

Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2009

November 5, 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.

Code number: 4661, First Section Tokyo Stock Exchange

URL: <http://www.olc.co.jp>

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Filing of Securities Report (*Shihanki Hokokusho*) (scheduled): November 14, 2008

Start of distribution of dividends (scheduled): December 4, 2008

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008 to September 30, 2008)

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

(1) Consolidated Operating Results (Cumulative total)

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

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Six months ended September 30, 2008	181,077	—	16,362	—	15,884	—
Six months ended September 30, 2007	163,114	1.6	16,341	38.2	15,040	52.2

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Six months ended September 30, 2008	8,806	—	94.82	—
Six months ended September 30, 2007	8,423	57.6	88.55	—

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
As of September 30, 2008	650,139	370,112	56.9	4,069.32
As of March 31, 2008	757,542	388,180	51.2	4,079.44

(Reference) Equity capital: As of September 30, 2008: ¥369,980 million; As of March 31, 2008: ¥388,036 million

2. Dividends

	Dividends per share (¥)				
	First quarter	Second quarter	Third quarter	Year-end	Full-year
Fiscal year ended March 31, 2008	—	30.00	—	30.00	60.00
Fiscal year ending March 31, 2009	—	30.00	—	—	—
Fiscal year ending March 31, 2009 (Est.)	—	—	—	35.00	65.00

Note: Revisions to the projected dividend for the second quarter of the fiscal year ending March 31, 2009: No

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

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

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal year ending March 31, 2009	375,090	9.5	31,570	1.4	29,890	8.6

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)
Fiscal year ending March 31, 2009	17,480	18.7	190.21

Note: Changes in the six months ended September 30, 2008 to projected consolidated results: Yes

4. Other

- (1) Changes in Major Subsidiaries During the Period (Changes in specified subsidiaries due to changes in the scope of consolidation): No
New: — companies (Company name:))
Eliminated: — companies (Company name:))
- (2) Use of Simplified Accounting Methods or Special Accounting Methods for Preparation of Quarterly Financial Statements: Yes
For details, please see “Qualitative Information and Financial Statements, 4. Other” on pages 7-8.
- (3) Changes in Consolidated Accounting Rules, Procedures, Presentation Method, etc. for the Quarterly Consolidated Financial Statements (Presented in changes to important items basic to the preparation of quarterly financial statements):
 - (a) Changes in consolidated accounting methods: Yes
 - (b) Changes other than (a) above: YesFor details, please see “Qualitative Information and Financial Statements, 4. Other” on pages 7-8.
- (4) Number of Shares Issued and Outstanding (Common stock)
 - (a) Number of shares at end of period (including treasury stock): Six months ended September 30, 2008: 95,122,540 shares; Year ended March 31, 2008: 95,122,540 shares
 - (b) Treasury stock at end of period: Six months ended September 30, 2008: 4,202,858 shares; Year ended March 31, 2008: 2,558 shares
 - (c) Average number of shares during the period: Six months ended September 30, 2008: 92,870,674 shares; Six months ended September 30, 2007: 95,120,215 shares

Note: Explanation of Appropriate Use of Projected Results and Other Specified Items

1. The projected consolidated and nonconsolidated results announced on September 26, 2008 have been revised in this document.
2. The projected results for the fiscal year contained in this document are based on information currently available to the Company and certain assumptions it considers reasonable. Due to various factors, actual results may differ materially from the forecast. For cautionary remarks and other issues concerning use of the projected results, please see “3. Qualitative Information on Projected Consolidated Results” on page 7.
3. Effective from the fiscal year ending March 31, 2009, the Company applies the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). Quarterly consolidated financial statements have been prepared in accordance with the “Regulation for Quarterly Consolidated Financial Reporting.”

