operation of monorail	Maihama Resort Line Co., Ltd.
	Operation of employee cafeterias Management and operation of themed restaurants, and others	Bay Food Services Co., Ltd. RC Japan Co., Ltd. and 7 other companies ³

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. The seven other companies in the Theme Park Segment are Photo Works Co., Ltd., Design Factory Co., Ltd., Maihama Business Service Co., Ltd., Resort Cleaning Services Co., Ltd., Maihama Building Maintenance Co., Ltd., E Production Co., Ltd. and M TECH Co., Ltd.

3. The seven other companies in the Other Business Segment include Maihama Corporation Co., Ltd., Green and Arts Co., Ltd., OLC Kitchen Techno Co., Ltd., OLC/Rights Entertainment (Japan) Inc. and Kanagawa GA Partners Co., Ltd.

[Theme Park Segment]: Tokyo Disneyland, Tokyo DisneySea and others

Although theme park attendance is projected to increase as a result of the Tokyo Disney Resort 25th Anniversary, depreciation expenses will increase following an additional tax code revision in the fiscal year ending March 31, 2009 and other factors. As a result, we forecast an increase in revenues and a decrease in operating income.

Revenues ¥278,350 million (up 2.0% compared with the fiscal year ended March 31, 2008)

We will conduct the Tokyo Disney Resort 25th Anniversary throughout the year at the two theme parks. At Tokyo Disneyland, a new daytime parade “Jubilation!” will begin in conjunction with the start of the 25th Anniversary. In July, we will renovate “The Enchanted Tiki Room” in Tokyo Disneyland and “Fortress Exploration” in Tokyo DisneySea. We will also carry out a variety of special events at the theme parks.

We will offer a variety of dreams and moving experiences for the Tokyo Disney Resort 25th Anniversary during each of its five stages during the year, not only at the two theme parks, but throughout the entire resort at Disney hotels, IKSPIARI, Disney Resort Line and Tokyo Disney Resort Official Hotels.

As a result, total attendance at the two theme parks is forecast to be 25,800 thousand (up 1.5 percent), the highest level to date.

Revenues per guest at the theme parks are forecast to be ¥9,380 (up 0.1 percent). Ticket receipts are forecast to be basically unchanged from the previous fiscal year at ¥4,220 (down 0.1 percent). Merchandise sales revenues are forecast to increase slightly to ¥3,110 (up 0.5 percent) due to the promotion of items for the Tokyo Disney Resort 25th Anniversary. Revenues from food and beverage sales are forecast to be ¥2,050 (up 0.1 percent), basically the same as the previous fiscal year.

Operating Income ¥25,150 million (down 4.6%)

Despite an increase in revenues, operating income is forecast to decrease because personnel expenses will increase due to an hourly wage revision for part-time employees OLC implemented in March 2008, and depreciation expenses will increase following an additional tax code revision (simplified classification) in the fiscal year ending March 31, 2009.

[Hotel Segment]: Tokyo Disneyland Hotel, Tokyo DisneySea Hotel MiraCosta and others

Revenues are forecast to increase with the opening of Tokyo Disneyland Hotel, although operating income is forecast to decrease due to preparation expenses before the opening.

Revenues ¥43,600 million (up 31.4%)

We will hold the grand opening of Tokyo Disneyland Hotel on July 8, 2008, complementing the two existing Disney hotels. Located in a building facing Tokyo Disneyland, the hotel and its Victorian styling blend in with the park for an unbroken Disneyworld from the park to the hotel. The 705 guest rooms are the largest of the Disney hotels, with many four-guest rooms to accommodate families and groups comfortably. The occupancy rate is expected to be in the mid-90 percent range.

At the three Disney hotels, we plan to conduct a variety of programs that will include holding events and providing special menus associated with the Tokyo Disney Resort 25th Anniversary. The occupancy rate of Tokyo DisneySea Hotel MiraCosta is expected to be in the lower 90 percent range, and that of Disney Ambassador Hotel to be in the mid-80 percent range.

At Palm & Fountain Terrace Hotel, we will implement several measures including aggressive PR activities and sales of original packages. The occupancy rate is expected to be in the upper 70 percent range.

Operating Income ¥ 4,560 million (down 23.4%)

Despite an increase in revenues, operating income is expected to decrease due to preparation expenses before the opening of Tokyo Disneyland Hotel. Excluding preparation costs before opening, Tokyo Disneyland Hotel is expected to be profitable from its first year of operation.

[Retail Business Segment]: The Disney Store

By continuing to implement improvement measures begun in the fiscal year ended March 31, 2008, we expect to achieve profitability.

Revenues ¥17,630 million (up 4.3%)

At The Disney Store, we will aim to increase the number of customers by creating appealing sales outlets that express Disney’s world view by carrying out programs that bring together products with a unifying theme, including “Ohana Village” featuring Stitch. In addition, the Disney Store original online shopping website opened in March 2008 as a new sales channel that will offer products to a greater number of guests. Moreover, by opening new stores and closing unprofitable stores, we forecast that the total number of stores as of March 31, 2009 will increase by three.

