



Operating Results and Business Overview Six Months Ended September 30, 2006

November 21, 2006

(8874)

<http://www.jointcorporation.co.jp>



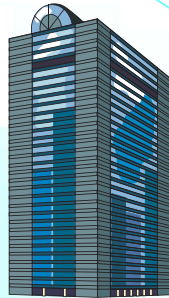
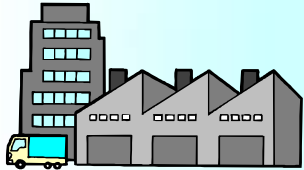
- * These materials were prepared for the purpose of presenting operating results for the first half of fiscal year ending March 31, 2007 and the company's business strategies. This presentation is not a solicitation to purchase any securities issued by the company.
- * Information in this material is current as of September 30, 2006.
- * Opinions, plans, estimates and other forward-looking statements are based on management's judgments as of the time this presentation was prepared and are not guarantees or promises regarding future results. The company makes no guarantees or promises that this information is accurate or complete.
- * Information in this material may be altered at any time without prior notification.

Joint Group: Segment

Securitization development

First half 07/3 Sales **31.5bil**
OP **7.8bil**

Development
Renovation



Investors
(J-REIT,
Private funds)

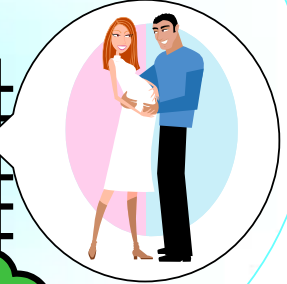
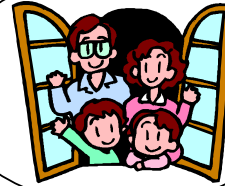
Property sales
revenue

Other revenue

AM·PM
Leasing revenue
Dividends from SPCs

Condominium development

First half 07/3 Sales **37.4bil**
OP **3.1bil**



Development sale to individual owners

Other

First half 07/3 Sales **8.2bil**
OP **0.4bil**

Leasing,
Property management, etc.



Note: Sales includes segmentation adjustment

I. Overview of First Half Ended September 30, 2006



Overview of First Half 07/3

Highlights

1. Revenue and profit increased
 2. Revised forecast for 07/3
 3. Progress in land bank
(Securitization development, Condominium development)
 4. Opened Nagoya office
 5. Joint Finance started operation
- L Kakuei sold part of business
- Commercial property 「b6」 opened

Overview of First Half 07/3 -1.

Results

| | First half 07/3 | Y o Y | vs. budget |
|------------------------|------------------|---------------|---------------|
| Net sales | ¥ 76.4bil | +3.1% | +14.9% |
| Ordinary income | ¥ 9.5bil | +23.7% | +61.3% |

Major reasons

- Large operating income gain (+45% Y o Y) at securitization development
 - Growing land bank helped earlier delivery of properties vs. budget
 - Realized better price vs. budget



Overview of First Half 07/3 -1.

Consolidated Income Statements (Y o Y)

(¥ mil, %)

| | First half 06/3 | Margin | First half 07/3 | Margin | Difference | Major reasons |
|------------------|--------------------|--------|--------------------|--------------|------------|---|
| Net sales | 74,136 | 100.0 | 76,405 | 100.0 | 2,269 | |
| Cost of sales | 58,684 | 79.2 | 56,671 | 74.2 | 2,013 | |
| Gross income | 15,451 | 20.8 | 19,733 | 25.8 | 4,282 | · Contribution from several securitization development properties with nice profit |
| SG & A | 6,385 | 8.6 | 8,804 | 11.5 | 2,418 | · Condominium: more delivery of new condominiums · Some costs shifted from cost of sales to SG&A |
| Operating income | 9,066 | 12.2 | 10,929 | 14.3 | 1,863 | |
| Ordinary income | 7,690 | 10.4 | 9,516 | 12.5 | 1,825 | |
| Net income | 8,930 | 12.0 | 5,318 | 7.0 | 3,611 | · L Kakuei realized ¥7.6bil extraordinary income in first half 06/3 |

Overview of First Half 07/3 -1.

Segment

(¥ mil)

| | Sales | | Operating income | | Operating margin | |
|-----------------------------------|---------------|--------------|------------------|--------------|------------------|-------------|
| | | Y o Y | | Y o Y | | Y o Y |
| Securitization development | 31,507 | 1,535 | 7,856 | 2,451 | 24.9% | 6.9p |
| Condominium development | 37,404 | 551 | 3,154 | 297 | 8.4% | 0.9p |
| Other | 8,210 | 36 | 430 | 151 | 5.2% | 1.9p |
| Segmentation adjustment | 716 | 145 | 512 | 138 | - | - |
| Total | 76,405 | 2,269 | 10,929 | 1,863 | 14.3% | 2.1p |

Overview of First Half 07/3 -1.

Breakdown of sales/operating income at securitization development

(¥ mil)

| | Net sales | | Operating income | Operating margin | |
|---|---------------|--------------|------------------|------------------|-------------|
| | | Y o Y | | | Y o Y |
| Property sales revenue | 29,228 | 2,139 | 6,982 | 23.9% | 9.4p |
| Other (AM・PM fee) (Leasing revenue) (Dividends from SPCs) | 2,227 | 461 | 1,105 | 49.6% | 5.8p |
| Intersegment transaction | 50 | 144 | 231 | - | - |
| Total | 31,507 | 1,536 | 7,856 | 24.9% | 6.9p |



Overview of First Half 07/3 -1.

Consolidated Balance Sheets

(¥ mil)

| | 06/3 | | First half 07/3 | | Difference |
|---|---------|--------|-----------------|---------------|------------|
| | Amount | Share | Amount | Share | |
| Cash and deposits | 32,730 | | 30,679 | | 2,051 |
| Inventories | 159,028 | 73.1% | 196,373 | 76.8% | 37,344 |
| Other current assets | 13,450 | | 15,932 | | 2,482 |
| Fixed assets | 12,416 | | 12,754 | | 338 |
| Total assets | 217,625 | 100.0% | 255,740 | 100.0% | 38,114 |
| Interest-bearing liabilities | 111,790 | 51.4% | 156,347 | 61.1% | 44,556 |
| Other liabilities | 43,207 | | 32,153 | | 11,054 |
| Total liabilities | 154,998 | 71.2% | 188,500 | 73.7% | 33,502 |
| Common stock | 15,800 | | 15,800 | | - |
| Other | 45,783 | | 50,628 | | - |
| Shareholders' equity | - | | 66,428 | | |
| Total shareholders' equity | 61,584 | 28.3% | 66,353 | 25.9% | - |
| Minority interests in consolidated subsidiaries | 1,043 | 0.5% | 886 | 0.3% | - |
| Total net assets | 62,627 | | 67,239 | | - |
| Total liabilities and net assets | 217,625 | 100.0% | 255,740 | 100.0% | 38,114 |

Note: "Minority interest in consolidated subsidiaries" for 06/3 is shown differently to make numbers comparable to first half 07/3 under new accounting guideline



Overview of First Half 07/3 -2.

Revised forecast for 07/3 (October 5)

| | | | | |
|--------------------------|------------|---|-------------------|----------|
| 07/3 Sales forecast | ¥ 160.0bil | ⇒ | <u>¥ 172.7bil</u> | (+7.9%) |
| Ordinary profit forecast | ¥ 16.5bil | ⇒ | <u>¥ 20.5bil</u> | (+24.2%) |

Major reasons

1. Growing land bank

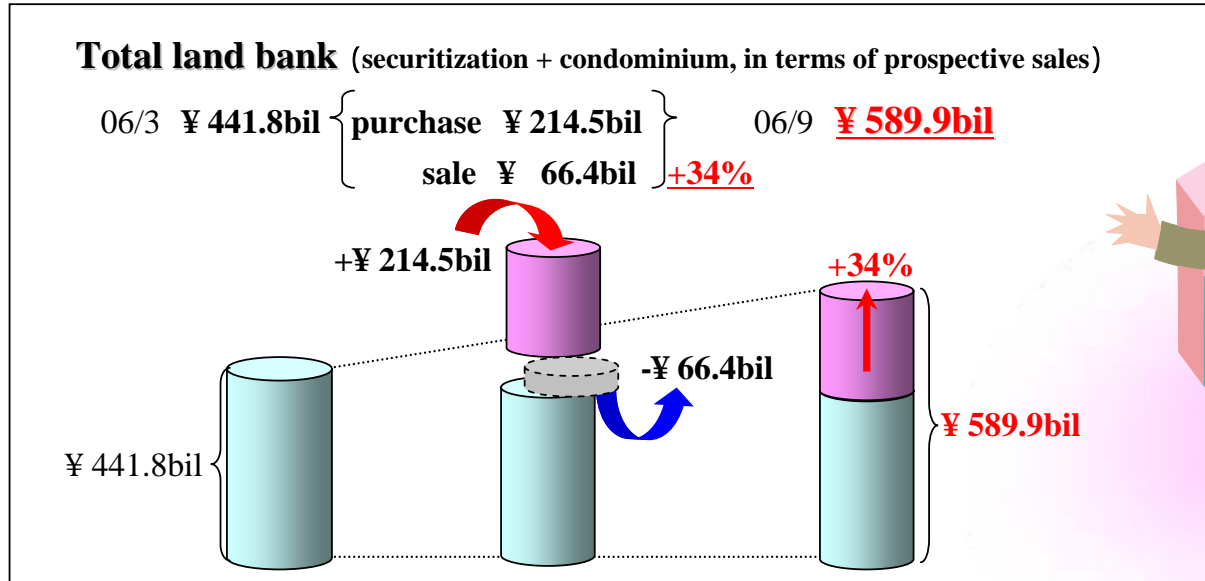
Helped to shift some delivery of securitization properties from 08/3 to 07/3

2. Sold some securitization properties at better price vs. budget

Some condominium delivery to be shifted to 08/3

Overview of First Half 07/3 -3.

Land bank

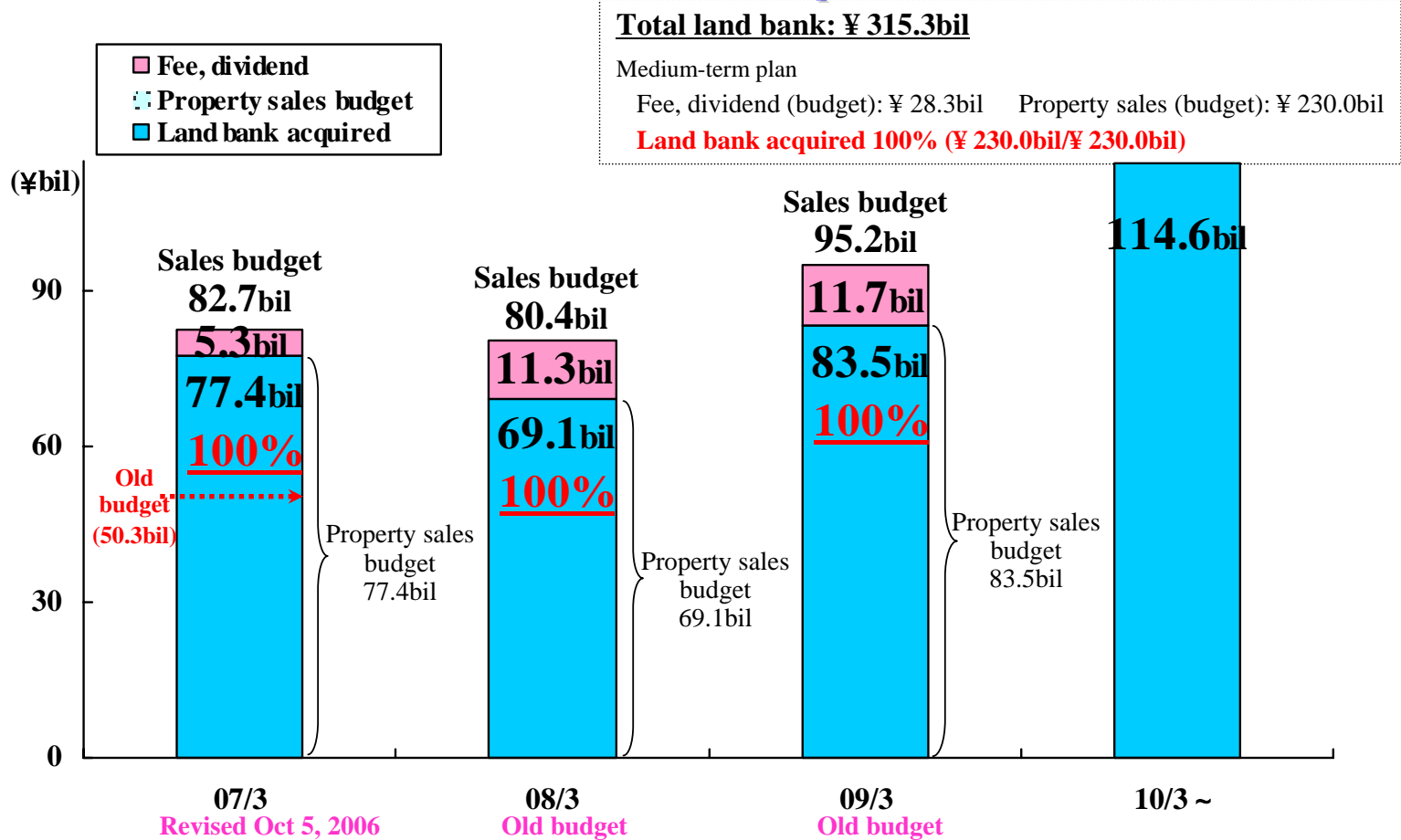


Securitization development: 06/3 ¥ 257.9bil { purchase ¥ 86.6bil } 06/9 **¥ 315.3bil**
 sale ¥ 29.2bil **+22%**

Condominium development: 06/3 ¥ 183.9bil { purchase ¥ 127.9bil } 06/9 **¥ 274.6bil**
 sale ¥ 37.2bil **+49%**

Overview of First Half 07/3 -3.

Land bank: Securitization development (September 2006)



Note: "Land bank acquired" number represents prospective sales amount generated by acquired land

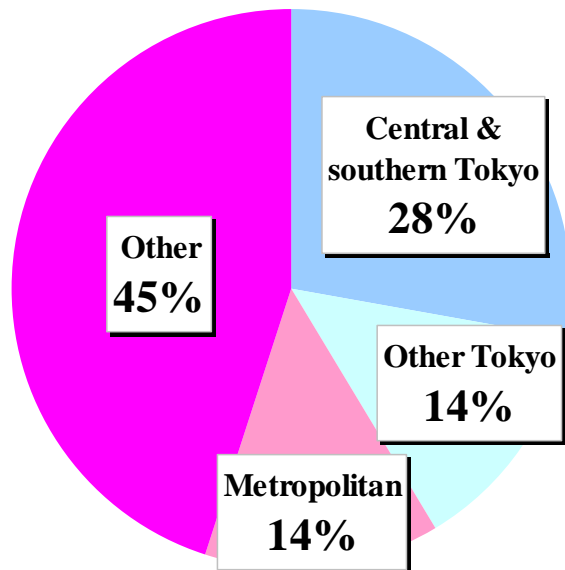
Note: Above numbers includes segmentation adjustment

Overview of First Half 07/3 -3.

