

Teleconference Overview of Results
for the Third Quarter of the Fiscal Year Ending March 31, 2025

Questions & Answers

Date:	Thursday, January 30, 2025	
Presenter:	Tomoyuki Shimoda	Officer in charge of Finance/Accounting Department
Moderator:	Taiga Uezono	Manager, Investor Relations Group

The following outlines the Questions & Answers at the teleconference:

- Q1) I understand that in the third quarter, despite some tough challenges, you managed to increase attendance while raising net sales per guest year on year despite the bad weather in October. Is the impact of special events on attendance increasing year by year?
- A1) We believe that special events do have sufficient impact on attendance. As for special events during this third quarter, Disney Halloween at Tokyo Disneyland, a new themed event, and the Disney Christmas parade at Tokyo Disneyland, which was its last, had proportionate impacts on attendance.
- Q2) Could you tell us why third-quarter attendance fell short of your projection? How did the number of overseas guests and domestic guests perform against the respective forecasts?
- A2) Attendance fell short of our projection owing to the bad weather in October. Attendance levels in November and December were, in fact, as projected. We didn't disclose a breakdown by guests' region in this results presentation, but the number of overseas guests continued to be steady. The number of domestic guests was in line with our forecast on the back of Fantasy Springs as well as special events, despite the bad weather.
- Q3) With regard to domestic guests, I understand that there was a slight slowdown in the number of regional guests in the first half-year. This was presumably due to the conclusion of the Tokyo Disney Resort 40th Anniversary events last fiscal year, as well as earthquakes and typhoons. Have you seen any changes to the first half-year trend in regional guests?
- A3) Demand among regional guests continued to be weaker than in the previous year owing to the negative impact of the conclusion of the Tokyo Disney Resort 40th Anniversary and a slowdown in spending on domestic travel.
- Q4) From October to December, I was observing the ticket sales status on the Tokyo Disney Resort website, and there seemed to be few days on which tickets were sold out. I heard that during the third quarter of the previous fiscal year, tickets for Tokyo Disneyland and Tokyo DisneySea were sold out on 70 days and 50 days, respectively. On how many days were tickets sold out this third quarter? If the number of sold-out days decreased year on year, was it because the current year follows on the heels of the Tokyo Disney Resort 40th Anniversary, or was it because demand was affected by higher ticket prices? Could you explain the backdrop?

- A4) During the third quarter under review, tickets were sold out at Tokyo Disneyland and Tokyo DisneySea on about 25 days and 20 days, respectively. The number of sold-out days decreased year on year despite a year-on-year increase in attendance because the capacity of Tokyo DisneySea expanded due to the opening of Fantasy Springs and more guests visited Tokyo DisneySea, which resulted in attendance being well balanced between the two parks. The impact of ticket prices on attendance continued to be minor in the busy third quarter, although higher-priced tickets comprised a larger proportion. In a survey on the reason for not visiting our parks, the number of respondents who cited ticket prices was not markedly higher than in other periods.
- Q5) You mentioned that Disney Premier Access contributed more to sales than you had projected. What is the backdrop to this? For example, was this partly attributable to a higher-than-expected number of overseas guests who spend more at the parks, or were there other factors? Why do you consider that the trend will continue in and after the fourth quarter?
- A5) The strong performance of Disney Premier Access was attributable to guests' high demand for attractions within Fantasy Springs, as well as overseas guests' tendency to purchase it, and we expect this trend to continue in and after the fourth quarter.
- Q6) Of attractions and shows revenue in terms of net sales per guest for the third quarter under review, what proportion did fee-based contents account for? Also, what percentage of all guests use fee-based contents?
- A6) We do not disclose the percentage of fee-based contents in attractions and shows revenue in terms of net sales per guest, but Disney Premier Access accounts for over 10% of attractions and shows revenue per guest. We do not disclose the percentage of guests who use them.
- Q7) Why did merchandise revenue as a component of net sales per guest increase year on year in the third quarter, whereas a year-on-year decrease was recorded in the first and second quarters due to the negative impact of the conclusion of the Tokyo Disney Resort 40th Anniversary? Will this trend continue?
- A7) The reason behind the increase in merchandise revenue as a component of net sales per guest was the positive impact of products related to Fantasy Springs and those related to special events. In particular, in the first half-year we had been limiting the marketing of products related to Fantasy Springs, but in the third quarter we started increasing inventories by placing additional orders, which enabled us to smoothly expand sales. As to whether or not this trend will continue, let me say that in the full fiscal year, we expect to catch up on the first half-year shortfall against our projection.
- Q8) Which regions did most overseas guests come from in the third quarter? To what extent do overseas guests impact the performance of the Hotel Business Segment?
- A8) In the first nine months of FY3/25, the top three regions providing overseas guests were North America, Southeast Asia, and Taiwan, in that order. In the three months of the third quarter alone, Southeast Asia, North America, and South Korea led the regional ranking. In terms of the impact of overseas guests on our Hotel Business Segment, although a great

