

2001

Interim Report 2001

For the six months ended September 30, 2000



To Our Stockholders



TOSHIO KAGAMI
President

TWO BIG STEPS IN THE TOKYO DISNEY RESORT

During the six-month period ended September 30, 2000, we continued to make major strides toward the realization of the Tokyo Disney Resort project. The IKSPIARI entertainment and commercial complex and adjacent Disney Ambassador Hotel held their grand openings on July 7. Construction is proceeding on schedule at Tokyo DisneySea, Tokyo DisneySea Hotel MiraCosta and the monorail, the three remaining elements of Tokyo Disney Resort. At Tokyo Disneyland, the new Pooh's Hunny Hunt attraction welcomed its first guests on September 1.

Unfortunately, we were unable to meet our targets for revenues and earnings. Non-consolidated revenues declined 4.1% to ¥82,032 million. The main cause was lower than expected attendance and lower sales per guest at Tokyo Disneyland. The number of guests was down by 256,000, or 3.1%, to 7,979,000 compared with the first half of the previous fiscal year. Holding down attendance was Japan's prolonged economic slump as well as record-setting summer heat and other factors. Sales per guest declined ¥237 to ¥9,030 as the extended softness in consumer spending in Japan brought down sales of merchandise.

CONSOLIDATED PERFORMANCE

On a consolidated basis, revenues were ¥88,355 million. Prior-year comparisons are not possible as this was our first year to report interim consolidated figures. We reported a net loss of ¥317 million for the period. Although operating income was ¥6,503 million, the bottom line was impacted by substantial development expenses associated with the upcoming launch of Tokyo DisneySea and other new facilities. One component of these expenses is personnel and other items related to preparations for starting operations. Another is interest expenses, which are rising as we procure the funds required for our ongoing projects. Although our plans for the year had factored in growth in these expenses, the decline in Tokyo Disneyland revenues prevented us from generating the profit for the period that we had anticipated earlier this year.

STEPS TO BOOST REVENUES

As Tokyo Disneyland remains Oriental Land's primary source of revenues, we are taking a broad range of steps to improve performance. During the second half of this fiscal year, we are expecting to see

significant growth in guests due to the September opening of Pooh's Hunny Hunt. Additionally, we have scheduled a highly appealing series of special events. "Christmas Fantasy", a perennial favorite, ran from November 6 through December 25 and became a big hit for us. This will be followed by a new



Pooh Corner

century countdown at the end of 2000. "Disney's Party Express!", to celebrate Walt Disney's 100th birthday, will then debut in January 2001. We plan to introduce a new night parade in June of next year.

In merchandise, food and beverages, we introduced more new products. Nevertheless, sales were lower. To rectify this problem, we are working closely with guest focus groups and Disney to develop items that accurately meet the expectations of our guests. Complementing these efforts will be steps to make new products more visible. We will do this by launching several new items at once, placing products based on a common theme in a single store, such as Pooh Corner, and implementing other marketing initiatives. We are determined to do what is needed to make our merchandise as appealing as possible for our guests.

OFF TO A STRONG START

The Disney Ambassador Hotel and IKSPIARI, which opened in July, have both

performed well. Hotel occupancy has consistently exceeded our targets. We are extremely pleased with the enthusiastic re-



Disney Ambassador Hotel

sponse of the public to this unique, Disney-themed hotel. One illustration is the popularity of our Disney Fairy Tale Wedding packages. We have already booked more than 700 of these packages from July to March, far more than our initial estimate. IKSPIARI as well



IKSPIARI

has drawn a strong response. Passenger numbers at the nearby Maihama Station grew substantially following IKSPIARI's opening.

TOKYO DISNEY RESORT INVESTMENTS CONTINUE

Having opened the Disney Ambassador Hotel and IKSPIARI, we are now focusing our attention on Tokyo DisneySea, Tokyo DisneySea Hotel MiraCosta and the Tokyo Disney Resort monorail. All three are slated

for completion in autumn 2001. With two theme parks, we envision an ex-

pansive destination-resort complex that will draw about 25 million guests every year. Investments in parking facilities and the monorail,



Tokyo Disney Resort

along with improvements at Maihama Station and a nearby expressway, will provide the necessary infrastructure to accommodate these people.