Operating Income ¥40 million (an improvement of ¥341 million)

We will aim for profitability by continuing improvements from the fiscal year ended March 31, 2008 in both the cost of merchandise ratio and SG&A expense ratio through stricter inventory and stock-keeping unit (SKU) management flow and streamlining of administrative operations. We aim for an operating margin of 4 percent in the fiscal year ending March 31, 2011.

[Other Business Segment]: IKSPIARI, Cirque du Soleil Theatre Tokyo and others

Revenues are forecast to increase due to the opening of Cirque du Soleil Theatre Tokyo, although operating loss is forecast to increase due to preparation expenses before the opening.

Note: Tokyo Disneyland Hotel and Palm & Fountain Terrace Hotel, previously part of the Other Business Segment, have been transferred to the Hotel Segment, and seven subsidiaries and affiliates related to the operation of theme parks, which were previously part of the Other Business Segment, have been transferred to the Theme Park Segment. IKSPIARI was previously included in the Commercial Facilities Segment due to its integrated development with Disney Ambassador Hotel as a high-quality facility befitting the entrance of Tokyo Disney Resort and its contribution to overall profitability. Following changes to business segments, Disney Ambassador Hotel will be included in the Hotel Segment and IKSPIARI will be included in the Other Business Segment. In addition, due to the inclusion of preparation expenses before the opening of Cirque du Soleil Theatre Tokyo in October 2008, the Other Business Segment will incur an operating loss.

Revenues ¥24,660 million (up 26.6%)

At IKSPIARI, we will carry out seasonal events unique to the facility, including the “Disney Film Collection” tied in with the Tokyo Disney Resort 25th Anniversary. We will also implement tenant replacement in response to guest needs.

Cirque du Soleil Theatre Tokyo will hold its grand opening on October 1, 2008, after tryout performances from August. We will offer new experiential value to Tokyo Disney Resort by adding content outside of the theme parks.

Operating Loss ¥1,690 million (an increase of ¥1,006 million)

At IKSPIARI, operating loss will improve due to the termination of operations of Camp Nepos following a revision to social contribution operations. In addition, we will raise business viability by increasing store profitability and other measures in aiming for further improvements. However, operating loss is forecast to increase due to preparation expenses before the opening of Cirque du Soleil Theatre Tokyo.

(2) Analysis of Financial Position (Consolidated)

A. Assets, Liabilities and Net Assets

[Assets]

Total assets as of March 31, 2008 were ¥757,542 million (up 8.3 percent compared with the end of the previous fiscal year).

Current assets were ¥180,554 million (up 74.1 percent), mainly due to a transfer of investment securities to marketable securities and an increase in cash and time deposits.

Fixed assets were ¥576,988 million (down 3.2 percent). While depreciation of Tokyo Disney Resort facilities continued, property and equipment increased because of factors including capital investment in Tokyo Disneyland Hotel and other facilities. In addition, investments and other assets decreased due to factors including a transfer of investment securities to marketable securities.

[Liabilities]

Total liabilities as of March 31, 2008 were ¥369,361 million (up 17.3 percent compared with the end of the previous fiscal year).

Current liabilities were ¥169,907 million (up 131.1 percent) due to factors including the transfer of the first series of unsecured bonds due in April 2008 (¥100,000 million) from long-term liabilities to current liabilities.

Long-term liabilities were ¥199,453 million (down 17.3 percent) due to factors including the transfer of the first series of unsecured bonds from long-term liabilities to current liabilities, despite the issue of the ninth and tenth series of unsecured bonds.

Interest-bearing debt as of March 31, 2008 totaled ¥294,319 million (up 24.9 percent).

[Net Assets]

Total net assets as of March 31, 2008 were ¥388,180 million (up 0.8 percent compared with the end of the previous fiscal year) due to an increase in net income. The net worth ratio was 51.2 percent (down 3.8 percentage points). In June 2007, we used earned surplus to retire 5,000,000 shares of Oriental Land stock.

B. Cash Flows

Cash and cash equivalents as of March 31, 2008 increased ¥51,023 million from the end of the previous fiscal year to ¥97,901 million due to postponed redemption of the first series of unsecured bonds (¥100,000 million) and an increase in net cash provided by investing activities and financing activities, despite a decrease in net cash provided by operating activities.

[Cash Flows from Operating Activities]

Net cash provided by operating activities was ¥57,718 million (down ¥8,785 million compared with the previous fiscal year) due to a decrease in income before taxes and an increase in expenditures for income taxes.

[Cash Flows from Investing Activities]

Net cash used in investing activities was ¥59,575 million (an increase in cash used of ¥8,344 million compared with the previous fiscal year) due to a postponement of the redemption of the first series of unsecured bonds (¥100,000 million) until April 1, 2008 and an increase in proceeds from the redemption and sale of marketable securities and other securities.