Asset for securitization development (September 2006)

Region

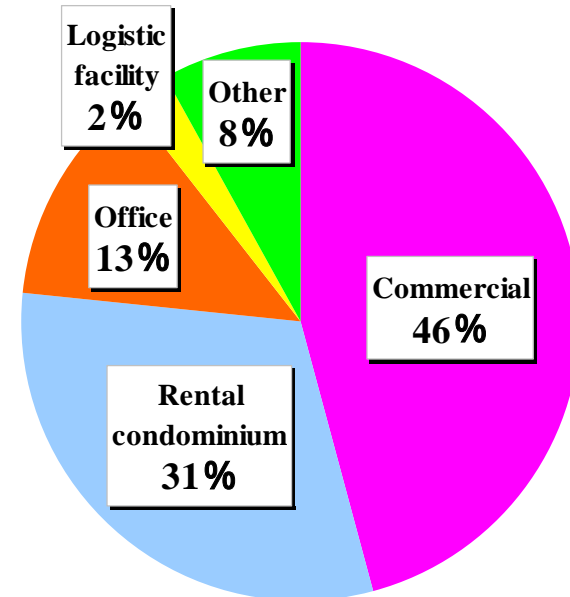
September 2006 ¥ 315.3bil



Central & southern Tokyo: Setagaya, Meguro, Shinagawa, Ota, Chiyoda, Chuo, Minato, Bunkyo, Shibuya
Metropolitan: Kanagawa, Chiba, Saitama

Property type

September 2006 ¥ 315.3bil

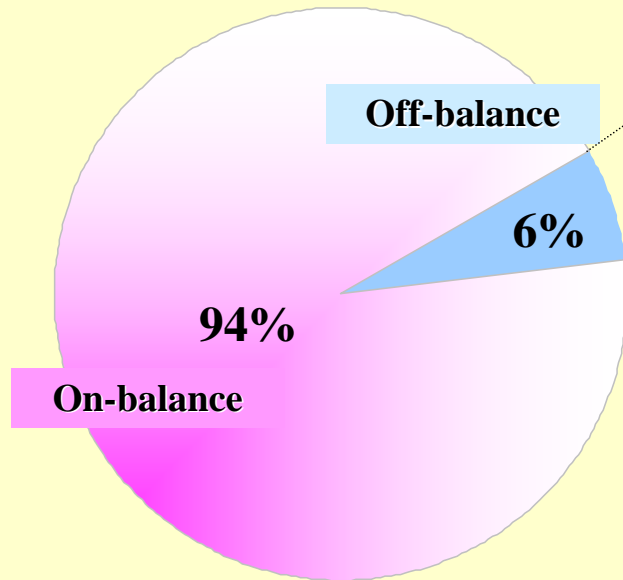


Overview of First Half 07/3 -3.

Asset for securitization development (September 2006)

On-balance & off-balance

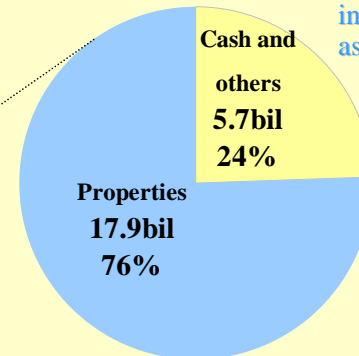
Note: Figures are calculated on cost basis



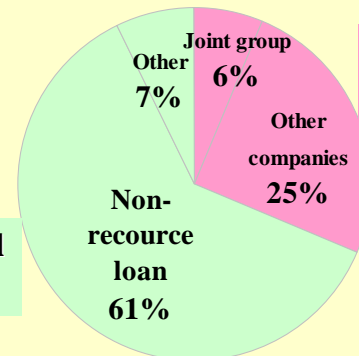
Off-balance SPCs (September 2006)

Asset ¥23.7bil

Note: Same as off-balance SPCs in assets under management for asset management business



Debt: 16.3bil
69%



Equity: 7.4bil
31%

Overview of First Half 07/3

*[Reference only] Impact on B/S
if all off-balance SPCs become on-balance*

| | First half 07/3 (actual) | | (¥ mil) | | |
|----------------------------------|--------------------------|--------|---------------------------------------|--------------------------|--------|
| | Amount | Share | Off-balance SPCs in total (Reference) | Simple total (Reference) | |
| | | | | Amount | Share |
| Inventories | 196,373 | 76.8% | 17,967 | 214,340 | 77.4% |
| Total assets | 255,740 | 100.0% | 21,064 | 276,804 | 100.0% |
| Interest-bearing liabilities | 156,347 | 61.1% | 14,591 | 170,938 | 61.8% |
| Total shareholders' equity | 66,353 | 25.9% | - | 66,353 | 24.0% |
| Total liabilities and net assets | 255,740 | 100.0% | 21,064 | 276,804 | 100.0% |

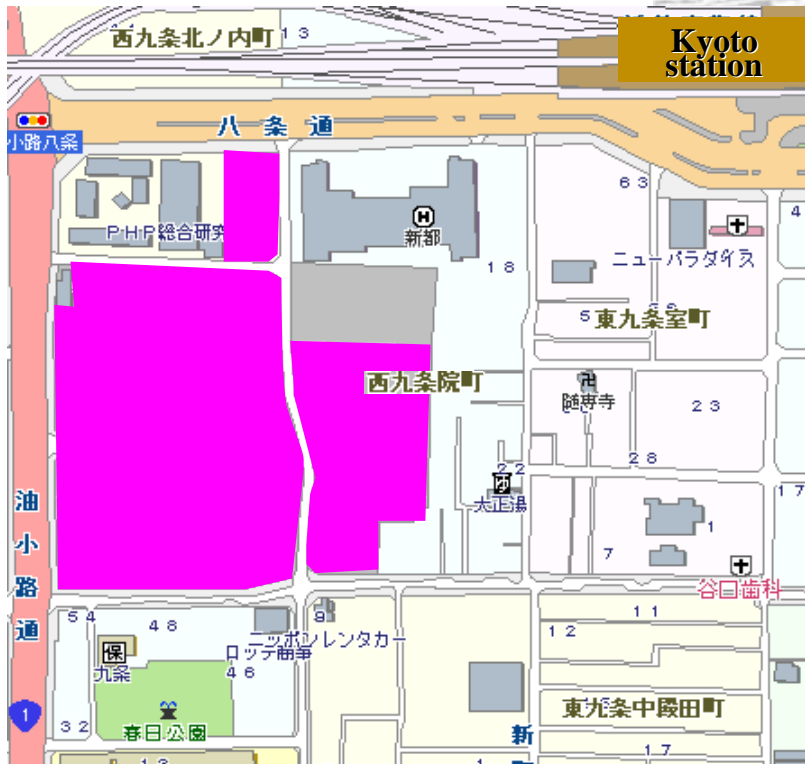
Retained earning will decline about 50mil yen

Note: Numbers in “off-balance SPCs in total” are as of September 2006 and may differ from those of financial statements at their fiscal year end

Note: As off-balance SPCs managed for asset management business are just identical to off-balance SPCs mentioned above, there would be no additional impact on B/S upon their consolidation

Major Projects

Kyoto station south project



| | |
|---------------|------------------------------|
| Location | Minami-ku, Kyoto-city, Kyoto |
| Land size | 30,000m ² |
| Floor size | 152,000m ² |
| Property type | Commercial |
| Completion | Around 2008 |

Major Projects

Atami project

The map shows the Atami project area in Atami City, Shizuoka. Key locations include Atami Station, Higashi Kaigan-cho, and the coast. Four project locations are marked with 3D building icons: ADENIUM ATAMI OCEAN SUITE (top right), ADENIUM ATAMI SEASIDE TOWER (center right), ATAMI PROJECT (bottom center, highlighted with a red arrow), and ADENIUM ATAMI SUIKOEN (bottom left). A table on the right provides details for the ATAMI PROJECT.

| | |
|----------------|--|
| Location | Higashi Kaigan-cho, Atami-city, Shizuoka |
| Land size | 6,100m ² |
| Floor size | 26,200m ² |
| Property type | Commercial |
| Sales estimate | ¥ 8.5bil |
| Completion | Around 2008 |

Major Projects

Koshigaya project

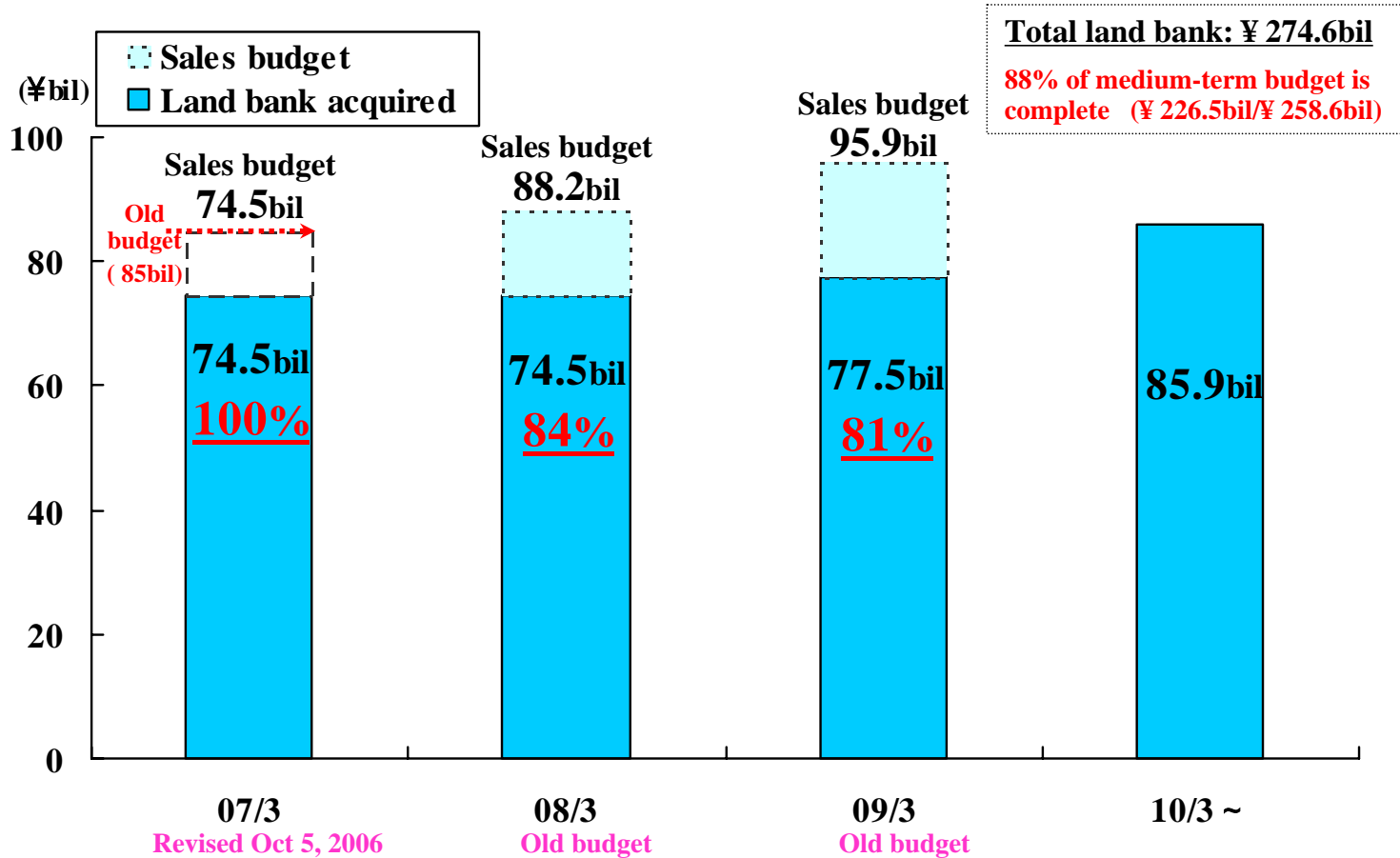


| | |
|----------------|--|
| Location | Koshigaya-city, Saitama “Koshigaya Lake Town” |
| Land size | 51,000m ² |
| Floor size | 18,300m ² |
| Property type | Commercial |
| Sales estimate | ¥ 17bil |
| Completion | 2010 ~ |



Overview of First Half 07/3 -3.

Land bank: Condominium development (September 2006)



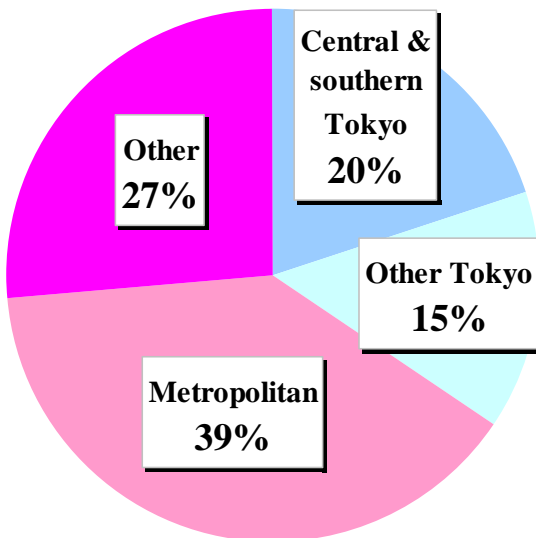
Note: "Land bank acquired" number represents prospective sales amount generated by acquired land
 Note: Above numbers includes segmentation adjustment

Overview of First Half 07/3 -3.