**(Reference) Projected Nonconsolidated Results for the Fiscal Year Ending March 31, 2009
(April 1, 2008 to March 31, 2009)**

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

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal year ending March 31, 2009	304,460	7.8	27,720	3.5	26,390	12.1

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)
Fiscal year ending March 31, 2009	15,650	28.4	170.30

Note: Changes in the six months ended September 30, 2008 to projected consolidated results: Yes

Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Operating Results

In the Japanese economy during the six months ended September 30, 2008, the severe operating environment continued, with global financial uncertainty triggered by the subprime mortgage crisis, rising commodity prices due to increases in the price of crude oil and other goods, and worsening consumer sentiment. In these conditions, net sales of the OLC Group totaled ¥181,077 million, an 11.0 percent increase compared with the same period of the previous fiscal year, with the strong performance of Tokyo Disney Resort 25th Anniversary in addition to the opening of Tokyo Disneyland Hotel and other factors. On the other hand, due to factors including an increase in preparation expenses before opening two new facilities, operating income was ¥16,362 million, a 0.1 percent increase compared with the same period of the previous fiscal year.

Summary of Results by Segment

	Six months ended Sept. 30, 2007	Six months ended Sept. 30, 2008	Increase (decrease)	Change from previous period (%)
				(Millions of yen)
Net Sales	163,114	181,077	17,962	11.0
Theme Park Segment	129,290	142,546	13,255	10.3
Hotel Business Segment	16,414	21,082	4,668	28.4
Retail Business Segment	8,109	7,316	(792)	(9.8)
Other Business Segment	9,300	10,131	831	8.9
Operating Income (Operating Loss)	16,341	16,362	20	0.1
Theme Park Segment	13,256	15,664	2,407	18.2
Hotel Business Segment	3,525	1,861	(1,663)	(47.2)
Retail Business Segment	(175)	(423)	(247)	—
Other Business Segment	(217)	(778)	(560)	—
Eliminations and Corporate	(47)	37	85	—
Ordinary Income	15,040	15,884	843	5.6
Net Income	8,423	8,806	383	4.6

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

Despite increases in personnel expenses and fixed expenses, net sales and operating income increased as a result of increases in theme park attendance and net sales per guest due to the strong performance of Tokyo Disney Resort 25th Anniversary.

Net Sales ¥142,546 million (up 10.3% from the same period of the previous fiscal year)

We are conducting a variety of events throughout the year for Tokyo Disney Resort 25th Anniversary, which started on April 15, 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.

During the period, a new daytime parade “Jubilation!” began at Tokyo Disneyland in conjunction with the start of the 25th Anniversary, and in July we opened the renovated attraction, “The Enchanted Tiki Room: Stitch Presents “Aloha E Komo Mai.”” At Tokyo DisneySea, we held the special event “Tokyo DisneySea Spring Carnival,” “Bon Fire Dance,” a summer evening entertainment program, and other events.

As a result, total attendance at the two theme parks reached a record high of 13,048 thousand (up 7.2 percent from the same period of the previous fiscal year). In addition, net sales per guest at the theme parks totaled ¥9,540 (up 2.9 percent). Ticket receipts decreased to ¥4,143 (down 0.8 percent) due to an increase in the number of guests using Annual Passports. Merchandise sales increased to ¥3,267 (up 8.0 percent) as a result of strong sales of items for the 25th Anniversary. Food and beverage sales increased to ¥2,131 (up 3.0 percent) due to factors including strong sales of popcorn and other one-hand menu items.

Operating Income ¥15,664 million (up 18.2%)

Despite an increase in personnel expenses for part-time employees following an hourly wage revision OLC implemented in March 2008 and an increase in work hours, as well as an increase in fixed expenses including sales promotion expenses in connection with the 25th Anniversary, operating income increased due to the significant increase in net sales.

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

Tokyo Disneyland Hotel opened and performed well. On the other hand, operating income decreased due to an increase in preparation expenses before opening the hotel.

Net Sales **¥21,082 million (up 28.4%)**

We held the grand opening of Tokyo Disneyland Hotel on July 8, 2008. The 705 guest rooms make it the largest in scale of the Disney hotels, with many four-guest rooms to accommodate families and groups comfortably. The hotel has performed strongly since opening, exceeding our plan. The occupancy rate was in the lower 90 percent range.

