

**FOR IMMEDIATE RELEASE**

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**JOINT CORPORATION ANNOUNCES 2006 THIRD QUARTER RESULTS**

**Tokyo, Japan** – [February 5, 2007] – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the third fiscal quarter ended December 31, 2006. The results are unaudited and prepared in accordance with Japanese GAAP.

**Consolidated Financial Highlights for the Third Quarter ended December 31, 2006**

( ¥ million, except EPS )	December 31, 2006	December 31, 2005	Y o Y change (%)
Revenue	107,318	94,409	+13.7
Operating income	15,454	11,087	+39.4
Ordinary income	13,229	8,879	+49.0
Net income	8,636	9,920 ( )	12.9
EPS	197.54	510.23	61.3

Net income for December 31, 2005 includes 4.6 billion yen after tax extraordinary gain  
(gains on discount of reorganization claims payable)

**Consolidated Financial Position**

( ¥ million )	December 31, 2006	December 31, 2005
Total assets	272,645	205,868
Shareholders' equity	70,211	59,454
Shareholders' equity ratio (%)	25.4	28.9
Shareholders' equity per share (¥)	1,581.75	2,728.58

**Consolidated Cash Flows Position**

( ¥ million )	December 31, 2006	December 31, 2005
Cash flows from operating activities	64,404	27,461
Cash flows from investing activities	3,812	567
Cash flows from financing activities	59,206	23,798
Cash and cash equivalents	30,660	27,516

The statements included above and elsewhere in this news release that are not historical in nature are “forward-looking statements”. Joint Corporation cautions readers that forward-looking statements are based on the Company’s current expectations and involve a number of risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements.

## **Financial Results by Segment**

( ¥ million )	Revenue	Share (%)
Securitization development	46,334	43.2
Condominium development	49,453	46.1
Leasing	5,683	5.3
Property management	2,842	2.6
Other	3,004	2.8

## **Financial Forecasts for Year ending March 31, 2007**

( ¥ million except EPS )	
Revenue	172,700
Ordinary income	20,500
Net income	13,100
EPS	299.25

### **[Qualitative information on consolidated operating performance]**

The revenue for the nine months of fiscal year ending March 31, 2007, 107,318 million yen, amounts to 62.1% of full year forecast, 172,700 million yen. Our business has performed according to our plan.

## **About Joint**

Joint Corporation (“Joint”) has three businesses; Securitization development, Condominium development and other (combining “leasing”, “property management” and “other”) business. Founded in 1986, Joint has provided over 15,000 units of condominiums by focusing on central and southern area of Tokyo. Since 2001, Joint has started to develop and sell residential, commercial and other properties to REITs and real estate investors. Joint was listed on the Japanese OTC market (JASDAQ) in 1998 and has been traded on the Tokyo Stock Exchange (TSE) first section since 2001 under ticker 8874.

## **Corporate Headquarter**

2-10-11 Meguro, Meguro-ku, Tokyo, Japan 153-0063

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**Consolidated Balance Sheets for the Third Quarter ended December 31, 2006**

(¥ million, %)

	December 31, 2006	December 31, 2005	Y o Y change		(Reference) March 31, 2006
				(%)	
(Assets)					
Current assets					
1 Cash and time deposits	30,792	28,397	2,395	8.4	32,730
2 Trade accounts receivable	1,402	2,200	797	36.3	1,406
3 Inventories	206,545	151,888	54,656	36.0	156,727
4 Investments for real estate held for sale	1,737	3,950	2,212	56.0	2,300
5 Other current assets	19,272	7,241	12,031	166.2	12,140
Allowance for doubtful accounts	113	129	16	12.7	96
Total current assets	259,637	193,548	66,089	34.1	205,209
Fixed assets					
1 Tangible fixed assets	4,686	4,805	119	2.5	4,794
2 Intangible fixed assets	416	464	47	10.1	535
3 Investments and other assets	7,904	7,049	854	12.1	7,086
Total fixed assets	13,007	12,319	688	5.6	12,416
Total assets	272,645	205,868	66,777	32.4	217,625

