Oriental Land Co.,Ltd.

Consolidated Financial Statements for the Fiscal Year ended March 31, 2010

May 6, 2010

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

Oriental Land Co., Ltd.
Code number: 4661, First Section of the Tokyo Stock Exchange
URL: http://www.olc.co.jp
Representative: Kyoichiro Uenishi, Representative Director and President
Contact: Kenji Yoshida, Director of Finance/Accounting Department
Planned Date for Annual General Meeting of Stockholders: June 29, 2010
Planned Date for Submission of Securities Report (*Yuka shoken hokokusho*): June 29, 2010
Planned Date for Start of Dividend Payment: June 30, 2010

1. Consolidated Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009 – March 31, 2010)

Note: All amounts are rounded down to the nearest million yen.

(1) Consolidated Operating Results

(Percentages represent change compared with the previous fiscal year.)

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal Year ended March 31, 2010	371,414	(4.6)	41,924	4.6	40,758	5.0
Fiscal Year ended March 31, 2009	389,242	13.7	40,096	28.7	38,824	41.1

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Operating income/total net sales (%)
Fiscal Year ended March 31, 2010	25,427	40.6	280.17	—	6.9	6.5	11.3
Fiscal Year ended March 31, 2009	18,089	22.8	196.84	—	4.7	5.5	10.3

(Reference) Equity in earnings of affiliates: Fiscal year ended March 31, 2010: ¥52 million; Fiscal year ended March 31, 2009: ¥35 million

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
As of March 31, 2010	615,090	366,473	59.6	4,240.59
As of March 31, 2009	644,991	373,660	57.9	4,109.59

(Reference) Equity capital: As of March 31, 2010: ¥366,454 million; As of March 31, 2009: ¥373,641 million

(3) Consolidated Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash provided by (used in) investing activities (¥ million)	Net cash provided by (used in) financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
Fiscal Year ended March 31, 2010	72,094	(22,726)	(53,081)	47,233
Fiscal Year ended March 31, 2009	78,122	5,751	(130,859)	50,919

2. Dividends

	Dividends per share (¥)					Total dividends paid (total) (¥ million)	Payout ratio (consolidated) (%)	Dividends/Net assets (consolidated) (%)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Fiscal Year ended March 31, 2009	—	30.00	—	40.00	70.00	6,364	35.6	1.7
Fiscal Year ended March 31, 2010	—	40.00	—	60.00	100.00	8,821	35.7	2.4
Fiscal Year ending March 31, 2011 (Est.)	—	50.00	—	55.00	105.00		35.1	

(Note) Breakdown of year-end dividend for Fiscal year ended March 31, 2010: Commemorative dividend ¥10.00 per share

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentages represent change compared with the previous cumulative consolidated second quarter or fiscal year, as applicable.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Six months ending September 30, 2010	169,060	(3.2)	17,960	13.1	17,610	13.7	10,550	10.3	122.08
Fiscal Year ending March 31, 2011	356,560	(4.0)	43,740	4.3	42,600	4.5	25,830	1.6	298.90

4. Other

(1) Changes in Major Subsidiaries During the Period (Changes in specified subsidiaries due to changes in the scope of consolidation): No

New: — companies (Company name:)

Eliminated: — companies (Company name:)

(2) Changes in Consolidated Accounting Rules, Procedures, Presentation Method, etc. for the Preparation of Consolidated Financial Statements (Presented in changes to important items basic to the preparation of financial statements):

(a) Changes in consolidated accounting methods: Yes

(b) Changes other than (a) above: No

(3) Number of Shares Issued and Outstanding (Common stock)

(a) Number of shares at end of period (including treasury stock):

Year ended March 31, 2010: 90,922,540 shares

Year ended March 31, 2009: 95,122,540 shares

(b) Treasury stock at end of period:

Year ended March 31, 2010: 4,506,474 shares

Year ended March 31, 2009: 4,203,176 shares

(Reference) Summary of Nonconsolidated Results

1. Nonconsolidated Results for the Fiscal Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(1) Nonconsolidated Operating Results

(Percentages represent change compared with the previous fiscal year.)

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal Year ended March 31, 2010	305,425	(4.1)	34,658	(0.4)	35,916	5.7
Fiscal Year ended March 31, 2009	318,467	12.7	34,780	29.9	33,988	44.4

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
Fiscal Year ended March 31, 2010	21,931	73.7	241.65	—
Fiscal Year ended March 31, 2009	12,629	3.6	137.43	—

(2) Nonconsolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Net worth ratio (%)	Net assets per share (¥)
As of March 31, 2010	604,595	357,176	59.1	4,133.21
As of March 31, 2009	635,731	367,903	57.9	4,046.49

(Reference) Equity capital: As of March 31, 2010: ¥357,176 million; As of March 31, 2009: ¥367,903 million

Note: Explanation on the Appropriate Usage of Performance Projections and Other Specific Matters

The projections for consolidated business results included in this material are based on currently available information and certain assumptions that are judged reasonable by the Company. Due to various factors, cases may occur where the actual results of future business operations differ materially from the projections. With regard to the cautions, etc. regarding the use of these projections, please see "1. Operating Results, (1) Analysis of Operating Results" on pages 3-6.

1. Operating Results

(1) Analysis of Operating Results

The challenging operating environment remained in force during the fiscal year ended March 31, 2010, as the Japanese government made an official "declaration of deflation," reflecting slack consumer spending due to the deterioration of employment conditions and decreased income. In addition, the numbers of domestic travelers and overseas visitors to Japan decreased as a result, in large part, of an outbreak of novel influenza A (H1N1).

Under these circumstances, net sales for the OLC Group decreased by 4.6% compared with the previous fiscal year to ¥371,414 million. This was the result of a number of reasons, including the fact that the previous year marked the Tokyo Disney Resort 25th Anniversary. On the other hand, operating income, ordinary income, and net income set new records at ¥41,924 million (up 4.6%), ¥40,758 million (up 5.0%), and ¥25,427 million (up 40.6%), respectively, as a result of factors that include a reduction of costs commensurate with the decrease in the number of visitors and a decrease in pre-opening expenses.

A. Summary of Results by Segment for the Fiscal Year Ended March 31, 2010

(Millions of yen)

	Fiscal Year ended March 31, 2009	Fiscal Year ended March 31, 2010	Increase (decrease)	Change from previous period (%)
Net Sales	389,242	371,414	(17,828)	(4.6)
Theme Park Segment	302,412	287,320	(15,091)	(5.0)
Hotel Business Segment	45,917	45,230	(686)	(1.5)
Retail Business Segment	16,225	14,760	(1,465)	(9.0)
Other Business Segment	24,687	24,102	(585)	(2.4)
Operating Income (Operating Loss)	40,096	41,924	1,827	4.6
Theme Park Segment	34,545	33,235	(1,309)	(3.8)
Hotel Business Segment	6,224	8,403	2,179	35.0
Retail Business Segment	4	20	16	356.0
Other Business Segment	(880)	(86)	794	—
Elimination and Corporate	202	350	147	72.5
Ordinary Income	38,824	40,758	1,933	5.0
Net Income	18,089	25,427	7,338	40.6

[Theme Park Segment] Tokyo Disneyland, Tokyo DisneySea and others

Net sales and operating income decreased as theme park attendance fell below the level of the previous fiscal year due to various reasons, including the fact that Tokyo Disney Resort 25th Anniversary was celebrated in the previous year.

