

FOR IMMEDIATE RELEASE

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JOINT CORPORATION ANNOUNCES 2005 FIRST QUARTER RESULTS

Tokyo, Japan – [July 28, 2005] – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the first fiscal quarter ended June 30, 2005. The results are unaudited and prepared in accordance with Japanese GAAP.

Consolidated Financial Highlights for the First Quarter ended June 30, 2005

(¥ million, except EPS)	June 30, 2005	June 30, 2004	Y o Y change (%)
Revenue	21,234	14,019	+51.5
Operating income	1,529	800	+91.0
Ordinary income	1,006	461	+118.3
Net income	529	213	+148.0
EPS	28.48	11.56	+146.4

Consolidated Financial Position

(¥ million)	June 30, 2005	June 30, 2004
Total assets	180,403	141,453
Shareholders' equity	33,990	29,916
Shareholders' equity ratio (%)	18.8	21.1
Shareholders' equity per share (¥)	1,825.77	1,619.14

Consolidated Cash Flows Position

(¥ million)	June 30, 2005	June 30, 2004
Cash flows from operating activities	16,752	29,416
Cash flows from investing activities	1,787	158
Cash flows from financing activities	7,815	17,025
Cash and cash equivalents	24,597	24,976

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 (%)
Real estate development	9,839	46.3
Real estate securitization	7,604	35.8
Leasing	1,807	8.5
Property management	1,124	5.3
Other	858	4.1

Financial Forecasts for Year ending March 31, 2006

(¥ million except EPS)	
Revenue	125,700
Ordinary income	9,100
Net income	9,000
EPS	484.06

[Qualitative information on consolidated operating performance]

The revenue for the first three months of fiscal year ending March 31, 2006, 21,234 million yen, amounts to 16.9% of full year forecast, 125,700 million yen. Our business has performed according to our plan.

About Joint

Joint Corporation (“Joint”) has three businesses; real estate (condominium) development, real estate securitization (former “TUG REIT”) 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 had started to provide residential and commercial 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 First Quarter ended June 30, 2005

(¥ million, %)

	June 30, 2005	June 30, 2004	Y o Y change		(Reference) March 31, 2005
				(%)	
(Assets)					
Current assets					
1 Cash and time deposits	24,612	24,976	364	1.5	31,759
2 Trade accounts receivable	863	791	71	9.1	1,129
3 Inventories	137,632	96,925	40,707	41.9	131,161
4 Other current assets	7,560	7,562	2	0	9,081
Allowance for doubtful accounts	133	82	50	61.6	138
Total current assets	170,535	130,173	40,362	31.0	172,993
Fixed assets					
1 Tangible fixed assets	5,072	5,926	853	14.4	5,067
2 Intangible fixed assets	480	868	387	44.6	515
3 Investments and other assets	4,348	4,518	169	4	4,295
Allowance for doubtful accounts	34	32	1	3.8	32
Total fixed assets	9,867	11,280	1,412	12.5	9,846
Total assets	180,403	141,453	38,950	27.5	182,840

(Liabilities)					
Current liabilities					
1 Trade accounts payable	5,318	8,534	3,216	37.6	16,321
2 Short-term bank loans	47,064	36,467	10,596	29.1	29,376
3 Bond due within one year	2,705	520	2,185	420.2	1,605
4 Advances and deposits received	3,674	3,699	24	0.6	2,836
5 Other current liabilities	7,148	4,880	2,268	46.5	7,922
Total current liabilities	65,911	54,102	11,808	21.8	58,061
Long-term liabilities					
1 Bond	14,814	5,405	9,409	174.1	15,914
2 Long-term debt due after one year	38,505	22,913	15,592	68.0	47,977
3 Reorganization claims payable	24,537	27,006	2,469	9.1	24,711
4 Other long-term liabilities	1,990	1,710	280	16.3	1,872
Total long-term liabilities	79,847	57,035	22,812	40.0	90,476
Total liabilities	145,759	111,137	34,621	31.2	148,538
(Minority interests in consolidated subsidiaries)					
Minority interests in consolidated subsidiaries	653	398	255	64.1	631
(Shareholders' equity)					
Common stock	7,672	7,672	-	-	7,672
Capital surplus	7,559	7,447	112	1.5	7,555
Retained earnings	19,109	15,116	3,993	26.4	18,823
Net unrealized gains on other securities	0	4	5	100.0	0
Foreign currency translation adjustments	-	1	1	100.0	1
Treasury stock	351	325	25	7.9	381
Total shareholders' equity	33,990	29,916	4,074	13.6	33,670
Total liabilities and shareholders' equity	180,403	141,453	38,931	27.5	182,840

Consolidated Statements of Income for the First Quarter ended June 30, 2005

(¥ million, %)

	June 30, 2005	June 30, 2004	Y o Y change		(Reference) March 31, 2005
				(%)	
Net sales	21,234	14,019	7,214	51.5	96,470
Cost of sales	17,325	11,784	5,540	47.0	76,789
Gross income	3,908	2,235	1,673	74.9	19,680
Selling, general and administrative expenses	2,379	1,434	944	65.9	10,308
Operating income	1,529	800	728	91.0	9,372
Non-operating income					
1 Interest income	3	6	3	50.0	65
2 Other	51	46	4	9.7	396
Non-operating expenses					
1 Interest expense	455	304	151	49.7	1,606
2 Other	121	88	33	37.9	691
Ordinary income	1,006	461	545	118.3	7,536
Extraordinary gains					
1 Gain on disposal of fixed assets	0	-	0	0.0	10
2 Other	-	-	-	-	4
Extraordinary losses					
1 Loss on disposal of fixed assets	0	9	9	97.2	5
2 Other	48	-	48		166
Income before income taxes and others	957	451	505	111.9	7,380
Corporate income, residential and enterprise taxes	394	325	68	21.0	2,712
Adjustment for income taxes	11	106	117	110.4	372
Minority interests	22	19	3	15.8	120
Net income	529	213	316	148.0	4,174

Consolidated Statements of Cash Flows for the First Quarter ended June 30, 2005

(¥million)

	June 30, 2005	June 30, 2004
Cash flows from operating activities		
Income before income taxes	917	451
Depreciation and amortization	55	45
Increase in inventories	6,573	18,622
Increase in trade notes and accounts payable	11,003	9,621
Increase in advances paid for purchases	268	333
Increase in advances and deposits received	838	348
Other	1,394	300
Total	14,104	27,365
Interest and dividends received	21	17
Interest paid	343	327
Income taxes paid	2,325	1,740
Net cash provided by (used in) operating activities	16,752	29,416
Cash flows from investing activities		
Payments for purchase of marketable securities	-	3
Increase in loan receivable	1,848	399
Others	61	244
Net cash provided by (used in) investing activities	1,787	158
Cash flows from financing activities		
Increase in short-term bank loans	10,157	9,565
Increase in long-term debt	1,941	6,778
Increase in reorganization claims payable	173	186
Cash dividend paid	261	230
Other	34	1,100
Net cash provided by (used in) financing activities	7,815	17,025
Effects of exchange rate change on cash and cash equivalents	-	0
Net increase in cash and cash equivalents	7,149	12,548
Cash and cash equivalents at beginning of year	31,747	37,525
Cash and cash equivalents at quarter-end	24,597	24,976