[Cash Flows from Financing Activities]

Net cash provided by financing activities was ¥52,874 million (up ¥88,912 million compared with the previous fiscal year) due to factors including the absence of expenditures for the redemption of bonds incurred in the previous fiscal year, an increase in proceeds from long-term debt and the issuance of bonds.

C. Indicators of Financial Position

	Fiscal year ended March 31, 2004	Fiscal year ended March 31, 2005	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008
Net worth ratio (%)	57.1	59.0	52.3	55.0	51.2
Net worth ratio on market value basis (%)	113.2	106.2	90.4	95.3	73.5
Debt/equity ratio (%)	56.0	52.0	71.0	61.2	75.8
Interest-bearing debt to cash flow ratio (%)	341.9	337.9	451.2	354.3	509.9
Interest coverage ratio (times)	14.0	15.4	15.2	15.3	12.5

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, 2008 and Ending March 31, 2009

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 last 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 carry out appropriate 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, 2008 at ¥30.00 per share. Combined with the interim dividend, this will bring total cash dividends for the fiscal year to ¥60.00 per share (an increase of ¥5.00 from the fiscal year ended March 31, 2007). For the fiscal year ending March 31, 2009, we plan to pay total dividends of ¥65.00 per share (an increase of ¥5.00 from the fiscal year ended March 31, 2008). For detailed information on stock repurchases in the fiscal year ending March 31, 2009, please refer the release today of “Announcement of Share Repurchase.”

(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, 4 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 Park Segment	Management and operation of theme parks Management and operation of Tokyo DisneySea Hotel MiraCosta	Oriental Land Co., Ltd. (listed company) Milial Resort Hotels Co., Ltd.
Commercial Facilities Segment	Management and operation of IKSPIARI ² Management and operation of Disney Ambassador Hotel	IKSPIARI Co., Ltd. Milial Resort Hotels Co., Ltd.
Retail Business Segment	Management and operation of Disney Store Japan	Retail Networks Co., Ltd.
Other Business Segment	Management and operation of Palm & Fountain Terrace Hotel Management and operation of monorail Operation of employee cafeterias Management and operation of themed restaurants, and others	Milial Resort Hotels Co., Ltd. Maihama Resort Line Co., Ltd. Bay Food Services Co., Ltd. RC Japan Co., Ltd. and 14 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 and other facilities.

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.

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 31, 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 31, 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, 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 addition, 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.

In the fiscal year ending March 2009, the OLC Group will conduct the Tokyo Disney Resort 25th Anniversary, and open Tokyo Disneyland Hotel and Cirque du Soleil Theatre Tokyo.

Thus we are placing the highest priority on further raising the quality of 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 including groups and overnight stays (including overseas 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

In order to raise cost efficiency, the OLC Group will both conduct new initiatives based on the policies of “reassessing the needs of theme park guests” and “improving backstage efficiency” and attain a high level of guest satisfaction. In addition, depreciation expenses at Tokyo DisneySea will begin dropping significantly in the fiscal year ending March 31,

2010. Through these measures, the OLC Group is aiming to steadily generate the profit it requires regardless of increases or decreases in attendance.

For the fiscal year ending March 31, 2009, we forecast a substantial burden from special costs such as depreciation expenses following a tax code revision and preparation expenses before the opening of two new facilities. However, we forecast a significant increase in income in the fiscal year ending March 31, 2010 and thereafter, due to factors including the contribution to revenues from the new facilities in addition to a decrease in depreciation expenses at Tokyo DisneySea.

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 fiscal year ending March 31, 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 31, 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 31, 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 31, 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 2008 (as of March 31, 2008)		Fiscal 2007 (as of March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
ASSETS						
I. Current assets						
1. Cash and time deposits	52,403		25,393		27,009	
2. Trade notes and receivables	13,362		12,210		1,151	
3. Marketable securities	92,210		44,472		47,737	
4. Inventories	10,563		8,965		1,597	
5. Deferred tax assets	5,795		6,314		(519)	
6. Others	6,219		6,369		(149)	
7. Allowance for doubtful receivables	(0)		(0)		0	
Total current assets	180,554	23.8	103,725	14.8	76,829	74.1
II. Fixed assets						
(1) Property and equipment						
1. Buildings and structures	527,416		517,085			
Accumulated depreciation	(204,040)		(189,430)			
	323,376		327,654		(4,277)	
2. Machinery and delivery equipment	214,150		209,394			
Accumulated depreciation	(161,139)		(146,700)			
	53,010		62,693		(9,682)	
3. Land	93,301		93,301		—	
4. Construction in progress	47,260		26,823		20,437	
5. Others	65,946		65,185			
Accumulated depreciation	(51,417)		(49,441)			
	14,529		15,743		(1,214)	
Total property and equipment	531,479	70.2	526,216	75.2	5,262	1.0
(2) Intangible fixed assets						
1. Goodwill	1,830		2,103		(273)	
2. Others	11,712		11,634		77	
Total intangible fixed assets	13,542	1.8	13,738	2.0	(195)	(1.4)
(3) Investments and other assets						
1. Investment securities	19,397		44,164		(24,766)	
2. Long-term loans	7		41		(33)	
3. Deferred tax assets	3,694		252		3,441	
4. Others	8,972		11,824		(2,851)	
5. Allowance for doubtful receivables	(105)		(190)		85	
Total investments and other assets	31,966	4.2	56,092	8.0	(24,125)	(43.0)
Total fixed assets	576,988	76.2	596,047	85.2	(19,059)	(3.2)
Total assets	757,542	100.0	699,772	100.0	57,770	8.3