Net Sales ¥287,320 million (down 5.0% from the previous fiscal year)

During the period under review, we opened new attractions in each of our two theme parks. "Monsters, Inc. Ride & Go Seek!" was opened in April at Tokyo Disneyland and "Turtle Talk" was opened in October at Tokyo DisneySea, with both proving extremely popular, especially among families. Furthermore, as part of our special events program, in addition to "Disney's Halloween," which was held at Tokyo DisneySea for the first time, we held special Christmas-themed events at the two theme parks starting in November.

As a result of the above, total attendance at the two theme parks for this fiscal year stood at the second highest level ever achieved, with 25.818 million guests coming through the gates. This figure was down 5.2% from the previous fiscal year, however, for reasons that included the previous year was Tokyo Disney Resort 25th Anniversary.

In addition, net sales per guest at theme parks were ¥9,743 (up 0.2%), maintaining the same high level as the previous fiscal year. Ticket receipts per guest were ¥4,206 (down 0.4%). Merchandise sales per guest were ¥3,377 (up 0.2%) due to reasons including strong sales of "Duffy" related products thanks to the new addition of Duffy's friend "ShellieMay." Food and beverage sales per guest were ¥2,160 (up 1.5%) due to various factors, including strong wagon sales.

Owing to the factors described above, net sales for the theme park segment decreased as a whole.

Operating Income **¥33,235 million (down 3.8%)**

Although operating income decreased due to a decline in net sales, the decrease was smaller than that of the net sales because of the decrease in depreciation and amortization and a reduction of costs commensurate with the decrease in the number of visitors.

[Hotel Business Segment] Tokyo Disneyland Hotel, Tokyo DisneySea Hotel MiraCosta and others
Despite a decrease in net sales, operating income increased as a result of various factors, including a decrease in preparation expenses prior to the opening of Tokyo Disneyland Hotel.

Net Sales **¥45,230 million (down 1.5%)**

As a standard practice for all hotel guests, we offered the "Tokyo Disney Resort Multi-day Passport Special" at the three Disney hotels for a year now, with sales starting on April 1, 2009. In addition, we implemented the "Tokyo Disneyland 'Happy 15' Entry" program, under which hotel guests are allowed to enter Tokyo Disneyland 15 minutes earlier during the period from September 1, 2009 to March 31, 2010.

However, overall net sales in this segment declined as the occupancy rates of each hotel fell below those of the previous fiscal year due to a number of reasons, including external factors such as the outbreak of novel influenza A (H1N1) as well as the fact that the previous year was the 25th Anniversary. The occupancy rates were in the mid-80% range for Tokyo Disneyland Hotel, approximately 90% for Tokyo DisneySea Hotel MiraCosta, approximately 70% for Disney Ambassador Hotel, and in the mid-70% range for Palm & Fountain Terrace Hotel.

Operating Income **¥8,403 million (up 35.0%)**

Despite a decrease in net sales, operating income increased due to various factors, including a decrease in preparation expenses prior to the opening of Tokyo Disneyland Hotel.

[Retail Business Segment] The Disney Store
Despite a decrease in net sales, operating income increased as a result of various factors, including efforts to reduce fixed expenses.

Net Sales **¥14,760 million (down 9.0%)**

At the Disney Store, we created appealing sales outlets that reflected seasonal demands with "The Resort," a program featuring a wide variety of items useful at resorts and other tourist destinations, as well as the rollout of Halloween- and Christmas-themed products. However, net sales dropped amid a further decline in the economic environment.

Regarding the number of stores, we opened 2 stores, including the AEON Tsuchiura shopping center, and closed 11 stores, leaving us with a total of 48 stores as of March 31, 2010.

Operating Income **¥20 million (up 356.0%)**

Despite a decrease in net sales, operating income increased as a result of a reduction in fixed expenses, including store personnel expenses.

* Retail Networks Co., Ltd., an operator of the Disney Store was transferred to The Walt Disney Company (Japan) Ltd. as of March 31, 2010.

[Other Business Segment] Ikspiari, Cirque du Soleil Theatre Tokyo and others
Despite a decrease in net sales, operating income increased due to various factors, including a decrease in preparation expenses prior to the opening of Cirque du Soleil Theatre Tokyo.

Net Sales **¥24,102 million (down 2.4%)**

Net sales increased as a result of full-year operation of Cirque du Soleil Theatre Tokyo, which was opened to the public on October 1, 2008. Overall net sales, however, decreased due to withdrawal from the intellectual property business in the previous fiscal year.

Operating Loss **¥86 million (an improvement of ¥794 million)**

Despite a decrease in net sales, operating income improved due to various factors, including a decrease in preparation expenses prior to the opening of Cirque du Soleil Theatre Tokyo.

B. Forecast of Results by Segment for the Fiscal Year Ending March 31, 2011

While net sales for the consolidated fiscal year ending March 31, 2011 is forecast to be ¥356,560 million (down 4.0% from the fiscal year ended March 31, 2010) due to the transfer of the Retail Business Segment among other reasons, operating income is expected to be ¥43,740 million (up 4.3%), setting a new record high for the third consecutive year. This is projected as a result of various factors including a decrease in depreciation and amortization expenses, mainly in the Theme Park Segment. In addition, ordinary income and net income is forecast to be ¥42,600 million (up 4.5%) and ¥25,830 million (up 1.6%), respectively, both record high levels.

The following is our forecast of results by segment.

(Millions of yen)

	Results for the fiscal year ended March 31, 2010	Forecast for the fiscal year ending March 31, 2011	Increase (decrease)	Change from previous period (%)
Net Sales	371,414	356,560	(14,854)	(4.0)
Theme Park Segment	287,320	286,420	(900)	(0.3)
Hotel Business Segment	45,230	45,730	499	1.1
Retail Business Segment	14,760	—	(14,760)	—
Other Business Segment	24,102	24,410	307	1.3
Operating Income (Operating Loss)	41,924	43,740	1,815	4.3
Theme Park Segment	33,235	35,160	1,924	5.8
Hotel Business Segment	8,403	8,490	86	1.0
Retail Business Segment	20	—	(20)	—
Other Business Segment	(86)	(40)	46	—
Elimination and Corporate	350	130	(220)	(62.9)
Ordinary Income	40,758	42,600	1,841	4.5
Net Income	25,427	25,830	402	1.6

* The Retail Business Segment has been abolished as a result of the transfer of Retail Networks Co., Ltd. to The Walt Disney Company (Japan) Ltd. as of March 31, 2010.

