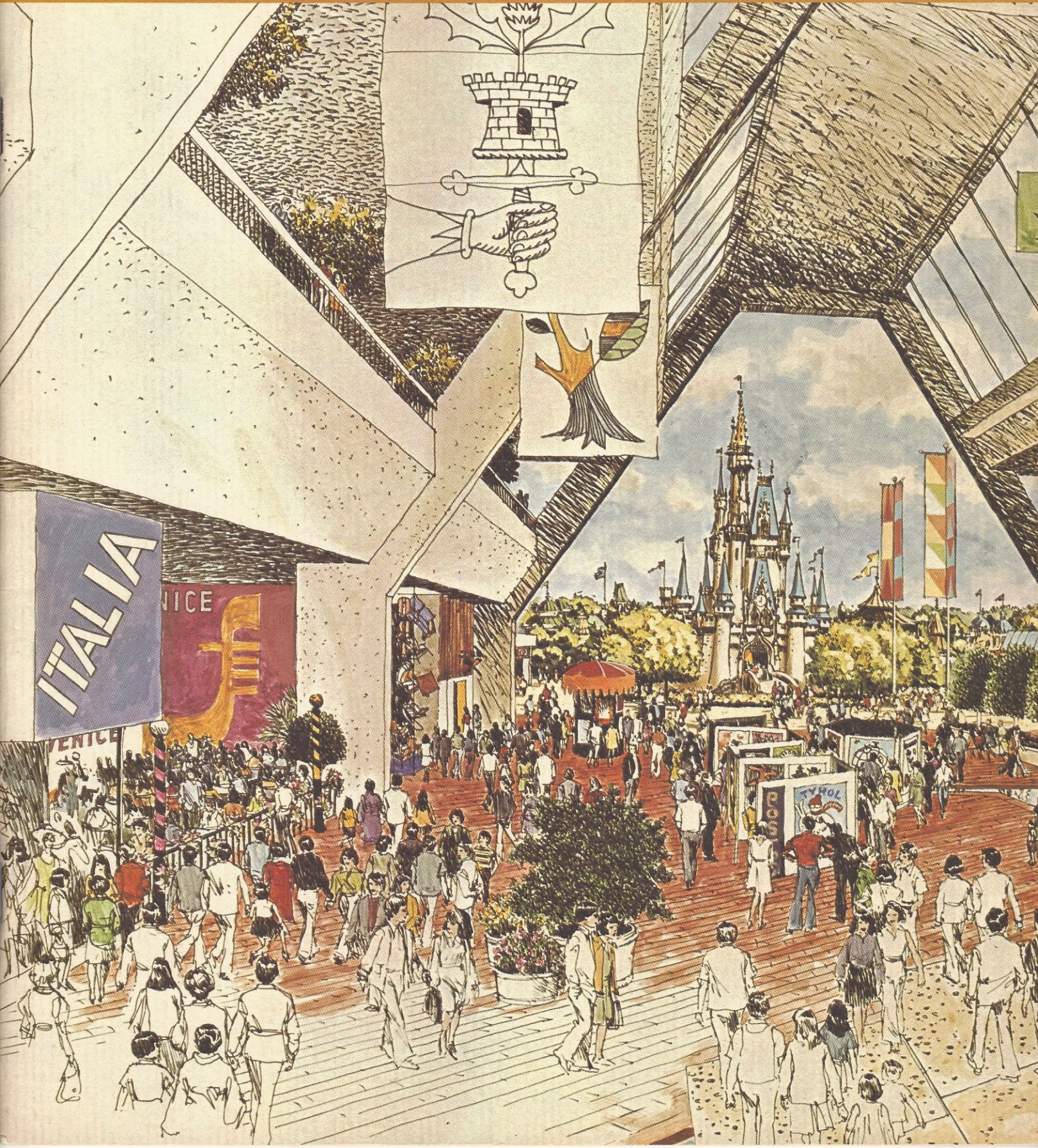
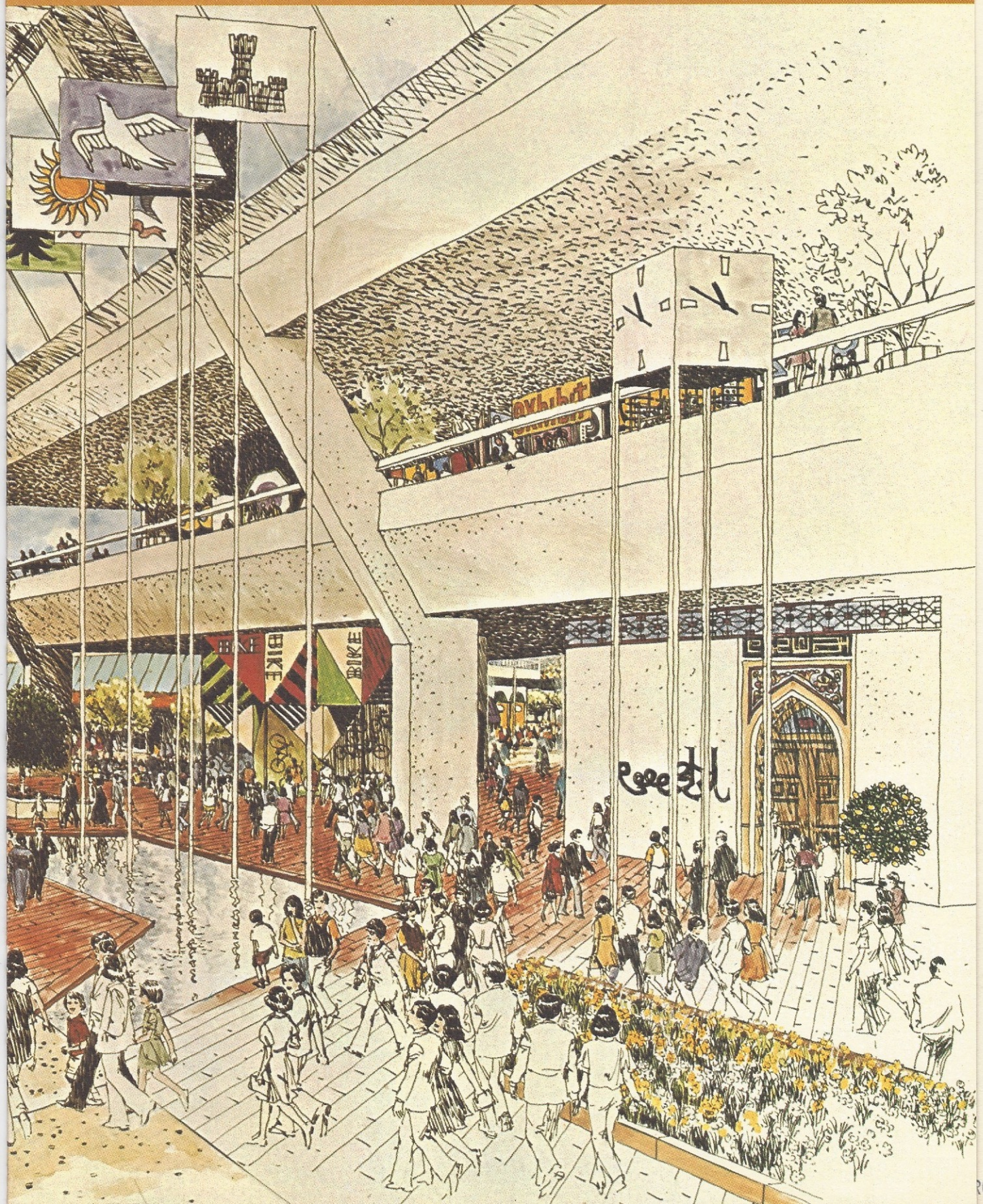


