

FOR IMMEDIATE RELEASE

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JOINT CORPORATION ANNOUNCES RESULTS OF OPERATIONS
SIX MONTH ENDED SEPTEMBER 30, 2005

Tokyo, Japan – [November 7, 2005] – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the six month ended September 30, 2005. The results are unaudited and prepared in accordance with Japanese GAAP.

Consolidated Financial Highlights for the Six Month Ended September 30, 2005

(¥ million, except EPS)	September 30, 2005	September 30, 2004	Y o Y change (%)
Revenue	74,136	39,322	88.5
Operating Income	9,066	4,211	115.3
Ordinary Income	7,690	3,477	121.2
Net Income	8,930	1,838	385.6
EPS	478.01	99.36	381.1

Consolidated Financial Position

(¥ million)	September 30, 2005	September 30, 2004
Total Assets	186,997	155,647
Shareholders' equity	42,808	31,644
Shareholders' equity ratio (%)	22.9	20.3
Shareholders' equity per share (¥)	2,276.03	1,705.46

Consolidated Cash Flows Position

(¥ million)	September 30, 2005	September 30, 2004
Cash flows from operating activities	3,890	35,373
Cash flows from investing activities	539	1,604
Cash flows from financing activities	4,126	29,714
Cash and cash equivalents	39,224	30,261

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.

Segment Information

(¥ million)	Revenue	Operating Income
Real Estate (Condominium) Development	36,852	3,451
Real Estate Securitization	29,971	5,404
Leasing	3,750	325
Property Management	2,459	77
Others	1,964	179
Adjustment	861	373
Total	74,136	9,066

Financial Forecasts for Year ending March 31, 2006

(¥ million except EPS)	
Revenue	134,000
Ordinary Income	10,800
Net Income	10,300
EPS	255.89

Note: Joint will split its share (2 for 1) as of January 5, 2006 (record date).

EPS (255.89 yen) is calculated as if the stock split were implemented at beginning of fiscal year.

About Joint

Joint Corporation (“Joint”) has three businesses; real estate (condominium) development, real estate securitization 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 Six Month Ended September 30, 2005

(¥ million, %)

	September 30, 2004		September 30, 2005		(Reference) March 31, 2005	
		%		%		%
(Assets)						
Current assets						
1 Cash and time deposits	30,267		40,104		31,759	
2 Trade accounts receivable	698		2,449		1,129	
3 Inventories	95,663		121,618		123,344	
4 Investments for real estate held for sale	7,075		3,570		7,817	
5 Advance paid for purchases	2,028		1,546		1,647	
6 Deferred income taxes	640		751		422	
7 Other current assets	8,201		4,357		7,010	
8 Allowance for doubtful accounts	87		84		138	
Total current assets	144,487	92.8	174,313	93.2	172,993	94.6
Fixed assets						
1 Tangible fixed assets						
(1) Buildings and structures	2,374		1,964		2,059	
(2) Land	3,287		2,612		2,773	
(3) Construction in progress	2		-		-	
(4) Other	228		251		234	
Total tangible fixed assets	5,892	3.8	4,827	2.6	5,067	2.8
2 Intangible fixed assets	804	0.5	494	0.3	515	0.3
3 Investments and other assets	4,463	2.9	7,361	3.9	4,262	2.3
Total fixed assets	11,160	7.2	12,683	6.8	9,846	5.4
Total assets	155,647	100.0	186,997	100.0	182,840	100.0

(¥ million, %)

	September 30, 2004		September 30, 2005		(Reference) March 31, 2005	
		%		%		%
(Liabilities)						
Current liabilities						
1 Trade accounts payable	8,143		11,537		16,321	
2 Short-term bank loans	43,524		31,255		29,376	
3 Bond due within one year	520		6,965		1,605	
4 Income taxes payable	1,531		6,590		2,310	
5 Advances and deposits received	3,431		3,004		2,836	
6 Accrued expenses	178		175		201	
7 Other current liabilities	3,667		4,187		5,410	
Total current liabilities	60,996	39.2	63,717	34.1	58,061	31.7
Long-term liabilities						
1 Bond	8,445		10,600		15,914	
2 Long-term debt due after one year	25,338		61,652		47,977	
3 Retirement benefits	189		179		182	
4 Directors' retirement benefits	41		5		41	
5 Long-term claims payable	-		5,598		-	
6 Reorganization claims payable	26,989		-		24,711	
7 Other long-term liabilities	1,469		1,493		1,648	
Total long-term liabilities	62,474	40.1	79,529	42.5	90,476	49.5
Total liabilities	123,470	79.3	143,247	76.6	148,538	81.2
(Minority interests in consolidated subsidiaries)						
Minority interests in consolidated subsidiaries	532	0.4	941	0.5	631	0.4
(Shareholders' equity)						
Common stock	7,672	4.9	7,746	4.1	7,672	4.2
Capital surplus	7,499	4.8	7,629	4.1	7,555	4.1
Retained earnings	16,741	10.8	27,464	14.7	18,823	10.3
Net unrealized gains on other securities	0	0.0	144	0.1	0	0.0
Foreign currency translation adjustments	1	0.0	-	0.0	1	0.0
Treasury stock	270	0.2	177	0.1	381	0.2
Total shareholders' equity	31,644	20.3	42,808	22.9	33,670	18.4
Total liabilities and shareholders' equity	155,647	100.0	186,997	100.0	182,840	100.0

Consolidated Statements of Income for the Six Month Ended September 30, 2005

(¥ million, %)

