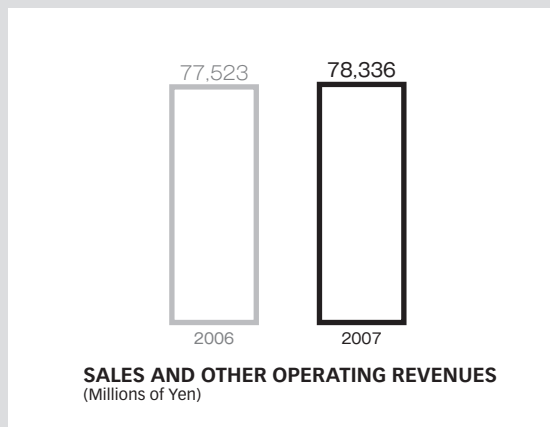


Review of Operations (Fiscal Year Ended January 31, 2007)

Leisure Segment



Tokyo Dome City

Revenue at Tokyo Dome rose as a result of increases in income stemming from the hosting of professional baseball games for the Tokyo Yomiuri Giants, the World Baseball Classic and the U.S.-Japan baseball series, as well as concert events. LaQua, marking its fourth year of operations, renovated its spa facilities and expanded its services to include new saunas, as well as beauty and body care salons. As a result, LaQua was able to minimize the impact from the series of rival facilities that have opened in nearby areas; nevertheless, the number of visitors and revenue both declined from the previous fiscal year. The fitness club inside LaQua, and tenant businesses, all reported strong performance. Tokyo Dome City Attractions experienced a year-on-year decrease in the number of people using the rides due to inclement weather, and revenue declined as a result. The number of "Hero Show" performances was down from the previous fiscal year due to renovation of the performance stage, resulting in a drop in revenue.

Revenue from the Yellow Building, the majority of which is leased out for off-track betting, rose overall. Leasing income from the Japan Racing Association (JRA) declined from the previous fiscal year, although the first full year of operation of "Offt Korakuen," which provides off-track betting for three tracks in the southern Kanto area, provided an increase in leasing income due to a significant rise in the number of race days.

Restaurants and retail stores inside Tokyo Dome City recorded a rise in sales from the previous fiscal year due to the positive impact of events held at Tokyo Dome. The Tokyo Dome Hotel achieved its highest annual occupancy rate since its opening and posted an increase in accommodation revenue, given a substantial boost by major events held at Tokyo Dome, along with efforts to attract individual guests making reservations via the Internet. The Wedding Division suffered

as a result of deterioration in the market environment, while the Restaurant and Banquet divisions both showed positive performance, leading to a rise in hotel sales.

Resort Operations

Our hotel in the Sapporo area achieved overall revenue increases. The rise was the result of strong efforts in the Accommodation Division, which increased guest numbers by stepping up Internet reservations and through other means, and in the Banquet and Restaurant divisions. Also, the Nippon Ham Fighters' victory in the Japan Series made a significant contribution to sales at off-site stores at Sapporo Dome. In ski resort and golf course operations, guest recruitment and sales at ski resorts were both up from the previous fiscal year, but revenue from golf courses remained flat. Our hotel in the Atami area set a new record for guest numbers since its opening and increased sales from the previous fiscal year as a result of its sales plan to mark the 10th anniversary since the opening of the tower section of the hotel, and positive cooperation with major travel companies.

In the western Japan (Kijima) region, hotel revenues rose following an increase in the number of both group and individual guests, though inclement weather kept guests away from the amusement park and reduced the revenue per round of golf, resulting in a year-on-year decline in sales overall. At our ski resort in the Niigata (Maiko) region, the warm weather led to a delay in the opening of the resort, which along with other factors resulted in fewer guests at the ski resort, and revenue from both ski and hotel operations declined.

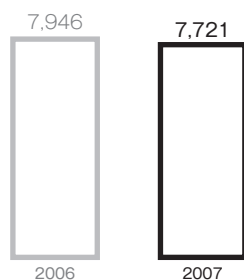
Inclement weather at the Mito, Batoh and Ichihara golf resorts resulted in a fall in the number of visitors to each course. The Company decided to transfer six businesses in the golf and resort operations to the Morgan Stanley Group, specifically the Kijima Korakuen Amusement Park, Hotel & Country Club; the Sapporo Korakuen Country Club; the Maiko Korakuen Ski Resort & Hotel; the Batoh Korakuen Golf Course & Hotel; the Mito Korakuen Country Club; and the Ichihara Korakuen Golf & Sports Center. The actual handover was completed by the end of May 2007.

Other Leisure Operations

The bicycle racetrack operated by Matsudo Kousan Co., Ltd. recorded an increase in revenue from the previous fiscal year resulting from racetrack operations conducted on an out-source basis for the full fiscal term.

As a result, sales and other operating revenues in the Leisure segment rose 1.0 percent, to ¥78,336 million (US\$644 million). Operating income totaled ¥17,089 million (US\$140 million), an increase of 13.7 percent.

Retail Segment

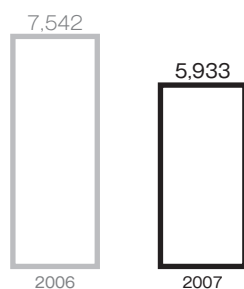


SALES AND OTHER OPERATING REVENUES
(Millions of Yen)

Shop-In retail outlets sell cosmetics and other variety goods. The Shinjuku Mylord store was closed, while the Machida store reopened in a new location. Four stores, including the Shinagawa store, were renovated. Sales were down overall from the previous fiscal year due to a smaller number of operating days stemming from the closures and renovations, though revenue rose on an existing-store basis.

As a result, sales and other operating revenues in the Retail segment decreased 2.8 percent, to ¥7,721 million (US\$63 million). Operating income fell 22.8 percent, to ¥207 million (US\$2 million).

Finance Segment

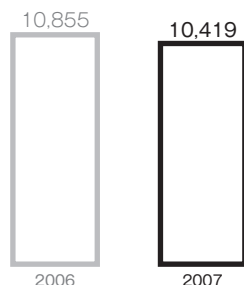


SALES AND OTHER OPERATING REVENUES
(Millions of Yen)

The Tokyo Dome Group decided to exit from the high-risk finance business. The consolidated subsidiary SAN-ESU Factoring Co., Ltd. and equity-method affiliate RISOU Golf Service Co., Ltd. were dissolved in October 2006. In November of that year, all shares and loan assets in Korakuen Finance Co., Ltd. held by the Company were transferred to the Lone Star Group, which has a strong track record in the finance business. This concluded the Company's exit from the business, and ends its exposure to risk in the finance segment.

As a result, sales and other operating revenues in the Finance segment amounted to ¥5,933 million (US\$49 million), down 21.3 percent. The segment posted an operating loss of ¥66 million (US\$542 thousand).

Other Segment



SALES AND OTHER OPERATING REVENUES
(Millions of Yen)

The building maintenance business operated by Korakuen Sogo Service Co., Ltd. recorded strong commissioned business at Tokyo Dome, LaQua, the Tokyo Dome Hotel and other facilities within Tokyo Dome City, leading to a rise in revenue from the previous fiscal year in this business. Performance in the real estate leasing business operated by Matsudo Kousan Co., Ltd. remained on par with that of the previous fiscal year, but the parking garage construction business of Tohwa Kouken Co., Ltd. declined due to a fall in construction contracts.

As a result, sales and other operating revenues in the Other segment declined 4.0 percent, to ¥10,419 million (US\$86 million), with operating income down 9.1 percent, to ¥739 million (US\$6 million).