At Disney hotels, we conducted a variety of programs that included holding events and providing special menus associated with Tokyo Disney Resort 25th Anniversary. The occupancy rate of Tokyo DisneySea Hotel MiraCosta was in the mid-90 percent range, and that of Disney Ambassador Hotel in the lower 90 percent range.

At Palm & Fountain Terrace Hotel, we implemented various measures including sales of original packages. As a result, the occupancy rate was in the mid-80 percent range.

Operating Income **¥1,861 million (down 47.2%)**

Despite an increase in net sales, operating income decreased due to factors including an increase in preparation expenses before the opening of Tokyo Disneyland Hotel on July 8, 2008. Excluding preparation costs before opening, Tokyo Disneyland Hotel has been profitable from the fiscal year ending March 31, 2009.

[Retail Business Segment]: The Disney Store

Net sales and operating income decreased, mainly due to a decline in the number of customers in an environment of worsening consumer sentiment.

Net Sales **¥7,316 million (down 9.8%)**

At The Disney Store, we worked to create appealing sales outlets that express Disney's world view with "Ohana Village," a program featuring Stitch, and displays of Halloween merchandise beginning in September. In addition, we opened a limited-time Gotemba Premium Outlet event store as a potential new sales channel. However, net sales decreased due mainly to a continuing decline in the number of customers in an environment of worsening consumer sentiment.

Operating Loss **¥423 million (an increase of ¥247 million)**

Although we closed one unprofitable store at the end of June (52 stores as of September 30), worked to improve store earnings structure and continued to reduce fixed expenses from the previous period, operating loss increased due to factors including a decrease in net sales.

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

Although net sales increased, operating income decreased due to an increase in preparation costs before opening Cirque du Soleil Theatre Tokyo and other factors.

Net Sales **¥10,131 million (up 8.9%)**

Cirque du Soleil Theatre Tokyo held a total of 39 tryout performances from August 15, 2008 ahead of its grand opening on October 1, 2008.

At IKSPIARI, in addition to holding events tied in with Tokyo Disney Resort 25th Anniversary, we introduced new stores and carried out store renovations. In addition, food and beverage sales at external facilities and fare revenues of Disney Resort Line increased.

Operating Loss **¥778 million (an increase of ¥560 million)**

Despite an increase in net sales, operating loss decreased due to factors including an increase in preparation expenses before the opening of Cirque du Soleil Theatre Tokyo on October 1, 2008.

2. Qualitative Information on Consolidated Financial Position

A. Assets, Liabilities and Net Assets

[Assets]

Total assets as of September 30, 2008 were ¥650,139 million (down 14.2 percent compared with the end of the previous fiscal year).

Current assets were ¥69,900 million (down 61.3 percent), mainly due to decreases in short-term investment securities as well as cash and deposits following the redemption of the first series of unsecured bonds.

Noncurrent assets were ¥580,238 million (up 0.6 percent) due to factors including an increase in long-term prepaid expenses.

[Liabilities]

Total liabilities as of September 30, 2008 were ¥280,026 million (down 24.2 percent compared with the end of the previous fiscal year).

Current liabilities were ¥108,426 million (down 36.2 percent) due to factors including the redemption of the first series of unsecured bonds (¥100,000 million).

Noncurrent liabilities were ¥171,600 million (down 14.0 percent) due to factors including the transfer of the sixth series of unsecured bonds due May 2009 (¥20,000 million) to current liabilities.

[Net Assets]

Total net assets as of September 30, 2008 were ¥370,112 million (down 4.7 percent compared with the end of the previous fiscal year) due to factors including the acquisition of 4.2 million shares of treasury stock (4.42 percent of outstanding shares). The net worth ratio was 56.9 percent (up 5.7 percentage points).

B. Cash Flows

Cash and cash equivalents as of September 30, 2008 decreased ¥62,895 million from the end of the previous fiscal year to ¥35,006 million as a result of a decrease in cash flows from financing activities due mainly to the redemption of the first series of unsecured bonds (¥100,000 million), despite increases in cash flows from operating activities and investment activities.