Land bank: Condominium development (September 2006)

Regional breakdown

September 2006 **¥ 274.6bil**



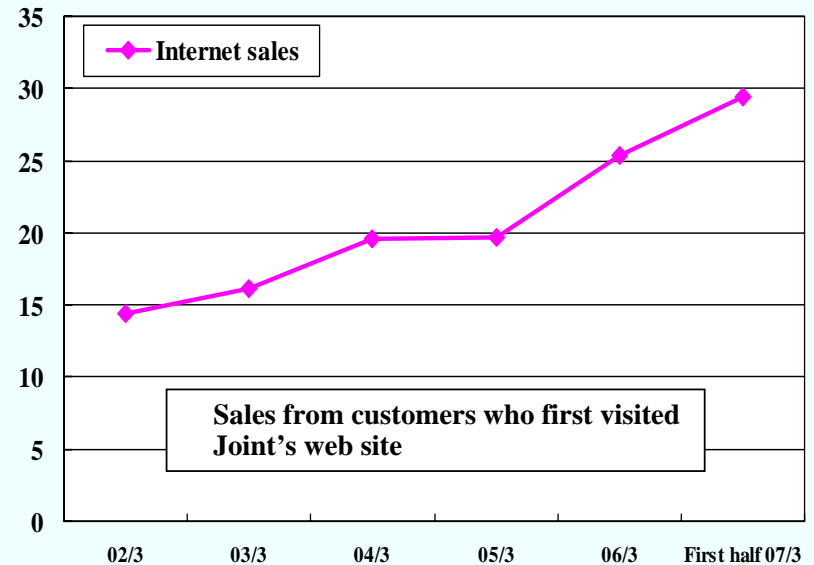
Central & southern Tokyo: Setagaya, Meguro, Shinagawa, Ota, Chiyoda, Chuo, Minato, Bunkyo, Shibuya

Metropolitan: Kanagawa, Chiba, Saitama

Unsold inventory 172 units (March 2006 39units)

Contract ratio 78%
(Backlog for 08/3: ¥ 16.3bil 396units)

Internet sales 29.4%



Major Projects

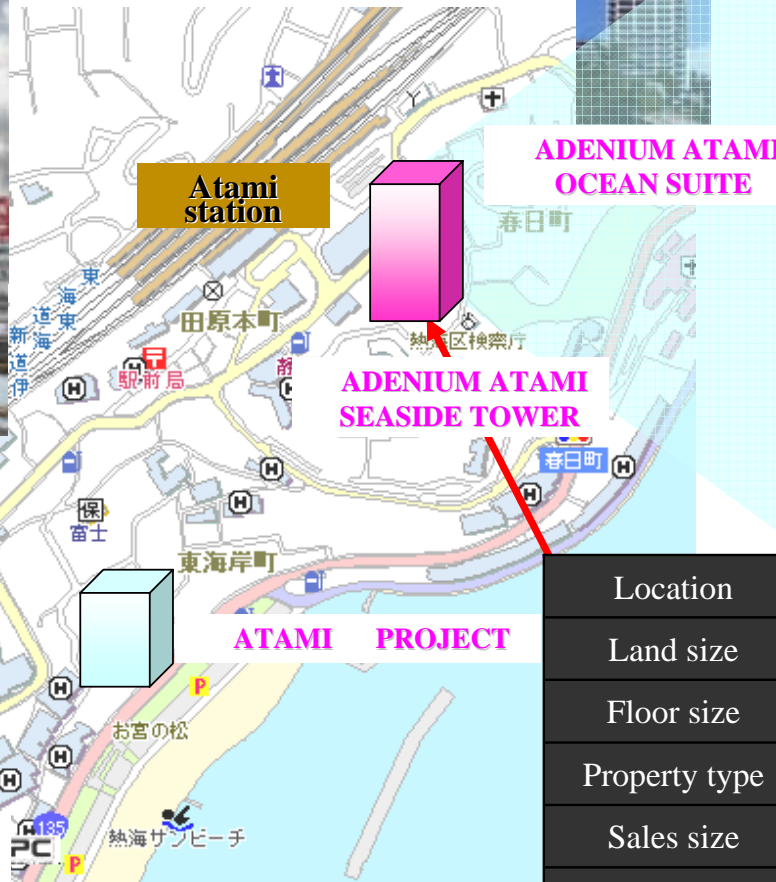
Shirokane project



| | |
|---------------|-----------------------------|
| Location | Shirokane, Minato-ku, Tokyo |
| Land size | 6,900m ² |
| Floor size | 27,600m ² |
| Property type | Residential, commercial |
| Sales size | ¥ 45bil |
| Completion | Around 2010 |

Major Projects

ADENIUM Atami Seaside Tower



| | |
|---------------|----------------------------------|
| Location | Kasuga-cho, Atami-city, Shizuoka |
| Land size | 11,100m ² |
| Floor size | 74,000m ² |
| Property type | Residential, commercial |
| Sales size | ¥ 28bil |
| Completion | Around 2011 |

Overview of First Half 07/3 -4.

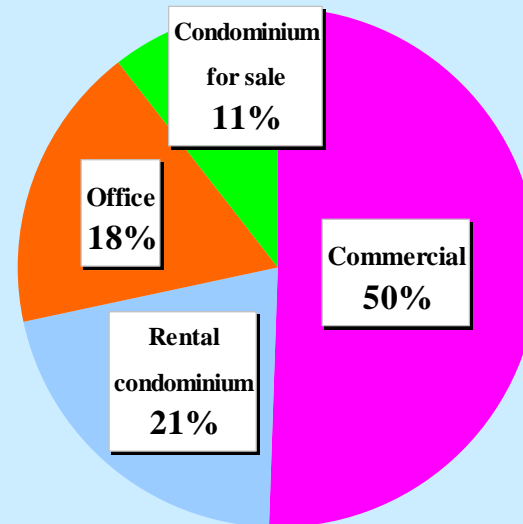
Opened Nagoya office (April 3)

Growing land bank in major regional cities

< Reference > Land bank in Nagoya, Osaka and Kyoto (September 2006)

| | |
|------------------------------|-------------------|
| Commercial | ¥ 53.6bil |
| Rental condominium | ¥ 22.4bil |
| Office | ¥ 18.9bil |
| Condominium for sale | ¥ 11.2bil |
| Total (32 properties) | ¥ 106.1bil |

¥ 61.9bil (10 properties) acquired in first half





Overview of First Half 07/3 -5.

Joint Finance started operation

- **Entering property financing business**
- **Joint's advantage: ability to appraise property value**





Overview of First Half 07/3

L Kakuei sold part of business

July 2005: Exited from rehabilitation plan early



L Kakuei to remain as a member of Joint group, focusing on securitization development and condominium development business while streamlining some operations

Value of the business sold: ¥ 9.9bil

Profit: ¥ 2bil (extraordinary profit)

Date: November 1, 2006

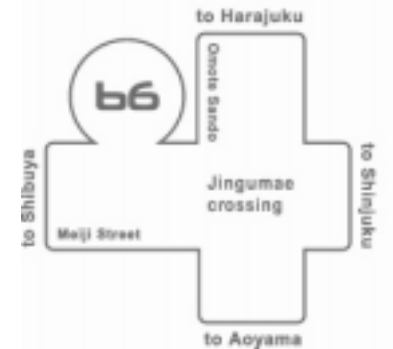


Overview of First Half 07/3

b6 project

Opened on Oct 1, 2006

Joint Reit acquired 33% of b6



| | |
|---------------|-----------------------------|
| Location | Jingumae, Shibuya-ku, Tokyo |
| Land size | 2,160m ² |
| Floor size | 8,000m ² |
| Property type | Commercial (39 shops) |
| Completion | September 2006 |

. Medium-Term Plan



Medium-term plan

How investors see the industry

< Securitization development >

Can securitization market keep on growing?

As land price goes up, can property price keep going up?

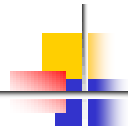
Can cap rate keep coming down? Could margin be squeezed?

What would happen if off-balance SPCs and assets under management become consolidated?

< Condominium development >

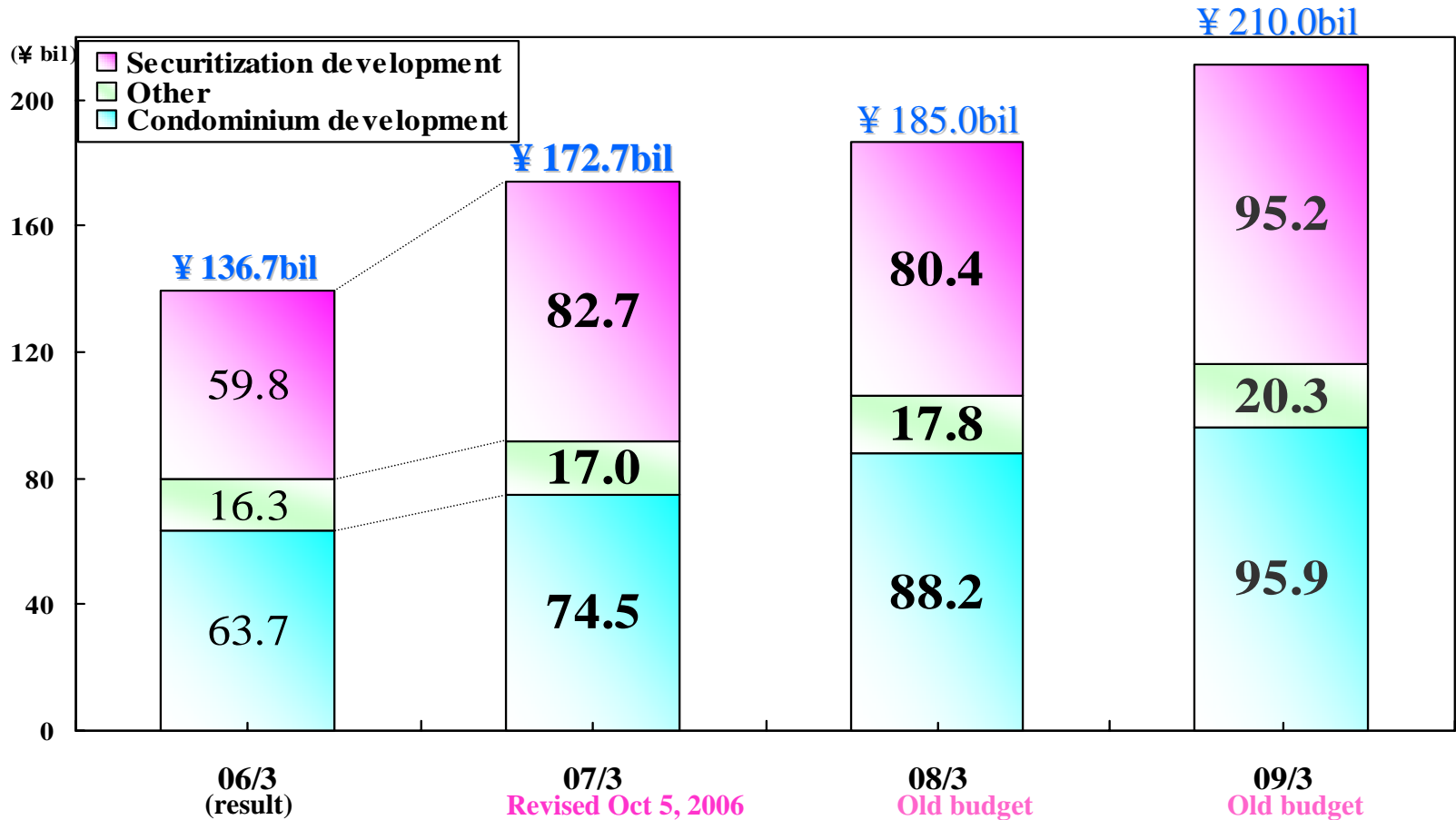
Is condominium price going up?

Could gross margin expand as condominium price goes up?



Medium-term plan

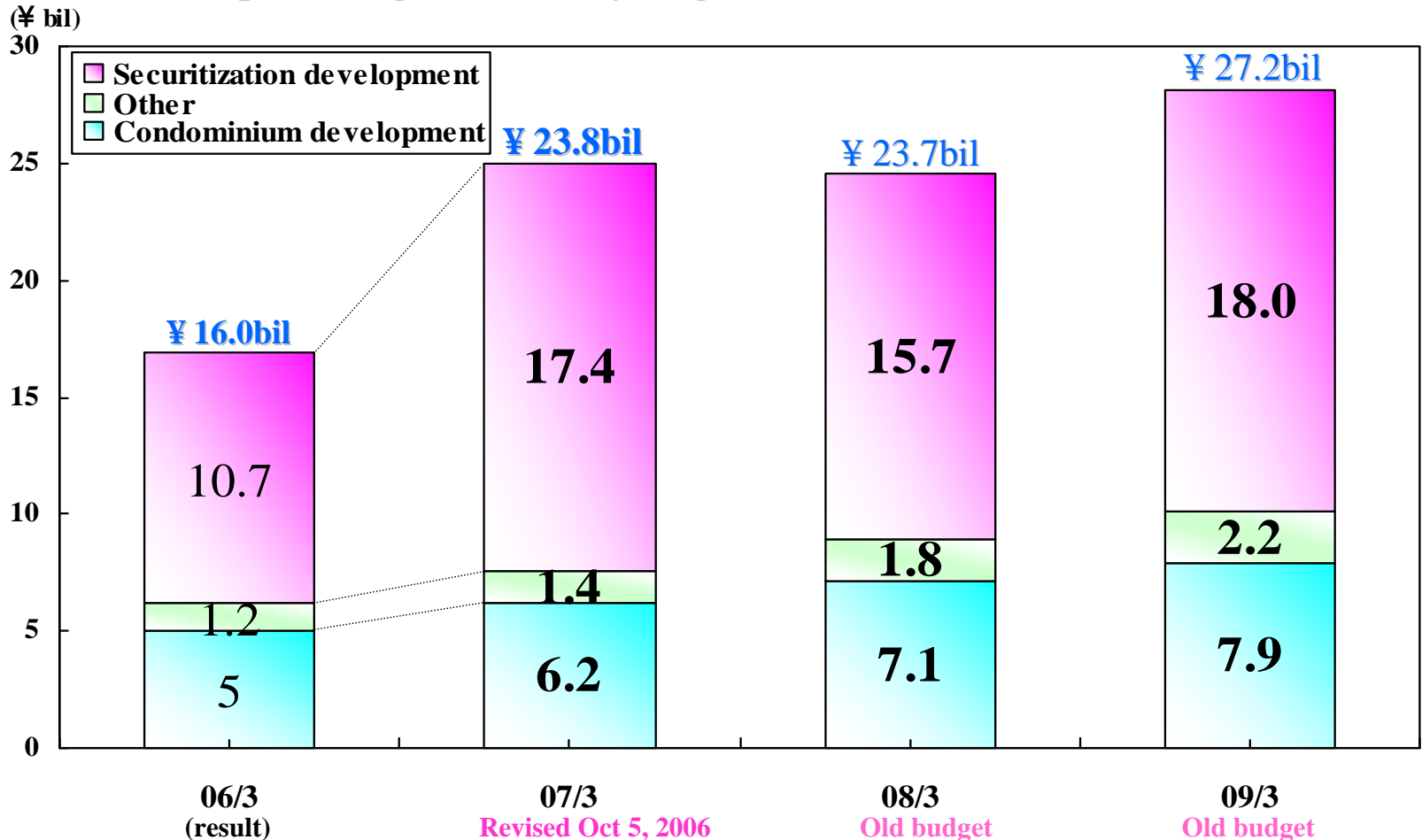
Segment sales (06/3-09/3)



