

## INFORMATION NOTE

### Tokyo Disneyland: Some Basic Facts

#### 1. Background

1.1 Tokyo Disneyland opened on 15 April 1983 at a cost of US\$1.4 billion. It is located on a reclaimed site about 10 km from downtown Tokyo. Tokyo Disneyland is privately owned by Oriental Land, a land-reclamation company in partnership with Mitsui Real Estate and the Keisei Railway Company.

1.2 Talks between Disney and Oriental Land started in the early 1970's. Basically, Oriental Land is the owner and licensee; Disney is the designer and licensor. The final contract which was signed in 1979 gave Disney 5 per cent of the gross revenue on all food and merchandise, 10 percent of the gross on admissions, and 10% of any corporate sponsorship agreement, in exchange for a token US\$2.5 million investment in the park. In 1980, the construction cost was estimated to be around US\$250 million. Disney earned a fee for developing the park, retained complete design control, and retained significant control over park operations through a series of highly detailed operating manuals.

1.3 The partnership plans to build next to the present site a second theme park called Tokyo DisneySea due to open in 2001. Total cost will amount to US\$3 billion.

#### 2. Basic Facts

##### **Ownership:**

100% owned by Oriental Land

##### **Economic and financial arrangements**

<b>Investment</b>	
<b>Oriental Land</b>	<b>Disney</b>
Not available	US\$2.5 million
<b>Return</b>	
<b>Oriental Land and the Japanese economy</b>	<b>Disney</b>
13,600 jobs, of which 19% are full-time	Management fee at 10% of admissions
Led to development of 60 other theme parks across Japan since 1983	5% royalties from gross revenues on food and merchandise

**Operational statistics**

	1995	1996	1997	1998	1999
Attendance (million)	10	17.37	17	17.45	Not available
Recurring profits (mln Yen)	21,657	28,076	28,134	25,832	29,315
Total Sales (mln Yen)	153,923	171,502	180,965	175,471	187,772
<b>Recurring Profit/ Total Sales</b>	<b>14.07%</b>	<b>16.37%</b>	<b>15.55%</b>	<b>14.72%</b>	<b>15.61%</b>
Term Profit (mln Yen)	13,123	14,690	15,902	14,292	15,068
<b>Net Profit/ Total Sales</b>	<b>8.53%</b>	<b>8.57%</b>	<b>8.79%</b>	<b>8.14%</b>	<b>8.02%</b>

Remark: Fiscal year ends in March.

**Staff: 13 600**

Part-time	81%
Full-time	19%

**Nationalities of Visitors**

Japan	95%
Outside Japan	5%

Attractions: seven theme lands

Shops: 56

Restaurants: 43

Average spending: US\$74 per visitor in 1997

Reference: M. Eisner, *Work in Progress, 1998* ; *Amusement Business*, 28 April 1997;  
*Sloan Management Review*, 1 October 1998; <http://www.freesun.net/>

Prepared by Ms Eva LIU, Miss Elyssa WONG on 10 November 1999  
Tel: 2869-7735

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