FEASIBILITY
STUDY
EXECUTIVE
SUMMARY

Oriental Disneyland





EXECUTIVE SUMMARY

INTRODUCTION

Early in 1974 Walt Disney Productions was contacted by representatives of the Oriental Land Co., Ltd. regarding consideration of Japan as a potential location for a recreational development. As a result, Disney executives met in Tokyo with Oriental Land Company personnel in December 1974 and discussed Disney's possible participation in designing, constructing and operating a Disneyland-type theme park on Tokyo Bay.

Subsequent to that meeting Walt Disney Productions entered into an agreement with Oriental Land Co., Ltd. to conduct a study to determine the feasibility of an outdoor recreation/entertainment complex located on development property situated at the north end of Tokyo Bay in the Urayasu District. The results of this study are summarized in the following pages.

Oriental Land Co., Ltd., is a joint-stock company of the Keisei Electric Railway Co. and Mitsui Real Estate Development Co. This group controls approximately 590 acres of reclaimed land in the Chiba Prefecture. This site has been approved by the national government as the location of a leisure recreation development. It is this site, known as Oriental Land, that has been offered to Walt Disney Productions as a potential location for a Disneyland-type theme park. In order to determine the feasibility of such a project, Walt Disney Productions has conducted studies that include a market and financial analysis, an engineering evaluation, and a conceptual development plan.