Note: Numbers include segmentation adjustment

Medium-term plan

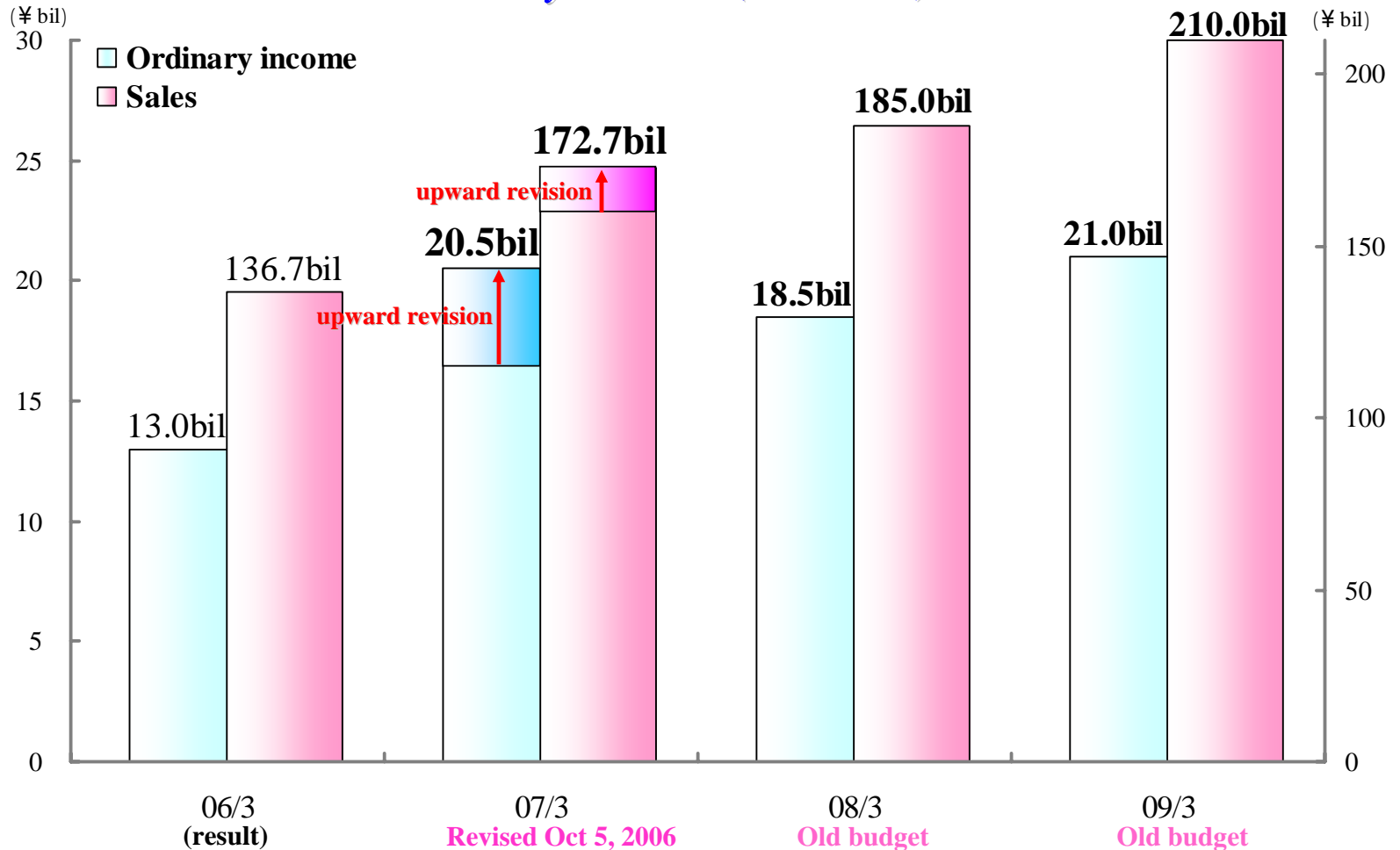
Operating income by segment (06/3-09/3)



Note: Numbers include segmentation adjustment

Medium-term plan

Sales and ordinary income (06/3-09/3)



Reference



Corporate Data (as of September 30, 2006)

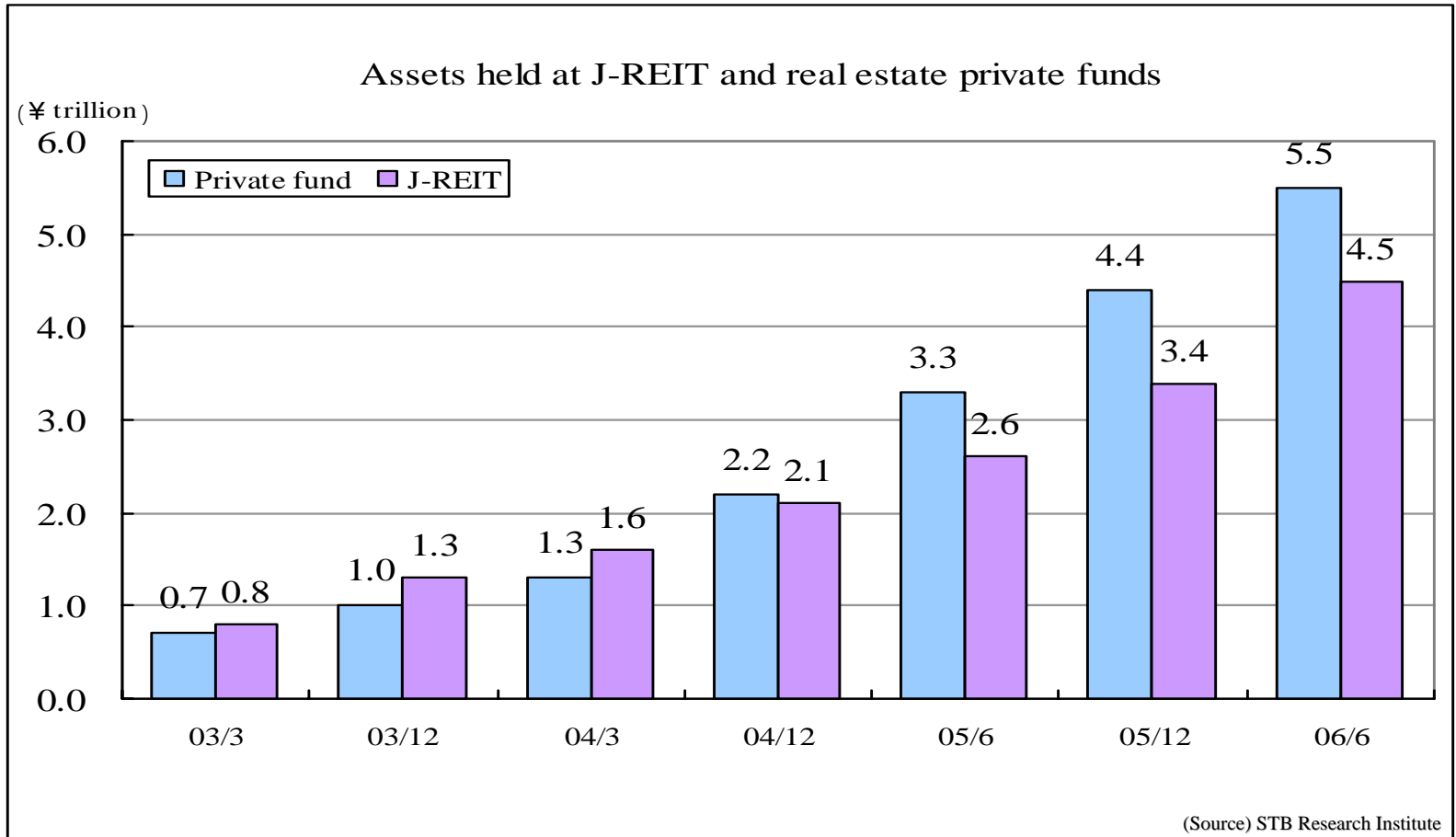
| | | | | |
|---------------------|--|------------------------------------|--------|------------|
| Name | JOINT Corporation | | | |
| Established | September 1986 | | | |
| Capital | ¥ 15,800.17mil | | | |
| CEO | Yoshinobu Shoji, President and Chief Executive Officer | | | |
| Business activities | 1. Securitization development | | | |
| | 2. Condominium development (“ADENIUM” series condominium) | | | |
| | 3. Other businesses (leasing, property management, others) | | | |
| Fiscal year | Ends March 31 | | | |
| Employees | 993 (Consolidated) | | | |
| Head office | 2-10-11 Meguro, Meguro-ku, Tokyo 153-0063, Japan | | | |
| Major shareholders | Joint Living Service | 25.08% | | |
| | Yoshinobu Shoji | 9.81% | | |
| | Japan Trustee Services Bank (trust account) | 4.65% | | |
| | The Master Trust Bank of Japan (trust account) | 3.92% | | |
| | The Chase Manhattan Bank NA London SL Omnibus account | 3.12% | | |
| | | Financial institutions and brokers | 16.09% | Foreigners |

Securitization Development



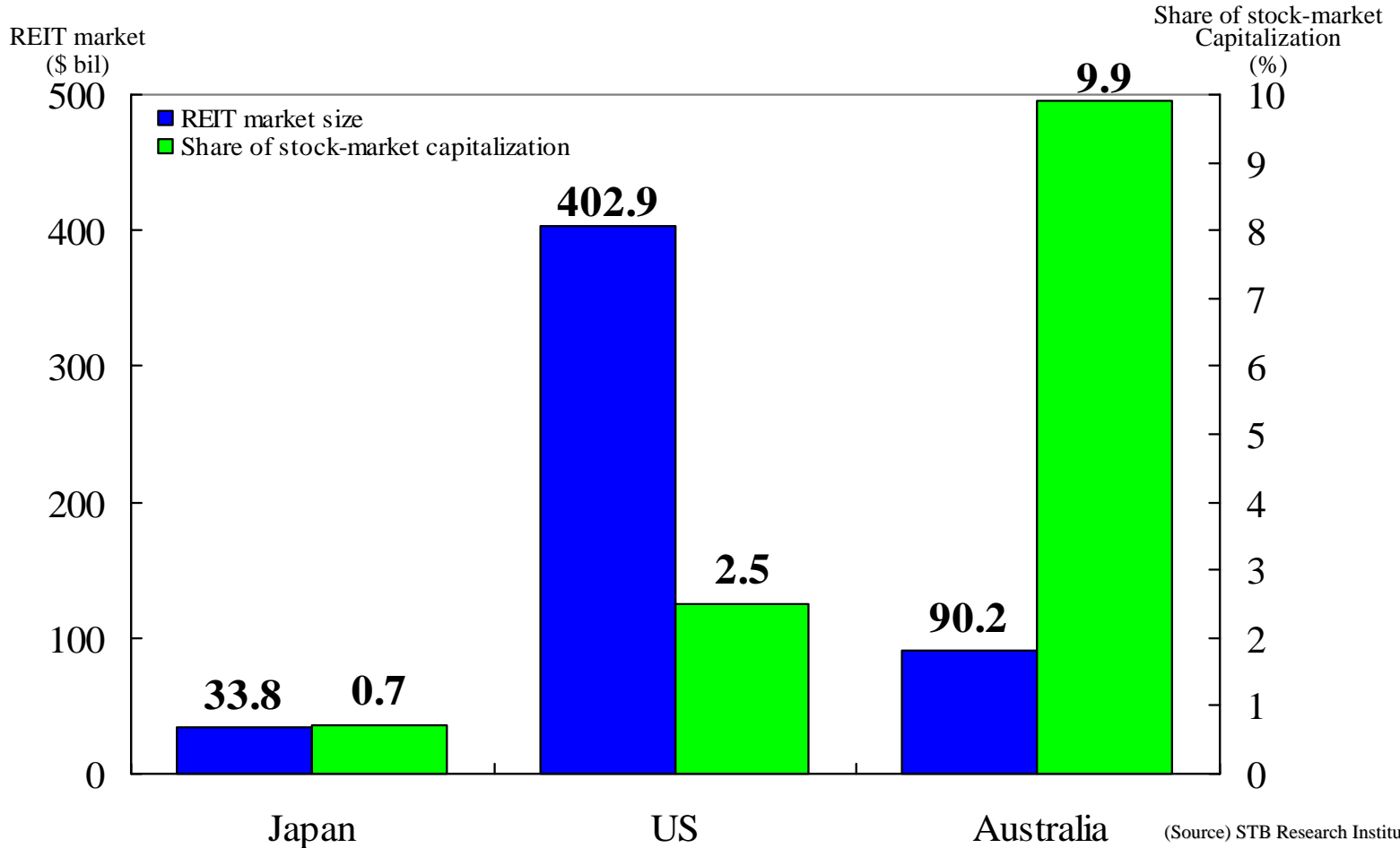
Securitization Development

Booming securitization market



Securitization Development

REIT market comparison (September 2006)

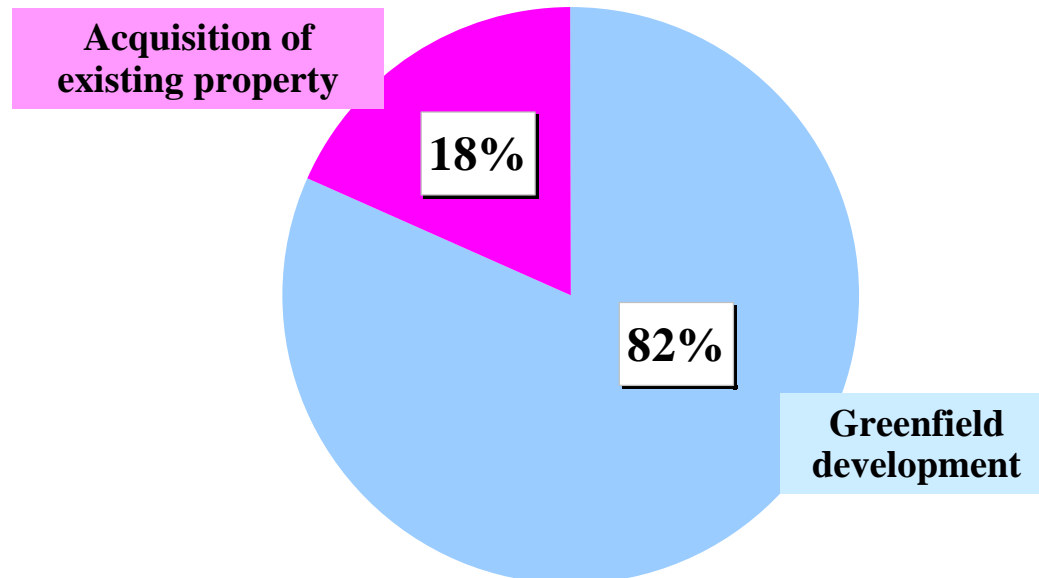


Securitization Development

Asset for securitization development (September 2006)