[Cash Flows from Operating Activities]

Cash flows from operating activities were ¥28,627 million (up ¥8,318 million compared with the same period of the previous fiscal year) due to factors including increases in income before income taxes and minority interests, depreciation and amortization and other items, and a decrease in income taxes paid.

[Cash Flows from Investment Activities]

Cash flows from investment activities were ¥16,925 million (up ¥59,425 million compared with the same period of the previous fiscal year) due to an increase in proceeds from the redemption and sale of short-term investment securities and a decrease in expenditures for the acquisition of short-term investment securities resulting from the redemption of the first series of unsecured bonds (¥100,000 million) in April 2008.

[Cash Flows from Financing Activities]

Cash flows from financing activities were negative ¥108,448 million (down ¥114,951 million compared with the same period of the previous fiscal year) due to factors including the redemption of the first series of unsecured bonds (¥100,000 million) in April 2008.

3. Qualitative Information on Projected Consolidated Results Forecast of Full-Year Results by Segment

(Millions of yen)

	Results for the fiscal year ended March 31, 2008	Forecast for the fiscal year ending March 31, 2009	Increase (decrease)	Change from previous period (%)
Net Sales	342,421	375,090	32,668	9.5
Theme Park Segment	272,853	288,600	15,746	5.8
Hotel Business Segment	33,181	45,540	12,358	37.2
Retail Business Segment	16,903	16,480	(423)	(2.5)
Other Business Segment	19,482	24,470	4,987	25.6
Operating Income (Operating Loss)	31,144	31,570	425	1.4
Theme Park Segment	26,367	27,740	1,372	5.2
Hotel Business Segment	5,956	5,150	(806)	(13.5)
Retail Business Segment	(301)	10	311	—
Other Business Segment	(684)	(1,300)	(615)	—
Eliminations and Corporate	(193)	(30)	163	—
Ordinary Income	27,510	29,890	2,379	8.6
Net Income	14,730	17,480	2,749	18.7

Net sales for the fiscal year ending March 31, 2009 are forecast to be ¥375,090 million (up 9.5 percent compared with the previous fiscal year). Net sales are projected to increase due to continued strong performance projected for Tokyo Disney Resort 25th Anniversary, record projected theme park attendance (26,500 thousand), and the openings of Tokyo Disneyland Hotel and Cirque du Soleil Theatre Tokyo. Operating income is forecast to be ¥31,570 million (up 1.4 percent). The increase in operating income is expected due to an increase in net sales and a decrease in fixed expenses at the theme parks, despite an increase in preparation expenses before opening two new facilities (¥3.7 billion) specific to the fiscal year ending March 31, 2009, increases in depreciation and amortization and personnel expenses, and other factors.

Actual results could differ materially from projections due to the influence of factors including economic conditions, changes in customer preferences, weather and disasters. For further information on business risk, please refer to the Company's "Consolidated Financial Statements for the Fiscal Year Ended March 31, 2008," released on June 27, 2008.

4. Other

(1) Changes in Major Subsidiaries during the Period (Changes in specified subsidiaries due to changes in the scope of consolidation): No

(2) Use of Simplified Accounting Methods or Special Accounting Methods for Preparation of Quarterly Financial Statements

(a) Simplified Accounting Methods

i Method of calculating depreciation and amortization of noncurrent assets

For assets depreciated using the declining balance method, depreciation and amortization expenses applicable to the fiscal year are calculated on a pro-rata basis.

ii Methods of calculating income taxes and deferred tax assets and liabilities

Judgments regarding the recoverability of deferred tax assets will be made based on methods using performance forecasts and tax planning applied in the previous fiscal year in the event it is determined there is no significant change in the management environment from the end of the previous fiscal year or conditions resulting in temporary differences.

iii Deferred and Accrued Accounts

The Company accounts for certain expenses with estimated amounts based on reasonable calculations.

(b) Special Accounting Methods for Preparation of Quarterly Financial Statements

None applicable

(3) Changes in Accounting Rules, Procedures, Presentation Method, etc. for the Quarterly Consolidated Financial Statements

(a) Use of accounting standards related to quarterly financial statements

Effective from the fiscal year ending March 31, 2009, the Company applies the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). Quarterly consolidated financial statements have been prepared in accordance with the “Regulation for Quarterly Consolidated Financial Reporting.”