SUMMARY AND RECOMMENDATIONS:

Japan is a compact country of some 110 million persons occupying a geographical area similar in size to the State of California, U.S.A. It has achieved a significant industrialized growth in the post-war period and has experienced a transition to a highly urbanized population from a predominantly agricultural base. Such growth has created heavy population concentrations and an adverse effect on the quality of life which, in turn, has increased the desire and demand for additional leisure-time facilities offering more variety and sophistication than presently offered. Increases in incomes and the trend toward a shorter workweek, together with increased vacation time have contributed to a 15% to 20% annual growth in the leisure industry. Thus, the development of Oriental Disneyland at this time will capitalize on Japan's emerging leisure-time consciousness.

Oriental Disneyland will appeal to all residents and visitors to Japan; however, it is projected to capture substantial support from residents of and visitors to the Kanto District. A major portion (30%) of Japan's population, or some 33 million people, reside in this district. As a comparison, this is equivalent to over three times the population available in Disneyland's (California) U.S.A. major market area. While the majority of visitors would originate in the Kanto District, Japan's excellent transportation systems will make Oriental Disneyland easily accessible to all areas of the country, and thus it will become, in effect, a national recreational leisure-time area.

Based on an analysis of Japan's leisure demand, the potential market demand for Oriental Disneyland is projected to be 17.0 million visitors during the first year of operation. Market demand is projected to grow to 21.3 million visitors by the sixth year of operation. It is expected that attendance to Oriental Disneyland will initially be subject to established Japanese leisure seasonal characteristics. Accordingly, peak attendance would occur during January, April, May and July-August, coinciding with annual school and work vacations and national holiday periods. Also as a result of work and school schedules, weekend days, especially Sundays,

will be extremely active times.

During the initial operating years, extreme peaking demand will occur due to the above influences. However, marketing programs and the trend toward a shorter workweek and longer vacation periods will tend to spread the demand over the entire year as the project matures. Also, due to climatic conditions occurring during the winter months, winter weekdays may experience low volumes of attendance. As a result, it is anticipated that Oriental Disneyland may operate on a five-day schedule during this period resulting in an approximate 300-day annual operating schedule during the initial years. Such a schedule approximates that of Disneyland in California.

As previously indicated, an annual market demand of 17.0 million visitors to a Disney-designed theme park is feasible for the Oriental Land site. To accommodate this demand, recognizing the seasonal and daily visitation patterns, would require a theme park with a capacity to handle over 125,000 daily visitors. To properly accommodate this visitation, the park must be designed with the number of attractions, shows, and rides required to provide a capacity of over 100,000 guests per hour. This capacity is defined as theoretical hourly ride capacity (THRC) and is the basic determinant in sizing theme park facilities.

A park with over 100,000 THRC would exceed the opening day attraction capacity of Walt Disney World by more than two times. For reasons of effective utilization of attraction capacity during all periods of the year and considering market, financial, and operating implications, it is recommended that a project of such magnitude should not be undertaken in the beginning phase of the recreational development of the Oriental Land site. Instead, it is recommended that a park with an initial 45,000 THRC be established as the design criteria. This park would be programmed for expansion to 60,000 THRC within the first five years. Such a program will result in a theme park with the capacity of 52,000 to 69,000 visitors per day which will accommodate a range of up to 12 to 15 million visitors annually. Ultimately, as demand warrants, additional attractions may be added, thereby increasing ride capacity. A THRC of 110,000

would be sufficient to accommodate 21 million annual visitors.