Naturally, the scale of these two projects means that related expenses will weigh heavily on our operating results for the time

being. For the current fiscal year, we estimate that capital expenditures will amount to ¥203.4 billion. We are also increasing debt to fund these projects. We will need to procure tens of billions more to complete the Tokyo Disney Resort project. Furthermore, we foresee rising expenses as we approach the opening of Tokyo DisneySea. Due to these factors, we are projecting a consolidated net loss of ¥1.7 billion for this fiscal year. In the following fiscal year, we will continue to face a challenging environment due to growth in expenses related to projects that will soon be completed and growth in interest expenses. However, we anticipate a rapid turn-around in our performance beginning with the fiscal year ending in March 2003, the first full-year contribution of Tokyo DisneySea. For the time being, though, we will be making the investments needed to set the stage for this future growth.

SUCCEEDING IN A CHALLENGING MARKET

Looking ahead, our plans must take into consideration soft consumer spending, intense competition in the recreation and entertainment marketplace, and the tendency for consumers to allocate an increasing share of their disposable incomes to high-tech items like cellular phones. On the positive side, we



Tokyo DisneySea

believe that the growth in leisure time in Japan along with the higher profile of the theme park industry as a whole due to new large-scale parks will give rise to important new sources of guests for our facilities. We want to firmly position Tokyo Disney Resort as a

resort where guests can stay for several days. We are planning joint promotions with hotels and perhaps sales of passports through convenience stores. Immediately before Tokyo DisneySea's grand opening, we intend to conduct high-profile nationwide advertising campaigns to attract guests from throughout Japan. Once all elements of Tokyo Disney Resort are in place, we are confident that we will be able to increase value for our stockholders.

Rest assured that the management of Oriental Land is well aware of the realities of the marketplace and the importance of improving our operating performance. Within this context, we will proceed with the Tokyo Disney Resort project. At the same time, we will mold an earnings structure that can weather both favorable and difficult operating environments and generate a consistently high cash flow. As always, our ultimate goal is to meet the expectations of our investors.

December 2000

TOSHIO KAGAMI President

Financial Review

NONCONSOLIDATED INCOME ANALYSIS Revenues for the six-month period ended September 30, 2000 decreased by 4.1% compared with the first half of the previous fiscal year to ¥82,032 million. The primary causes were a 3.1% decrease in Tokyo Disneyland guests to 7,979,000 and a decline of ¥237 in sales per guest to ¥9,030.

The other component of revenues rose 150.5%. This increase was the result of lease income from a subsidiary that began operating the IKSPIARI entertainment and commercial complex and Disney Ambassador Hotel following their July 2000 openings.

REVENUES	MILLIONS OF YEN		CHANGE
	SIX MONTHS ENDED SEPTEMBER 30, 2000	SIX MONTHS ENDED SEPTEMBER 30, 1999	
Attractions and shows	¥37,007	¥38,482	-3.8%
Merchandise sales	28,138	29,661	-5.1
Food and beverages	15,642	16,861	-7.2
Other	1,245	497	+150.5
Total	¥82,032	¥85,501	-4.1%

Cost of revenues increased 2.9% to ¥66,875 million, attributable in part to higher depreciation expenses due to the completion of IKSPIARI and the Disney Ambassador Hotel. General and administrative expenses increased 11.9% to ¥7,658 million because of depreciation and other expenses related to computer systems. Other income (expenses) was a net expense of ¥3,735 million as a ¥40.0 billion bond issue during the interim period caused interest expense to rise and development expenses for projects currently under construction increased.

Although the increases in depreciation and other expenses remained in line with original projections for the period, the decrease in revenues caused interim net income to fall 68.1% to ¥2,184 million. Net income per share was ¥21.82. Cash dividends per share applicable to the interim period were unchanged at ¥7.

