

Teleconference Overview of Results for the Third Quarter of the Fiscal Year Ending March 31, 2008

This overview is based on the “Supplementary Materials of the Results for the Third Quarter of the Fiscal Year Ending March 31, 2008.” Please refer to those materials, which are available for download at the Oriental Land website at <http://www.olc.co.jp/en/ir>.

- **Conference Date: Thursday, February 7, 2008**
- **Presenter: Akiyoshi Yokota, Director of Finance/Accounting Division**

Consolidated Results

Let’s begin with an overview of the consolidated statement of income on the left side of the supplementary materials.

Results for the third quarter, compared with the third quarter of the previous fiscal year, were as follows:

- Revenues increased 0.3 percent to ¥266.7 billion.
- Operating income increased 6.9 percent to ¥37.2 billion.
- Ordinary income increased 8.5 percent to ¥34.6 billion.
- Net income for the nine-month period increased 11.9 percent to ¥20.7 billion.

Both revenues and income increased.

Revenues by Segment

Revenues by segment compared with the same period a year ago and factors that influenced results were as follows:

- Revenues in the Theme Park Segment increased ¥50 million to ¥224.7 billion.
- Revenues in the Commercial Facilities Segment increased ¥20 million to ¥17.7 billion.
- Revenues in the Retail Business Segment decreased ¥0.6 billion to ¥12.7 billion.
- Revenues in the Other Business Segment increased ¥1.3 billion to ¥11.4 billion.

I would like to discuss factors that influenced results. Please refer to the supplementary materials on the right.

Theme Park Segment

Revenues in the Theme Park Segment were essentially unchanged from the previous third quarter despite a decrease in attendance, due to increased revenues per guest.

Please refer to the third-quarter comparison of figures for attendance and revenues per guest at the top right.

Attendance decreased slightly from the same period of the previous fiscal year. The primary factor in the decrease was that it was the year following the Tokyo DisneySea 5th Anniversary, which was well received.

However, revenues per guest increased slightly from the previous third quarter. Although merchandise sales revenues were lower due in part to renovation work at Tokyo Disneyland merchandise shops, ticket receipts increased as a result of a revision of ticket prices in September 2006.

The occupancy rate of the Tokyo DisneySea Hotel MiraCosta was essentially unchanged from the previous third quarter.

Commercial Facilities Segment

Revenues in the Commercial Facilities Segment were essentially unchanged from the previous third quarter. Accommodation revenues at the Disney Ambassador Hotel increased due to a higher occupancy rate absent the full renovation of guest rooms and other areas conducted in the previous fiscal year, while banquet revenues decreased as a result of controlling the number of wedding ceremonies to provide a higher level of service.

Retail Business Segment

Revenues decreased ¥0.6 billion yen, with reduced revenues from sales of merchandise due to factors including a decrease in the number of stores. I would like to give you a supplemental explanation of the Retail Business Segment later.

Other Business Segment

The monorail fare revision implemented in April 2007 and other factors including an increase in movie-related revenues and revenues from food and beverage sales resulted in an increase in revenues of ¥1.3 billion.

The occupancy rate of the Palm & Fountain Terrace Hotel decreased slightly from the previous third quarter.

Next, I would like to discuss operating income.

While revenues increased by 0.3 percent from the same period of the previous year, we were able to reduce cost of revenues by 0.9 percent. As a result, operating income increased 6.9 percent to ¥37.2 billion.

Operating Income by Segment

Operating income by segment and factors behind the changes were as follows:

- Operating income in the Theme Park Segment increased ¥1.6 billion to ¥33.8 billion.
- Operating income in the Commercial Facilities Segment increased ¥0.2 billion to ¥1.5 billion.
- Operating loss in the Retail Business Segment decreased ¥0.5 billion to ¥70 million.
- Operating income in the Other Business Segment decreased ¥0.2 billion to ¥1.6 billion.