(Millions of yen)

Items	Fiscal 2008 (as of March 31, 2008)		Fiscal 2007 (as of March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
I. Current liabilities						
1. Notes and accounts payable	15,377		15,367		9	
2. Current portion of bonds	100,000		—		100,000	
3. Accrued income taxes	6,164		10,051		(3,887)	
4. Others	48,365		48,100		265	
Total current liabilities	169,907	22.5	73,520	10.5	96,387	131.1
II. Long-term liabilities						
1. Bonds	99,982		169,984		(70,001)	
2. Long-term debt	80,000		50,000		30,000	
3. Deferred tax liabilities	—		650		(650)	
4. Reserve for employee retirement benefits	2,502		2,396		105	
5. Others	16,968		18,219		(1,250)	
Total long-term liabilities	199,453	26.3	241,251	34.5	(41,797)	(17.3)
Total liabilities	369,361	48.8	314,771	45.0	54,589	17.3
NET ASSETS						
I. Owners' equity						
1. Common stock	63,201	8.3	63,201	9.0	—	—
2. Additional paid-in capital	111,403	14.7	111,403	15.9	—	—
3. Retained earnings	212,703	28.1	233,932	33.5	(21,228)	(9.1)
4. Treasury stock	(15)	(0.0)	(30,265)	(4.3)	30,250	—
Total owners' equity	387,292	51.1	378,270	54.1	9,021	2.4
II Accumulated gains from valuation and translation adjustments						
1. Net unrealized holding gains on securities	1,059	0.1	6,348	0.9	(5,288)	(83.3)
2. Net unrealized gains (losses) on hedging derivatives	(315)	(0.0)	240	0.0	(555)	—
Total accumulated gains from valuation and translation adjustments	743	0.1	6,588	0.9	(5,844)	(88.7)
III Minority interests						
	144	0.0	141	0.0	3	2.2
Total net assets	388,180	51.2	385,000	55.0	3,180	0.8
Total liabilities and total net assets	757,542	100.0	699,772	100.0	57,770	8.3

(2) Consolidated Statements of Income

(Millions of yen)

Items	Fiscal 2008 (April 1, 2007 to March 31, 2008)		Fiscal 2007 (April 1, 2006 to March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
I. Revenues	342,421	100.0	344,082	100.0	(1,660)	(0.5)
II. Cost of revenues	277,873	81.1	276,855	80.5	1,018	0.4
Gross profit	64,547	18.9	67,226	19.5	(2,679)	(4.0)
III. Selling, general and administrative expenses	33,403	9.8	33,116	9.6	287	0.9
Operating income	31,144	9.1	34,110	9.9	(2,966)	(8.7)
IV. Non-operating income						
1. Interest income	781		302			
2. Dividend income	240		188			
3. Equity in earnings of affiliates	33		—			
4. Insurance received and insurance dividends	354		373			
5. Others	744		576			
Total non-operating income	2,153	0.6	1,441	0.4	712	49.5
V. Non-operating expenses						
1. Interest expenses	4,736		4,301			
2. Equity in loss of affiliates	—		1			
3. Retirement benefit expense	—		394			
4. Others	1,051		666			
Total non-operating expenses	5,787	1.7	5,364	1.5	423	7.9
Ordinary income	27,510	8.0	30,187	8.8	(2,676)	(8.9)
VI. Extraordinary income						
1. Gain on sales of fixed assets	—		181			
2. Gain on sales of investment securities	21		—			
Total extraordinary income	21	0.0	181	0.0	(159)	(88.2)
VII. Extraordinary loss						
1. Impairment loss on investment securities	79		769			
2. Loss on business restructuring	—		735			
3. Impairment loss	1,545		—			
4. Loss on bad debts	431		—			
Total extraordinary loss	2,057	0.6	1,505	0.4	551	36.7
Income before income taxes	25,474	7.4	28,863	8.4	(3,388)	(11.7)
Income, residential and enterprise taxes	10,491		14,284			
Adjustment for income taxes	247		(1,738)			
	10,739	3.1	12,545	3.7	(1,806)	(14.4)
Minority gain	4	0.0	8	0.0	(4)	(46.6)
Net income	14,730	4.3	16,309	4.7	(1,578)	(9.7)