[Theme Park Segment] Tokyo Disneyland, Tokyo DisneySea and others
Despite an expected decline in net sales, operating income is forecast to increase due to a decrease in depreciation and amortization expenses, among other factors.

Net Sales **¥286,420 million (down 0.3% from the previous fiscal year)**

As in the past, we will continue to carry out a wide variety of special events at the two theme parks throughout the year. In the spring, we are holding “Disney Easter Wonderland,” our first Easter-themed special event, at Tokyo Disneyland, as well as the last “Tokyo DisneySea Spring Carnival” at Tokyo DisneySea. In both parks, we will carry out water-themed programs during the summer and roll out special events under the theme of Halloween and Christmas starting in the fall. In addition, at Tokyo Disneyland we are planning to welcome the return of “Captain EO” for a limited period from July 1 and launch a new attraction, “Mickey’s PhilharMagic,” in the fourth quarter.

As a result of the above, total attendance at the two theme parks is forecast to be 25.8 million guests (down 0.1%). In addition, net sales per guest at the two theme parks are expected to be ¥9,690 (down 0.5%) while ticket receipts per guest are forecast to be ¥4,220 (up 0.3%). Our forecasts for merchandise sales per guest and food and beverage sales per guest are ¥3,340 (down 1.1%) and ¥2,130 (down 1.4%), respectively. We will continue to implement solid sales plans to reduce expenses and investments.

Operating Income **¥35,160 million (up 5.8%)**

Despite a decrease in net sales, operating income is expected to increase due to factors that include a decrease in depreciation and amortization expenses.

[Hotel Business Segment] Tokyo Disneyland Hotel, Tokyo DisneySea Hotel MiraCosta and others
Despite an increase in facility renewal related expenses and other expenses, net sales and operating income are forecast to grow due to an expected increase in the occupancy rate of each hotel, among other factors.

Net Sales **¥45,730 million (up 1.1%)**

As a standard practice for all hotel guests launched this fiscal year, we will continue to offer the "Tokyo Disney Resort Multi-day Passport Special" at the three Disney hotels and implement the "Tokyo Disneyland 'Happy 15' Entry" program, under which hotel guests are allowed to enter Tokyo Disneyland 15 minutes earlier for a limited period of time.

In addition, we plan to carry out a wide range of programs at each hotel by holding events and offering special menus linked to special events at the theme parks, among others. Furthermore, Disney Ambassador Hotel will celebrate its 10th anniversary in July, and a number of anniversary programs are scheduled to be conducted for one year starting from April.

Overall net sales in this segment are forecast to increase. Occupancy rates are expected to increase to the lower 90% range both for Tokyo Disneyland Hotel and Tokyo DisneySea Hotel MiraCosta, to the mid-70% range for Disney Ambassador Hotel, and to the upper 70% range for Palm & Fountain Terrace Hotel.

Operating Income **¥8,490 million (up 1.0%)**

Despite an increase in facility renewal related expenses and other fixed expenses resulting from the refurbishment work for Disney Ambassador Hotel, operating income is forecast to increase due to various factors, including an increase in net sales.

[Other Business Segment] Ikspiari, Cirque du Soleil Theatre Tokyo and others
Net sales and operating income are expected to grow as a result of factors that include an expected increase in net sales of Cirque due Soleil Theatre Tokyo.

Net Sales **¥24,410 million (up 1.3%)**

Celebrating its 10th anniversary in July, Ikspiari will hold various events and fairs throughout the year under the theme "More Fun! Forever Fun!" in order to thank its customers and express appreciation for their continued support over the past 10 years. At the same time, Ikspiari will renovate stores while welcoming new tenants.

At Cirque du Soleil Theatre Tokyo, "ZED+Park Plan," which combines a ticket for "ZED" and an admission ticket to Tokyo Disneyland or Tokyo DisneySea, will be sold for a limited period of time. In this way, we will implement various plans that allow visitors to fully enjoy the entertainments offered at Tokyo Disney Resort.

We expect overall net sales will rise thanks to these measures.

Operating Loss **¥40 million (an improvement of ¥46 million)**

Operating income is expected to improve due to an increase in net sales, among other reasons.

(2) Analysis of Consolidated Financial Position

A. Assets, Liabilities and Net Assets

[Assets]

Total assets as of March 31, 2010 were ¥615,090 million (down 4.6% compared with the end of the previous fiscal year).

Current assets rose to ¥88,616 million (up 0.5%) due to various factors including an increase in cash and deposits, despite a decrease in short-term investment securities.

Noncurrent assets dropped to ¥526,473 million (down 5.4%) due to various factors, including a decrease in property, plant and equipment as a result of the continued depreciation and amortization of facilities at Tokyo Disney Resort.

[Liabilities]

Total liabilities as of March 31, 2010 were ¥248,617 million (down 8.4%).

Current liabilities rose to ¥122,258 million (up 9.9%) due to various factors, including a transfer of the current portion of long-term loans payable and the Unsecured Straight Bonds 8th series (¥20,000 million) from noncurrent liabilities to current liabilities, despite the redemption of the Unsecured Straight Bonds 6th series (¥20,000 million) in May 2009.

Noncurrent liabilities dropped to ¥126,358 million (down 21.1%) as a result of various factors, including the transfer of the current portion of long-term loans payable and the Unsecured Straight Bonds 8th series from noncurrent liabilities to current liabilities.

[Net Assets]

Total net assets as of March 31, 2010 dropped to ¥366,473 million (down 1.9%) due to various factors, including a new repurchase of 4.5 million shares of treasury stock (4.95% of the total number of shares issued and outstanding) in March 2010, despite an increase in net income. Shareholders' equity ratio stood at 59.6 % (up 1.7 points). In addition, the Company retired 4.2 million shares of treasury stock (4.42% of the total number of shares issued and outstanding before retirement) using retained earnings in May 2009.

B. Cash Flows

[Net Cash Provided by Operating Activities]

Net cash from operating activities dropped to ¥72,094 million (a decrease of ¥6,028 million compared with the previous fiscal year) due to factors that included decreases in depreciation and amortization expenses and increases in income taxes paid and other items, despite an increase in income before income taxes and minority interests.

[Net Cash Used in Investing Activities]

Net cash used in investing activities dropped to ¥22,726 million (a decrease of ¥28,477 million compared with the previous fiscal year) due to factors that included a decrease in proceeds from the redemption of securities and an increase in payments into time deposits, despite a decrease in purchases of property, plant and equipment.

[Net Cash Used in Financing Activities]

Net cash used in financing activities rose to ¥53,081 million (an increase of ¥77,778 million compared with the previous fiscal year) due to factors that included a decrease in the redemption of bonds.

