

## **Teleconference Overview of Results** **for the Third Quarter of the Fiscal Year Ending March 31, 2010**

This overview is based on the “Supplementary Materials: Results for the Third Quarter of the Fiscal Year Ending March 31, 2010” which can be downloaded from the Investor Relations section of the Oriental Land website (<http://www.olc.co.jp/en/ir>).

- Conference Date: Thursday, February 4, 2010
- Presenter: Akiyoshi Yokota, Executive Director and Officer

### **[Consolidated Results]**

First of all, let me begin with an overview of the third quarter consolidated statements of income for the fiscal year ending March 31, 2010. Please refer to the left page of the Supplementary Materials.

While net sales for the nine months ended December 31, 2009 decreased compared with the same period of the previous fiscal year, net income increased. The following is a summary of the results:

- Net sales decreased ¥14.3 billion to ¥286 billion.
- Operating income decreased ¥2.5 billion to ¥39.7 billion.
- Ordinary income decreased ¥2.7 billion to ¥39 billion.
- Net income increased ¥1.3 billion to ¥25.2 billion.

### **[Net Sales by Segment]**

Now, I would like to comment on net sales by segment compared with the same period of the previous fiscal year as well as talk about the factors behind the changes.

#### **① Theme Park Segment**

Net sales for this segment decreased by ¥14.4 billion compared with the same period of the previous fiscal year to ¥221.5 billion.

With regard to the changes in theme park attendance and net sales per guest from the previous third quarter, please refer to the chart titled “(2) Theme Park Information” on the right page of the Supplementary Materials.

Attendance at theme parks fell below the level of the same period of the previous fiscal year due to various factors, including the fact that the previous year was the Tokyo Disney Resort 25th Anniversary. Compared with the projection, the attendance for the period was largely as forecast.

On the other hand, net sales per guest remained strong with the volume of sales essentially unchanged from the same period of the previous fiscal year. Looking at the breakdown, ticket receipts were essentially unchanged from the same period of the previous fiscal year. While sales of the “Duffy” products sold

exclusively at Tokyo DisneySea remained strong, overall merchandise sales were slightly below those of the same period of the previous fiscal year due to the fact that the previous year was the 25th Anniversary, among other factors. Food and beverage sales increased slightly due to various factors, including strong wagon sales.

In addition, I would like to comment on net sales per guest compared with the projection announced in November, which is not included in the materials. Net sales per guest were slightly above the projection mainly due to an increase in merchandise sales driven by strong sales of the “Duffy” products and Halloween-themed products.

#### ②Hotel Business Segment

Net sales for this segment decreased ¥0.1 billion compared with the same period of the previous fiscal year to ¥34.8 billion due to a decrease in the occupancy rates of each hotel despite full-year operation of Tokyo Disneyland Hotel.

With regard to the change in the occupancy rates for each hotel from the same period of the previous fiscal year, please refer to the chart titled “(3) Hotel Occupancy Rates” on the right page of the Supplementary Materials. The occupancy rates for each hotel fell below the level of the same period of the previous fiscal year due to external factors including the influence of novel influenza A (H1N1) in addition to the fact that the previous year was the 25th Anniversary.

I would also like to comment on the occupancy rates for each hotel compared with the projection announced in November, which is not included in the materials. While the occupancy rates for Tokyo Disneyland Hotel and Palm & Fountain Terrace Hotel were slightly above the projections, the occupancy rates for Tokyo DisneySea Hotel MiraCosta and Disney Ambassador Hotel were largely as projected.

#### ③Retail Business Segment

Net sales for this segment decreased ¥0.7 billion compared with the same period of the previous fiscal year to ¥11.2 billion.

With regard to the main indicators for the retail business segment, please refer to the chart titled “(4) The Disney Store Information” on the right page of the Supplementary Materials.

Net sales from the existing Disney Stores decreased compared with the same period of the previous fiscal year amid a further decline in the economic environment. The number of stores as of the end of the third quarter amounted to 55 in total as a result of opening stores at Gotemba Premium Outlets and the AEON Tsuchiura shopping center and the closure of four stores.