many overseas guests stay at our hotels, it is actually the domestic guests who primarily contribute to our continued high level of occupancy rate, as they tend to make reservations ahead of overseas guests.

- Q9) You mentioned that you have lifted the entry restrictions on Fantasy Springs, but was the timing in line with your plan? Please tell us why you removed the restrictions. Do you think the removal will affect attendance and other factors involved in your performance? Is the lifting factored into your forecast?
- A9) Please understand that the timing of the lifting of entry restrictions on Fantasy Springs was ahead of our planned schedule. We were able to lift the restrictions first and foremost because we have been able to operate the area extremely smoothly. When opening new areas or attractions, operational difficulties are often inevitable in the initial phase, but our operation has been smooth. Another factor is the extraordinarily high level of guest satisfaction among those who experienced Fantasy Springs. We wanted more people to enjoy this highly satisfying area. Please understand that the lifting of restrictions is factored into our performance forecast.
- Q10) Please tell us why you haven't revised the full fiscal year forecast. Full-fiscal-year attendance is projected to reach 28 million, which means the fourth quarter attendance is expected to increase year on year and attractions and shows revenue as a component of net sales per guest is also projected to be maintained. Are there any factors besides College Passport that will increase attendance in the fourth quarter? Also, how do you intend to maintain net sales per guest?
- A10) We are on a steady trajectory toward achieving our full fiscal year forecast at this point, which is why we haven't revised the forecast. We hope to implement a range of measures in the fourth quarter to achieve our initial forecast. Currently, we are receiving favorable feedback on our special event themed on a world of sweets dreamed up by Vanellope from the Walt Disney Animation Studios film *Wreck-It Ralph*, which is the third event of Disney Pal-Palooza. Other measures include a Duffy and Friends' special event at Tokyo DisneySea, the expansion of ticket slots for evening tickets, and the extension of shop business hours. The impact of College Passport on net sales per guest in the fourth quarter is expected to be minimal.
- Q11) How is the newly introduced College Passport selling? Are sales as expected, or exceeding or falling short of the projected level? At the first half-year results presentation, I understood that you were considering offering period-limited tickets for the summer season as a pricing-oriented measure. Will the tickets also be for university students and the like, or for all guests?
- A11) College Passport has been achieving solid sales. Our ticket measures for the summer season have not been decided yet. We hope to be able to explain them when we announce our forecast for the next fiscal year.
- Q12) You indicated a range of directions for the summer season at the first half-year results presentation. I recall that shows such as Disney Pirates Summer were highly effective for attracting guests. Will such powerful events return this year? Please share your thoughts