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	Owners' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total owners' equity
Balance at March 31, 2007	63,201	111,403	233,932	(30,265)	378,270
Changes during the period					
Dividends from retained earnings			(5,707)		(5,707)
Net income			14,730		14,730
Acquisition of treasury stock				(1)	(1)
Retirement of treasury stock			(30,251)	30,251	—
Net change of items other than owners' equity during the period					
Total changes during the period	—	—	(21,228)	30,250	9,021
Balance at March 31, 2008	63,201	111,403	212,703	(15)	387,292

(Millions of yen)

	Accumulated gains from valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on hedging derivatives	Total accumulated gains from valuation and translation adjustments		
Balance at March 31, 2007	6,348	240	6,588	141	385,000
Changes during the period					
Dividends from retained earnings					(5,707)
Net income					14,730
Acquisition of treasury stocks					(1)
Retirement of treasury stock					—
Net change of items other than owners' equity during the period	(5,288)	(555)	(5,844)	3	(5,841)
Total changes during the period	(5,288)	(555)	(5,844)	3	3,180
Balance at March 31, 2008	1,059	(315)	743	144	388,180

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

(Millions of yen)

	Owners' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total owners' equity
Balance at March 31, 2006	63,201	111,403	222,439	(30,263)	366,780
Changes during the period					
Dividends from retained earnings (Note 1)			(4,756)		(4,756)
Bonuses to directors and corporate officers (Note 2)			(60)		(60)
Net income			16,309		16,309
Acquisition of treasury stock				(2)	(2)
Net change of items other than owners' 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)

	Accumulated gains from valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on hedging derivatives	Total accumulated gains from valuation and translation adjustments		
Balance at March 31, 2006	9,052	—	9,052	113	375,946
Changes during the period					
Dividends from retained earnings (Note 1)					(4,756)
Bonuses to directors and corporate officers (Note 2)					(60)
Net income					16,309
Acquisition of treasury stock					(2)
Net change of items other than owners' 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. Included in appropriation of income (¥(2,378) million) at the June 2006 Annual General Meeting of Stockholders.

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 2008 (April 1, 2007 to March 31, 2008)	Fiscal 2007 (April 1, 2006 to March 31, 2007)	Increase (decrease) from previous period
I. Cash flows from operating activities			
1. Income before income taxes	25,474	28,863	(3,388)
2. Depreciation and amortization, aggregate	43,623	42,950	672
3. Impairment loss	1,545	—	1,545
4. Amortization of goodwill	154	178	(23)
5. Increase (decrease) in allowances	9	246	(237)
6. Interest and dividends income	(1,021)	(490)	(531)
7. Interest expenses	4,736	4,301	434
8. Exchange loss (gain)	(5)	(2)	(3)
9. Impairment loss on investment securities	79	769	(689)
10. Gain on sales of fixed assets	—	(181)	181
11. Gain on sales of investment securities	(21)	—	(21)
12. Equity in (earnings) loss of affiliates	(33)	1	(34)
13. (Increase) decrease in trade receivables	(463)	(857)	394
14. (Increase) decrease in inventories	(1,597)	71	(1,669)
15. Increase (decrease) in trade payables	682	1,349	(667)
16. Increase (decrease) in accrued consumption taxes	(152)	637	(790)
17. Others	2,176	4,241	(2,064)
Sub-total	75,187	82,079	(6,892)
18. Interest and dividends received	797	448	349
19. Interest paid	(4,617)	(4,359)	(257)
20. Income taxes paid	(13,649)	(11,664)	(1,984)
Net cash provided by operating activities	57,718	66,503	(8,785)

(Millions of yen)

Items	Fiscal 2008 (April 1, 2007 to March 31, 2008)	Fiscal 2007 (April 1, 2006 to March 31, 2007)	Increase (decrease) from previous period
II. Cash flows from investing activities			
1. Addition to time deposits	(11,000)	(1,000)	(10,000)
2. Proceeds from time deposits	8,000	—	8,000
3. Addition to marketable securities	(72,926)	(34,869)	(38,057)
4. Proceeds from maturity of marketable securities	61,471	30,190	31,280
5. Acquisition of property and equipment	(49,084)	(50,842)	1,758
6. Proceeds from sales of property and equipment	—	1,797	(1,797)
7. Addition to investment securities	(1,157)	(10,488)	9,330
8. Proceeds from sales of investment securities	5,238	—	5,238
9. Proceeds from maturity of investment securities	3,000	—	3,000
10. Lending of loans	(0)	(32)	31
11. Proceeds from collection of loans	34	8	26
12. Acquisition of certificate of deposit	—	(7,000)	7,000
13. Proceeds from maturity of certificate of deposit	—	9,000	(9,000)
14. Others	(3,151)	(4,683)	1,532
Net cash used in investing activities	(59,575)	(67,919)	8,344
III. Cash flows from financing activities			
1. Proceeds from long-term debt	30,000	—	30,000
2. Proceeds from issuing bonds	29,873	—	29,873
3. Redemption of bonds	—	(30,000)	30,000
4. Dividends paid	(5,694)	(4,732)	(961)
5. Acquisition of treasury stock	(1)	(2)	0
6. Others	(1,303)	(1,303)	—
Net cash provided by (used in) financing activities	52,874	(36,038)	88,912
IV. Effect of exchange rate changes on cash and cash equivalents	6	4	2
V. Net increase (decrease) in cash and cash equivalents	51,023	(37,450)	88,473
VI. Cash and cash equivalents at beginning of period	46,878	84,328	(37,450)
VII. Cash and cash equivalents at end of period	97,901	46,878	51,023