(b) Changes in the standard and method of valuation of inventories

Effective from the first quarter ended June 30, 2008, the Company applies the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, issued July 5, 2006), changing to the average method (method for reducing the carrying amount of inventories below book value due to decline in profitability) for the valuation of inventories held for normal sale.

As a result, operating income, ordinary income and income before income taxes and minority interests each decreased by ¥50 million, and net income decreased by ¥29 million.

In addition, the Company has previously applied the sales price refund method for the valuation of merchandise (store merchandise). Effective from the consolidated first quarter ended June 30, 2008, the Company has changed to the moving average method. The aim of this change is to carry out appropriate calculation of valuation and periodic profit and loss through more appropriate understanding of the unit cost of inventory.

As a result, operating income, ordinary income and income before income taxes and minority interests in the cumulative second-quarter period ended September 30, 2008 each increased by ¥3 million, and net income increased by ¥2 million.

(c) Application of accounting standards for lease transactions

Previously, finance lease transactions without title transfer were accounted for as operating leases. However, companies are able to apply “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, revised March 30, 2007) and its Implementation Guidance “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, revised March 30, 2007) on financial statements of fiscal years beginning on or after April 1, 2008. Accordingly, the Company has promptly applied the revised accounting standard to lease contracts beginning on or after April 1, 2008. The revised accounting standard requires that all finance lease transactions be capitalized.

In addition, leased assets related to finance lease transactions without title transfer are depreciated on a straight-line basis, with the lease periods as their useful lives and no residual value.

The Company will continue to account for finance lease transactions without title transfer, where the lease transaction started before the first year of application, as operating leases.

The impact of this change on operating income, ordinary income and income before income taxes and minority interests is immaterial.

(d) Accounting classification changes in the Consolidated Statements of Income

Effective from the first quarter ended June 30, 2008, the Company accounts for miscellaneous and personnel expenses in the Hotel Business Segment not directly related to hotel costs as selling, general and administrative expenses, previously accounted for as cost of sales.

With the classification of the Hotel Business Segment, this change aims to ensure comparability of the Hotel Business Segment with regard to the financial statements of other companies.

As a result, cost of sales in the cumulative second-quarter period ended September 30, 2008 decreased by ¥11,434 million, while gross profit and selling, general and administrative expenses each increased by the same amount.

Additional information:

Effective from the first quarter ended June 30, 2008, the Company and its consolidated subsidiaries have changed the useful life of main equipment and facilities following changes to legal useful life in fiscal 2008 income tax code revisions.

As a result, operating income, ordinary income and income before income taxes and minority interests in the cumulative second-quarter period ended September 30, 2008 each increased by ¥454 million, and net income increased by ¥270 million.

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

Items	As of September 30, 2008	As of March 31, 2008
	Amount	Amount
ASSETS		
I. Current assets		
1. Cash and deposits	12,009	52,403
2. Notes and accounts receivable - trade	11,670	13,362
3. Short-term investment securities	22,033	92,210
4. Merchandise and finished goods	7,506	6,272
5. Work in process	1,101	771
6. Raw materials and supplies	3,824	3,519
7. Other	11,756	12,015
8. Allowance for doubtful accounts	(2)	(0)
Total current assets	69,900	180,554
II. Noncurrent assets		
(1) Property, plant and equipment		
1. Buildings and structures, net	357,578	323,376
2. Machinery, equipment and vehicles, net	54,449	53,010
3. Land	93,301	93,301
4. Lease assets, net	27	—
5. Construction in progress	10,213	47,260
6. Other, net	15,166	14,529
Total property, plant and equipment	530,737	531,479
(2) Intangible assets		
1. Goodwill	1,765	1,830
2. Other	11,087	11,712
Total intangible assets	12,852	13,542
(3) Investments and other assets		
1. Investment securities	20,255	19,397
2. Other	16,481	12,674
3. Allowance for doubtful accounts	(87)	(105)
Total investments and other assets	36,649	31,966
Total noncurrent assets	580,238	576,988
Total assets	650,139	757,542