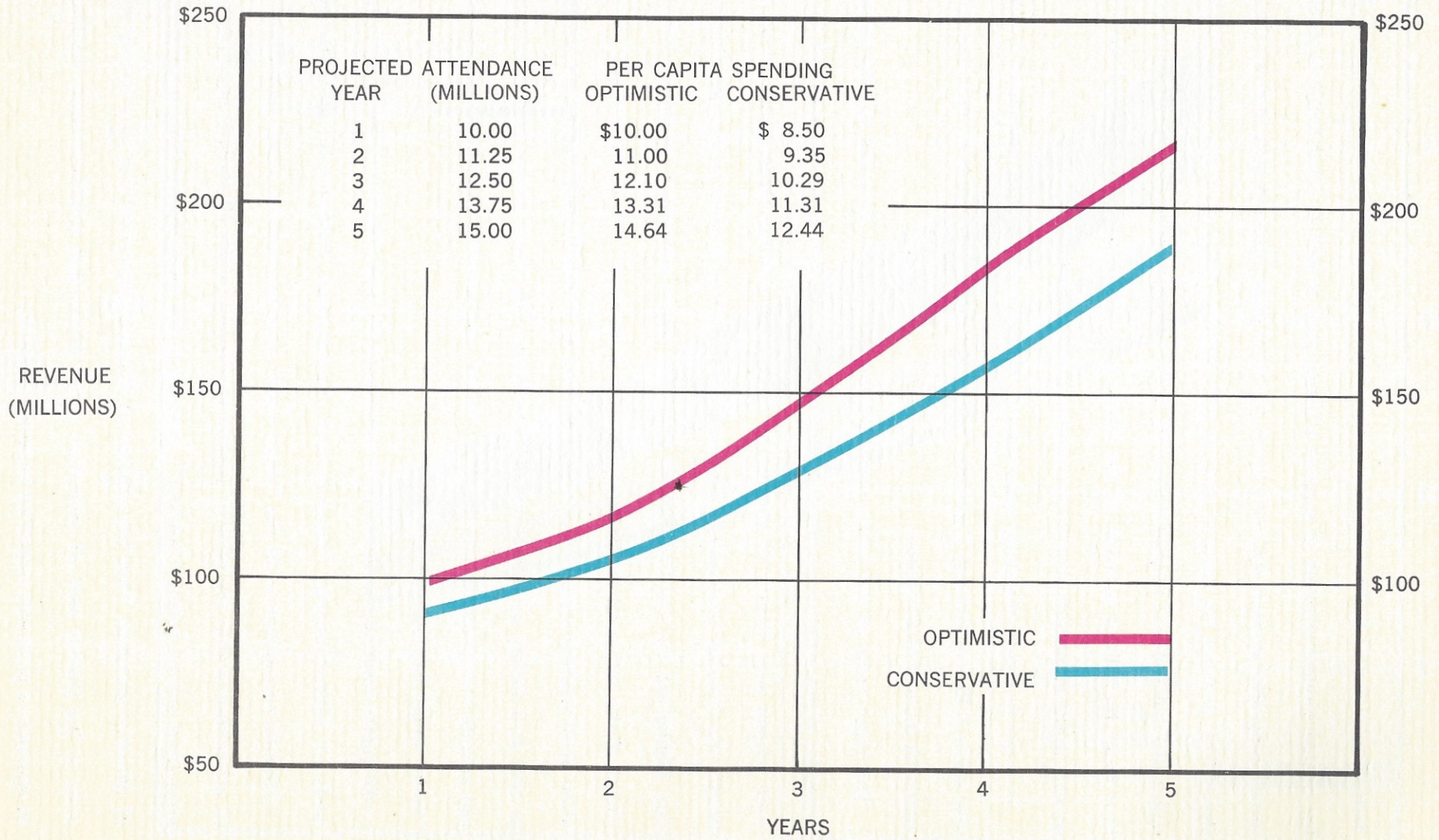
It is estimated that actual attendance to Oriental Disneyland will reach 10 million visitors during the first operating year, growing to 15 million visitors by Year 5. The above estimates are based on the theme park sizing considerations previously discussed, the effects of attendance seasonality, and projected total market demand. As available leisure time in Japan increases, through longer vacations and national adoption of the five-day workweek, and as marketing programs similar to those developed in Disneyland and Walt Disney World begin to take effect, the possibility of improvement over these initial estimates becomes very real.

Gross revenues generated by Oriental Disneyland are estimated to range as high as US \$100 million (¥30 billion) in Year 1 to US \$220 million (¥66 billion) in Year 5 (see Revenue Projection Exhibit). These revenue projections are based on the estimated range of actual attendance of 10 to 15 million visitors combined with estimated per capita sales of food, beverage, merchandise, rides and admissions. Expected income per visitor from these sources will range from US \$8.50 (¥2550) to US \$10.00 (¥3000) in Year 1 to US \$12.44 (¥3732) to US \$14.64 (¥4392) by Year 5. These spending levels are quite realistic in terms of the entertainment values and recreation experience provided in a Disney theme park, the current reception of Disney product in Japan, and the projected improvement in Japanese income and living standards.