C. Indicators of Financial Position

	Fiscal year ended March 31, 2006	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Net worth ratio (%)	52.3	55.0	51.2	57.9	59.6
Net worth ratio on market value basis (%)	90.4	95.3	73.5	88.5	91.6
Debt/equity ratio (times)	0.71	0.61	0.76	0.52	0.47
Interest-bearing debt to cash-flow ratio (%)	451.2	354.3	509.9	247.1	240.4
Interest coverage ratio (times)	15.2	15.3	12.5	19.2	30.7

Notes:

- All indicators are calculated on a consolidated basis.
- Net worth ratio: Equity capital/Total assets
- Net worth ratio on market value basis: Total market value of stock*/Total assets
  * Total market value of stock is calculated by multiplying the total number of shares outstanding at the end of the period (excluding treasury stock) by the closing stock price at the end of the period.
- Debt/equity ratio: Interest-bearing debt*/ Equity capital
  * Interest-bearing debt includes all liabilities stated on the balance sheet on which interest is paid.
- Interest-bearing debt to cash flow ratio: Interest-bearing debt*/Cash flows from operating activities
  * Interest-bearing debt: Same as above
- Interest coverage ratio: Cash flows from operating activities/Interest paid*
  * Interest paid is as stated on the consolidated statement of cash flows.

(3) Basic Policy on Distribution of Profit and Dividends for the Fiscal Years Ended March 31, 2010 and Ending March 31, 2011

The OLC Group recognizes that returning profits to its stockholders is an important management policy and aims to pay stable dividends with a target payout ratio of 35% or more of consolidated net income. In addition, we will continue to consider repurchases of treasury stock as necessary.

Based on this policy, we will set the year-end dividend for the fiscal year ended March 31, 2010 at ¥60.00 per share, which is made up of a commemorative dividend for the Company’s 50th anniversary of ¥10.00 added to the ordinary dividend of ¥50.00. Combined with the second-quarter dividend of ¥40.00 which has already been paid out, this will bring the total cash dividends for this fiscal year to ¥100.00 per share (an increase of ¥30.00 from the fiscal year ended March 31, 2009). For the next fiscal year ending March 31, 2011, we plan to pay total dividends of ¥105.00 per share (an increase of ¥5.00 from the fiscal year ended March 31, 2010).

The Company repurchased 4.5 million shares of treasury stock (4.95% the total number of shares issued and outstanding) in March 2010.

2. Outline of the Oriental Land Group ("OLC Group")

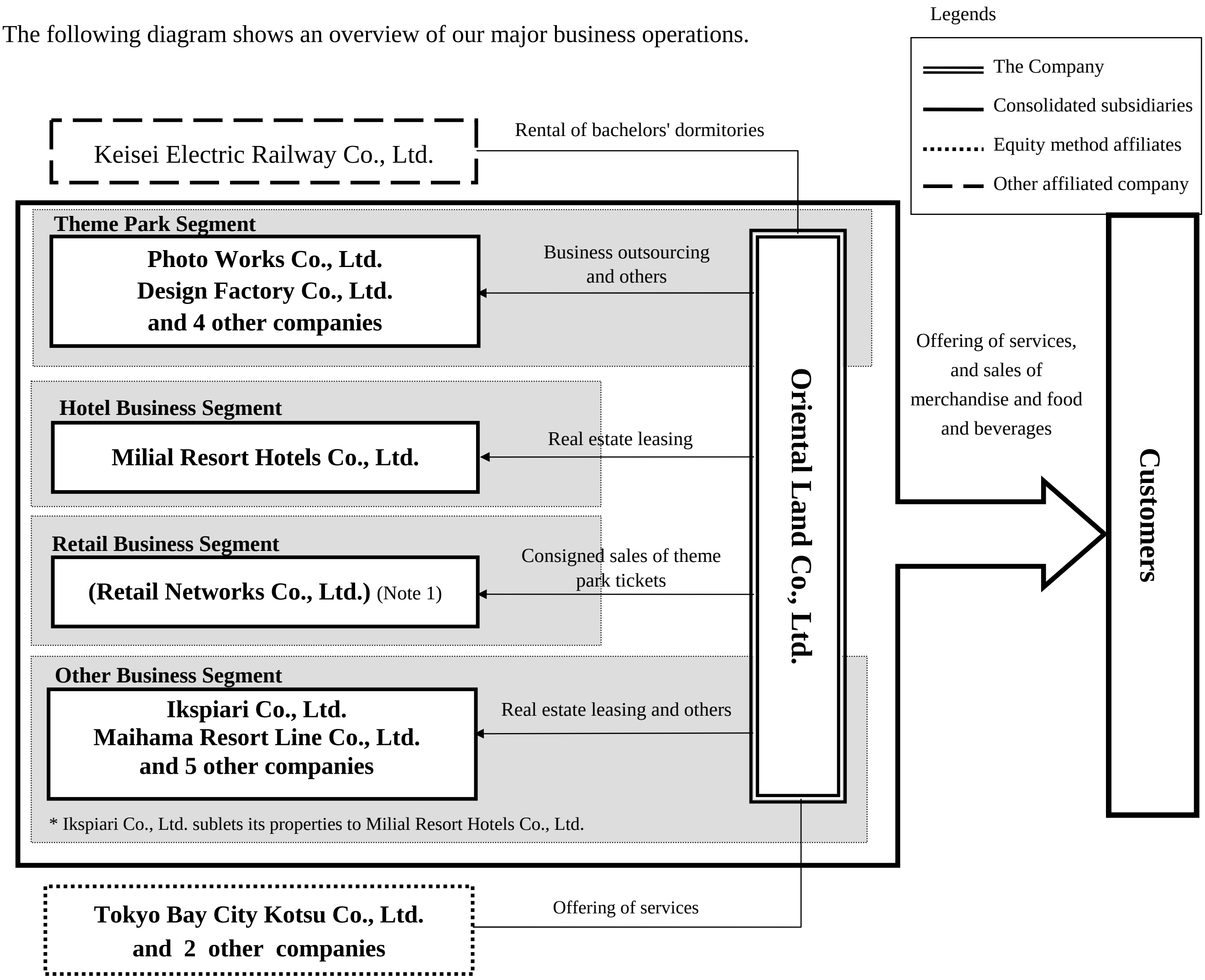
The OLC Group includes Oriental Land Co., Ltd. (the "Company"), 14 consolidated subsidiaries (Note 1), 3 affiliated companies and 1 other affiliated company, with the main businesses being the management and operation of theme parks and hotels.

The main operations of each business segment and the main affiliates and other companies of the OLC Group conducting each business during the period were as follows:

Segments	Main Operations	Main Companies (Note 2)
Theme Park Segment	Management and operation of theme parks	Oriental Land Co., Ltd. (listed company) and 6 other companies
Hotel Business Segment	Management and operation of hotels	Milial Resort Hotels Co., Ltd.
Retail Business Segment	Management and operation of The Disney Store in Japan	(Retail Networks Co., Ltd. (Note 1))
Other Business Segment	Management and operation of Ikspiari Management and operation of Cirque du Soleil Theatre Tokyo Management and operation of monorail, and others	Ikspiari Co., Ltd. Oriental Land Co., Ltd. (listed company) Maihama Resort Line Co., Ltd. and 5 other companies

Notes: 1. Retail Networks Co., Ltd. under the Retail Business Segment is not included in the 14 consolidated subsidiaries above as the company was transferred to Walt Disney Company (Japan) Ltd. as of March 31, 2010.
2. Company names and numbers of companies listed in the Main Companies column all refer to consolidated subsidiaries except Oriental Land Co., Ltd.