Greenfield development &
existing property acquisition

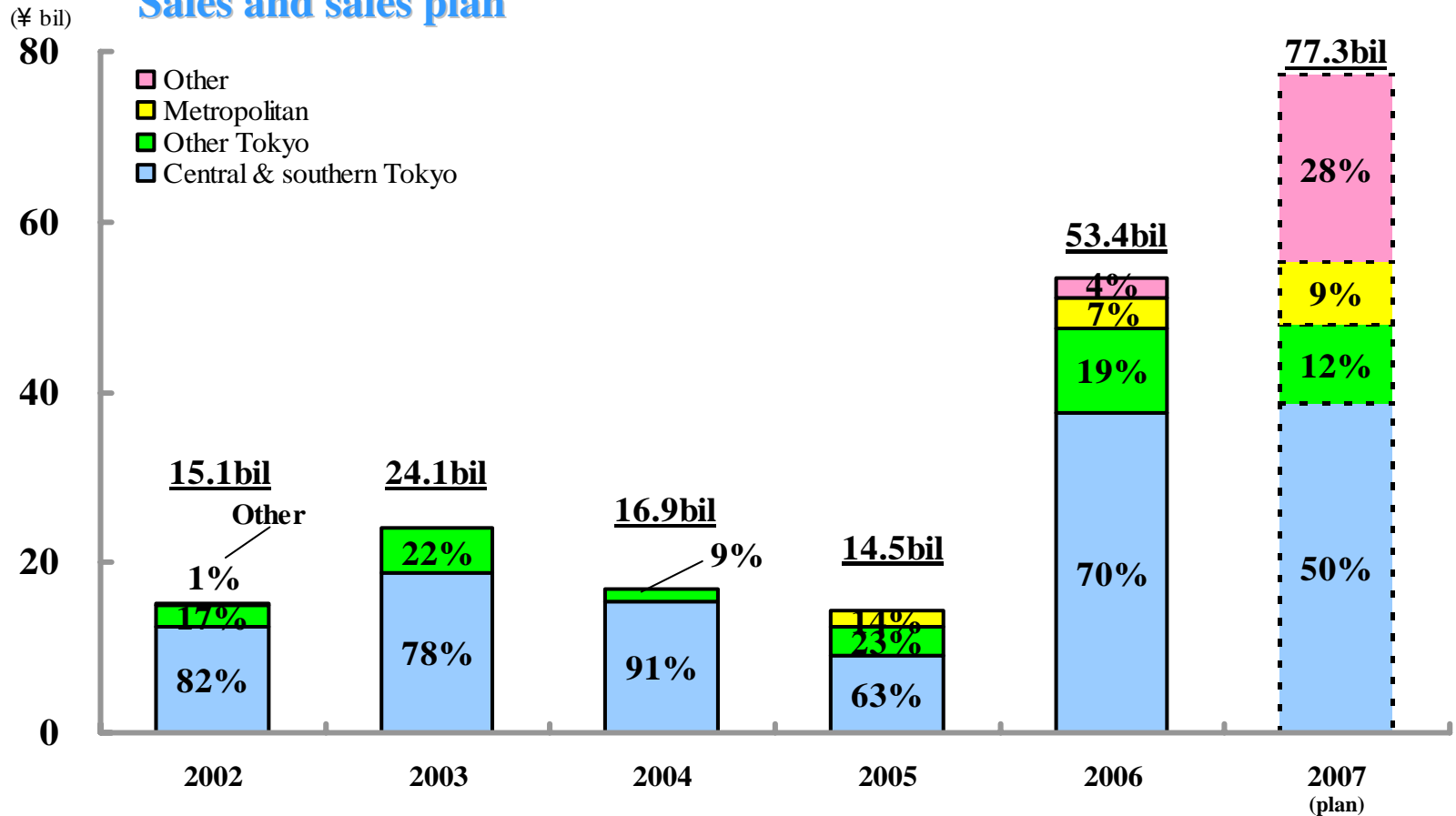
September 2006 ¥ 315.3bil



Securitization Development

Regional breakdown

Sales and sales plan



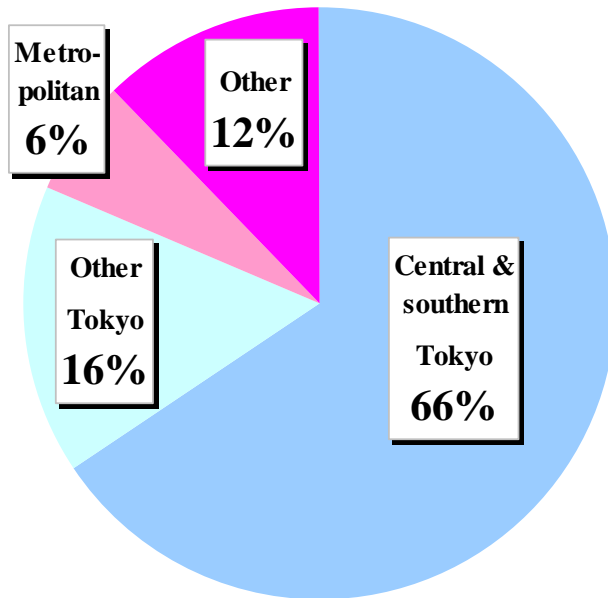
Central & southern Tokyo: Setagaya, Meguro, Shinagawa, Ota, Chiyoda, Chuo, Minato, Bunkyo, Shibuya Metropolitan: Kanagawa, Chiba, Saitama

Note: As segmentation has changed since 06/3, 02/3-05/3 figures are provided just for information only

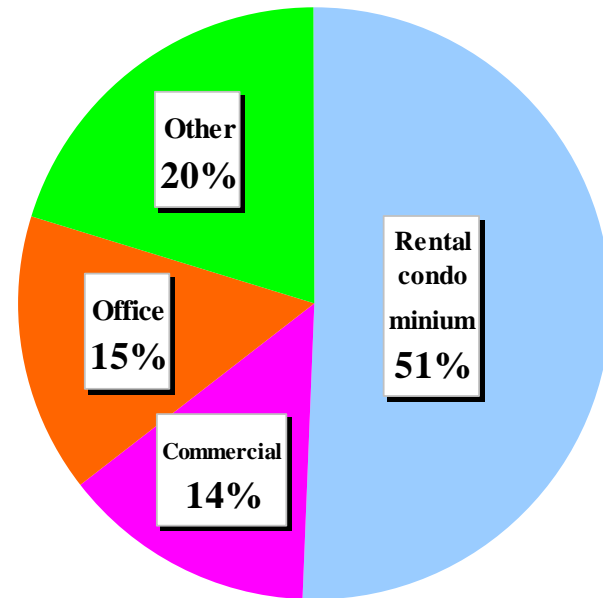
Securitization Development

Sales and sales plan(02/3-07/3): ¥ 201.5bil

Region



Property type



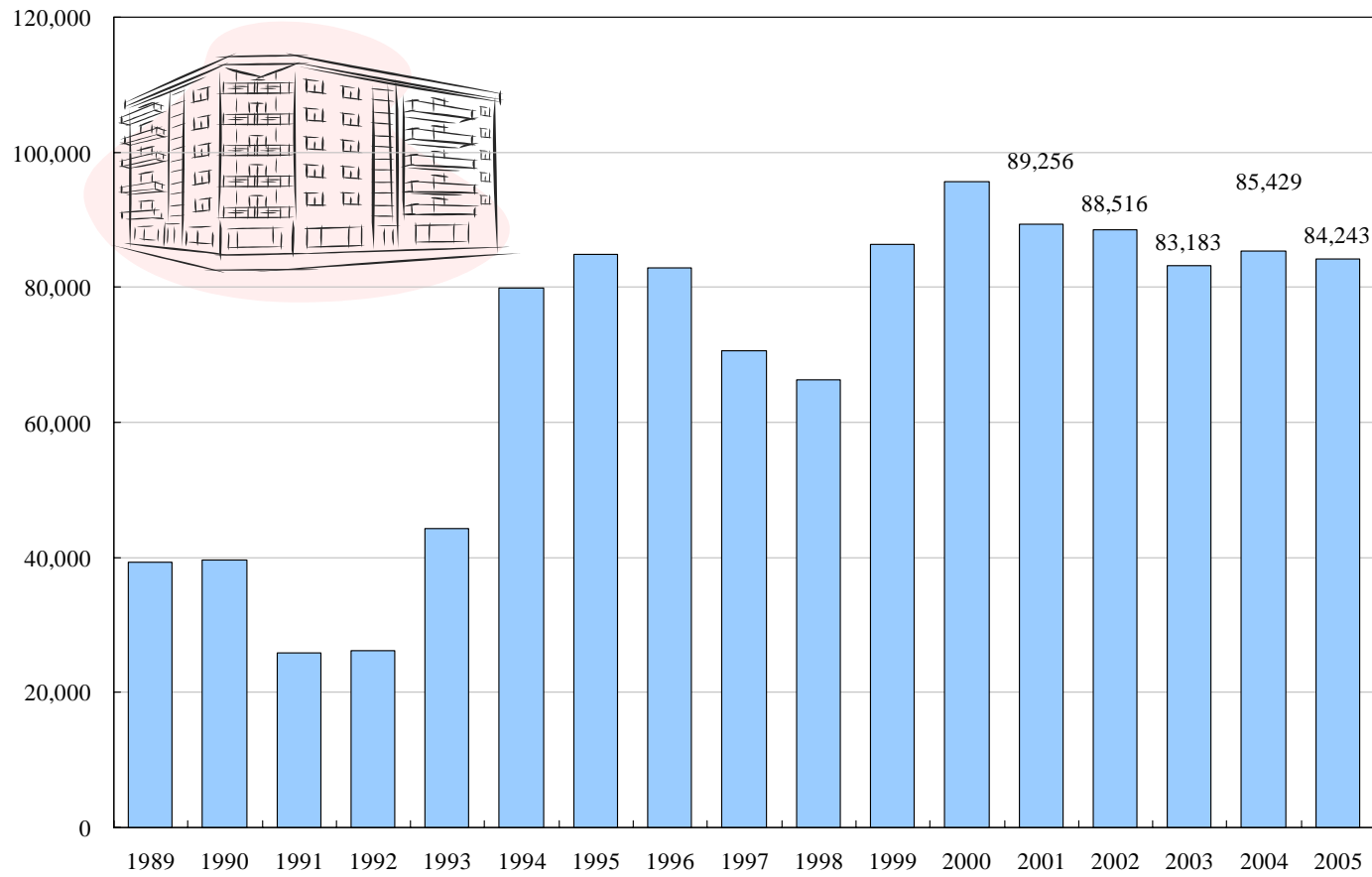
Central & southern Tokyo: Setagaya, Meguro, Shinagawa, Ota, Chiyoda, Chuo, Minato, Bunkyo, Shibuya **Metropolitan:** Kanagawa, Chiba, Saitama

Note: As segmentation has changed since 06/3, 02/3-05/3 figures are provided just for information only