CONSOLIDATED INCOME ANALYSIS The six-month period ended September 30, 2000 was the first time that Oriental Land released interim consolidated financial statements. Also beginning with this period, operating results are divided into three business segments for reporting purposes: theme parks, entertainment and commercial facilities and others. This change was made to reflect the more diverse nature of operations following the July opening of IKSPIARI and the Disney Ambassador Hotel. Theme parks represents Tokyo Disneyland, entertainment and commercial facilities represents IKSPIARI and the Disney Ambassador Hotel, and others represents the Rain Forest Café and employee cafeterias.

SEGMENT	MILLIONS OF YEN	
	SIX MONTHS ENDED SEPTEMBER 30, 2000	REVENUES
Theme parks	¥80,766	¥7,043
Entertainment and commercial facilities	6,108	(708)
Others	1,481	179
Eliminations	-	(11)
Total	¥88,355	¥6,503

In entertainment and commercial facilities, the operating loss was ¥708 million, as depreciation expenses increased due to the completion of IKSPIARI and Disney Ambassador Hotel, although both of the facilities generated satisfactory revenues.

As at the parent company, subsidiaries recorded substantial expenses related to preparations for the opening of new Tokyo Disney Resort facilities. Further impacting results is the absence of consolidated taxation in Japan. As a result, taxes owed by the parent company resulted in a net loss of ¥317 million.

CONSOLIDATED FINANCIAL POSITION AND LIQUIDITY Total assets increased by 18.5% to ¥660,308 compared with March 31, 2000. Current assets decreased by ¥36,127 million to ¥146,159 million, mainly because of payments made for construction work. Non-current assets increased by ¥115,459 million to ¥453,239 million. This was attributable to the July completion of IKSPIARI and the Disney Ambassador Hotel and to progress at other elements of the Tokyo Disney Resort project.

Current liabilities increased by 49.8% to ¥110,688 million. There were increases in amounts payable for construction work and a ¥22,000 million short-term loan to help fund Tokyo Disney Resort monorail construction expenses. Long-term liabilities rose by 42.3% to ¥226,369 million because of the April 11 issuance of ¥40.0 billion in unsecured bonds. Taking advantage of its high rating, Oriental Land was able to issue ¥30.0 billion of three-year notes with an interest rate of 0.93% and ¥10.0 billion of five-year notes with an interest rate of 1.42%.

Stockholders' equity decreased by 0.3% to ¥323,193 million and the equity ratio was 48.9% at September 30, 2000.

CONSOLIDATED CASH FLOW ANALYSIS Net cash provided by operating activities was ¥9,894 million. The completions of IKSPIARI, the Disney Ambassador Hotel and Pooh's Hunny Hunt made contributions to depreciation expenses and the amortization of deferred charge. In addition, there was an increase in deposits from IKSPIARI tenants.

Net cash used in investing activities was ¥88,745 million. There were increases in marketable securities and repurchase agreements as proceeds from the April bond issue were temporarily invested. Acquisition of theme park and other property remained high as Tokyo Disney Resort investments continued.

Net cash provided by financing activities was ¥59,561 million. The major components were the ¥40.0 billion bond issue in April and a loan to subsidiary Maihama Resort Line Co., Ltd. to fund capital expenditures.

Due to these items, cash and cash equivalents decreased by ¥19,289 million to ¥94,197 million.

Condensed Statements of Income (unaudited)

ORIENTAL LAND CO., LTD.