5. Nonconsolidated Financial Statements

(1) Nonconsolidated Balance Sheets

(Millions of yen)

Items	Fiscal 2008 (as of March 31, 2008)		Fiscal 2007 (as of March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
ASSETS						
I. Current assets						
1. Cash and time deposits	50,812		23,649		27,163	
2. Trade receivables	11,275		10,203		1,072	
3. Marketable securities	92,195		44,472		47,722	
4. Merchandise	4,047		2,991		1,056	
5. Raw materials	429		497		(67)	
6. Supplies	2,433		2,215		218	
7. Prepaid expenses	557		813		(256)	
8. Deferred tax assets	5,032		5,353		(321)	
9. Short-term loans	—		205		(205)	
10. Other current assets	4,844		3,637		1,206	
Total current assets	171,628	22.8	94,040	13.5	77,588	82.5
II. Fixed assets						
(1) Property and equipment						
1. Buildings	334,421		329,751			
Accumulated depreciation	(123,512)		(115,273)			
	210,909		214,477		(3,568)	
2. Structures	150,868		146,021			
Accumulated depreciation	(71,526)		(66,479)			
	79,341		79,542		(200)	
3. Machinery and equipment	190,012		185,221			
Accumulated depreciation	(144,850)		(131,845)			
	45,162		53,375		(8,212)	
4. Vessels	6,394		6,371			
Accumulated depreciation	(3,566)		(3,010)			
	2,827		3,360		(533)	
5. Vehicles and delivery equipment	5,581		5,773			
Accumulated depreciation	(4,420)		(4,220)			
	1,161		1,553		(392)	
6. Tools, furniture and fixtures	59,370		58,599			
Accumulated depreciation	(46,563)		(44,785)			
	12,807		13,813		(1,006)	
7. Land	93,631		93,631		—	
8. Construction in progress	46,040		25,332		20,708	
Total property and equipment	491,882	65.5	485,087	69.8	6,795	1.4
(2) Intangible fixed assets						
1. Goodwill	—		142		(142)	
2. Trademark rights	0		1		(1)	
3. Software	5,982		5,783		199	
4. Usage rights for water supply facilities	4,000		4,306		(305)	
5. Other intangible fixed assets	757		758		(0)	
Total intangible fixed assets	10,741	1.4	10,992	1.6	(250)	(2.3)

(Millions of yen)

Items	Fiscal 2008 (as of March 31, 2008)		Fiscal 2007 (as of March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
(3) Investments and other assets						
1. Investment securities	10,643		32,301		(21,658)	
2. Investments in affiliated companies	16,437		19,338		(2,900)	
3. Investments in capital	250		835		(585)	
4. Long-term loans to employees (housing loans)	7		9		(1)	
5. Long-term loans to affiliated companies	42,109		44,991		(2,881)	
6. Long-term prepaid expenses	3,720		4,567		(847)	
7. Deferred tax assets	4,455		—		4,455	
8. Other investments	2,776		4,438		(1,661)	
9. Allowance for doubtful receivables	(3,123)		(1,683)		(1,439)	
Total investments and other assets	77,277	10.3	104,798	15.1	(27,520)	(26.3)
Total fixed assets	579,901	77.2	600,878	86.5	(20,976)	(3.5)
Total assets	751,530	100.0	694,918	100.0	56,611	8.1

(Millions of yen)