(Millions of yen)

Items	As of September 30, 2008	As of March 31, 2008
	Amount	Amount
LIABILITIES		
I. Current liabilities		
1. Notes and accounts payable - trade	13,669	15,377
2. Short-term loans payable	19,500	—
3. Current portion of bonds	19,999	100,000
4. Current portion of long-term loans payable	10,000	—
5. Income taxes payable	6,778	6,164
6. Other	38,479	48,365
Total current liabilities	108,426	169,907
II. Noncurrent liabilities		
1. Bonds payable	79,984	99,982
2. Long-term loans payable	70,000	80,000
3. Provision for retirement benefits	2,666	2,502
4. Other	18,948	16,968
Total noncurrent liabilities	171,600	199,453
Total liabilities	280,026	369,361
NET ASSETS		
I. Shareholders' equity		
1. Capital stock	63,201	63,201
2. Capital surplus	111,403	111,403
3. Retained earnings	218,656	212,703
4. Treasury stock	(24,461)	(15)
Total shareholders' equity	368,799	387,292
II. Valuation and translation adjustments		
1. Valuation difference on available-for-sale securities	1,336	1,059
2. Deferred gains or losses on hedges	(155)	(315)
Total valuation and translation adjustments	1,181	743
III. Minority interests	131	144
Total net assets	370,112	388,180
Total liabilities and net assets	650,139	757,542

(2) Consolidated Quarterly Statements of Income

(Millions of yen)

	Six months ended September 30, 2008
	Amount
I. Net sales	181,077
II. Cost of sales	133,717
Gross profit	47,359
III. Selling, general and administrative expenses	30,997
Operating income	16,362
IV. Non-operating income	
1. Interest income	116
2. Dividends income	208
3. Insurance and dividends income	277
4. Equity in earnings of affiliates	14
5. Foreign exchange gains	179
6. Other	421
Total non-operating income	1,218
V. Non-operating expenses	
1. Interest expenses	1,463
2. Other	233
Total non-operating expenses	1,696
Ordinary income	15,884
VI. Extraordinary loss	
1. Loss on sales of investment securities	59
2. Loss on valuation of investment securities	502
3. Impairment loss	304
Total extraordinary losses	866
Income before income taxes and minority interests	15,017
Income taxes - current	6,397
Income taxes - deferred	(171)
Total income taxes	6,225
Minority interests in loss	(13)
Net income	8,806

(3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2008
I. Net cash provided by (used in) operating activities	
1. Income before income taxes and minority interests	15,017
2. Depreciation and amortization	23,528
3. Impairment loss	304
4. Amortization of goodwill	65
5. Increase (decrease) in provision	225
6. Interest and dividends income	(325)
7. Interest expenses	1,463
8. Foreign exchange losses (gains)	0
9. Loss (gain) on valuation of investment securities	502
10. Equity in (earnings) losses of affiliates	(14)
11. Decrease (increase) in notes and accounts receivable - trade	1,722
12. Decrease (increase) in inventories	(1,868)
13. Increase (decrease) in notes and accounts payable – trade	(2,342)
14. Increase (decrease) in accrued consumption taxes	(1,135)
15. Other, net	(612)
Subtotal	36,531
16. Interest and dividends income received	527
17. Interest expenses paid	(2,725)
18. Income taxes paid	(5,706)
Net cash provided by (used in) operating activities	28,627

(Millions of yen)

	Six months ended September 30, 2008
II. Net cash provided by (used in) investment activities	
1. Proceeds from withdrawal of time deposits	4,000
2. Proceeds from redemption of securities	41,978
3. Purchase of property, plant and equipment	(30,402)
4. Proceeds from sales of property, plant and equipment	144
5. Purchase of investment securities	(1,205)
6. Other, net	2,411
Net cash provided by (used in) investment activities	16,925
III. Net cash provided by (used in) financing activities	
1. Increase in short-term loans payable	24,500
2. Decrease in short-term loans payable	(5,000)
3. Redemption of bonds	(100,000)
4. Purchase of treasury stock	(24,445)
5. Cash dividends paid	(2,850)
6. Other, net	(651)
Net cash provided by (used in) financing activities	(108,448)
IV. Effect of exchange rate change on cash and cash equivalents	0
V. Net increase (decrease) in cash and cash equivalents	(62,895)
VI. Cash and cash equivalents at beginning of period	97,901
VII. Cash and cash equivalents at end of period	35,006