	NONCONSOLIDATED BASIS			CONSOLIDATED BASIS	
		MILLIONS OF YEN	MILLIONS OF U.S. DOLLARS	MILLIONS OF YEN	MILLIONS OF U.S. DOLLARS
	2000	1999	2000	2000	2000
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2000 AND 1999					
REVENUES FROM OPERATIONS	¥82,032	¥85,501	\$767	¥88,355	\$826
COST OF REVENUES	66,875	65,017	625	72,785	680
Gross profit	15,157	20,484	142	15,570	146
GENERAL AND ADMINISTRATIVE EXPENSES	7,658	6,846	72	9,067	85
Operating income	7,499	13,638	70	6,503	61
OTHER INCOME (EXPENSES):					
Interest and dividend income	913	832	9	520	5
Interest expenses	(1,995)	(1,567)	(19)	(1,995)	(19)
Other, net	(2,653)	(1,069)	(25)	(3,722)	(35)
Income before income taxes	3,764	11,834	35	1,306	12
INCOME TAXES:					
Current	1,654	4,734	15	1,791	17
Deferred	(74)	253	(1)	(113)	(1)
Minority interest	-	-	-	55	1
Net income (loss)	¥ 2,184	¥ 6,847	\$ 20	¥ (317)	\$ (3)
		YEN	U.S. DOLLARS	YEN	U.S. DOLLARS
AMOUNT PER SHARE:					
Net income (loss)	¥21.82	¥68.39	\$0.20	¥(3.17)	\$(0.03)
Cash dividends	7.00	7.00	0.07	7.00	0.07

Condensed Balance Sheets (unaudited)

ORIENTAL LAND CO., LTD.

	NONCONSOLIDATED BASIS			CONSOLIDATED BASIS		
		MILLIONS OF YEN	MILLIONS OF U.S. DOLLARS		MILLIONS OF YEN	MILLIONS OF U.S. DOLLARS
	2000/9	2000/3	2000/9	2000/9	2000/3	2000/9
AS AT END OF						
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	¥ 88,803	¥ 111,551	\$ 830	¥ 94,197	¥ 113,486	\$ 880
Marketable securities	20,711	55,378	194	20,710	55,378	194
Trade receivables	3,605	3,473	34	4,302	3,569	40
Other current assets	26,415	9,580	247	26,950	9,853	252
Total current assets	139,534	179,982	1,304	146,159	182,286	1,366
THEME PARK AND OTHER PROPERTY, AT COST:						
Attractions, buildings and equipment	319,772	250,561	2,989	326,024	250,584	3,047
Land	58,200	55,964	544	58,200	55,964	544
Construction in progress	221,088	189,698	2,066	247,829	205,148	2,316
Less—Accumulated depreciation	(178,439)	(173,889)	(1,668)	(178,814)	(173,916)	(1,671)
	420,621	322,334	3,931	453,239	337,780	4,236
INVESTMENT AND OTHER ASSETS	67,624	52,944	632	60,910	37,214	569
Total assets	¥ 627,779	¥ 555,260	\$ 5,867	¥ 660,308	¥ 557,280	\$ 6,171
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable, net	¥ 54,933	¥ 49,023	\$ 513	¥ 62,844	¥ 49,922	587
Short-term debt	-	-	-	22,000	-	206
Other current liabilities	23,388	23,042	219	25,844	23,966	242
Total current liabilities	78,321	72,065	732	110,688	73,888	1,034
LONG-TERM LIABILITIES:						
Bonds	190,000	150,000	1,776	190,000	150,000	1,776
Long-term debt	4,360	6,072	41	4,360	6,072	41
Other long-term liabilities	27,785	1,326	260	32,009	3,028	299
Total long-term liabilities	222,145	157,398	2,076	226,369	159,100	2,116
MINORITY INTEREST:						
Minority interest	-	-	-	58	113	1
STOCKHOLDERS' EQUITY:						
Common stock par value ¥50 per share:						
Authorized—330,000,000 shares						
Issued—100,122,540 shares, in 2000	63,201	63,201	591	63,201	63,201	591
Additional paid-in capital	111,403	111,403	1,041	111,403	111,403	1,041
Legal reserve	994	914	9	-	-	-
Retained earnings	151,598	150,279	1,417	148,472	149,575	1,388
Net unrealized gain on securities	117	-	1	118	-	1
Treasury stock	-	-	-	(1)	(0)	(0)
Total stockholders' equity	327,313	325,797	3,059	323,193	324,179	3,020
Total liabilities and stockholders' equity	¥ 627,779	¥ 555,260	\$ 5,867	¥ 660,308	¥ 557,280	\$ 6,171

Statements of Cash Flows (unaudited)

ORIENTAL LAND CO., LTD.

FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2000 AND 1999	NONCONSOLIDATED BASIS			CONSOLIDATED BASIS	
	2000	MILLIONS OF YEN 1999	MILLIONS OF U.S. DOLLARS 2000	MILLIONS OF YEN 2000	MILLIONS OF U.S. DOLLARS 2000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Income before income taxes	¥ 3,764	¥ 11,834	\$ 35	¥ 1,306	\$ 12
Adjustments to reconcile net income net cash provided by operating activities:					
Depreciation and amortization, aggregate	7,641	5,886	71	7,936	74
Amortization of deferred charge	1,634	1,157	15	1,942	18
(Decrease) increase in allowance	82	168	1	340	3
Interest and dividends income	(913)	(747)	(9)	(521)	(5)
Interest expense	1,995	1,567	19	1,995	19
Exchange gain or loss	26	(34)	0	26	0
Equity in earnings of affiliates	-	-	-	4	0
(Increase) Decrease in trade receivables	(194)	844	(2)	(811)	(8)
Decrease (Increase) in inventories	(77)	(382)	(1)	(408)	(4)
(Decrease) increase in accounts payable	(1,324)	(1,479)	(12)	(788)	(7)
Increase in deposit received	-	-	-	2,373	22
Other, net	664	389	6	2,010	19
	<u>13,298</u>	<u>19,203</u>	<u>124</u>	<u>15,404</u>	<u>144</u>
Interest and dividends received	889	828	8	497	5
Interest paid	(1,805)	(1,445)	(17)	(1,805)	(17)
Income taxes paid	(4,086)	(9,002)	(38)	(4,202)	(39)
Net cash provided by operating activities	<u>8,296</u>	<u>9,584</u>	<u>78</u>	<u>9,894</u>	<u>92</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Addition to marketable securities	(19,709)	(53,911)	(184)	(19,709)	(184)
Proceeds from maturity of marketable securities	32,688	59,969	305	32,688	305
Acquisition of theme park and other property	(76,708)	(36,087)	(717)	(87,469)	(817)
Proceeds from sales of theme park and other property	5	-	0	5	0
Addition to investment securities	(1,186)	(2,827)	(11)	(1,186)	(11)
Proceeds from sales of investment securities	3	-	0	3	0
Proceeds from maturity of investment securities	9,173	314	86	9,173	86
Lending of loans	(30,700)	(4,720)	(287)	(16,986)	(159)
Proceeds from collection of loans	22,903	75	214	2,008	19
Other, net	(5,075)	(19,487)	(47)	(7,272)	(68)
Net cash used in investing activities	<u>(68,606)</u>	<u>(56,674)</u>	<u>(641)</u>	<u>(88,745)</u>	<u>(829)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from short-term bank loans	-	-	-	22,000	206
Repayment of long-term debt	(1,712)	(2,054)	(16)	(1,712)	(16)
Increase in bonds	39,975	49,747	374	39,975	374
Dividends paid	(701)	(698)	(7)	(701)	(7)
Other, net	(1)	(12)	(0)	(1)	(0)
Net cash (used in) provide by financing activities	<u>37,561</u>	<u>46,983</u>	<u>351</u>	<u>59,561</u>	<u>557</u>
Effect of exchange rate changes on cash and cash equivalents	1	2	0	1	0
Net increase in cash and cash equivalents	(22,748)	(105)	(213)	(19,289)	(180)
Cash and cash equivalents at beginning of period	111,551	122,130	1,043	113,486	1,061
Cash and cash equivalents at end of period	<u>¥ 88,803</u>	<u>¥122,025</u>	<u>\$ 830</u>	<u>¥ 94,197</u>	<u>\$ 880</u>

Notes to Financial Statements (unaudited)

ORIENTAL LAND CO., LTD.

1. BASIS OF PRESENTATION The financial statements were prepared on the basis of the nonconsolidated and consolidated financial statements and of the significant accompanying policies included in Note 1 of the Company's 2000 annual report, in conformity with accounting principles generally accepted in Japan applied in a consistent manner. The statements should be read in conjunction with these notes and other applicable notes included in the annual report.