Items	Fiscal 2008 (as of March 31, 2008)		Fiscal 2007 (as of March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
I. Current liabilities						
1. Accounts payable	13,119		13,341		(222)	
2. Current portion of bonds	100,000		—		100,000	
3. Other payables	17,347		16,100		1,247	
4. Accrued expenses	8,845		9,622		(777)	
5. Accrued income taxes	5,288		8,306		(3,017)	
6. Accrued consumption taxes	1,525		1,984		(459)	
7. Advances received	10,136		9,642		493	
8. Deposits received	11,171		11,719		(548)	
9. Other current liabilities	37		63		(26)	
Total current liabilities	167,471	22.3	70,782	10.2	96,689	136.6
II. Long-term liabilities						
1. Bonds	99,982		169,984		(70,001)	
2. Long-term debt	80,000		50,000		30,000	
3. Long-term payables	13,324		14,700		(1,376)	
4. Deferred tax liabilities	—		114		(114)	
5. Reserve for employee retirement benefits	1,756		1,816		(59)	
6. Other long-term liabilities	843		376		467	
Total long-term liabilities	195,907	26.1	236,992	34.1	(41,085)	(17.3)
Total liabilities	363,379	48.4	307,774	44.3	55,604	18.1
NET ASSETS						
I. Owners' equity						
1. Common stock	63,201	8.4	63,201	9.1	—	—
2. Additional paid-in capital						
(1) Capital surplus	111,403		111,403		—	—
Total additional paid-in capital	111,403	14.8	111,403	16.1	—	—
3. Retained earnings						
(1) Earned surplus reserve	1,142		1,142		—	—
(2) Other retained earnings						
Special reserve	187,700		217,700		—	—
Retained earnings carried forward	23,597		17,368		6,229	
Total retained earnings	212,439	28.3	236,210	34.0	(23,771)	(10.1)
4. Treasury stock	(15)	(0.0)	(30,265)	(4.4)	30,250	—
Total owners' equity	387,028	51.5	380,549	54.8	6,478	1.7
II. Accumulated gains from valuation and translation adjustments						
1. Net unrealized holding gains on securities	1,431	0.1	6,354	0.9	(4,922)	(77.5)
2. Net unrealized gains on hedging derivatives	(308)	(0.0)	240	0.0	(548)	—
Total accumulated gains from valuation and translation adjustments	1,123	0.1	6,594	0.9	(5,471)	(83.0)
Total net assets	388,151	51.6	387,144	55.7	1,007	0.3
Total liabilities and total net assets	751,530	100.0	694,918	100.0	56,611	8.1

(2) Nonconsolidated Statements of Income

(Millions of yen)

Items	Fiscal 2008 (April 1, 2007 to March 31, 2008)		Fiscal 2007 (April 1, 2006 to March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
I. Revenues						
1. Attractions and shows	128,150		128,253			
2. Consumer products	91,446		93,377			
3. Food and beverages	52,377		52,320			
4. Others	10,551		10,576			
Total revenues	282,525	100.0	284,528	100.0	(2,003)	(0.7)
II. Operating expenses						
1. Cost of revenues						
(1) Consumer products	42,633		43,901			
(2) Food and beverages	22,432		21,988			
(3) Personnel costs	43,380		44,544			
(4) Other operating expenses	132,237		130,494			
Total cost of revenues	240,684	85.2	240,930	84.7	(245)	(0.1)
Gross profit	41,840	14.8	43,598	15.3	(1,757)	(4.0)
2. General and administrative expenses	15,068	5.3	14,593	5.1	475	3.3
Operating income	26,772	9.5	29,005	10.2	(2,232)	(7.7)
III. Non-operating income						
1. Interest income	292		438			
2. Interest income from investment in securities	562		245			
3. Dividend income	929		1,423			
4. Insurance received and insurance dividends	345		365			
5. Miscellaneous income	699		506			
Total non-operating income	2,828	1.0	2,979	1.0	(150)	(5.1)
IV. Non-operating expenses						
1. Interest expenses	1,001		751			
2. Bond interest expenses	3,784		3,585			
3. Retirement benefit expenses	—		394			
4. Miscellaneous expenses	1,276		577			
Total non-operating expenses	6,062	2.2	5,308	1.8	754	14.2
Ordinary income	23,538	8.3	26,675	9.4	(3,137)	(11.8)

(Millions of yen)

Items	Fiscal 2008 (April 1, 2007 to March 31, 2008)		Fiscal 2007 (April 1, 2006 to March 31, 2007)		Increase (decrease) from previous period	
	Amount	%	Amount	%	Amount	%
V. Extraordinary income						
1. Gain on sales of fixed assets	—		181			
VI. Extraordinary loss	—	—	181	0.0	(181)	—
1. Impairment loss on investment securities	30		—			
2. Impairment loss on investment securities	79		669			
3. Impairment loss on stock of affiliate	29		449			
4. Impairment loss	1,237		—			
5. Transfer to allowance for doubtful receivables	1,526		1,496			
Total extraordinary loss	2,904	1.0	2,616	0.9	288	11.0
Income before income taxes	20,633	7.3	24,240	8.5	(3,607)	(14.9)
Income, residential and enterprise taxes	8,976		11,574			
Adjustment for income taxes	(530)		(2,124)			
	8,446	3.0	9,449	3.3	(1,003)	(10.6)
Net income	12,187	4.3	14,790	5.2	(2,603)	(17.6)

Breakdown of Cost of Revenues

(Millions of yen)