	September 30, 2004			September 30, 2005			(Reference) March 31, 2005		
			%			%			%
Net sales		39,322	100.0		74,136	100.0		96,470	100.0
Cost of sales		30,806	78.3		58,684	79.2		76,789	79.6
Gross Income		8,516	21.7		15,451	20.8		19,680	20.4
Selling, general and administrative expenses		4,304	11.0		6,385	8.6		10,308	10.7
Operating income		4,211	10.7		9,066	12.2		9,372	9.7
Non-operating income									
1 Interest income	12			7			65		
2 Dividend income	21			15			11		
3 Gains from recovery of written-off receivable	57			12			176		
4 Gains on discount of reorganization claims payable	-			35			-		
5 Gains on valuation of interest rate swap contracts	14			24			22		
6 Settlement income	39			-			-		
7 Other	65	210	0.5	20	117	0.2	185	462	0.5
Non-operating expenses									
1 Interest expense	681			1,011			1,606		
2 Financing fee	-			311			416		
3 Share of investment loss	-			16			15		
4 Other	262	944	2.4	154	1,492	2.0	260	2,297	2.4
Ordinary income		3,477	8.8		7,690	10.4		7,536	7.8
Extraordinary gains									
1 Gains on sale of marketable securities	4			-			4		
2 Gains on sale of fixed assets	-			208			10		
3 Gains on discount of reorganization claims payable	-			7,680			-		
4 Other	-	4	0.0	48	7,937	10.7	-	15	0.0
Extraordinary losses									
1 Loss on disposal of fixed assets	15			0			5		
2 Loss on sales of subsidiary's stock	-			4			-		
3 Other	-	15	0.0	-	5	0.0	166	172	0.2
Income before income taxes and others		3,466	8.8		15,622	21.1		7,380	7.6
Corporate income, residential and enterprise taxes	1,413			6,645			2,712		
Adjustment for income taxes	137	1,551	3.9	268	6,377	8.6	372	3,085	3.2
Minority interests		75	0.2		315	0.5		120	0.1
Net income		1,838	4.7		8,930	12.0		4,174	4.3

Consolidated Statements of Cash Flows for the Six Month Ended September 30, 2005

(¥ million)

	September 30, 2004	September 30, 2005	(Reference) March 31, 2005
Cash flows from operating activities			
Income before income taxes	3,466	15,622	7,380
Depreciation and amortization	124	131	258
Gains on discount of reorganization claims payable	-	7,680	-
Consolidation adjustment	73	56	179
Write-off of goodwill	-	9	220
Increase in allowance for doubtful accounts	31	52	55
Increase in accrued expenses	47	25	24
Increase in retirement benefits	5	3	12
Increase in directors' retirement benefits	159	35	159
Interest and dividend income	33	23	76
Interest expenses	681	1,011	1,606
Loss on disposal of fixed assets	15	0	5
Gains on sale of fixed assets	-	208	10
Increase in account receivables	634	1,319	203
Increase in inventories	20,166	1,726	46,376
Increase in investments for real estate held for sale	4,278	4,247	5,013
Increase in trade notes and accounts payable	10,013	4,784	1,834
Increase in advances paid for purchases	1,555	101	1,174
Increase in advance and deposits received	80	168	514
Increase in sales taxes payable	65	470	17
Increase in deposits	524	435	194
Increase in directors' bonus	40	59	40
Increase in other current assets	888	869	175
Increase in other fixed assets	38	341	180
Increase in other current liabilities	1,173	1,332	974
Increase in other long-term liabilities	97	39	81
Total	32,724	8,152	44,090
Interest and dividends received	31	44	56
Interest paid	1,007	1,941	2,099
Income taxes paid	1,673	2,365	2,196
Net cash provided by (used in) operating activities	35,373	3,890	48,329

(¥ million)

	September 30, 2004	September 30, 2005	(Reference) March 31, 2005
Cash flows from investing activities			
Payments for purchase of marketable securities	3	2,856	3
Proceeds from sale of marketable securities	28	15	45
Payments for purchase of tangible fixed assets	92	158	551
Proceeds from disposal of tangible fixed assets	7	580	456
Payments for acquisition of intangible fixed assets	36	79	60
Payments for investments	-	-	10
Proceeds from return of investments	234	-	234
Payments for making loans	2,132	287	1,851
Proceeds from loan repayment	399	3,113	797
Payments for making time deposits	6	867	12
Others	3	-	-
Net cash provided by (used in) investing activities	1,604	539	955
Cash flows from financing activities			
Proceeds from short-term loans	28,867	16,025	39,321
Repayment of short-term loans	16,769	16,481	32,416
Proceeds from long-term debt	21,030	30,234	53,305
Repayment of long-term debt	7,302	14,224	26,645
Increase in reorganization claims payable	204	11,590	2,482
Proceeds from issuance of bond	5,600	1,000	15,200
Payment for redemption of bond	1,460	954	2,505
Proceeds from issuance of stock	-	148	-
Proceeds from exercise of stock options	110	209	274
Payment for acquisition of treasury stock	3	5	221
Cash dividend paid	230	230	462
Dividend payment for minority shareholders	-	4	-
Proceeds from minority shareholders' payment	77	-	131
Net cash provided by (used in) financing activities	29,714	4,126	43,497
Effects of exchange rate change on cash and cash equivalents	0	-	0
Net increase in cash and cash equivalents	7,264	7,477	5,786
Effects of consolidation change on cash and cash equivalents	-	-	8
Cash and cash equivalents at beginning of year	37,525	31,747	37,525
Cash and cash equivalents at half-year	30,261	39,224	31,747