2. BASIS OF TRANSLATING FINANCIAL STATEMENTS The accounts and the nonconsolidated and consolidated financial statements of the Company are maintained in Japanese yen. For the convenience of readers, the accompanying nonconsolidated financial statements are also presented in U.S. dollars by arithmetically translating all Japanese yen amounts using the exchange rate in effect at September 30, 2000, of ¥107 to US\$1.

3. SUBSEQUENT EVENT On November 14, 2000, the Board of Directors approved the payment of interim cash dividends of ¥7.00 per share to stockholders of record as of September 30, 2000.

Adoption of New Accounting Standards (unaudited)

ORIENTAL LAND CO., LTD.

1. ACCOUNTING FOR RETIREMENT BENEFITS The Company adopted a new standard for accounting for retirement benefits beginning with the interim period ended September 30, 2000. This change had the effect of increasing retirement benefit expenses, in both consolidated and nonconsolidated accounts, by ¥396 million, and decreasing income before income taxes by an equivalent amount.

2. ACCOUNTING FOR FINANCIAL INSTRUMENTS The Company adopted a new standard for accounting for financial products beginning with the interim period ended September 30, 2000. The changes include a new method of evaluating marketable securities and derivative transactions and of recording the allowance for doubtful receivables. As a result, consolidated income before income taxes rose ¥1,019 million (¥1,037 million on a nonconsolidated basis).

3. ACCOUNTING FOR FOREIGN CURRENCY TRANSACTIONS The Company adopted a revised standard for accounting for transactions denominated in foreign currencies beginning with the interim period ended September 30, 2000. This change had the effect of reducing income before income taxes, on both a consolidated and nonconsolidated basis, by ¥12 million.

Investor Information

AS OF SEPTEMBER 30, 2000

SHARES OF COMMON STOCK:

AUTHORIZED: 330,000,000 shares

ISSUED: 100,122,540 shares

CAPITAL STOCK: ¥63,201 million

NUMBER OF STOCKHOLDERS: 54,306

STOCK LISTING: Tokyo Stock Exchange, First Section

TRANSFER AGENT: The Chuo Mitsui Trust and Banking Company, Limited

ANNUAL MEETING OF STOCKHOLDERS:

The annual meeting of stockholders of the Company is normally held in June each year.

DIVIDEND DATES:

Subject to approval by the Board of Directors

RECORD DATES	PAYMENT DATES
March 31	June 29
September 30	December 12

FOR FURTHER INFORMATION, CONTACT:

Finance/Accounting Division, Investor Relations Group
Oriental Land Co., Ltd.

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

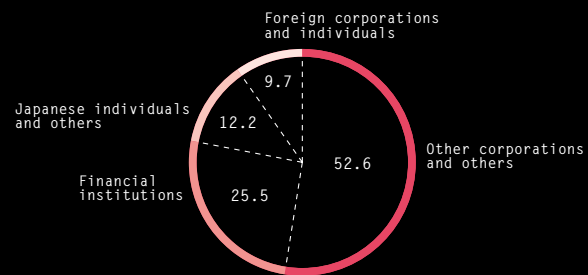
TEL: +81 47 305 2034

FAX: +81 47 381 3556

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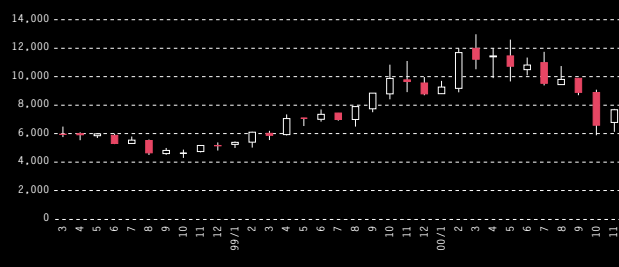
Distribution of Stockholders

(AS OF SEPTEMBER 30, 2000, %)



Common Stock Price Range on the Tokyo Stock Exchange

(YEN)



Oriental Land Co., Ltd.

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