(Liabilities)							
Current liabilities							
1 Trade accounts payable	9,448	10,368	920	8.9	16,676		
2 Short-term bank loans	103,785	51,424	52,360	101.8	46,476		
3 Bond due within one year	4,125	9,565	5,440	56.9	9,325		
4 Advances and deposits received	4,607	3,829	778	20.3	4,613		
5 Other current liabilities	16,114	9,642	6,471	67.1	13,276		
Total current liabilities	138,079	84,829	53,250	62.8	90,367		
Long-term liabilities							
1 Bond	10,415	8,000	2,415	30.2	9,630		
2 Long-term debt due after one year	46,775	46,361	414	0.9	46,359		
3 Reorganization claims payable	3,925	4,403	478	10.9	4,391		
4 Other long-term liabilities	3,237	1,848	1,389	75.2	4,249		
Total long-term liabilities	64,354	60,614	3,739	6.2	64,630		
Total liabilities	202,433	145,443	56,990	39.2	154,998		
(Minority interests in consolidated subsidiaries)							
Minority interests in consolidated subsidiaries	-	969	/		1,043		
(Shareholders' equity)							
Common stock	-	15,800			/		15,800
Capital surplus	-	15,687					15,687
Retained earnings	-	28,219					30,230
Net unrealized gains on other securities	-	112					28
Treasury stock	-	140					105
Total shareholders' equity	-	59,454			/		61,584
Total liabilities and shareholders' equity	-	205,868					/

	December 31, 2006	December 31, 2005	Y o Y change		(Reference) March 31, 2006
				(%)	
(Net assets)					
Shareholders' equity					
1 Common stock	15,800	-			-
2 Capital surplus	15,780	-			-
3 Retained earnings	37,654	-			-
4 Treasury stock	7	-			-
Total shareholders' equity	69,226	-			-
Unrealized gains					
1 Net unrealized gains on other securities	55	-			-
2 Unrealized gains on hedging contract	3	-			-
Total unrealized gains	51	-			-
Minority interests in consolidated subsidiaries	932	-			-
Total net assets	70,211	-			-
Total liabilities and net assets	272,645	-			-

**Consolidated Statements of Income for the Third Quarter ended December 31, 2006**

(¥ million, %)

	December 31, 2006	December 31, 2005	Y o Y change		(Reference) March 31, 2006
				(%)	
Net sales	107,318	94,409	12,909	13.7	136,720
Cost of sales	79,343	74,542	4,801	6.4	107,741
Gross income	27,975	19,867	8,108	40.8	28,978
Selling, general and administrative expenses	12,520	8,779	3,741	42.6	12,906
Operating income	15,454	11,087	4,366	39.4	16,072
Non-operating income					
1 Interest income	57	13	43	330.8	17
2 Other	393	189	204	107.9	207
Non-operating expenses					
1 Interest expense	1,791	1,360	431	31.7	2,080
2 Other	884	1,050	166	15.8	1,207
Ordinary income	13,229	8,879	4,349	49.0	13,009
Extraordinary gains					
1 Gains on sale of business	1,974	-	1,974	-	-
2 Gains on discount of reorganization claims payable	-	8,117	8,117	-	8,121
3 Other	36	212	176	83.0	246
Extraordinary losses					
1 Loss on disposal of fixed assets	22	5	17	340.0	16
2 Other	-	4	4	-	12
Income before income taxes and others	15,216	17,199	1,983	11.5	21,348
Corporate income, residential and enterprise taxes	4,740	7,228	2,488	34.4	9,535
Adjustment for income taxes	1,660	293	1,953	-	533
Minority interests	179	344	164	47.7	417
Net income	8,636	9,920	1,284	12.9	11,928

**Consolidated Statements of Cash Flows for the Third Quarter ended December 31, 2006**

(¥million)

	December 31, 2006	December 31, 2005
Cash flows from operating activities		
Income before income taxes	15,216	17,199
Depreciation and amortization	232	180
Gains on sale of business	1,974	-
Increase in inventories	57,107	28,617
Increase in trade notes and accounts payable	7,126	5,883
Increase in advances paid for purchases	2,398	509
Increase in advances and deposits received	82	992
Other	492	5,812
Total	52,583	21,432
Interest and dividends received	206	68
Interest paid	1,760	2,078
Income taxes paid	10,267	4,019
Net cash provided by (used in) operating activities	64,404	27,461
Cash flows from investing activities		
Payments for purchase of marketable securities	-	2,856
Proceeds from sale of marketable securities	32	28
Payments for acquisition of subsidiary's stock	973	-
Payments for making loans	5,300	2,851
Proceeds from sale of business	9,725	-
Other	328	591
Net cash provided by (used in) investing activities	3,812	567
Cash flows from financing activities		
Proceeds from short-term loans	55,909	7,681
Proceeds from long-term debt	479	12,668
Increase in long-term claims payable	-	12,628
Proceeds from issuance of stock	-	16,250
Payment for redemption of bond	4,415	45
Cash dividend paid	1,067	467
Other	8,300	247
Net cash provided by (used in) financing activities	59,206	23,798
Net increase in cash and cash equivalents	1,385	4,231
Effects of change in scope of consolidation on cash and cash equivalents	51	-
Cash and cash equivalents at beginning of year	31,995	31,747
Cash and cash equivalents at quarter-end	30,660	27,516