The following diagram shows an overview of our major business operations.



(Note) 1. Retail Networks Co., Ltd. under the Retail Business Segment was transferred to The Walt Disney Company (Japan) Ltd. as of March 31, 2010.

3. Management Policies

(1) Corporate Mission and Policies

With a corporate mission to “create happiness and contentment by offering wonderful dreams and moving experiences created with original, imaginative ideas,” the OLC Group continues to be an organization that is widely loved and popular among people from Japan, Asia and the wider world. The OLC Group aims to increase its corporate value over the long term by maximizing the cash flow that is generated as a result of its ability to earn the trust and understanding of all stakeholders.

Tokyo Disney Resort is the OLC Group’s core business. In addition to its role as a key element within the Tokyo Bay area, the resort aims to welcome guests in large numbers and to share the greatest happiness with them by providing friendly spaces while continuing to generate a high level of free cash flow.

(2) Medium- and Long-Term Strategies, Management Indicators and Issues

A. Progress Status of the 2010 Medium-Term Plan (Fiscal Year Ended March 31, 2008 to Fiscal Year Ending March 31, 2011)

The progress of our medium-term plan “Innovate OLC 2010” has been on track. Our base level of profitability has increased with record operating income achieved for two consecutive years, namely, the fiscal year ended March 31, 2009 and the fiscal year ended March 31, 2010. Another record figure is expected for the fiscal year ending March 31, 2011. On the other hand, we are in the process of revising the target year for achieving a consolidated net income of around ¥27.0 billion due to factors that include an increase in depreciation and amortization expenses that was approximately ¥5.0 billion greater than the projected amount as a result of tax reforms.

In addition, OLC has steadily reduced its interest-bearing debt and remained selective and focused on its businesses in order to secure funds for future investment opportunities with the aim of establishing a basis for new growth. Meanwhile, the development of new businesses that can build upon Tokyo Disney Resort remains a challenge.

With regard to stockholder returns, we have continued to increase our cash dividends based on our policy of achieving a target payout ratio of 35% or more of consolidated net income while improving return on equity (ROE) through steady stock repurchases. We will continue our efforts to realize ROE of 8% or more as early as possible.

As described above, under the 2010 medium-term plan, we have made consistent progress in strengthening the foundation of Tokyo Disney Resort.

B. Formulation of the 2013 Medium-Term Plan (Fiscal Year Ending March 31, 2012 to Fiscal Year Ending March 31, 2014)

OLC will celebrate its 50th anniversary this year. Looking back, the first 25 years or so were dedicated to, among other things, land reclamation in the Urayasu area and negotiation of license agreements to build and operate a Disney theme park. Roughly the second 25 years were spent on the expansion of Tokyo Disney Resort. As we enter the next chapter of our history, the first three years of the next quarter century are positioned as a crucial period, and we have newly formulated the next medium-term plan with the theme “Build Up OLC 2013.” We will continue to innovate and reinvent ourselves in order to consistently create new value while at the same time responding to expected future changes in the surrounding environment, such as shifting demographics.

OLC has formulated the following two fundamental policies for the new medium-term plan: “Sustainable Growth of the Core Business (Tokyo Disney Resort)” and “Reinforcement of the Foundation for Long-Term Sustainable Growth.” Of the free cash flow consistently generated from the sustainable growth of the core business, we will allocate a high level to stockholder returns and preparations for new growth, among other areas.

The management objective in the next medium-term plan is to “generate corporate value that will enable sustainable growth over the long term” and a numerical target has been set at “around the ¥120.0 billion level of aggregated free cash flow to be generated over three years.” Having come through a period of priority investment that included large-scale investment projects such as Tokyo DisneySea and Disney hotels, in the fiscal year ended March 31, 2009, OLC entered a period in which free cash flow has been generated in a steady stream. The target for free cash flow set in the new medium-term plan is approximately 7% higher than the amount achieved during the three-year period between the fiscal year ended March 31, 2009 and the fiscal year ending March 31, 2011.

i. Sustainable Growth of the Core Business (Tokyo Disney Resort)

(i) Creation of New Value

[Enhanced Value of Tokyo Disney Resort]

As a means of enhancing the value of Tokyo Disney Resort, we will add new products to the two theme parks in a well-balanced manner and roll out events linked to the Tokyo DisneySea 10th Anniversary during the fiscal year ending March 31, 2012. In addition, we will capitalize on the full potential of Tokyo Disney Resort by creating content which will enhance the profitability of the resort on the whole in preparation for the Tokyo Disney Resort 30th Anniversary, which will take place during the fiscal year ending March 31, 2014, the last year of the new medium-term plan.

We will conduct Tokyo DisneySea 10th Anniversary events starting from April 2011. The inaugural celebratory event will be a new night-time entertainment, "Fantasmic!" In addition, with the aim of enhancing the appeal of the theme parks and expanding their capacity in preparation for the Tokyo Disney Resort 30th Anniversary, we are planning to open "Toy Story Mania!" a 3D ride-type attraction based on the film *Toy Story* in the following year of 2012. By effectively combining various new products and anniversary events in this way, we will systematically enhance the value of our theme parks.

[Creation and Expansion of Earnings Opportunities]

OLC will continue to create and expand earnings opportunities for Tokyo Disney Resort as a whole. By reducing the waiting time for our guests, we will enhance guest satisfaction and further increase profitability. Specifically, we will focus on the rollout of "Tokyo Disney Resort Vacation Packages," high-value added packaged products which combine hotel accommodations with theme park content such as FastPass tickets, show tickets, etc. These packages have contributed to the improvement of guest satisfaction and motivated those guests who purchased the packages to again visit the theme parks at a later date. We plan to further strengthen the sale of these packages by expanding distribution channels and creating links with the Tokyo DisneySea 10th Anniversary as well as other measures. In addition, we are strengthening efforts to allocate our resources to the development and investments that will enhance the profitability of Tokyo Disney Resort as a whole such as the creation of new content and efficient utilization of existing facilities. By creating new value as described above, we aim to enhance guest satisfaction and further increase profitability.

(ii) Market Development

[Promoting Attraction of Guests to Both Theme Parks]

We will continue to promote efforts to attract guests to both theme parks, seeking to maintain a good balance between increasing the number of Tokyo Disney Resort fans and enhancing our ability to attract repeat guests.

Due to the extremely strong appeal of anniversary events, we will position them as a key part of efforts for large-scale expansion of our fan base.

In addition, we aim to attain stronger guest loyalty by targeting families with the introduction of new products with high family entertainment value and strengthening sales of vacation packages targeting "post family" (primarily guests in their 40s and over).