I would like to discuss factors that influenced results. Please refer to the middle section on the left side of

the supplementary materials.

Please note that Oriental Land (OLC) is disclosing third-quarter operating income by segment for the first time.

Theme Park Segment

Operating income increased due to lower sales promotion and other fixed expenses and personnel expenses at the theme parks.

Commercial Facilities Segment

Operating income increased due to the absence of expenses associated with the full renovation of guest rooms and other areas at the Disney Ambassador Hotel that took place in the previous fiscal year.

Retail Business Segment

While revenues decreased, ongoing cost structure reforms begun in the previous fiscal year reduced the operating loss. I will return to this point, together with revenues, later in my presentation.

Other Business Segment

Despite an increase in revenues, operating income decreased due to movie-related costs and preparation costs for the opening of the Tokyo Disneyland Hotel and Cirque du Soleil Theatre Tokyo this year.

Please note item ⑤ presented in the area on the far right of the left-hand column of the supplementary materials. This is the amount of cost of revenues transferred from other expenses to personnel expenses as a result of a change in entertainment show cast member employment contracts.

Ordinary Income and Quarterly Net Income

Ordinary income increased 8.5 percent year-on-year to ¥34.6 billion due to the increase in operating income discussed above, as well as a net increase of ¥0.3 billion in non-operating income from higher interest on securities and other factors.

Net income for the third quarter increased 11.9 percent to ¥20.7 billion due to the increase in ordinary income.

This concludes the overview of results for the third quarter of the fiscal year ending March 31, 2008.

Supplementary Data: Retail Business Segment

I will now give a supplemental explanation of the Retail Business Segment.

Please refer to the middle section on the right side of the materials for supplementary data for the Retail Business Segment.

Please refer to the graph on the left that shows revenues by quarter, compared with the same quarter in the previous fiscal year.

As discussed earlier, although second-quarter revenues recovered to the level of the same period in the previous year, third-quarter revenues decreased compared with the third quarter of the previous fiscal year.

Despite strengthening of sales during the Christmas season and enhanced activities to promote purchasing, including a campaign for members of our customer program, revenues declined as a result of factors including a decrease in the number of stores and a decrease in sales at existing stores due to the effect of worsening consumer sentiment on consumer spending. However, operating income increased from the third quarter of the previous fiscal year, as shown in the graph on the right that shows operating income by quarter, compared with the same quarter in the previous fiscal year. Although revenues decreased, third-quarter expenses decreased by ¥0.3 billion as a result of programs we have been undertaking from the previous fiscal year to reform this segment's cost structure. These costs mainly include store rents and distribution, head office and personnel expenses.

Summary

I would like to conclude with a summary of the third quarter.

Third-Quarter Results (Compared with the Third Quarter of the Previous Fiscal Year)

In the Theme Park Segment, revenues and operating income increased compared with the same period of the previous fiscal year, despite a decrease in theme park attendance, due to an increase in revenues per guest and a decrease in operating expenses such as sales promotion expenses. In the Retail Business Segment, cost structure reforms improved the operating loss despite a decrease in revenues.

Third-Quarter Results (Compared with the Projected Results)

The figures have not been presented, but although revenues were in line with our projection, operating income exceeded our projection due to factors including delays in expenses in the Theme Park Segment.

Projected Full-Year Results

Taking into account the impact of factors including delays in expenses and weather risk on attendance at the theme parks, we are not presently changing our forecasts announced in November for full-year performance in light of third-quarter results.

Operating income for the fourth quarter is projected to decrease substantially from the same period a year ago. This is in consideration of factors including a decrease in income due to lower theme park attendance, an increase in depreciation expenses following a revision of the tax code, an increase in personnel expenses due to a wage revision for part-time employees OLC will carry out in March 2008, expenses related to the full renovation of the Tokyo DisneySea Hotel MiraCosta, and an increase in expenses in the Other Business Segment to prepare for the opening of new facilities.