

FOR IMMEDIATE RELEASE

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JOINT CORPORATION ANNOUNCES 2005 THIRD QUARTER RESULTS

Tokyo, Japan – [February 2, 2006] – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the nine month ended December 31, 2005. The results are unaudited and prepared in accordance with Japanese GAAP.

Consolidated Financial Highlights for the Nine Month Ended December 31, 2005

(¥ million, except EPS)	December 31, 2005	December 31, 2004	Y o Y change (%)
Revenue	94,409	48,921	93.0
Operating income	11,087	3,899	184.3
Ordinary income	8,879	2,603	241.1
Net income	9,920	1,242	698.2
EPS	510.23	67.06	660.9

Consolidated Financial Position

(¥ million)	December 31, 2005	December 31, 2004
Total assets	205,868	174,450
Shareholders' equity	59,454	30,837
Shareholders' equity ratio (%)	28.9	17.7
Shareholders' equity per share (¥)	2,728.58	1,656.57

Consolidated Cash Flows Position

(¥ million)	December 31, 2005	December 31, 2004
Cash flows from operating activities	27,461	61,275
Cash flows from investing activities	567	2,967
Cash flows from financing activities	23,798	49,792
Cash and cash equivalents	27,516	23,075

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	43,441	46.0
Real estate securitization	40,084	42.5
Leasing	5,321	5.6
Property management	3,290	3.5
Other	2,273	2.4

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

[Qualitative information on consolidated operating performance]

The revenue for the nine months of fiscal year ending March 31, 2006, 94,409 million yen, amounts to 70.5% of full year forecast, 134,000 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 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 (real estate securitization). 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 Nine Month Ended December 31, 2005

(¥ million, %)

	December 31, 2005	December 31, 2004	Y o Y change		(Reference) March 31, 2005
				(%)	
(Assets)					
Current assets					
1 Cash and time deposits	28,397	23,083	5,314	23.0	31,759
2 Trade accounts receivable	2,200	667	1,533	229.9	1,129
3 Inventories	151,888	118,514	33,374	28.2	123,344
4 Investments for real estate held for sale	3,950	8,051	4,101	50.9	7,817
5 Other current assets	7,241	13,875	6,633	47.8	9,081
Allowance for doubtful accounts	129	88	40	46.1	138
Total current assets	193,548	164,102	29,445	17.9	172,993
Fixed assets					
1 Tangible fixed assets	4,805	6,029	1,224	20.3	5,067
2 Intangible fixed assets	464	739	275	37.2	515
3 Investments and other assets	7,049	3,578	3,470	97.0	4,262
Total fixed assets	12,319	10,347	1,971	19.1	9,846
Total assets	205,868	174,450	31,417	18.0	182,840

(Liabilities)					
Current liabilities					
1 Trade accounts payable	10,368	4,782	5,585	116.8	16,321
2 Short-term bank loans	51,424	55,549	4,125	7.4	29,376
3 Bond due within one year	9,565	1,645	7,920	481.5	1,605
4 Advances and deposits received	3,829	4,663	834	17.9	2,836
5 Other current liabilities	9,642	6,635	3,007	45.3	7,922
Total current liabilities	84,829	73,276	11,553	15.8	58,061
Long-term liabilities					
1 Bond	8,000	8,620	620	7.2	15,914
2 Long-term debt due after one year	46,361	32,510	13,851	42.6	47,977
3 Long-term claims payable	4,403	-	4,403	-	-
4 Reorganization claims payable	-	26,721	26,721	-	24,711
5 Other long-term liabilities	1,848	1,879	30	1.6	1,872
Total long-term liabilities	60,614	69,731	9,116	13.1	90,476
Total liabilities	145,443	143,007	2,436	1.7	148,538
(Minority interests in consolidated subsidiaries)					
Minority interests in consolidated subsidiaries	969	606	363	60.0	631
(Shareholders' equity)					
Common stock	15,800	7,672	8,127	105.9	7,672
Capital surplus	15,687	7,553	8,133	107.7	7,555
Retained earnings	28,219	15,872	12,347	77.8	18,823
Net unrealized gains on other securities	112	0	112	-	0
Foreign currency translation adjustments	-	1	1	100.0	1
Treasury stock	140	262	121	46.3	381
Total shareholders' equity	59,454	30,837	28,617	92.8	33,670
Total liabilities and shareholders' equity	205,868	174,450	31,417	18.0	182,840

Consolidated Statements of Income for the Nine Month Ended December 31, 2005

(¥ million, %)

	December 31, 2005	December 31, 2004	Y o Y change		(Reference) March 31, 2005
				(%)	
Net sales	94,409	48,921	45,487	93.0	96,470
Cost of sales	74,542	38,962	35,579	91.3	76,789
Gross income	19,867	9,958	9,908	99.5	19,680
Selling, general and administrative expenses	8,779	6,059	2,719	44.9	10,308
Operating income	11,087	3,899	7,188	184.3	9,372
Non-operating income					
1 Interest income	13	20	6	32.5	65
2 Other	189	227	38	17.0	396
Non-operating expenses					
1 Interest expense	1,360	1,149	210	18.3	1,606
2 Other	1,050	394	656	166.2	691
Ordinary income	8,879	2,603	6,276	241.1	7,536
Extraordinary gains					
1 Gain on discount of reorganization claims payable	8,117	-	8,117	-	-
2 Other	212	4	208	458.7	15
Extraordinary losses					
1 Loss on disposal of fixed assets	5	16	11	69.5	5
2 Other	4	-	4	-	166
Income before income taxes and others	17,199	2,591	14,608	563.7	7,380
Corporate income, residential and enterprise taxes	7,228	1,141	6,087	533.4	2,712
Adjustment for income taxes	293	118	411	347.6	372
Minority interests	344	88	255	287.0	120
Net income	9,920	1,242	8,677	698.2	4,174

Consolidated Statements of Cash Flows for the Nine Month Ended December 31, 2005

(¥million)

	December 31, 2005	December 31, 2004
Cash flows from operating activities		
Income before income taxes	17,199	2,591
Depreciation and amortization	180	185
Increase in inventories	28,617	43,002
Increase in trade notes and accounts payable	5,883	13,373
Increase in advances paid for purchases	509	448
Increase in advances and deposits received	992	1,313
Other	5,812	5,626
Total	21,432	58,360
Interest and dividends received	68	39
Interest paid	2,078	995
Income taxes paid	4,019	1,958
Net cash provided by (used in) operating activities	27,461	61,275
Cash flows from investing activities		
Payments for purchase of marketable securities	2,856	3
Proceeds from sale of marketable securities	28	41
Proceeds from sale of subsidiary's stock due to change in scope of consolidation	0	-
Increase in loan receivable	2,851	2,916
Others	591	88
Net cash provided by (used in) investing activities	567	2,967
Cash flows from financing activities		
Increase in short-term bank loans	7,681	19,354
Increase in long-term debt	12,668	25,667
Increase in reorganization claims payable	12,628	472
Proceeds from issuance of equity	16,250	-
Proceeds from issuance of bond	2,125	7,245
Cash dividend paid	467	504
Other	1,831	1,497
Net cash provided by (used in) financing activities	23,798	49,792
Effects of exchange rate change on cash and cash equivalents	-	0
Net increase in cash and cash equivalents	4,231	14,450
Cash and cash equivalents at beginning of year	31,747	37,525
Cash and cash equivalents at quarter-end	27,516	23,075