

Our Growth Strategy

Launch of the New Three-Year Medium-Term Business Plan “Scale-up”

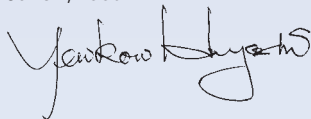
Sales and other operating revenues for the fiscal year ended January 2008 declined as a result of the business restructuring implemented under the previous three-year medium-term business plan, “Take-off 70,” with operating income down as well. However, ordinary income reached a record high, and net income recovered to a substantial profit. The last few years were undoubtedly a time of concern for shareholders and all stakeholders, but with your patience and support we have achieved a strong recovery in performance. I would like to take this opportunity to offer my sincere appreciation.

The nation’s current low birthrate and aging population, along with the diversification of customer needs and other trends, has placed a tremendous strain on traditional business models. Tokyo Dome City, the core business of the Tokyo Dome Group, is also feeling this effect.

We formulated the new three-year medium-term business plan, “Scale-up,” to raise the level of the sales and earnings of the Tokyo Dome Group, improve business value, and achieve the continual generation of the competitive advantages that make this possible. The objectives set forth in this plan are (1) strengthen the financial foundation, (2) achieve growth through innovation, and (3) pursue CSR initiatives. To fulfill them, we will make a concerted effort as a Group to pursue innovation and CSR through aggressive management.

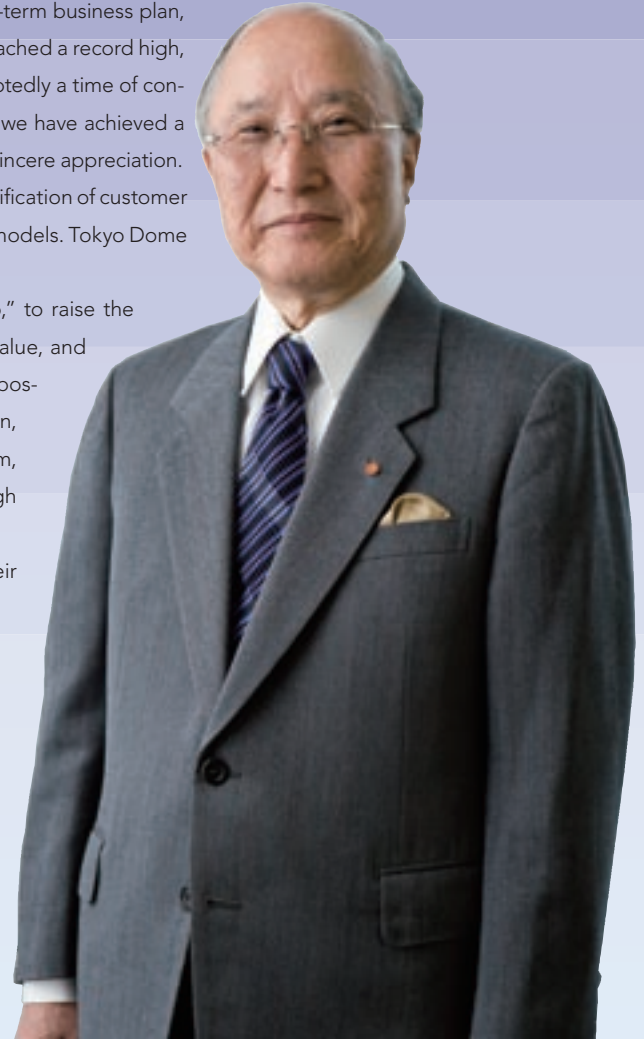
I wish to offer my appreciation to our shareholders and all stakeholders for their continued support.

June 1, 2008



Yewkow Hayashi

Representative Director, President and CEO



MEETS PORT: The Central Measure of the “Take-off 70” Plan

Q: What is the origin of the name “MEETS PORT”?

A: MEETS PORT is the eastern gateway to Tokyo Dome City. La Qua at the opposite end means “ocean” and is designed to reflect a wave shape, so we thought it appropriate that the entrance to the “ocean” was a “port,” the center of life in seaside towns. The term “Meets” represents the various ways that people get together, whether on a one-on-one basis, over dinner at one of the delicious restaurants, or with a talented artist performing at JCB Hall. The fusion of these two ideas is “MEETS PORT.”

Q: How will MEETS PORT improve the value of Tokyo Dome City?

A: MEETS PORT is an integrated facility combining the 3,000-person capacity JCB Hall, 13 dining options to suit a wide variety of styles and tastes, and a “hanging garden” on the third level that links to Tokyo Dome City.

JCB Hall is designed so that all seats are close to the stage, putting it in position to become a new mecca for music, drama, and other forms of entertainment. It has already been named as the venue for the Tokyo men’s wrestling tournament to be held in 2013, a reflection of the facility’s versatility. The drawing power of the bars and restaurants is also substantial, considering its proximity to the Suidobashi JR and subway stations.