Depending on return-on-equity objectives, Oriental Disneyland can support a capital investment of between US \$300 million (¥90 billion) and US \$461 million (¥138 billion) for a facility capable of accommodating 15 million annual visitors. (See Investment Evaluation Exhibit.)

The revenue ranges discussed above include only those revenues generated by the theme park itself. It is a proven fact that a facility of the scope of an Oriental Disneyland has significant economic impact on the immediate region surrounding the development. For example, preliminary estimates indicate Oriental Disneyland itself could support some 3,000 hotel rooms in peak periods during the first operating year. Actual experience has shown both Disneyland and

ORIENTAL DISNEYLAND REVENUE PROJECTIONS



Walt Disney World to be catalysts for increased growth in their respective regions. The demand for related services required to support a theme park as well as other business generated in the surrounding area exceeds by many times the total gross revenues generated by the theme park alone. The demand for support services and facilities takes on many forms: restaurants, and nightclubs, gas stations, employee housing, grocery stores, apparel stores, etc. It is estimated that four times the annual revenues of the theme park will be generated for additional recreational services in the immediate vicinity surrounding Oriental Land.

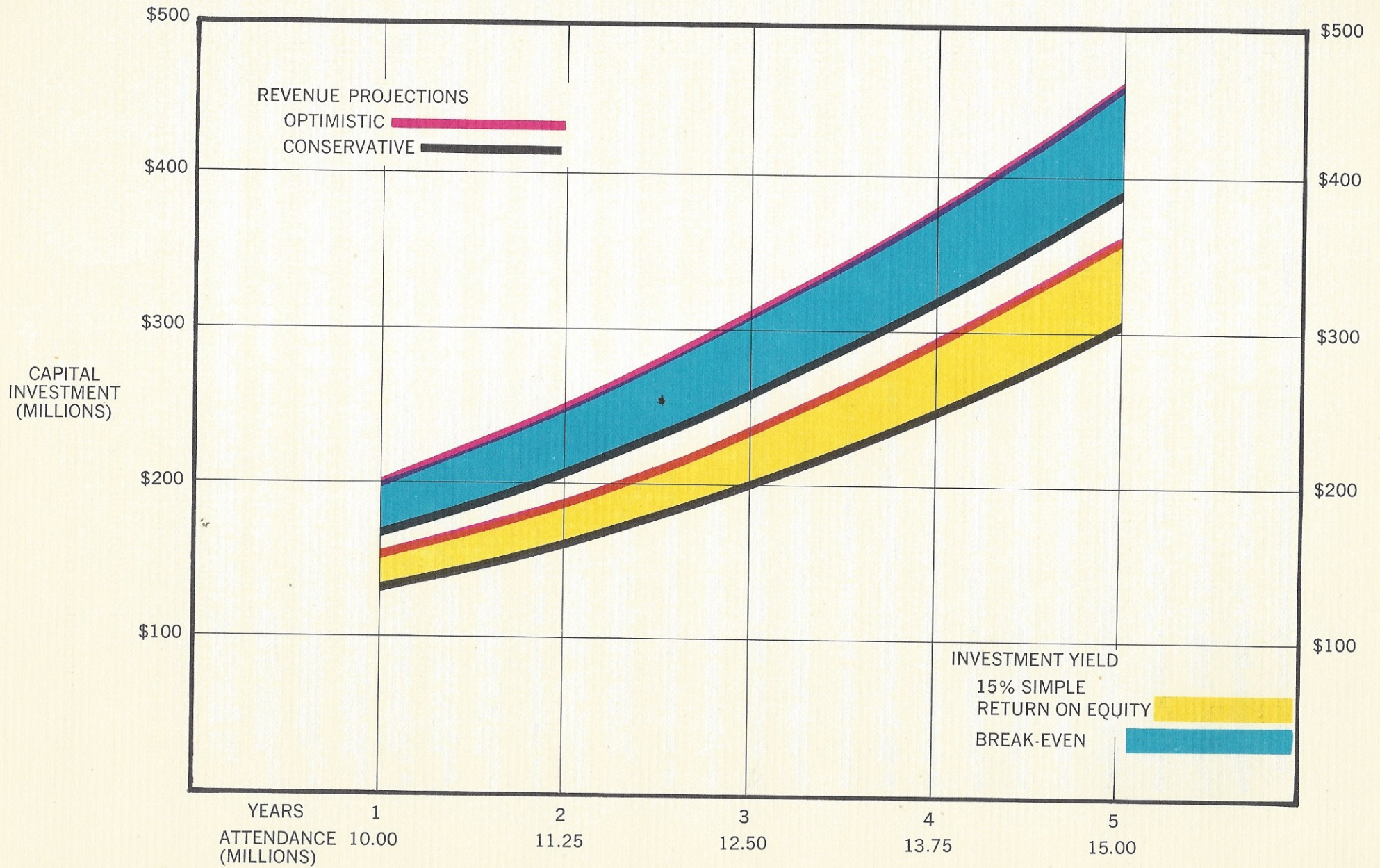
In order to satisfy the study requirements, WED Enterprises has developed a master plan for the entire 590-acre Oriental Land site. The schematic land use plan of this development is presented at the end of this report.

