

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

This overview is based on “Supplementary Materials: Results for the Third Quarter of the Fiscal Year Ending March 31, 2012,” which can be downloaded from the Investor Relations section of the Oriental Land website (<http://www.olc.co.jp/ir/en>).

- Conference Date: Friday, February 3, 2012
- Presenter: Wataru Takahashi, Officer (Finance/Accounting Department)

1. Quarterly Consolidated Statements of Income (Nine Months Ended Dec. 31, 2011/Nine Months Ended 2010)

[Consolidated Results]

First of all, let me begin with an overview of the consolidated statements of income for the nine months ended December 31, 2011. Please refer to “Quarterly Consolidated Statements of Income” on the upper left section of page 1 of the Supplementary Materials.

Compared with the same period of the previous fiscal year, due to the impact of the earthquake disaster on the first quarter results:

- Net sales decreased ¥24.8 billion to ¥269.7 billion.
- Operating income decreased ¥1.5 billion to ¥56.8 billion.
- Ordinary income decreased ¥ 1.3 billion to ¥56.5 billion.
- Net income decreased ¥6.1 billion to ¥ 27.0 billion.

However, our financial performance has been recovering significantly in and after the second quarter. For consolidated results for the third quarter from October to December 2011, please see [Reference 1] on the lower left section of the Supplementary Materials.

As you can see in the graph on the left side, consolidated operating income for the third quarter reached ¥36.4 billion, a record high for the second consecutive quarter.

Also, if you look at the graph on the right side, you can see that the operating margin for the third quarter reached 29.9%, showing robust growth for two quarters in a row.

Below the graph, we have indicated two factors behind the robust increase in the third-quarter operating income. One is the fact that consolidated net sales climbed by 5.9% year on year to a record high of ¥121.6 billion. Theme park attendance and net sales per guest also achieved record highs. The other factor is the fact that theme park fixed expenses were controlled at the same level as the same period of the previous fiscal year, which boosted operating margin.

[Net Sales by Segment]

I would like to comment on net sales by segment for the nine months ended December 31, 2011, and the factors behind the changes compared with the same period of the previous fiscal year. Please refer to [A. Net Sales] on the upper right section.

Consolidated net sales decreased ¥24.8 billion (down 8.4%).

As you can see in “(1) Net Sales,” net sales declined in all segments. Net sales for the ①Theme Park Segment decreased ¥17.6 billion (down 7.3%), those for the ②Hotel Business Segment decreased ¥5.8 billion (down 16.1%), and those for the ③Other Business Segment decreased ¥1.3 billion (down 8.0%).

The decline in net sales was due to the impact of the disaster on our first quarter performance. Please refer to the graph on the right titled “Changes in year-on-year comparison of quarterly consolidated net sales.” Although net sales for the first quarter dropped 43.0% year on year, they increased 5.4% in the second quarter, and climbed 5.9% in the third quarter, which shows achievement of a significant recovery in and after the second quarter.

I would like to add some explanation on the Theme Park Segment. Please refer to “(2) Theme Park Information” just below.

Although theme park attendance recorded in the nine-month period fell below the same period of the previous fiscal year due to theme park closure and other factors, theme park attendance reached record highs in the second and third quarters, successfully driven by the Tokyo DisneySea 10th Anniversary and Halloween- and Christmas-themed events.

Net sales per guest for the nine-month period grew year on year to a record high. Looking at the breakdown, ticket receipts increased year on year due to price revision. Merchandise sales also climbed due to strong performance of goods related to the Tokyo DisneySea 10th Anniversary. Food and beverage sales grew slightly, driven by favorable demand for simple menu items that can be eaten using only one hand.

[Operating Income by Segment]

I will now discuss operating income by segment and the factors behind the changes from the same period of the previous fiscal year. Please refer to the table under [B. Operating Income].

④Theme Park Segment

Operating income decreased ¥1.4 billion to ¥48.7 billion due to a decline in net sales for the first quarter. Meanwhile, reductions in the cost of merchandise ratio, cost of food/beverages ratio, and fixed expenses contributed to lowering the range of decrease in operating income. Looking at the breakdown of the ¥8.8 billion decrease in fixed expenses, personnel expenses fell by ¥2.9 billion, fixed costs were cut by ¥5.0 billion, and depreciation and amortization expenses dropped ¥0.9 billion. In addition, ¥2.7 billion of fixed expenses incurred during theme park closure was transferred to extraordinary loss.

⑤Hotel Business Segment

Operating income declined ¥1.0 billion to ¥7.2 billion. While net sales for the first quarter decreased, fixed expenses were cut by ¥2.2 billion, out of which ¥0.7 billion incurred during the period of suspension of operation was transferred to extraordinary loss.

⑥Other Business Segment

Due to an increase in operating income for the theatrical business, the segment turned profitable, achieving an operating income of ¥0.7 billion, an improvement of ¥0.9 billion.

[Net Income for the Nine-month Period]

Now, I would like to discuss net income for the nine months and the factors behind the year-on-year change. Please refer to [C. Net Income] on the right.

With respect to the “⑦Breakdown of extraordinary loss of ¥9.9 billion,” we posted a total impairment loss of ¥6.3 billion in the theatrical business—¥1.9 billion on “ZED” show production costs and ¥4.3 billion on theater facilities. In addition, ¥3.6 billion in fixed expenses incurred during theme park closure was also posted as loss on disaster.