Condominium Development

Condominium Development

Condominium supply in greater Tokyo area



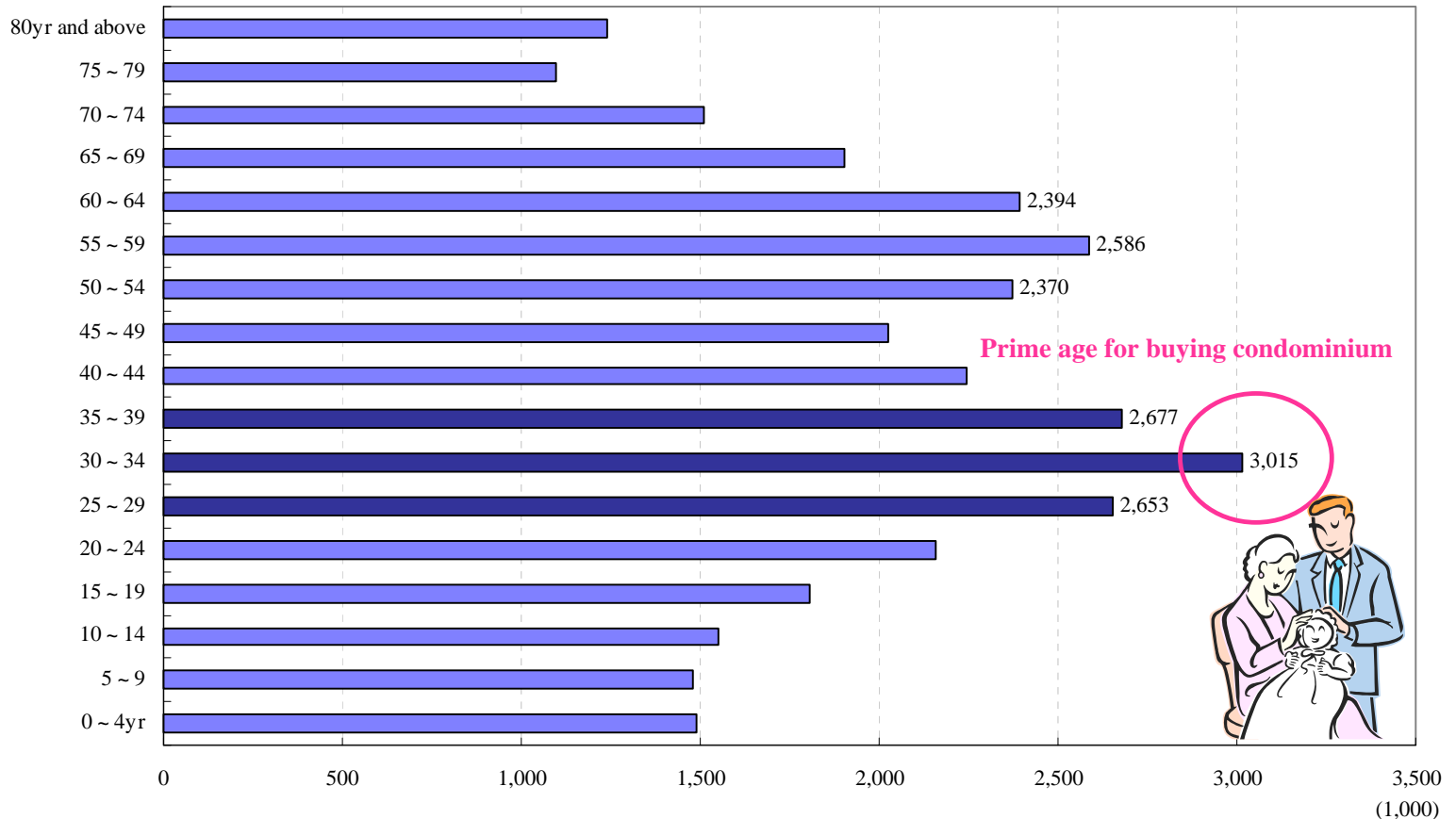
(Source) Real Estate Economic Institute

Condominium Development

Population pyramid

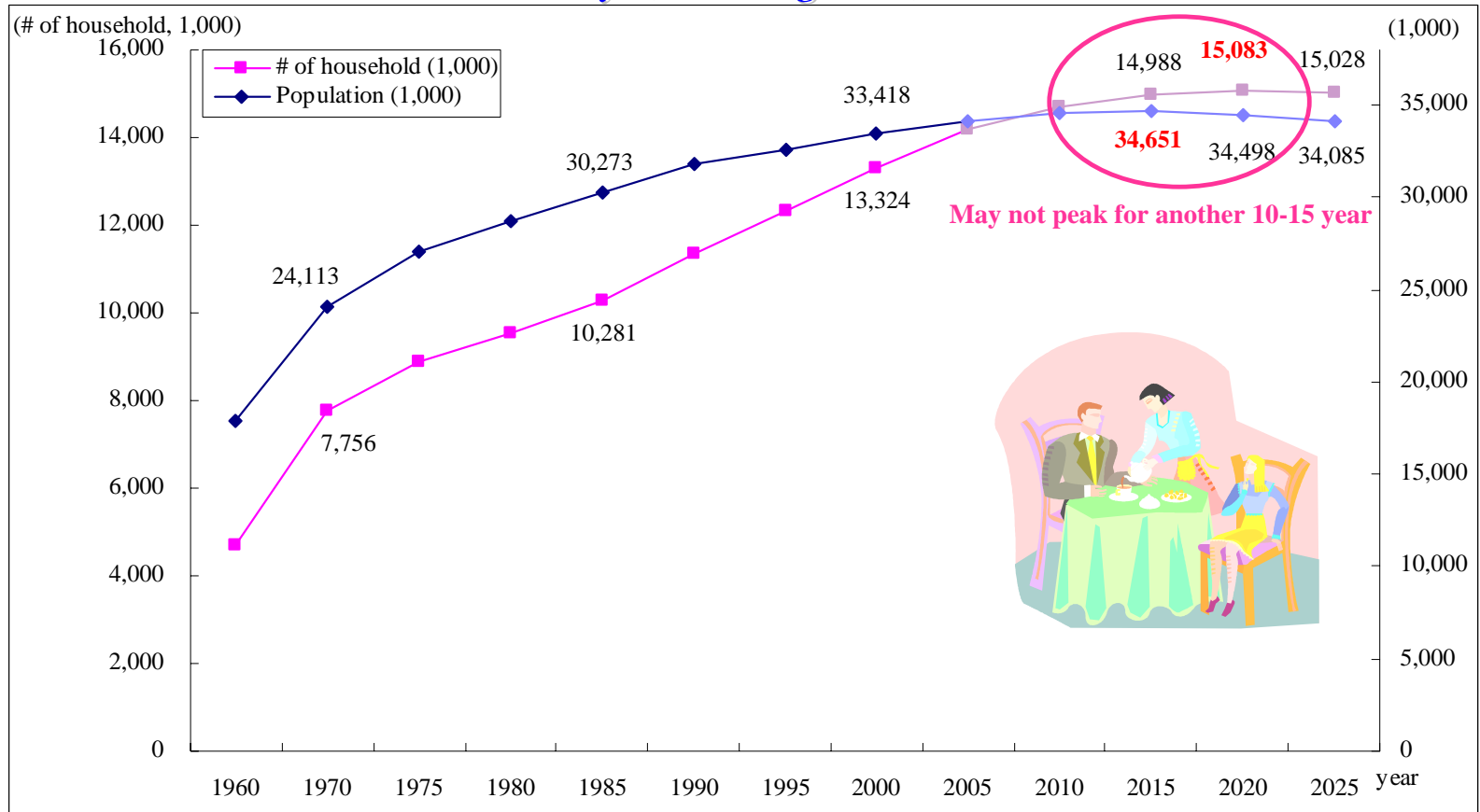
(Source) Ministry of Internal Affairs and Communications

Tokyo, Kanagawa, Chiba & Saitama (projection as of Oct 04)



Condominium Development

of household & population in Tokyo, Kanagawa, Chiba & Saitama

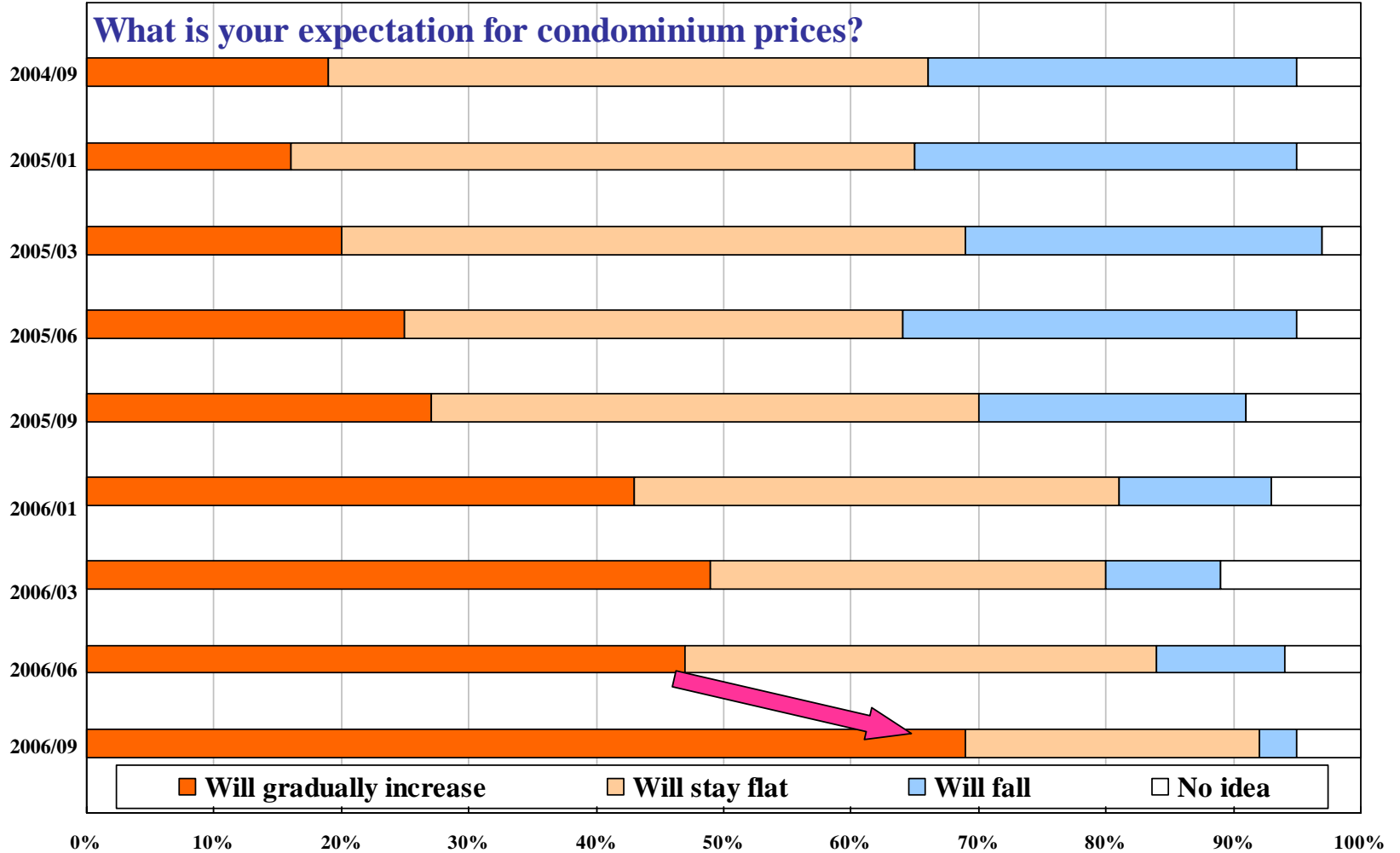


(Source) Actual: National Census

Projection: National Institute of Population and Social Security Research

Condominium Development

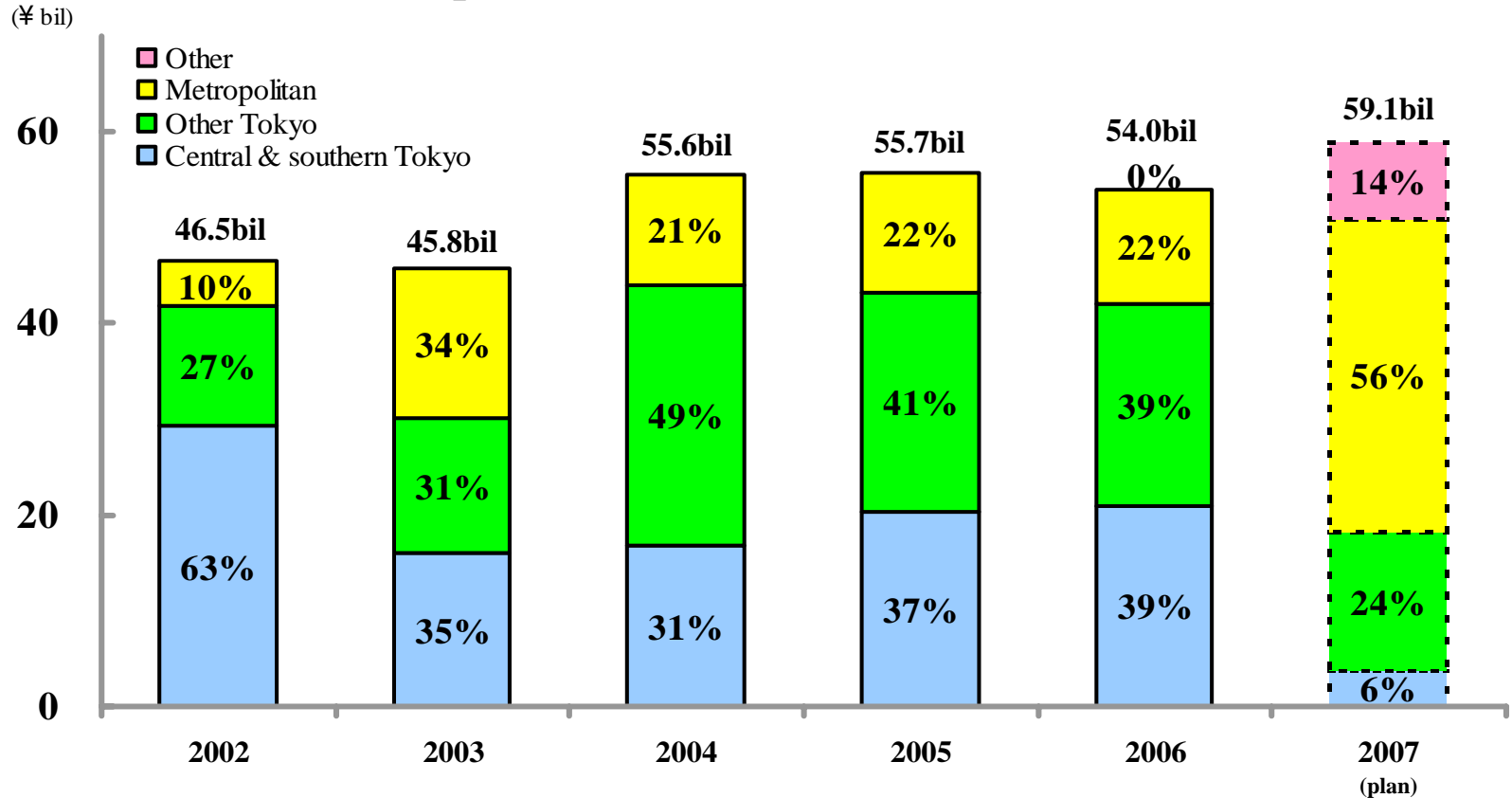
(Source) Haseko Urbest Customer Mind Survey



Condominium Development

Regional breakdown

Sales and sales plan



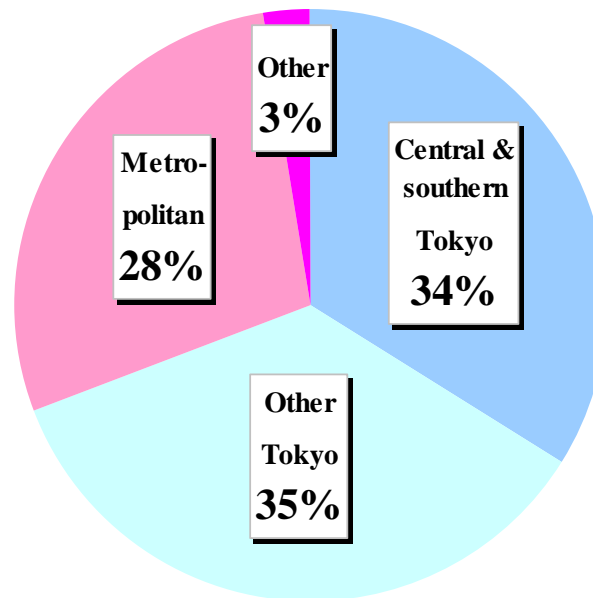
Central & southern Tokyo: Setagaya, Meguro, Shinagawa, Ota, Chiyoda, Chuo, Minato, Bunkyo, Shibuya Metropolitan: Kanagawa, Chiba, Saitama



Condominium Development

Sales and sales plan(02/3-07/3): ¥ 317bil

Regional breakdown



Central & southern Tokyo: Setagaya, Meguro, Shinagawa, Ota, Chiyoda, Chuo, Minato, Bunkyo, Shibuya

Metropolitan: Kanagawa, Chiba, Saitama



Condominium Development

Condominium sales data (consolidated)

(¥ mil)

| | First half 06/3 | | First half 07/3 | | 07/3 (plan) | |
|--|-------------------------|--------|-----------------------|---------------|-------------------------|---------------|
| Units offered for sale | 18 bldg (1,156units) | 38,193 | 12 bldg (776units) | 28,099 | 26 bldg (1,944units) | 71,479 |
| Contracts signed | 32 bldg (826units) | 30,481 | 30 bldg (738units) | 28,151 | 42 bldg (1,573units) | 57,198 |
| Condominium sold (delivered) | 11 bldg (846units) | 30,603 | 17 bldg (778units) | 27,917 | 24 bldg (1,646units) | 59,170 |
| Backlog at the end of fiscal year | 33 bldg (717units) | 25,940 | 28 bldg (879units) | 34,281 | 23 bldg (845units) | 32,075 |



| | 07/3 (plan) | 08/3 (old plan) | 09/3 (old plan) |
|-------------------------------|----------------|--------------------|--------------------|
| Condominium to be sold | 1,646 units | 2,160 units | 2,230 units |