The focal point of the entire project is the theme park. Oriented to take advantage of the proposed transportation corridors serving the site, the theme park covers some 87 acres of the total project area. Similar in concept to Disneyland and the Magic Kingdom at Walt Disney World, the Oriental Disneyland theme park consists of six themed lands emanating from a central hub highlighted by the Fantasyland Castle. A major conceptual expansion over the existing Disney Parks will occur in the World Bazaar. This "land" will be "climatized" to permit operation in all weather conditions and will provide an international shopping and dining experience as well as a variety of entertainment experiences. The World Bazaar will be designed so that it can operate independently of the other "lands" and provide leisure-time experience when other "lands" might be closed for the day.

All guests entering the theme park would pass through the World Bazaar to the other themed lands of Adventureland, Tomorrowland, Fantasyland, Westernland, and International Land.

Climatic considerations of the Tokyo region have prompted a design permitting the majority of attractions within the park to operate year-round, under all climatic conditions. Only a few attractions will be totally "outdoor", exposed to the elements and thus inoperable during times of climatic extremes. Thus the concept of Oriental Disneyland will be a facility which will operate at the highest level of utilization under all climatic conditions with minimum exposure to operational problems caused by inclement weather.

ORIENTAL DISNEYLAND
 BAND OF INVESTMENT EVALUATION
 (ECONOMIC FEASIBILITY)



In order to achieve the attendance goals previously described, it is recommended that the initial design target for Oriental Disneyland theme park consist of approximately 20 to 25 attractions having an hourly ride capacity of 45,000 guests per hour. It is estimated that in order to achieve a facility of this size, a capital expenditure in the range of US \$250 million (¥75 billion) would be required to design and construct the theme park. This estimate is preliminary and contingent on the final makeup of facilities to be constructed. This capital estimate takes into account the total facilities required to create and support a Disney theme park with facilities of Disney quality standards and sophistication, and assumes construction costs approximating those experienced in the Western United States. Detailed analysis of each component within the project during the anticipated Phase II program of preliminary design will more accurately define the total investment required. During this phase, analysis of each item comprising the project will be made to assure its necessity and to evaluate the most economic methods of construction. This effort will be made in order to determine how to best utilize the technologies, and labor and materials available in Japan and the U.S. so that the desired quality of product can be created at the most economical cost.

The remainder of the Oriental Land site is best suited to the development of other entertainment and recreation facilities, as well as require support facilities such as auto parking lots and maintenance and warehousing facilities. As illustrated in the land use plan, extensive consideration is given to greenbelts and waterways providing dual use as recreational areas. Five hotel sites have been plotted, as well as a suggested site for corporate housing and recreational facilities. A boating marina and other water activities are planned in order to utilize the opportunities offered by Tokyo Bay. Interconnecting all of the major activity centers with the theme park is a Disney-designed monorail system which will provide efficient and speedy transportation throughout the site.

The Oriental Land site is similar in structure to the land contained within the boundaries of

Walt Disney World, with the additional complication of being in a seismically active region. In order to properly receive a project of the scope of Oriental Disneyland, it is recommended that a comprehensive site development program be accomplished upon the proposed location of the theme park. This program recommends densification of the upper sand strata, installation of sand drains, and the placement of surcharge on the building site. Accomplishing such a program would lessen the probability of liquefaction during earthquake activity, effectively eliminate future settlement and thus reduce continual repair work to site, underground lines, etc., and permit construction in the dry of the basement system that is required to support the theme park operation, providing covered service and access to attractions, restaurants, and shops located above ground. This program would allow most structures to be supported on spread footings as opposed to pile foundations.