Items	Fiscal 2008 (April 1, 2007 to March 31, 2008)		Fiscal 2007 (April 1, 2006 to March 31, 2007)	
	Amount	%	Amount	%
1. Cost of merchandise revenues				
Merchandise inventories at beginning of the year	2,991		3,359	
Purchasing during the year	43,689		43,533	
Subtotal	46,681		46,893	
Merchandise inventories at the end of the year	4,047		2,991	
	42,633	17.7	43,901	18.2
2. Cost of food and beverages revenues				
Ingredient expenses				
Ingredient inventories at beginning of the year	497		476	
Purchasing during the year	14,575		14,443	
Subtotal	15,072		14,919	
Ingredient inventories at the end of the year	429		497	
	14,643		14,422	
Personnel expenses				
Wages/benefits	4,946		4,796	
Bonuses	383		422	
Others	585		572	
	5,915		5,791	
Overhead				
Utility expenses	569		560	
Depreciation expenses	467		457	
Others	837		756	
	1,874		1,774	
	22,432	9.3	21,988	9.1
3. Personnel expenses				
Wages/benefits	33,626		34,106	
Bonuses	4,962		5,526	
Others	4,791		4,911	
	43,380	18.0	44,544	18.5
4. Other business expenses				
Business material expenses	10,750		10,873	
Facility renovation-related expenses	15,448		14,210	
Entertainment show production expenses	12,646		13,008	
Business consignment expenses	10,230		10,363	
Sales promotion expenses	8,548		8,410	
Royalties	19,454		19,492	
Taxes and public charges	5,052		4,902	
Depreciation expenses	39,178		38,256	
Others	10,929		10,976	
	132,237	55.0	130,494	54.2
Total	240,684	100.0	240,930	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 Changes in Net Assets

Fiscal 2008 (April 1, 2007 to March 31, 2008)

(Millions of yen)

	Owners' equity								
	Common stock	Additional paid-in capital		Earned surplus reserve	Retained earnings			Treasury stock	Total owners' equity
		Capital surplus	Total additional paid-in capital		Other retained earnings		Total retained earnings		
					Special reserve	Retained earnings carried forward			
Balance at March 31, 2007	63,201	111,403	111,403	1,142	217,700	17,368	236,210	(30,265)	380,549
Changes during the period									
Dividend from retained earnings						(5,707)	(5,707)		(5,707)
Drawdown of nonrestricted reserve					(30,000)	30,000	—		—
Net income						12,187	12,187		12,187
Acquisition of treasury stock								(1)	(1)
Retirement of treasury stock						(30,251)	(30,251)	30,251	—
Net change of items other than owners' equity during the period									
Total changes during the period	—	—	—	—	(30,000)	6,228	(23,771)	30,250	6,478
Balance at March 31, 2008	63,201	111,403	111,403	1,142	187,700	23,597	212,439	(15)	387,028

(Millions of yen)

	Accumulated gains from valuation and translation adjustments			Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on hedging derivatives	Total accumulated gains from valuation and translation adjustments	
Balance at March 31, 2007	6,354	240	6,594	387,144
Changes during the period				
Dividend from retained earnings				(5,707)
Drawdown of nonrestricted reserve				—
Net income				12,187
Acquisition of treasury stock				(1)
Retirement of treasury stock				—
Net change of items other than owners' equity during the period	(4,922)	(548)	(5,471)	(5,471)
Total changes during the period	(4,922)	(548)	(5,471)	1,007
Balance at March 31, 2008	1,431	(308)	1,123	388,151

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

(Millions of yen)

	Owners' equity								
	Common stock	Additional paid-in capital		Retained earnings				Treasury stock	Total owners' equity
		Capital surplus	Total additional paid-in capital	Earned surplus reserve	Other retained earnings		Total retained earnings		
					Special reserve	Retained earnings carried forward			
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 (Note 1)						(4,756)	(4,756)		(4,756)
Bonuses paid to directors and corporate officers (Note 2)						(60)	(60)		(60)
Transfer to nonrestricted reserve (Note 2)					11,500	(11,500)	—		—
Net income						14,790	14,790		14,790
Acquisition of treasury stock								(2)	(2)
Net change of items other than owners' 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)

	Accumulated gains from valuation and translation adjustments			Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on hedging derivatives	Total accumulated gains from valuation and translation adjustments	
Balance at March 31, 2006	9,043	—	9,043	379,620
Changes during the period				
Dividend from retained earnings (Note 1)				(4,756)
Bonuses paid to directors and corporate officers (Note 2)				(60)
Transfer to nonrestricted reserve (Note 2)				—
Net income				14,790
Acquisition of treasury stock				(2)
Net change of items other than owners' 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. Included in appropriation of income (¥(2,378) million) at the June 2006 Annual General Meeting of Stockholders.

2. Item for appropriation of income at the June 2006 Annual General Meeting of Stockholders.