Condominium Development

Condominiums to be delivered for 07/3

| Name | Units | Delivery |
|-------------------------------------|-------|----------------|
| Joint Corporation | | |
| ADENIUM KICHIJOJI | 214 | March 2007 |
| ADENIUM SHINYOKOHAMA | 179 | April 2006 |
| ADENIUM ATAMI Suikoen | 119 | September 2006 |
| ADENIUM ODAKYU SAGAMIHARA | 110 | December 2006 |
| ADENIUM ATAMI Ocean Suite | 94 | April 2006 |
| ADENIUM TSUDANUMA | 64 | April 2006 |
| L Kakuei | | |
| HIGH HOME KASUKABE BROAD TOWN | 101 | December 2006 |
| L-Fino TSURUKAWA PARK HILLS | 49 | September 2006 |
| L-Fino KAMAKURA OFUNA | 45 | April 2006 |
| Joint Land | | |
| IXIA YOKOHAMA TSURUMI STATION FRONT | 65 | February 2007 |
| IXIA FUTAGOTAMAGAWA | 60 | April 2006 |
| IXIA HORIKIRISHOBUEN | 52 | September 2006 |
| IXIA TAMAGAWA REVERGE | 52 | December 2006 |



Group Companies



JOINT CORPORATION
株式会社ジョイント・コーポレーション



L Kakuei

Results

| | First half 07/3 | Y o Y | vs. budget |
|--|------------------|--------------|--------------|
| Net sales | ¥ 20.8bil | 11.0% | 11.1% |
| Ordinary income | ¥ 2.3bil | 19.2% | 58.5% |
| Securitization development: Net sales | ¥ 7.7bil | 16.0% | |
| Condominium development: Net sales | ¥ 11.7bil | 10.0% | |





Joint Rent

Results

| | First half 07/3 | Y o Y | vs. budget |
|------------------------|-----------------|--------------|--------------|
| Net sales | ¥ 3.2bil | 24.5% | 6.0% |
| Ordinary income | ¥ 0.1bil | 2.3% | 47.8% |

| | First half 07/3 | Y o Y |
|-----------------------------------|---------------------|--------------|
| Rental property management | 11,081 units | 30.5% |
| From Joint group | 2,054 units | |
| From other sources | 9,027 units | |

J·COMS / Joint Land

J·COMS

| | First half 07/3 | Y o Y |
|--|---------------------|--------------|
| # of condominium under management | 26,799 units | 11.2% |
| From Joint group | 14,991 units | |
| From other sources | 11,808 units | |
| # of bldg under management | 224 bldg | 4.2% |
| From Joint group | 40 bldg | |
| From other sources | 184 bldg | |

Joint Land

**Started condominium development business
from 05/3 with “IXIA” brand**

Condominiums to be delivered in 07/3

IXIA YOKOHAMA TSURUMI STATION FRONT (65units)
 IXIA FUTAGOTAMAGAWA (60units)
 IXIA HORIKIRISHOBUEN (52units)
 IXIA TAMAGAWA REVERGE (52units)



Other



Overview of First Half 07/3

Cash Flow Statements

First half 07/3

(¥ mil)

| | |
|---|---------------|
| Cash flows from operating activities | 42,084 |
| Cash flows from investing activities | 2,421 |
| Cash flows from financing activities | 43,010 |
| Net increase in cash and cash equivalents | 1,496 |
| Cash and cash equivalents at beginning of year | 31,995 |
| Cash and cash equivalents at end of year | 30,550 |

Note

| | |
|--------------------------------------|-------------------|
| Increase in inventory | ¥ 37.3bil |
| | |
| Bank loans, CP, bonds | ¥ 121.0bil |
| Repayment of loans, CP, bonds | ¥ 77.6bil |



Overview of First Half 07/3

Unconsolidated income statements

(¥ mil, %)

| | First half 06/3 | | First half 07/3 | | Difference | Note |
|------------------|-----------------|--------|-----------------|--------------|------------|------|
| | Amount | Margin | Amount | Margin | | |
| Net sales | 39,352 | 100.0 | 37,917 | 100.0 | 1,435 | |
| Gross income | 7,639 | 19.4 | 10,491 | 27.7 | 2,852 | |
| Operating income | 5,205 | 13.2 | 6,943 | 18.3 | 1,738 | |
| Ordinary income | 4,317 | 11.0 | 6,210 | 16.4 | 1,893 | |
| Net income | 2,433 | 6.2 | 3,613 | 9.5 | 1,179 | |



Overview of First Half 07/3

Unconsolidated balance sheets

(¥ mil)

| | 06/3 | | First half 07/3 | | Difference |
|----------------------------------|---------|--------|-----------------|---------------|------------|
| | Amount | Share | Amount | Share | |
| Cash and deposits | 20,330 | | 20,218 | | 112 |
| Inventories | 87,614 | 65.0% | 112,554 | 65.9% | 24,940 |
| Other current assets | 15,540 | | 23,341 | | 7,800 |
| Fixed assets | 11,375 | | 14,704 | | 3,329 |
| Total assets | 134,861 | 100.0% | 170,818 | 100.0% | 35,957 |
| Interest-bearing liabilities | 71,317 | 52.9% | 106,732 | 62.5% | 35,415 |
| Other liabilities | 16,897 | | 14,365 | | 2,531 |
| Total liabilities | 88,214 | 65.5% | 121,098 | 70.9% | 32,883 |
| Paid-in capital | 15,800 | | 15,800 | | - |
| Others | 30,846 | | 33,994 | | - |
| Shareholders' equity | - | | 49,795 | | - |
| Total shareholders' equity | 46,646 | 34.5% | 49,720 | 29.1% | |
| Total net assets | - | | 49,720 | | - |
| Total liabilities and net assets | 134,861 | 100.0% | 170,818 | 100.0% | 35,957 |

Note: Numbers for 06/3 are expressed according to new accounting rules



Medium-term plan

Consolidated Income Statements (06/3-09/3)

(¥ mil)

| | 06/3 (result) | | 07/3 (new budget) Revised Oct 5, 2006 | | 08/3 (old budget) | | 09/3 (old budget) | |
|------------------|------------------|--------|---|---------------|----------------------|---------------|----------------------|---------------|
| | Amount | Margin | Amount | Margin | Amount | Margin | Amount | Margin |
| Net sales | 136,720 | 100.0% | 172,700 | 100.0% | 185,000 | 100.0% | 210,000 | 100.0% |
| Gross income | 28,978 | 21.2% | 40,300 | 23.3% | 40,700 | 22.0% | 45,400 | 21.6% |
| Operating income | 16,072 | 11.8% | 23,800 | 13.8% | 23,700 | 12.8% | 27,200 | 13.0% |
| Ordinary income | 13,009 | 9.5% | 20,500 | 11.9% | 18,500 | 10.0% | 21,000 | 10.0% |
| Net income | 11,928 | 8.7% | 13,100 | 7.6% | 10,900 | 5.9% | 12,200 | 5.8% |



Medium-term plan

Segment sales (06/3-09/3)

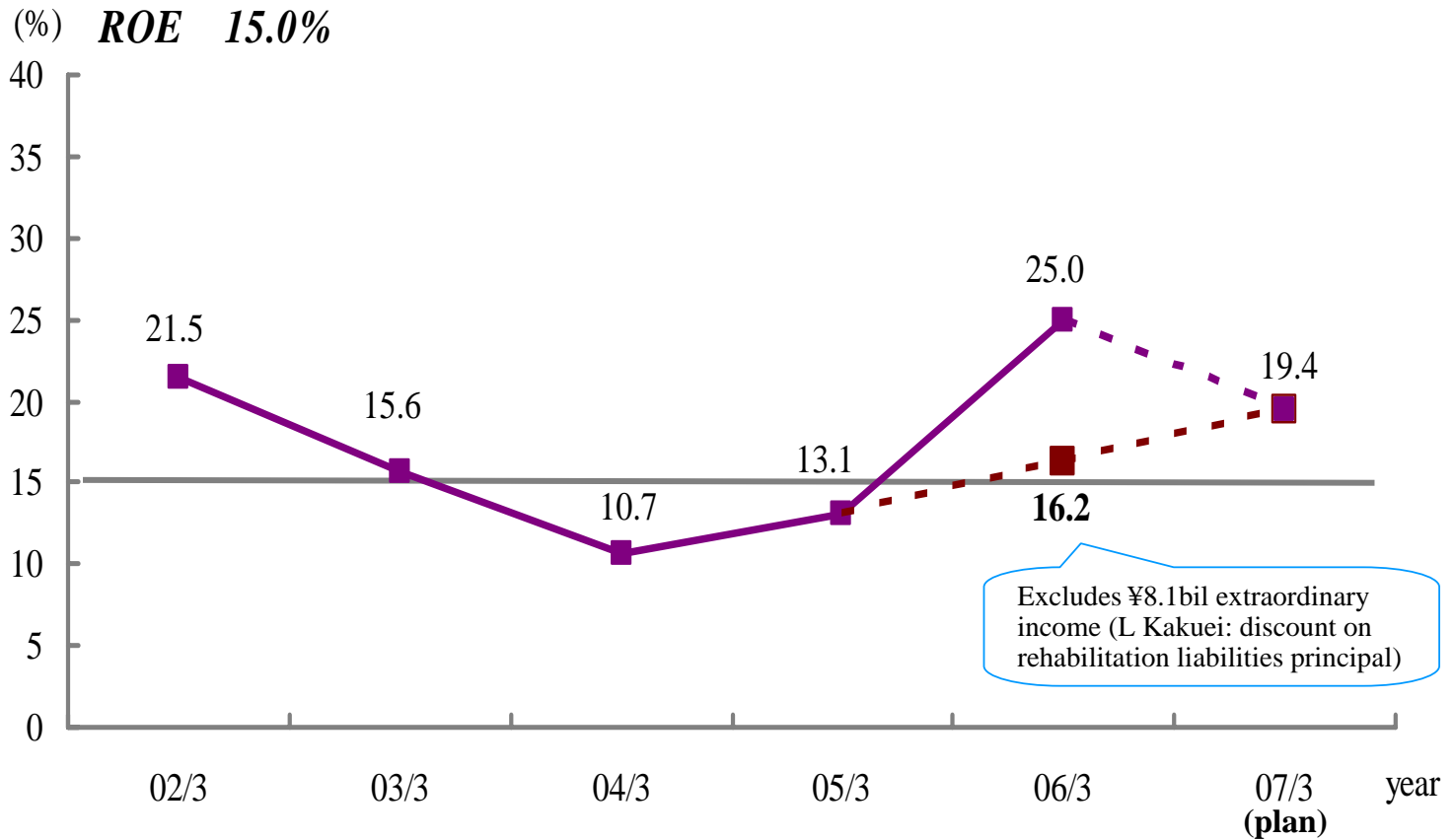
(¥ mil)

| | 06/3 (result) | | | 07/3 (new budget) Revised Oct 5, 2006 | | | 08/3 (old budget) | | | 09/3 (old budget) | | |
|-----------------------------------|------------------|--------|------------------|---|---------------|------------------|----------------------|---------------|------------------|----------------------|---------------|------------------|
| | Sales | % | Operating margin | Sales | % | Operating margin | Sales | % | Operating margin | Sales | % | Operating margin |
| Securitization development | 59,842 | 42.8 % | 17.9% | 82,700 | 47.5 % | 21.0% | 80,400 | 43.1 % | 19.6% | 95,200 | 45.0 % | 19.0% |
| Condominium development | 63,782 | 45.6 % | 7.9% | 74,500 | 42.8 % | 8.3% | 88,200 | 47.3 % | 8.1% | 95,900 | 45.4 % | 8.3% |
| Other | 16,325 | 11.7 % | 7.5% | 17,000 | 9.8 % | 8.2% | 17,800 | 9.5 % | 10.6% | 20,300 | 9.6 % | 11.3% |
| Subtotal | 139,951 | 100 % | - | 174,200 | 100 % | - | 186,400 | 100 % | - | 211,400 | 100 % | - |
| Segmentation adjustment | 3,230 | - | - | 1,500 | - | - | 1,400 | - | - | 1,400 | - | - |
| Total | 136,720 | - | 11.8% | 172,700 | - | 13.8% | 185,000 | - | 12.8% | 210,000 | - | 13.0% |