With the aim of enhancing our ability to encourage repeat visits, we will continue to enhance guest satisfaction while expanding events under seasonal themes such as Halloween and Easter in addition to Christmas-themed events.

[Attracting Overseas Guests]

Currently, various initiatives are being considered primarily by the Japanese government in order to increase the number of overseas visitors to Japan and the target numbers indicate a significant increase in the future. We regard such a policy as an opportunity and are poised to capitalize on it by responding appropriately.

(iii) Cost and Investment Efficiency

[Reduction of Running Costs]

To improve cost efficiency, OLC will work on the reduction of running costs by utilizing reverse auctions, among other measures, to lower purchase prices, while retaining a high level of guest satisfaction.

[Control of Investment Amount]

In order to generate a steady free cash flow, OLC has adopted an investment policy for the Theme Park Segment of setting the amount of capital expenditure for the next 10 years. We will strengthen our control based on a long-term perspective, ensuring a balanced allocation of investment resources to new products and to renovations and improvements with the aim of enhancing the attractiveness of Tokyo Disney Resort. Meanwhile, depreciation and amortization expenses are expected to decrease over the medium term, reflecting investment efficiency.

ii. Reinforcement of the Foundation for Long-Term Sustainable Growth

(i) Stockholder Returns

As in the past, we will remain focused on stockholder returns when allocating the steady stream of free cash flow.

We aim to pay stable dividend, maintaining our policy of achieving a target payout ratio of 35% or more of consolidated net income. In addition, we will continue to consider stock repurchases as appropriate. Furthermore, we aim to achieve ROE of 8% or more as early as possible through earnings growth and direct stockholder returns.

(ii) Preparation for New Growth

[Business Development Policies]

We will continue our efforts into the research and development of new business in order to generate additional growth. With the aim of growing new businesses that can build upon Tokyo Disney Resort, we will consider various opportunities and methods from a long-term perspective based on a policy of selection and focus on investment from which we can expect more than a certain level of return in areas in which we can capitalize on our strengths.

[Reduction of Interest-Bearing Debt]

OLC is reducing interest-bearing debt in order to secure funds for investment in new growth opportunities.

(iii) Corporate Social Responsibility (CSR)

In order to further strengthen a foundation of trust among stakeholders, we will work on the following five areas: integrity and building public trust, a dynamic workforce that can create new, emotionally rich experiences, sharing happiness among our guests and the wider public, bringing smiles to the faces of children—the bearers of our future, and consideration for the environment of our precious planet.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Items	At the end of the Fiscal Year (March 31, 2010)	At the end of the previous Fiscal Year (March 31, 2009)
	Amount	Amount
ASSETS		
Current assets		
Cash and deposits	34,233	15,420
Notes and accounts receivable—trade	16,942	15,697
Short-term investment securities	17,000	35,519
Merchandise and finished goods	7,378	6,306
Work in process	142	628
Raw materials and supplies	3,719	3,745
Deferred tax assets	6,914	6,678
Others	2,289	4,204
Allowance for doubtful accounts	(3)	(2)
Total current assets	88,616	88,199
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	577,338	572,522
Accumulated depreciation	(244,489)	(224,830)
Buildings and structures, net	332,848	347,692
Machinery, equipment and vehicles	231,921	224,578
Accumulated depreciation	(186,597)	(176,181)
Machinery, equipment and vehicle, net	45,324	48,397
Land	93,301	93,301
Construction in progress	5,429	12,605
Other	68,300	69,824
Accumulated depreciation	(57,334)	(55,781)
Other, net	10,966	14,042
Total property, plant and equipment	487,870	516,039
Intangible assets		
Other	9,202	11,212
Total intangible assets	9,202	11,212
Investments and other assets		
Investment securities	16,632	14,788
Long-term loans receivable	1,569	5
Deferred tax assets	2,452	3,115
Other	8,833	11,716
Allowance for doubtful accounts	(87)	(86)
Total investments and other assets	29,400	29,540
Total noncurrent assets	526,473	556,792
Total assets	615,090	644,991

(Millions of yen)

Items	At the end of the Fiscal Year (March 31, 2010)	At the end of the previous Fiscal Year (March 31, 2009)
	Amount	Amount
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	14,059	16,358
Current portion of bonds	19,998	19,999
Current portion of long-term loans payable	34,050	20,800
Income taxes payable	8,273	11,220
Other	45,877	42,828
Total current liabilities	122,258	111,207
Noncurrent liabilities		
Bonds payable	59,991	79,986
Long-term loans payable	47,519	59,200
Deferred tax liabilities	—	12
Provision for retirement benefits	3,422	2,870
Other	15,425	18,054
Total noncurrent liabilities	126,358	160,124
Total liabilities	248,617	271,331
NET ASSETS		
Shareholders’ equity		
Capital stock	63,201	63,201
Capital surplus	111,403	111,403
Retained earnings	218,920	225,211
Treasury stock	(26,094)	(24,463)
Total shareholders’ equity	367,430	375,352
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(502)	(1,403)
Deferred gains or losses on hedges	(473)	(307)
Total valuation and translation adjustments	(975)	(1,711)
Minority interests	18	18
Total net assets	366,473	373,660
Total liabilities and net assets	615,090	644,991

(2) Consolidated Statements of Income

(Millions of yen)

Items	Fiscal Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Fiscal Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)
Net sales	371,414	389,242
Cost of sales	272,530	286,150
Gross profit	98,884	103,091
Selling, general and administrative expenses	56,960	62,995
Operating income	41,924	40,096
Non-operating income		
Interest income	96	251
Dividends income	233	269
Equity in earnings of affiliates	52	35
Insurance received and insurance dividends	365	448
Foreign exchange gains	—	462
Other	784	721
Total non-operating income	1,532	2,188
Non-operating expenses		
Interest expenses	2,201	2,808
Other	496	651
Total non-operating expenses	2,697	3,460
Ordinary income	40,758	38,824
Extraordinary income		
Gain on sales of investment securities	—	153
Total extraordinary income	—	153
Extraordinary loss		
Loss on retirement of noncurrent assets	375	—
Loss on sales of investment securities	—	59
Loss on sales of stocks of subsidiaries and affiliates	2,134	—
Loss on valuation of investment securities	—	604
Impairment loss	237	988
Loss on liquidation of business	—	706
Amortization of goodwill	—	1,778
Other	230	—
Total extraordinary losses	2,978	4,137
Income before income taxes and minority interests	37,779	34,840
Income taxes—current	12,436	15,341
Income taxes—deferred	(83)	1,537
Total income taxes	12,353	16,878
Minority interests in income (loss)	(0)	(126)
Net income	25,427	18,089