Effective from the fiscal year ending March 31, 2009, the Company applies the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and its Implementation Guidance, “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). Quarterly consolidated financial statements have been prepared in accordance with the “Regulation for Quarterly Consolidated Financial Reporting.”

(4) Notes Regarding Going Concern Assumption: None

(5) Segment Information

a. Segment Information by Business

Cumulative second-quarter period of the consolidated fiscal year ending March 31, 2009 (April 1, 2008 to September 30, 2008)

(Millions of yen)

	Theme Park Segment	Hotel Business Segment	Retail Business Segment	Other Business Segment	Total	Eliminations and Corporate	Consolidated
Net Sales							
1. Net Sales to Customers	142,546	21,082	7,316	10,131	181,077	—	181,077
2. Intersegment Net Sales	2,348	271	513	4,039	7,172	(7,172)	—
Total	144,894	21,354	7,830	14,170	188,250	(7,172)	181,077
Operating Income (Operating Loss)	15,664	1,861	(423)	(778)	16,324	37	16,362

Notes: 1. Business classification method

The Company classifies its businesses into the four business segments of the Theme Park Segment, the Hotel Business Segment, the Retail Business Segment and the Other Business Segment in consideration of the type and qualities of products and their similarity to products in the market.

2. Segment composition

- (i) Theme Park Segment: Management and operation of theme parks
- (ii) Hotel Business Segment: Management and operation of Disney hotels and Palm & Fountain Terrace Hotel
- (iii) Retail Business Segment: Management and operation of The Disney Store
- (iv) Other Business Segment: Management and operation of IKSPIARI, management and operation of Cirque du Soleil Theatre Tokyo, management and operation of monorail, operation of employee cafeterias, management and operation of themed restaurants, and others

3. Changes in business classification

In the cumulative second-quarter period ended September 30, 2008, the Company classified all hotels, including the newly opened Tokyo Disneyland Hotel, as the Hotel Business Segment in order to optimize the management of each segment. The Commercial Facilities Segment was abolished due to its resulting diminished size, and IKSPIARI was included in the Other Business Segment.

The OLC Group reclassified subsidiaries and affiliates among segments in consideration of management based on their respective future orientation and current state of net sales. As a result, seven companies related to the operation of theme parks, in addition to the Company, were included in the Theme Park Segment, and the number of subsidiaries and affiliates included in the Other Business Segment decreased.

Amounts resulting from the change in segment classification are not presented because the approach to segmentation itself has changed and because of the difficulty of making comparisons with previous segments.

b. Segment Information by Region

Cumulative second-quarter period of the consolidated fiscal year ending March 31, 2009 (April 1, 2008 to September 30, 2008)

No information is available as the Company has no consolidated subsidiaries or stores in countries or regions other than Japan.

c. Overseas Net Sales

Cumulative second-quarter period of the consolidated fiscal year ending March 31, 2009 (April 1, 2008 to September 30, 2008)

No information is available as the Company has no net sales from countries or regions other than Japan.

(6) Notes in the Event of Major Changes in Shareholders' Equity

On June 19, 2008, the Company repurchased 4,200,079 of its shares (common stock) by tender offer. As a result, treasury stock increased by ¥24,444 million during the cumulative second-quarter period ended September 30, 2008 and totaled ¥24,461 million as of September 30, 2008.