- about the summer season operations for FY3/26, including whether you have enough time to plan events.
- A12) Our summer events for this year are under serious consideration, and we will make an announcement when they are decided. The projected level of attendance for the summer will be announced at the fiscal year-end results presentation.
- Q13) I have the impression that events have been scaled back at Tokyo Disney Resort since the opening of Fantasy Springs. In the next fiscal year, will you be leaning toward accelerating events?
- A13) In our view, we haven't scaled back on our events due to the opening of Fantasy Springs. In the third quarter under review, we steadily rolled out events, especially at Tokyo Disneyland. Fantasy Springs will be in operation throughout the entire fiscal year in FY3/26, but we intend to work on event programs across Tokyo Disney Resort while taking account of the park environment.
- Q14) With regard to the future of Tokyo Disney Resort, am I right in thinking that it will become more important to attract overseas guests? In terms of attendance in and after the next fiscal year, are you anticipating an increase in overseas guests and an increase in demand for Fantasy Springs?
- A14) We do consider it important to attract overseas guests. They help us even out attendance levels because they visit on weekdays. In addition, their net sales per guest are higher than average according to our latest survey, which is another reason why they are and will be valuable for us.
- Q15) Are there any updates you can share about the next Medium-term Plan at the present moment?
- A15) We don't have any updates we can share about our next Medium-term Plan at this point in time. The plan is currently under serious consideration, so please bear with us until the time of announcement.
- Q16) You mentioned that you will be referring to capital allocation in the next Medium-term Plan. At this point in time, please share, to the extent you can, how much debt you intend to allow. When comparing Oriental Land's shareholders' equity ratio with that of Keisei Electric Railway and Mitsui Fudosan, which are shareholders of Oriental Land, one would anticipate that a lower level may be acceptable. If so, Oriental Land's balance sheet strategy will likely change significantly. Please provide us with any hints in this regard.
- A16) We are currently looking into our capital allocation strategy under the next Medium-term Plan. It is our wish to make effective use of corporate bonds while keeping an eye on interest rates. Meanwhile, as for concrete figures, such as debt equity ratio and shareholders' equity ratio, and our strategies, we would like to share them with you when we announce our fiscal year-end results, along with our next Medium-term Plan.
- Q17) It seems that the difference between Tokyo Disneyland and Tokyo DisneySea in terms of attendance is becoming more significant. As for Tokyo DisneySea, your news releases and such have indicated a range of guest engagement initiatives that enhance its appeal, such

as the launch of Fantasy Springs. Please tell us what measures you intend to take for Tokyo Disneyland, not from a short-term perspective, but from a long-term one.

- A17) There are two long-term measures for Tokyo Disneyland that we have announced—the new attraction staged in the world of Walt Disney Animation Studios film *Wreck-It Ralph* and the remodeling of Space Mountain and its surrounding facilities. We'd like to prepare ourselves to share our long-term strategies for the development of Tokyo Disney Resort in the next Medium-term Plan, including how we intend to enhance the appeal of both parks.
- Q18) Is the difference in the attendance levels between Tokyo Disneyland and Tokyo DisneySea a topic of discussion by the management?
- A18) We don't see the difference in attendance to be excessive, although the degree varies from time to time. We are discussing our vision for Tokyo Disney Resort by considering a range of annual initiatives, including events to be rolled out and the opening of new areas and attractions.
- Q19) A year has passed since the adoption of a six-tier variable ticket pricing system in October 2023. I believe you have been adjusting the price range composition—steadily raising the baseline of ticket prices. By changing the composition, you have increased the unit ticket price to raise attractions and shows revenue as a component of net sales per guest. How far can this method go? Solely in terms of ticket prices, what possible measures are there to raise prices?
- A19) We leverage our six-tier variable ticket pricing system by designating a tier for each day to manage our overall earnings. There are many ways of handling this strategy, including whether to maintain the six-tier structure or adopt a different one, and we are currently discussing the way forward. We would like to explain our approach as part of the next Medium-term Plan.
- Q20) With regard to a range of measures for Disney Premier Access, you mentioned you were considering introducing a reservation system. Are you also considering increasing its prices, or launching tickets without time slot requirements as in Disney theme parks abroad?
- A20) As you said, we are currently looking into introducing a reservation system for Disney Premier Access. We are still considering the specific timing for this by taking into account the required modification of our computer system, and will make an announcement when we reach a decision. Other than this, nothing has been decided. There are many possible measures for Disney Premier Access, and we are working to figure out the best options in view of guest survey results and guest satisfaction levels. We will let you know when we have decided.

END

Warning

The above is an outline of our views based on the question-and-answer session held at our Teleconference Overview of Results and we do not guarantee or assure the accuracy or completeness of the information provided. The above information is also subject to change without prior notice going forward. Furthermore, forward-looking statements including our forecast of financial results are based on our perspectives and information available as of the day of the announcement. As the Group's business is susceptible to guests' preferences and social and economic circumstances, the forecasts and outlooks described above do contain uncertainties.