#### ④Other Business Segment

Net sales for this segment increased ¥1 billion compared with the same period of the previous fiscal year to ¥18.4 billion as a result of various factors, including full-year operation of Cirque du Soleil Theatre Tokyo,

which was opened to the public on October 1, 2008.

### **[Operating Income by Segment]**

I would like to discuss operating income by segment and factors behind the changes. Please refer to the middle section on the right page of the Supplementary Materials.

#### **⑤ Theme Park Segment**

Operating income for this segment decreased ¥4.8 billion compared with the same period of the previous fiscal year to ¥32 billion due to a decline in net sales despite a decrease in the cost of merchandise ratio, fixed expenses and miscellaneous expenses, and depreciation and amortization.

#### **⑥ Hotel Business Segment**

Despite a decrease in the occupancy rates of each hotel, operating income for this segment increased ¥1.3 billion compared with the same period of the previous fiscal year to ¥6.8 billion as a result of various factors, including an increase in net sales due to full-year operation of Tokyo Disneyland Hotel as well as a ¥2.6 billion decrease in preparation expenses prior to the opening of Tokyo Disneyland Hotel.

#### **⑦ Retail Business Segment**

Despite a decrease in net sales, operating income for this segment increased ¥0.1 billion from the same period of the previous fiscal year to ¥0.1 billion as a result of various factors, including ongoing efforts carried over from the previous fiscal year to reduce fixed expenses, including store personnel expenses.

#### **⑧ Other Business Segment**

Operating income for this segment improved by ¥0.7 billion from the same period of the previous fiscal year to ¥0.4 billion as a result of various factors, including a ¥0.6 billion decrease in preparation expenses prior to the opening of Cirque du Soleil Theatre Tokyo.

This concludes the explanation of operating income by segment.

### **[Net Income]**

I would now like to comment on the factors behind the changes in net income.

Extraordinary loss increased ¥0.5 billion compared with the same period of the previous fiscal year as a result of a posting of extraordinary loss due to the transfer of the retail business segment.

Income taxes decreased ¥4.7 billion compared with the same period of the previous fiscal year due to various reasons, including an expected decrease in taxable income as a result of the transfer of the retail business segment.

As a result, net income increased ¥1.3 billion from the same period of the previous fiscal year to ¥25.2 billion, setting a new record.

**[Overview]**

I would like to conclude with an overview of the third quarter. Please refer to the “Overview” section at the lower right of the Supplementary Materials.

While operating income and ordinary income decreased compared with the same period of the previous fiscal year, net income was the highest ever recorded.

- Net sales and operating income for the theme park segment decreased as theme park attendance declined due to various factors, including the previous year having been the Tokyo Disney Resort 25th Anniversary. However, net sales per guest remained at a high level, essentially unchanged from the same period of the previous fiscal year.
- Net income was the highest ever recorded due to various factors, including a decrease in income taxes resulting from an expected decrease in taxable income following the transfer of the retail business segment. This was achieved despite a posting of extraordinary loss resulting from the transfer.

Although figures are not disclosed, I would now like to discuss the third quarter results in comparison with the projected business results announced in November. The actual results were above the projections primarily for the theme park segment.

- Net sales and operating income for the theme park segment increased due to various factors, including a decrease in the cost of merchandise ratio, fixed expenses and miscellaneous expenses in addition to the fact that net sales per guest exceeded the projection. Theme park attendance also remained strong and was largely as projected.
- Net sales and operating income for the hotel business segment exceeded the projection due to various factors, including higher-than-projected occupancy rates. Operating income for the retail business segment and other business segment were largely as projected.

In closing, I would like to comment on the projections for the full-year business results in light of the third quarter results. As explained earlier, actual results for the nine months ended December 31, 2009 exceeded the projections. However, we are not currently changing our projections for the full-year business results, taking into account the impact of factors such as weather risk on attendance at the theme parks during the fourth quarter.

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