[Reference]

Financial Statements for the Same Period of the Fiscal Year Ended March 31, 2008

(1) Interim Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2007	
	Amount	%
I. Net sales	163,114	100.0
II. Cost of sales	130,192	79.8
Gross profit	32,922	20.2
III. Selling, general and administrative expenses	16,580	10.2
Operating income	16,341	10.0
IV. Non-operating income		
1. Interest income	359	
2. Dividends income	182	
3. Equity in earnings of affiliates	4	
4. Insurance and dividends income	235	
5. Other	478	
Total non-operating income	1,260	0.8
V. Non-operating expenses		
1. Interest expenses	2,263	
2. Other	297	
Total non-operating expenses	2,561	1.6
Ordinary income	15,040	9.2
VI. Extraordinary loss		
1. Impairment loss	118	
2. Provision for doubtful accounts	428	
Total extraordinary losses	547	0.3
Income before income taxes and minority interests	14,493	8.9
Income taxes - current	4,837	
Income taxes - deferred	1,224	
Total income taxes	6,061	3.7
Minority gain	8	0.0
Net income	8,423	5.2

(2) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2007
I. Net cash provided by (used in) operating activities	
1. Income before income taxes and minority interests	14,493
2. Depreciation and amortization	21,209
3. Impairment loss	118
4. Amortization of goodwill	89
5. Increase (decrease) in provision	565
6. Interest and dividends income	(541)
7. Interest expenses	2,263
8. Foreign exchange losses (gains)	(0)
9. Equity in (earning) losses of affiliates	(4)
10. Decrease (increase) in notes and accounts receivable - trade	2,255
11. Decrease (increase) in inventories	(3,815)
12. Increase (decrease) in notes and accounts payable - trade	(1,637)
13. Increase (decrease) in accrued consumption taxes	(267)
14. Other, net	(3,347)
Subtotal	31,380
15. Interest and dividends income received	457
16. Interest expenses paid	(2,243)
17. Income taxes paid	(9,286)
Net cash provided by (used in) operating activities	20,308

(Millions of yen)

	Six months ended September 30, 2007
II. Net cash provided by (used in) investment activities	
1. Payments into time deposits	(6,000)
2. Proceeds from withdrawal of time deposits	1,000
3. Purchase of short-term investment securities	(33,662)
4. Proceeds from redemption of securities	21,989
5. Purchase of property, plant and equipment	(27,045)
6. Proceeds from sales of investment securities	2,021
7. Proceeds from redemption of investment securities	3,000
8. Payment of loans receivable	(0)
9. Collection of loans receivable	33
10. Other, net	(3,835)
Net cash provided by (used in) investment activities	(42,499)
III. Net cash provided by (used in) financing activities	
1. Increase in long-term loans payable	10,000
2. Cash dividends paid	(2,845)
3. Purchase of treasury stock	(0)
4. Other, net	(651)
Net cash provided by (used in) financing activities	6,502
IV. Effect of exchange rate change on cash and cash equivalents	0
V. Net increase (decrease) in cash and cash equivalents	(15,689)
VI. Cash and cash equivalents at beginning of period	46,878
VII. Cash and cash equivalents at end of period	31,189

(3) Segment Information

a. Segment Information by Business

Interim period of the consolidated fiscal year ended March 31, 2008 (April 1, 2007 to September 30, 2007)

(Millions of yen)

	Theme Park Segment	Hotel Business Segment	Retail Business Segment	Other Business Segment	Total	Eliminations and Corporate	Consolidated
Net Sales							
1. Net Sales to Customers	136,334	11,432	8,109	7,238	163,114	—	163,114
2. Intersegment Net Sales	345	376	441	13,431	14,595	(14,595)	—
Total	136,680	11,808	8,551	20,670	177,710	(14,595)	163,114
Operating Income (Operating Loss)	14,731	764	(175)	824	16,145	196	16,341

b. Segment Information by Region

Interim period of the consolidated fiscal year ended March 31, 2008 (April 1, 2007 to September 30, 2007)

No information is available as the Company has no consolidated subsidiaries or stores in countries or regions other than Japan.

c. Overseas Net Sales

Interim period of the consolidated fiscal year ended March 31, 2008 (April 1, 2007 to September 30, 2007)

No information is available as the Company has no net sales from countries or regions other than Japan.