Other characteristics of the site, as well as influences affecting construction, do not appear to be detrimental to accomplishing the project. Major points of consideration are:

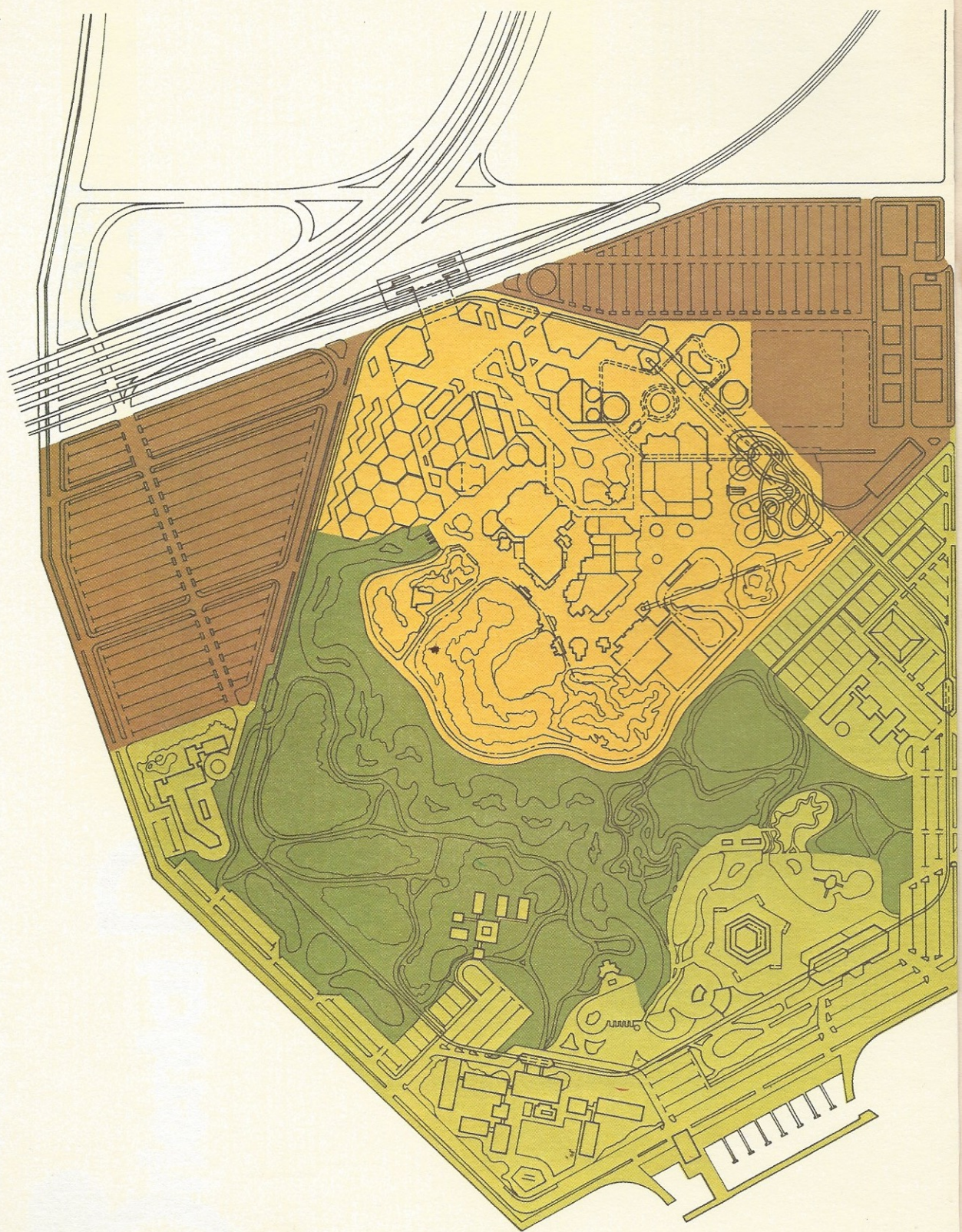
- 1) The site is under strong maritime influence and may be susceptible to flooding during extreme typhoon conditions.
- 2) Environment codes and building codes do not appear prohibitive to the proposed project; however, fire code allowances of materials may affect "theming" considerations to the facilities planned.
- 3) Utility service to the site appears adequate to support the project, with the exception of sewage treatment. Interim treatment facilities on the project site appear to be required, as proposed facilities planned by Chiba Prefecture are not scheduled for completion until after the opening of Oriental Disneyland.
- 4) Transportation systems planned to serve Oriental Land appear to be adequate. However, disposition of passenger service on the Keiyo Line must be verified and further studies of guest transport to and from Urayasu Station need to be conducted.

