

Teleconference Overview of Results
for the Second Quarter of the Fiscal Year Ending March 31, 2012

Questions & Answers

Date: Friday, November 4, 2011

Presenters: Kyoichiro Uenishi, Representative Director, President and COO

Wataru Takahashi, Officer (Finance/Accounting Department)

Masato Nagata, IR Group Manager (moderator)

The following outlines the Questions & Answers at the Teleconference Overview of Results.

Q1) How were theme park attendance and net sales per guest in October?

A1) Theme park attendance trended favorably, reaching the same level as the extremely robust figure recorded in October last year. Net sales per guest were also strong due to favorable ticket receipts and strong merchandise revenue driven by products related to the Tokyo DisneySea 10th Anniversary.

Q2) With regard to the composition ratio of theme park attendance by area in the first half year, an increase in the ratio of guests from the Tokyo metropolitan area was observed. What are your views on this result and what is your outlook for the future?

A2) In the first half year, the number of guests from regional areas was sluggish subsequent to the earthquake disaster, while the composition ratio of guests from the Tokyo metropolitan area increased due to promotional campaigns undertaken mainly in the Tokyo metropolitan area. The number of regional guests recovered in stages, almost reaching the same level as the previous fiscal year in September. The same trend continued in October.

Q3) After the earthquake disaster, the number of overseas travelers to Japan decreased. Given such a severe business environment, how are you promoting sales abroad?

A3) For example, in Hong Kong, we hold a briefing session every year for local travel agencies, while in China we undertake market surveys and strive to strengthen collaboration with Japanese travel agencies operating in China. Although a recovery trend is seen in the number of foreign nationals visiting Japan, this is owing to the recovery in the number of business trips to Japan and in the number of tourists headed to areas other than the Kanto region. However, once the external environment settles down and the number of tourists visiting the Kanto region begins to recover, it will contribute to an increase in the theme park attendance.

- Q4) You expect theme park attendance in the second half year to increase by 10.9% year on year. When looking only at the period from October to February in the second half, how would you expect theme park attendance to perform in comparison with the same period of the previous fiscal year, considering that this period of the previous fiscal year was free from the impact of theme park closure? With respect to March, the month when the theme parks were closed in the previous fiscal year, do you expect theme park attendance to bounce back to the level enjoyed prior to the disaster?
- A4) Although I cannot give you a monthly breakdown of theme park attendance, I can say that we made our forecast for the second half year as a whole by taking into account the fact that attendance is expected to increase against the second half of the previous fiscal year during which theme parks were closed; the third quarter of the previous fiscal year enjoyed favorable weather; and an unfavorable business environment is expected where the number of overseas travelers to Japan has not quite recovered to the previous level. We will continue to maintain our business management policy of establishing a solid sales plan, implementing thorough cost control, and maximizing earnings and cash flow.
- Q5) To what extent will the decrease in fixed expenses resulting from cost control measures taken this fiscal year continue to have an effect in the next fiscal year?
- A5) Although I cannot provide our plan for the next fiscal year, we intend to continue to rigorously control personnel expenses by reducing overtime payments through improvements in business efficiency. We will also strive to adamantly control fixed costs to achieve more streamlined and leaner business practices.
- Q6) Would it be reasonable to assume that theme park attendance will increase in and after the next fiscal year, considering that the impact of theme park closure due to the earthquake disaster will no longer affect attendance figures and that fiscal 2013 will mark the Tokyo Disney Resort 30th Anniversary?
- A6) The next fiscal year will be free from the impact of theme park closure due to the earthquake while introduction of new attractions and new special events are scheduled. Fiscal 2013 will mark the Tokyo Disney Resort 30th Anniversary, which is expected to attract more attention. Basically speaking, we aim to increase the level of theme park attendance in years to come.
- Q7) I understand that you plan to invest around 200.0 billion yen in the Theme Park Segment over the next 10 years. Please elaborate specifically on your medium- to long-term vision for investment in the Theme Park Segment.
- A7) Under our vision of enhancing the value of our theme parks, we aim to further improve the level of guest satisfaction. To this end, we will allocate an investment resource of around 200.0 billion yen to our two theme parks over the long-term of 10 years.