Medium-term plan

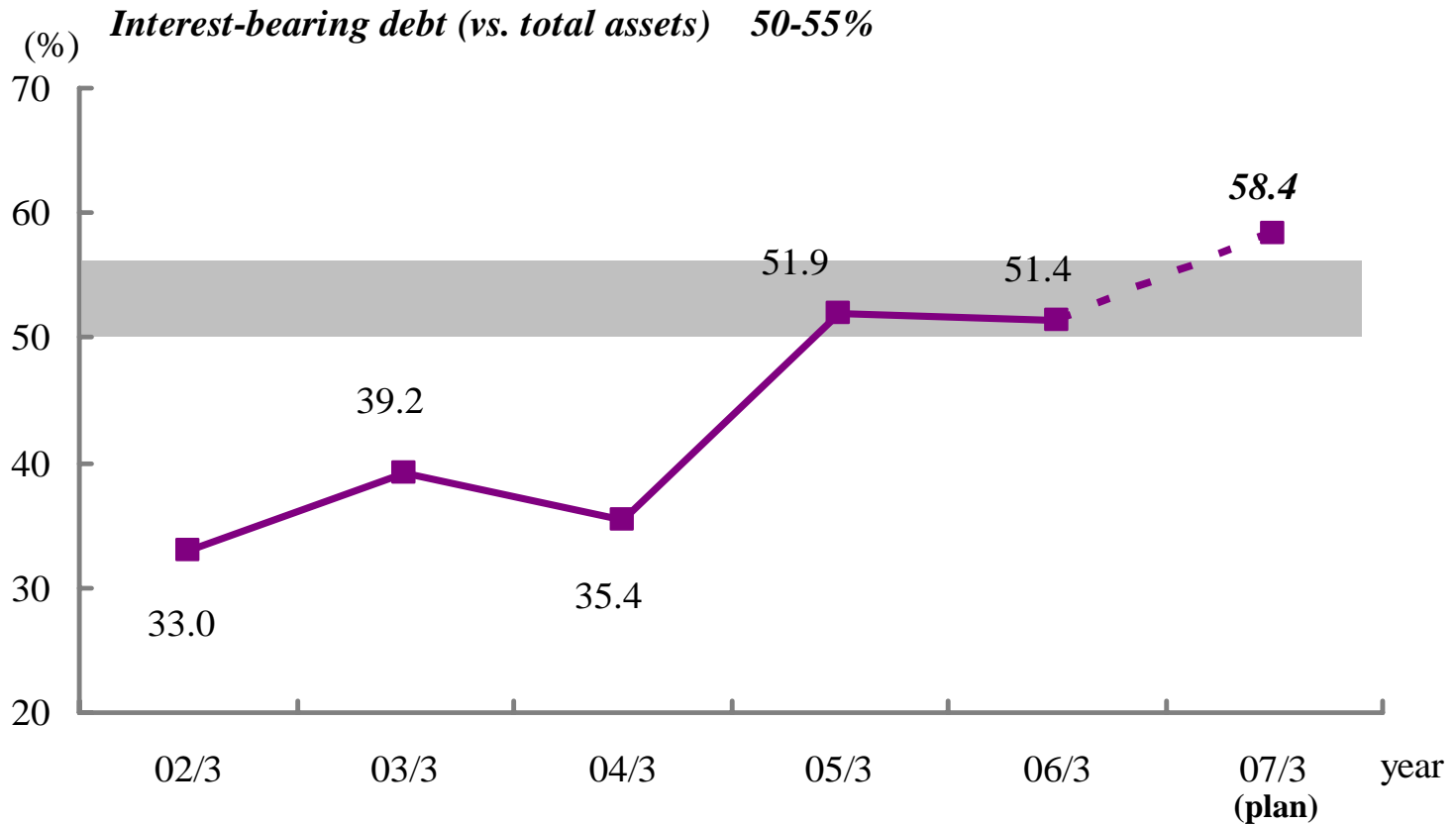
Target for financial indicators





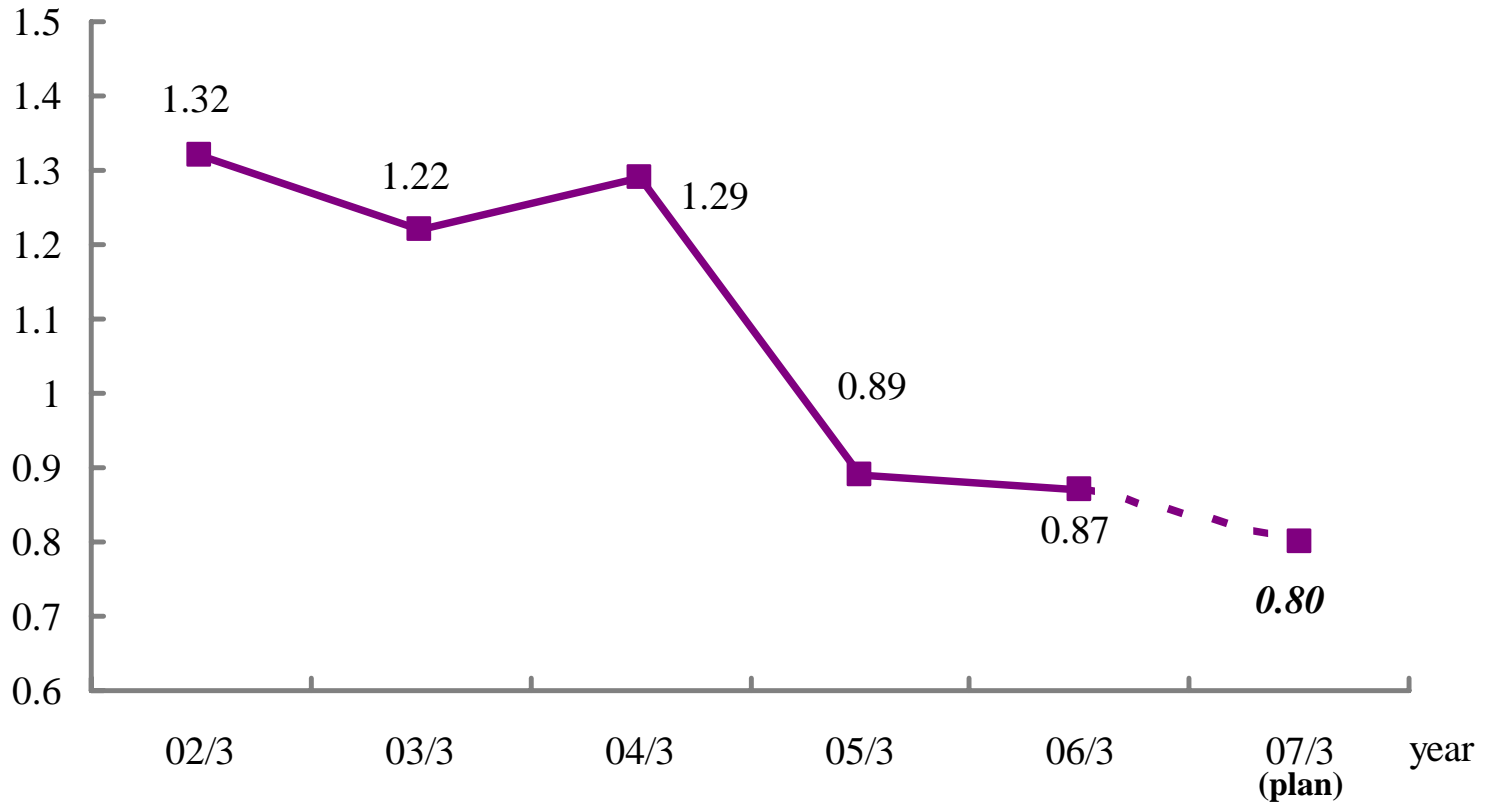
Medium-term plan

Target for financial indicators

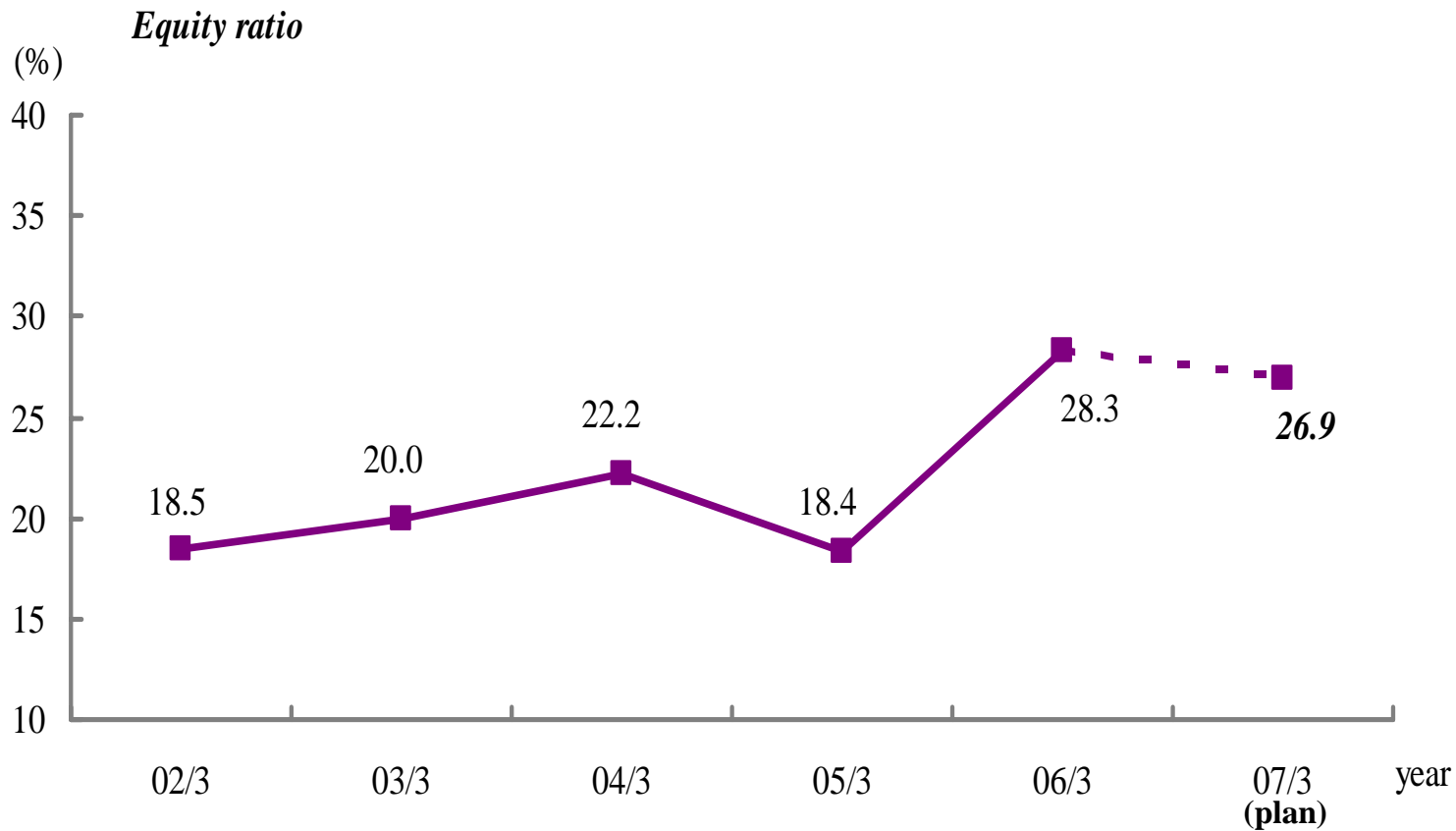


Financial Indicators

(times) *Inventory turnover (unconsolidated)*



Financial Indicators





Overview of First Half 07/3

Financing activities

(1) Commitment line

Total ¥ 18.5bil

(2) Bond issuance

¥ 15.2bil outstanding at September 2006

Public issue: ¥ 5bil (¥ 10bil under shelf registration)

Private issue: ¥ 10.2bil

(3) Rating (JCR)

Short term: J-2 CP ¥ 10bil

Long term: BBB⁻ with “positive” outlook

Financing

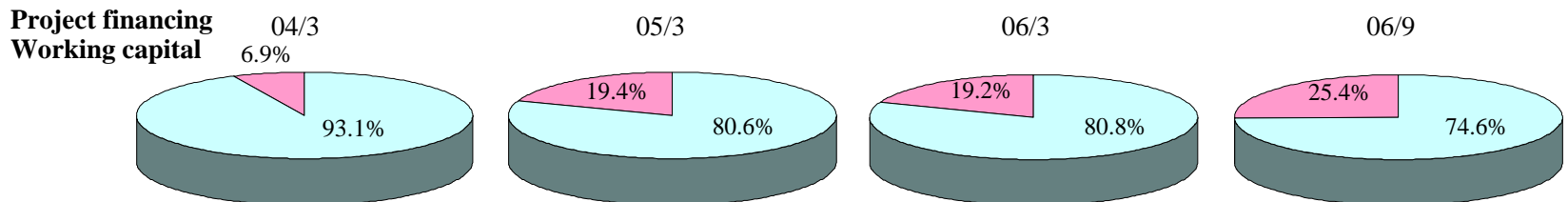
· Project financing - mostly variable rate (1.5-2 year)

| | | |
|------|------------|-----------------|
| 06/9 | Fix: 21.1% | Variable: 78.9% |
|------|------------|-----------------|

· Working capital - mostly fixed rate

| | | |
|------|------------|-----------------|
| 06/9 | Fix: 64.2% | Variable: 35.8% |
|------|------------|-----------------|

· Need for working capital has increased as securitization development evolved



· Total mix

| | | |
|------|------------|-----------------|
| 06/9 | Fix: 32.0% | Variable: 68.0% |
|------|------------|-----------------|

· Long-term project financing could be fixed rate going forward

Major Projects

Okinawa Ginowan Project

Hotel project
Commercial project



Major Projects

SPACIA MEGURO TOWER



| | |
|----------------|--------------------------|
| Location | Meguro, Meguro-ku, Tokyo |
| Land size | 4,100 m ² |
| Property type | Rental condominium |
| Sales estimate | ¥ 15bil |
| Completion | January 2008 |





Major Projects

SPACIA SHINJUKU HARAMACHI



| | |
|----------------|-------------------------------|
| Location | Haramachi, Shinjuku-ku, Tokyo |
| Land size | 3,300 m ² |
| Property type | Rental condominium |
| Sales estimate | ¥ 10bil |
| Completion | February 2008 |





Joint Reit Investment Corporation (Code 8973)

Total asset (September 2006) ¥ 61,706mil

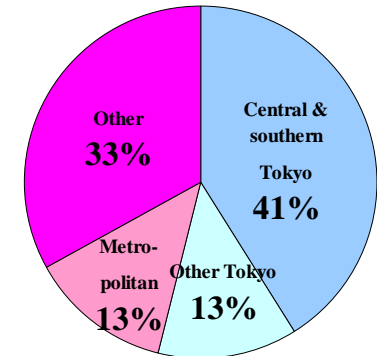
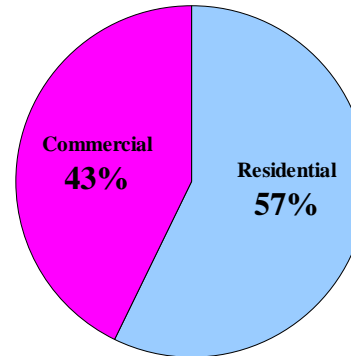
Total asset (October 2006, including assets to be acquired)

¥ 80,377mil

Residential 57% Commercial 43%

Central & southern Tokyo 41% Other Tokyo 13%
 Metropolitan 13%

(See pie chart)



Assets acquired April – September 2006

| Name | Location | Acquired |
|------------------------|-------------------------|----------|
| (residential) | | |
| S-RESIDENCE KYOBASHI | Osaka-city, Osaka | 2006.4 |
| SPACIA HAKURAKU | Yokohama-city, kanagawa | 2006.4 |
| SPACIA GOTANDA | Shinagawa-ku, Tokyo | 2006.9 |
| SPACIA OISENDAIZAKA | Shinagawa-ku, Tokyo | 2006.9 |
| FITL SHINAGAWA SEASIDE | Shinagawa-ku, Tokyo | 2006.9 |
| (commercial) | | |
| b-town MINAMIAOYAMA | Minato-ku, Tokyo | 2006.5 |
| KOJIMA NEW KAMIFUKUOKA | Fujimino-city, Saitama | 2006.5 |
| Total asset | ¥ 14,191mil | |

To be acquired on Oct 2006 or after

| Name | Location | when |
|-----------------------------|-----------------------------|---------|
| (residential) | | |
| FITL MINAMIAZABU | Minato-ku, Tokyo | 2006.10 |
| MAISON YOKOHAMA | Yokohama-city, Kanagawa | 2007.2 |
| SUGAMO 4-CHOME PROJECT | Toshima-ku, Tokyo | 2007.3 |
| MINAMI HORIE 2CHOME PROJECT | Osaka-city, Osaka | 2007.3 |
| RARETE JYOUTOU | Osaka-city, Osaka | 2006.11 |
| SPACIA TSUKAMOTO CROWN HEIT | Osaka-city, Osaka | 2006.12 |
| (commercial) | | |
| b 6 | Shibuya-ku, Tokyo | 2006.10 |
| b-toss IKEBUKURO | Toshima-ku, Tokyo | 2006.10 |
| JOY SQUARE YUGAWARA | Ashigarashimo-gun, Kanagawa | 2006.10 |
| Total | ¥ 18,670mil | |



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