Aggressive Management Remains a Growth Strategy

Q: The concept of “aggressive management” first appeared in Tokyo Dome’s medium-term business plan in 1978. What strategies have you pursued in this regard over the past three decades?

A: Our medium-term business plan for 1978 to 1980 had three main objectives: (1) establish a reserve to repay debt; (2) increase earnings capacity; and (3) strengthen our financial position. We felt that the battlefield philosophy that says “the best defense is a good offence” would be an effective means to achieve these goals, and so we adopted the idea of “aggressive management.” The essence of this idea was that if we found a business in which we had a competitive advantage, we would aggressively pursue it, even if it was outside our usual business area. This is a proactive stance through which we would work to improve those businesses in which we were less competitive, and scale them back if unsuccessful. That philosophy has remained in place up to today.

Q: You must have launched into many new businesses under this idea of “aggressive management.” What were your decisions based on?

A: We sought businesses with high degrees of added value and social benefit, and that were well suited to the high property values of Tokyo’s Bunkyo and Koishikawa neighborhoods, where we operate. We focused on finding other uses for Korakuen Stadium during the off season and other ways to effectively utilize assets, and when making decisions about building new facilities gave serious consideration to whether they would be the sort of beneficial asset that would generate stable revenue.



Expectations Placed on the New Three-Year Medium-Term Business Plan, “Scale up”

Q: Why did you decide to call the plan “Scale-up”?

A: The name reflects our desire to establish a foundation to expand the scale of the business in terms of the revenue, earnings, capital and other measures of business and financial capability. The “Take-off 70” plan improved the Group’s financial position with the withdrawal from risky and underperforming businesses, and the name “Scale-up” represents the next step in that process, the creation of a foundation for expansion of revenue, earnings and capital, as well as business operations.

Q: What is the story behind the plan’s formation, and its central features?

A: The nation’s continued low birthrate and aging population, along with the diversification of customer needs and other trends, has created a difficult environment for the leisure services business. We realized that we must put the Company on a path toward sustained competitive advantage to achieve the targets of continued stable dividend payments, raising the Group’s ratings, and increasing market value.

MEETS PORT, opened in March 2008, ranks alongside La Qua, opened five years ago in May 2003, as the type of integrated facility that will meet the needs of area residents—particularly women—as well as visitors to Tokyo Dome City. The facility will further enhance the entertainment value of Tokyo Dome City, and be a key to the success of “Scale-up.”

To Gain Public Trust

Q: Promoting CSR has been a management objective from the establishment of "Take-off 70." In what specific ways has Tokyo Dome fulfilled its social responsibility as a company?

A: The independently operated Baseball Hall of Fame and Museum was opened on the Company's grounds in 1959 during the era of Korakuen Stadium (the predecessor of Tokyo Dome), to become our first cultural support activity. Today the museum remains a part of the Tokyo Dome facilities, and as Japan's only museum dedicated to baseball it helps contribute to the development of the sport.

We also place particular emphasis on environmental conservation, as the nature of Tokyo Dome's operation requires considerable energy consumption. We established the Energy Conservation Promotion Committee in 1995, and were one of the first companies to introduce a rainwater-use system (in Tokyo Dome) and a cogeneration system (in the Tokyo Dome Hotel) to effectively utilize waste heat. To counter global warming, we also currently operate an ice thermal storage system (in the Tokyo Dome Hotel, La Qua and other facilities), which draws electric power during the night, thereby reducing carbon dioxide emissions.

The Tokyo Dome Group's business development would be impossible if it were not in harmony with the local community. We frequently invite elderly and handicapped persons residing in the area to facilities operated by Tokyo Dome City, and conduct regular cleaning activities of the area surrounding the park.

In Pursuit of Constant Innovation

Q: One of the objectives of “Scale-up” is “growth through innovation.” What is the relationship between this policy and the “Korakuen Year of Innovation” (1988)?

A: Growth through innovation, the policy of constantly innovating to move forward, stretches back to the “Korakuen Year of Innovation.” When Tokyo Dome’s president at the time, Makoto Hosaka, announced the “Year of Innovation” in the late 1980s, the Japanese economy was in severe circumstances. A powerful rival had just appeared on the scene a few years earlier with the opening of Tokyo Disneyland in 1983, and Japanese spending on leisure was being scaled back with the rapid appreciation of the yen, slowdown in the U.S. economy, sluggish wage growth and other factors.

President Hosaka realized that Japan had entered a time of fast-moving innovation, and that the true measure of corporate power was the ability to change and innovate. Correctly reading the times, and drawing on creativity to successively generate new businesses were prerequisites for corporate survival. In line with this belief, President Hosaka led the Tokyo Dome Group to meet the difficult times head on, achieving consistent growth. Today, we realize once again the need for growth through innovation, and will face this new “age of innovation” with change and advancement, with a spirit recalling the determination we demonstrated at the completion of Tokyo Dome.