As a result, net income for the nine months decreased ¥6.1 billion (down 18.6%).

[Overview]

I would like to give an overview of the nine-month period. Please refer to the “Overview” in the lower right section.

In comparison with the same period of the previous fiscal year, net sales and operating income for the nine-month period decreased due to the impact of the disaster on the first quarter performance.

However, operating income for the second and third quarters stood at record highs. This was attributable to an improvement in operating margin resulting from ongoing rigorous cost control efforts, in addition to an increase in net sales driven by record high theme park attendance and net sales per guest.

As future use of the theater facilities for “ZED” performance terminated at the end of last December has not yet been decided, an impairment loss on buildings etc. was posted for the third quarter. We will rent out the theater facilities as a multi-purpose hall and charge external users, while continuing to examine how the theater facilities can be used regularly in the future.

Although specific figures for the third quarter alone cannot be disclosed, both theme park attendance and net sales per guest exceeded the forecast announced in November 2011, resulting in increased net sales and operating income in the Theme Park Segment. The Hotel Business Segment and Other Business Segment also recorded increases in net sales and operating income, driven by boosted net sales and other factors.

2. Full-year Forecast: Consolidated Statements of Income (Revised Forecast Announced in Feb. 2012/Forecast Announced in Nov. 2011)

Now, I would like to comment on our projections for the full year ending March 31, 2012, which have been revised upward. Please refer to the Statement of Income on the upper left side of page 2 of the Supplementary Materials.

We have made the following upward revisions to our forecast announced in November 2011.

- The net sales forecast has been revised upward by ¥11.5 billion to ¥354.7 billion.
- The operating income forecast has been revised upward by ¥5.9 billion to ¥61.7 billion.
- The ordinary income forecast has been revised upward by ¥6.0 billion to ¥61.0 billion.
- The net income forecast has been revised upward by ¥0.1 billion to ¥29.5 billion.

Please refer to [Reference 2] in the middle left section. I will explain the interannual changes in performance.

As the graph on the left shows, the operating margin for the full fiscal year is projected to be 17.4%, achieving growth for the fourth consecutive term.

As the graph on the right shows, the operating income forecast for the full fiscal year has been revised upward from the November forecast of ¥55.8 billion, to ¥61.7 billion. Upon achieving this forecast, we will be renewing our record for the fourth term in a row.

[Net Sales Forecast by Segment]

I would now like to discuss the net sales forecast by segment and factors behind the changes. Please see “(1) Net Sales” in the upper right section.

①Theme Park Segment

The net sales forecast has been revised upward by ¥8.4 billion to ¥293.3 billion owing to an increase in theme park attendance.

As you can see in the middle right section titled “Theme Park Information,” the projection for theme park attendance has been increased by 0.5 million to 25 million in light of the third-quarter growth in attendance. The projection for net sales per guest has also been revised upward by ¥80 to ¥10,280 in response to strong sales of merchandise and food and beverages.

②Hotel Business Segment

In consideration of increases in hotel occupancy rates, the net sales forecast has been increased by ¥1.8 billion to ¥41.5 billion. Projections for the occupancy rate and average charge per room for each hotel are shown under “(3) Hotel Occupancy Rates, etc.” in the middle right section

③Other Business Segment

The net sales forecast has been revised upward by ¥1.2 billion to ¥19.7 billion owing to increases in net sales for the Ikspiari and theatrical businesses.

[Operating Income Forecast by Segment]

Next, I would like to give an explanation on the operating income forecast by segment and factors behind the changes. Please refer to the table under [B. Operating Income] in the middle right section.

④Theme Park Segment

The operating income forecast has been revised upward by ¥3.9 billion to ¥52.5 billion. Factors contributing to the upward revision include an increase in net sales as well as reductions in the cost of merchandise ratio and cost of food/beverages ratio, offsetting an increase of about ¥2.0 billion in personnel expenses. The projection for the full-fiscal-year fixed costs remains unchanged from the November forecast.

⑤Hotel Business Segment

Operating income is projected to be ¥9.1 billion, up ¥0.6 billion from the November forecast, in consideration of net sales growth that more than covers the increase of about ¥0.5 billion in personnel expenses.

⑥Other Business Segment

Owing to an increase in operating income for the theatrical business, operating loss has been revised downward by ¥1.3 billion to a negligible level of operating loss.

[Net Income Forecast]

I would now like to comment on the net income forecast and factors behind the change. Please refer to [C.Net Income] on the right.

The ¥4.3 billion increase in extraordinary loss is due to the posting of an impairment loss in the theatrical business, as explained earlier.

In [Reference 3] on the lower left section of page 2 of the Supplementary Materials, we have provided the latest projection of consolidated statements of income for the full fiscal year, along with a comparison with actual results of the previous fiscal year.

[Overview]

For an overview of the full-year forecast, please refer to “Overview” in the lower right section of the Supplementary Materials.

With respect to the projections for the full fiscal year ending March 31, 2012, we have made upward revisions to the November forecast in consideration of the robust performance in the third quarter, which far exceeded the November forecast.

The operating income forecast for the fourth quarter remains unchanged from the November forecast.

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