

FOR IMMEDIATE RELEASE

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JOINT CORPORATION ANNOUNCES 2004 FIRST QUARTER RESULTS

Tokyo, Japan – [July 30], 2004 – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the first fiscal quarter ended June 30, 2004. The results are unaudited and prepared in accordance with Japanese GAAP.

Consolidated Financial Highlights for the First Quarter ended June 30, 2004

(¥ million, except EPS)	June 30, 2004	June 30, 2003	Y o Y change (%)
Revenue	14,019	10,494	+33.6
Operating Income	800	139	+474.0
Ordinary Income	461	102	-
Net Income	213	102	-
EPS	11.56	5.52	-

Consolidated Financial Position

(¥ million)	June 30, 2004	June 30, 2003
Total Assets	141,453	133,216
Shareholders' equity	29,916	27,088
Shareholders' equity ratio (%)	21.1	20.3
Shareholders' equity per share (¥)	1,619.14	1,461.83

Consolidated Cash Flows Position

(¥ million)	June 30, 2004	June 30, 2003
Cash flows from operating activities	29,416	13,770
Cash flows from investing activities	158	137
Cash flows from financing activities	17,025	1,166
Cash and cash equivalents	24,976	26,794

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 Sales	10,358	73.9
Leasing	1,553	11.1
Property Management	1,039	7.4
Others	1,067	7.6

Financial Forecasts for Year ending March 31, 2005

(¥ million except EPS)	
Revenue	102,000
Ordinary Income	5,300
Net Income	2,800
EPS	149.64

[Qualitative information on consolidated operating performance]

The revenue for the first three months of fiscal year ending March 31, 2005, 14,019 million yen, amounts to 13.7% of full year forecast, 102,000 million yen. As delivery of condominium centers on fourth quarter, our business has performed according to our plan.

About Joint

Joint Corporation (“Joint”) has three businesses; real estate (condominium) development, securitization-related business (TUG REIT) and fee business. Founded in 1986, Joint has provided over 14,000 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, 2004

(¥ million, %)

	June 30, 2004	June 30, 2003	Y o Y change		(Reference) March 31, 2004
(Assets)					
Current assets					
1 Cash and time deposits	24,976	26,954	1,977	7.3	37,525
2 Trade accounts receivable	791	747	43	5.7	1,333
3 Inventories	96,925	83,851	13,073	15.6	78,307
4 Other current assets	7,562	9,704	2,142	22.1	6,409
Allowance for doubtful accounts	82	68	14	20.7	96
Total current assets	130,173	121,189	8,983	7.4	123,479
Fixed assets					
1 Tangible fixed assets	5,926	5,971	45	0.8	5,929
2 Intangible fixed assets	868	1,027	158	15.5	908
3 Investments and other assets	4,518	5,059	541	10.8	4,824
Allowance for doubtful accounts	32	31	1	3.6	17
Total fixed assets	11,280	12,026	746	6.2	11,645
Total assets	141,453	133,216	8,237	6.2	135,124

(Liabilities)					
Current liabilities					
1 Trade accounts payable	8,534	13,341	4,806	36.0	18,156
2 Short-term bank loans	36,467	27,834	8,633	31.0	22,974
3 Bond due within one year	520	280	240	85.7	1,720
4 Advances and deposits received	3,699	2,808	890	31.7	3,350
5 Other current liabilities	4,880	3,010	1,871	62.2	6,248
Total current liabilities	54,102	47,274	6,828	14.4	52,449
Long-term liabilities					
1 Bond	5,405	3,625	1,780	49.1	3,105
2 Long-term debt due after one year	22,913	23,829	915	3.8	20,063
3 Reorganization claims payable	27,006	29,152	2,146	7.4	27,193
4 Other long-term liabilities	1,710	1,828	118	6.5	1,963
Total long-term liabilities	57,035	58,435	1,400	2.4	52,325
Total liabilities	111,137	105,710	5,427	5.1	104,775
(Minority interests in consolidated subsidiaries)					
Minority interests in consolidated subsidiaries	398	417	18	4.4	379
(Shareholders' equity)					
Common stock	7,672	7,672	-	-	7,672
Capital surplus	7,447	7,447	-	-	7,447
Retained earnings	15,116	12,235	2,880	23.5	15,174
Net unrealized gains on other securities	4	4	9	195.1	0
Foreign currency translation adjustments	1	1	0	19.1	1
Treasury stock	325	263	62	23.7	325
Total shareholders' equity	29,916	27,088	2,827	10.4	29,969
Total liabilities and shareholders' equity	141,453	133,216	8,237	6.2	135,124

Consolidated Statements of Income for the First Quarter ended June 30, 2004

(¥ million, %)

	June 30, 2004	June 30, 2003	Y o Y change		(Reference)
					March 31, 2004
Net sales	14,019	10,494	3,525	33.6	97,021
Cost of sales	11,784	8,964	2,819	31.5	82,349
Gross income	2,235	1,529	705	46.1	14,671
Selling, general and administrative expenses	1,434	1,390	44	3.2	8,474
Operating income	800	139	661	474.0	6,197
Non-operating income					
1 Interest income	6	48	42	86.9	63
2 Other	46	31	15	48.4	311
Non-operating expenses					
1 Interest expense	304	278	25	9.2	1,422
2 Other	88	42	46	104.5	280
Ordinary income	461	102	563	-	4,871
Extraordinary gains					
1 Gain on expired stock option	-	33	33	-	33
2 Other	-	-	-	-	32
Extraordinary losses					
1 Loss on disposal of fixed assets	9	-	9	-	26
2 Other	-	-	-	-	30
Income before income taxes and others	451	68	520	-	4,879
Corporate income, residential and enterprise taxes	325	18	307	1679.6	1,821
Adjustment for income taxes	106	14	120	-	62
Minority interests	19	1	17	1176.4	57
Net income	213	102	315	-	3,063

Consolidated Statements of Cash Flows for the First Quarter ended June 30, 2004

(¥ million)

	June 30, 2004	June 30, 2003
Cash flows from operating activities		
Income before income taxes	451	68
Depreciation and amortization	45	46
Increase in inventories	18,622	8,713
Increase in trade notes and accounts payable	9,621	4,883
Increase in advances paid for purchases	333	278
Increase in advances and deposits receipt	348	645
Other	300	36
Total	27,365	12,731
Interest and dividends received	17	63
Interest paid	327	173
Income taxes paid	1,740	929
Net cash provided by (used in) operating activities	29,416	13,770
Cash flows from investing activities		
Payments for purchase of marketable securities	3	53
Increase in loan receivable	399	192
Others	244	2
Net cash provided by (used in) investing activities	158	137
Cash flows from financing activities		
Increase in short-term bank loans	9,565	20,720
Increase in long-term debt	6,778	18,486
Proceeds from sale of bond	186	169
Cash dividend paid	230	233
Other	1,100	666
Net cash provided by (used in) financing activities	17,025	1,166
Effects of exchange rate change on cash and cash equivalents	0	0
Net increase in cash and cash equivalent	12,548	12,466
Cash and cash equivalents at beginning of year	37,525	39,260
Cash and cash equivalents at quarter-end	24,976	26,794