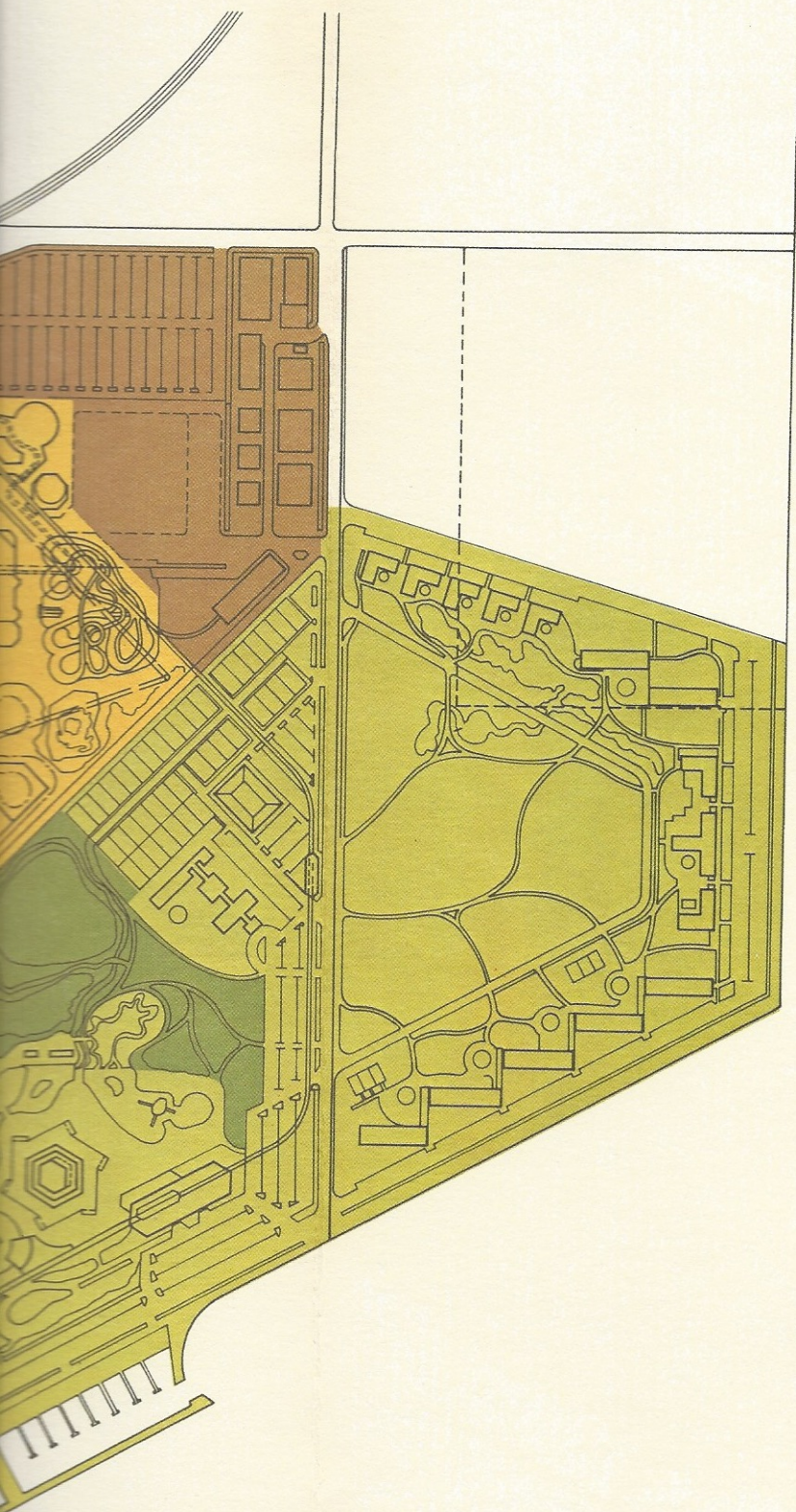
In conclusion, the Oriental Land site offers a feasible location for a Disney theme park. Demand potential for such a project is extremely high and far exceeds the recommended attendance targets. The project appears to provide an adequate return to Oriental Land Co., Ltd. at the recommended sizing levels and will serve as a catalyst for expanded growth in the Urayasu District, as well as Chiba Prefecture. The project will enhance the image of the area and contribute to satisfying the demand for additional and more varied leisure-time activities in Japan.



Oriental Disneyland

**Land
Use
Plan**





Theme Park



Peripheral Development



Support Facilities



Green Belt



DESIGNED BY