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Fiscal Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	63,201	63,201
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	63,201	63,201
Capital surplus		
Balance at the end of previous period	111,403	111,403
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	111,403	111,403
Retained earnings		
Balance at the end of previous period	225,211	212,703
Changes of items during the period		
Dividends from surplus	(7,273)	(5,581)
Net income	25,427	18,089
Retirement of treasury stock	(24,445)	—
Total changes of items during the period	(6,291)	12,508
Balance at the end of current period	218,920	225,211
Treasury stock		
Balance at the end of previous period	(24,463)	(15)
Changes of items during the period		
Purchase of treasury stock	(26,075)	(24,448)
Retirement of treasury stock	24,445	—
Total changes of items during the period	(1,630)	(24,448)
Balance at the end of current period	(26,094)	(24,463)
Total shareholders' equity		
Balance at the end of previous period	375,352	387,292
Changes of items during the period		
Dividends from surplus	(7,273)	(5,581)
Net income	25,427	18,089
Purchase of treasury stock	(26,075)	(24,448)
Retirement of treasury stock	—	—
Total changes of items during the period	(7,921)	(11,940)
Balance at the end of current period	367,430	375,352

(Millions of yen)

	Fiscal Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Fiscal Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(1,403)	1,059
Changes of items during the period		
Net changes of items other than shareholders' equity	901	(2,463)
Total changes of items during the period	901	(2,463)
Balance at the end of current period	(502)	(1,403)
Deferred gains or losses on hedges		
Balance at the end of previous period	(307)	(315)
Changes of items during the period		
Net changes of items other than shareholders' equity	(166)	8
Total changes of items during the period	(166)	8
Balance at the end of current period	(473)	(307)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,711)	743
Changes of items during the period		
Net changes of items other than shareholders' equity	735	(2,454)
Total changes of items during the period	735	(2,454)
Balance at the end of current period	(975)	(1,711)
Minority interests		
Balance at the end of previous period	18	144
Changes of items during the period		
Net changes of items other than shareholders' equity	(0)	(125)
Total changes of items during the period	(0)	(125)
Balance at the end of current period	18	18
Total net assets		
Balance at the end of previous period	373,660	388,180
Changes of items during the period		
Dividends from surplus	(7,273)	(5,581)
Net income	25,427	18,089
Purchase of treasury stock	(26,075)	(24,448)
Retirement of treasury stock	—	—
Net changes of items other than shareholders' equity	(734)	(2,580)
Total changes of items during the period	(7,187)	(14,520)
Balance at the end of current period	366,473	373,660

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Items	Fiscal Year ended March 31, 2010 (April 1, 2009 to December 31, 2009)	Fiscal Year ended March 31, 2009 (April 1, 2008 to December 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interest	37,779	34,840
Depreciation and amortization	46,694	49,733
Impairment loss	237	988
Amortization of goodwill	—	1,908
Increase (decrease) in provision	537	316
Interest and dividend income	(330)	(520)
Interest expenses	2,201	2,808
Foreign exchange losses (gains)	(25)	(0)
Loss (gain) on valuation of investment securities	—	604
Loss (gain) on sales of investment securities	—	(93)
Loss (gain) on sales of stocks of subsidiaries and affiliates	2,134	—
Equity in (earnings) losses of affiliates	(52)	(35)
Decrease (increase) in notes and accounts receivable—trade	(720)	(2,640)
Decrease (increase) in inventories	(1,506)	(117)
Increase (decrease) in notes and accounts payable—trade	(1,767)	(922)
Increase (decrease) in accrued consumption taxes	1,577	343
Other, net	2,709	4,533
Sub-total	89,471	91,747
Interest and dividends income received	344	735
Interest expenses paid	(2,344)	(4,075)
Income taxes paid	(15,377)	(10,284)
Net cash provided by (used in) operating activities	72,094	78,122
Net cash provided by (used in) investing activities		
Payments into time deposits	(19,000)	—
Proceeds from withdrawal of time deposits	15,000	4,000
Proceeds from redemption of securities	726	41,978
Purchases of property, plant and equipment	(17,055)	(40,924)
Proceeds from sale of property, plant and equipment	1	151
Purchases of investment securities	(302)	(1,205)
Proceeds from sales of investment securities	0	357
Proceeds from sales of stocks of subsidiaries and affiliates	10	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(1,267)	—
Payments of loans receivable	(0)	(0)
Collection of loans receivable	1	2
Other, net	(839)	1,392
Net cash provided by (used in) investing activities	(22,726)	5,751
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	10,000	24,500
Decrease in short-term loans payable	(10,000)	(24,500)
Proceeds from long-term loans payable	12,370	—
Repayment of long-term loans payable	(10,800)	—
Redemption of bonds	(20,000)	(100,000)
Cash dividends paid	(7,258)	(5,596)
Purchases of treasury stock	(26,075)	(24,448)
Other, net	(1,317)	(815)
Net cash provided by (used in) financing activities	(53,081)	(130,859)
Effect of exchange rate change on cash and cash equivalents	26	2
Net increase (decrease) in cash and cash equivalents	(3,686)	(46,982)
Cash and cash equivalents at beginning of period	50,919	97,901
Cash and cash equivalents at end of period	47,233	50,919

5. Nonconsolidated Financial Statements

(1) Nonconsolidated Balance Sheets

(Millions of yen)

	At the end of the Fiscal Year (March 31, 2010)	At the end of the previous Fiscal Year (March 31, 2009)
ASSETS		
Current assets		
Cash and deposits	32,990	13,822
Accounts receivable - trade	14,605	13,358
Short-term investment securities	17,000	35,519
Merchandise and finished goods	4,512	4,021
Raw materials and supplies	3,090	3,051
Prepaid expenses	805	787
Deferred tax assets	6,099	5,986
Other	1,079	1,959
Total current assets	80,182	78,507
Noncurrent assets		
Property, plant and equipment		
Buildings	377,582	372,672
Accumulated depreciation	(149,965)	(136,705)
Buildings, net	227,616	235,966
Structures	158,602	157,563
Accumulated depreciation	(83,660)	(77,729)
Structures, net	74,942	79,833
Machinery and equipment	206,401	198,953
Accumulated depreciation	(167,880)	(158,616)
Machinery and equipment, net	38,520	40,336
Vessels	6,171	6,397
Accumulated depreciation	(3,922)	(3,931)
Vessels, net	2,249	2,466
Vehicles	5,904	5,951
Accumulated depreciation	(4,817)	(4,546)
Vehicles, net	1,087	1,405
Tools, furniture and fixtures	62,871	62,156
Accumulated depreciation	(52,912)	(50,458)
Tools, furniture and fixtures, net	9,958	11,698
Land	93,631	93,631
Construction in progress	5,394	12,527
Total property, plant and equipment	453,401	477,865
Intangible assets		
Right of trademark	0	1
Software	4,848	5,950
Right of using water facilities	3,073	3,537
Other	606	682
Total intangible assets	8,528	10,171

(Millions of yen)

	At the end of the Fiscal Year (March 31, 2010)	At the end of the previous Fiscal Year (March 31, 2009)
Investments and other assets		
Investment securities	7,737	6,916
Stocks of subsidiaries and affiliates	16,061	11,705
Investments in capital	0	0
Long-term loans receivable	1,565	—
Long-term loans to employees (housing loans)	4	5
Long-term loans receivable from subsidiaries and affiliates	28,726	42,665
Long-term prepaid expenses	5,717	6,837
Deferred tax assets	1,814	3,112
Other	2,471	2,509
Allowance for doubtful accounts	(1,617)	(4,566)
Total investments and other assets	62,482	69,187
Total noncurrent assets	524,412	557,224
Total assets	604,595	635,731

(Millions of yen)

	At the end of the Fiscal Year (March 31, 2010)	At the end of the previous Fiscal Year (March 31, 2009)
LIABILITIES		
Current liabilities		
Accounts payable - trade	13,329	14,044
Current portion of bonds	19,998	19,999
Current portion of long-term loans payable	34,000	20,800
Accounts payable - other	12,623	11,405
Accrued expenses	10,487	9,909
Income taxes payable	6,621	9,317
Accrued consumption taxes	3,378	1,660
Advances received	11,374	10,325
Deposits received	15,271	13,896
Other	143	90
Total current liabilities	127,227	111,451
Noncurrent liabilities		
Bonds payable	59,991	79,986
Long-term loans payable	45,200	59,200
Long-term accounts payable - other	11,539	14,091
Provision for retirement benefits	2,272	1,935
Other	1,188	1,163
Total noncurrent liabilities	120,191	156,376
Total liabilities	247,418	267,827
NET ASSETS		
Shareholders’ equity		
Capital stock	63,201	63,201
Capital surplus		
Legal capital surplus	111,403	111,403
Total capital surpluses	111,403	111,403
Retained earnings		
Legal retained earnings	1,142	1,142
Other retained earnings		
General reserve	155,200	155,200
Retained earnings brought forward	53,358	63,145
Total retained earnings	209,701	219,488
Treasury stock	(26,094)	(24,463)
Total shareholders’ equity	358,211	369,628
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(564)	(1,403)
Deferred gains or losses on hedges	(470)	(321)
Total valuation and translation adjustments	(1,035)	(1,724)
Total net assets	357,176	367,903
Total liabilities and net assets	604,595	635,731

(2) Nonconsolidated Statements of Income

(Millions of yen)

	Fiscal Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Fiscal Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)
Operating revenue		
Attractions and shows	135,092	140,019
Merchandise	100,635	107,309
Food and beverages	55,964	58,112
Other revenue	13,732	13,026
Total operating revenue	305,425	318,467
Operating expenses		
Cost of sales		
Cost of goods sold	43,912	49,198
Cost of food and beverages	24,247	25,165
Personnel expenses	53,979	48,894
Other	134,122	144,493
Total cost of sales	256,261	267,753
Gross profit	49,163	50,714
General and administrative expenses	14,505	15,934
Operating income	34,658	34,780
Non-operating income		
Interest income	274	205
Interest on securities	36	130
Dividends income	2,250	612
Insurance received and insurance dividends	362	446
Foreign exchange gains	—	447
Miscellaneous income	704	713
Total non-operating income	3,628	2,555
Non-operating expenses		
Interest expenses	967	1,348
Interest on bonds	1,250	1,512
Miscellaneous expenses	151	487
Total non-operating expenses	2,370	3,347
Ordinary income	35,916	33,988
Extraordinary income		
Gain on extinguishment of tie-in shares	58	—
Total extraordinary income	58	—
Extraordinary loss		
Loss on retirement of noncurrent assets	331	—
Loss on sales of investment securities	—	59
Loss on sales of stocks of subsidiaries and affiliates	2,554	—
Loss on valuation of investment securities	—	10
Loss on valuation of stocks of subsidiaries and affiliates	144	4,318
Bad debts written off	54	—
Provision of allowance for doubtful accounts	150	1,460
Total extraordinary losses	3,236	5,849
Income before income taxes	32,737	28,139
Income taxes - current	10,066	13,187
Income taxes - deferred	739	2,321
Total income taxes	10,806	15,509
Net income	21,931	12,629

(3) Nonconsolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Fiscal Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	63,201	63,201
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	63,201	63,201
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	111,403	111,403
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	111,403	111,403
Total capital surplus		
Balance at the end of previous period	111,403	111,403
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	111,403	111,403
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	1,142	1,142
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	1,142	1,142
Other retained earnings		
General reserve		
Balance at the end of previous period	155,200	187,700
Changes of items during the period		
Reversal of general reserve	—	(32,500)
Total changes of items during the period	—	(32,500)
Balance at the end of current period	155,200	155,200
Retained earnings brought forward		
Balance at the end of previous period	63,145	23,597
Changes of items during the period		
Dividends from surplus	(7,273)	(5,581)
Reversal of general reserve	—	32,500
Net income	21,931	12,629
Retirement of treasury stock	(24,445)	—
Total changes of items during the period	(9,787)	39,548
Balance at the end of current period	53,358	63,145
Total retained earnings		
Balance at the end of previous period	219,488	212,439
Changes of items during the period		
Dividends from surplus	(7,273)	(5,581)
Reversal of general reserve	—	—
Net income	21,931	12,629
Retirement of treasury stock	(24,445)	—
Total changes of items during the period	(9,787)	7,048
Balance at the end of current period	209,701	219,488
Treasury stock		
Balance at the end of previous period	(24,463)	(15)
Changes of items during the period		
Purchase of treasury stock	(26,075)	(24,448)
Retirement of treasury stock	24,445	—
Total changes of items during the period	(1,630)	(24,448)
Balance at the end of current period	(26,094)	(24,463)
Total shareholders' equity		
Balance at the end of previous period	369,628	387,028
Changes of items during the period		
Dividends from surplus	(7,273)	(5,581)
Net income	21,931	12,629
Purchase of treasury stock	(26,075)	(24,448)
Retirement of treasury stock	—	—
Total changes of items during the period	(11,417)	(17,399)
Balance at the end of current period	358,211	369,628

(Millions of yen)

	Fiscal Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)	Fiscal Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(1,403)	1,431
Changes of items during the period		
Net changes of items other than shareholders’ equity	839	(2,835)
Total changes of items during the period	839	(2,835)
Balance at the end of current period	(564)	(1,403)
Deferred gains or losses on hedges		
Balance at the end of previous period	(321)	(308)
Changes of items during the period		
Net changes of items other than shareholders’ equity	(149)	(12)
Total changes of items during the period	(149)	(12)
Balance at the end of current period	(470)	(321)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,724)	1,123
Changes of items during the period		
Net changes of items other than shareholders’ equity	689	(2,848)
Total changes of items during the period	689	(2,848)
Balance at the end of current period	(1,035)	(1,724)
Total net assets		
Balance at the end of previous period	367,903	388,151
Changes of items during the period		
Dividends from surplus	(7,273)	(5,581)
Net income	21,931	12,629
Purchase of treasury stock	(26,075)	(24,448)
Retirement of treasury stock	—	—
Net changes of items other than shareholders’ equity	689	(2,848)
Total changes of items during the period	(10,727)	(20,247)
Balance at the end of current period	357,176	367,903