

**FOR IMMEDIATE RELEASE**

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**JOINT CORPORATION ANNOUNCES 2004 THIRD QUARTER RESULTS**

**Tokyo, Japan** – [February 4], 2005 – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the third fiscal quarter ended December 31, 2004. The results are unaudited and prepared in accordance with Japanese GAAP.

**Consolidated Financial Highlights for the Third Quarter ended December 31, 2004**

( ¥ million, except EPS )	December 2004	December 2003	Y o Y change (%)
Revenue	48,921	45,747	+7.0
Operating Income	3,899	2,633	+48.1
Ordinary Income	2,603	1,665	+56.3
Net Income	1,242	1,146	+8.4
EPS	67.06	61.97	+8.2

**Consolidated Financial Position**

( ¥ million )	December 2004	December 2003
Total Assets	174,450	140,743
Shareholders' equity	30,837	28,041
Shareholders' equity ratio (%)	17.7	19.9
Shareholders' equity per share (¥)	1,656.57	1,517.52

**Consolidated Cash Flows Position**

( ¥ million )	December 2004	December 2003
Cash flows from operating activities	61,275	20,018
Cash flows from investing activities	2,967	258
Cash flows from financing activities	49,792	13,239
Cash and cash equivalents	23,075	32,893

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	38,392	78.5
Leasing	4,673	9.5
Property Management	3,263	6.7
Others	2,592	5.3

## **Financial Forecasts for Year ending March 31, 2005**

( ¥ million except EPS)	
Revenue	98,800
Ordinary Income	6,700
Net Income	3,700
EPS	197.52

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

The revenue for the first nine months of fiscal year ending March 31, 2005, 48,921 million yen, amounts to 49.5% of full year forecast, 98,800 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 Third Quarter ended December 31, 2004**

(¥ million, %)

	December 31,2004	December 31,2003	Y o Y change		(Reference) March 31,2004
(Assets)					
Current assets					
1 Cash and time deposits	23,083	33,018	9,935	30.1	37,525
2 Trade accounts receivable	667	813	146	18.1	1,333
3 Inventories	118,514	84,057	34,457	41.0	75,496
4 Investments for real estate held for sale	8,051	3,269	4,781	146.2	2,796
5 Other current assets	13,875	8,182	5,692	69.6	6,409
Allowance for doubtful accounts	88	79	9	11.4	96
Total current assets	164,102	129,261	34,841	27.0	123,479
Fixed assets					
1 Tangible fixed assets	6,029	5,806	223	3.9	5,929
2 Intangible fixed assets	739	933	193	20.8	908
3 Investments and other assets	3,578	4,742	1,163	24.5	4,806
Total fixed assets	10,347	11,481	1,133	9.9	11,645
Total assets	174,450	140,743	33,707	23.9	135,124

(Liabilities)					
Current liabilities					
1 Trade accounts payable	4,782	5,878	1,095	18.6	18,156
2 Short-term bank loans	55,549	46,698	8,851	19.0	22,974
3 Bond due within one year	1,645	4,120	2,475	60.1	1,720
4 Advances and deposits received	4,663	3,975	687	17.3	3,350
5 Other current liabilities	6,635	3,643	2,991	82.1	6,248
Total current liabilities	73,276	64,316	8,960	13.9	52,449
Long-term liabilities					
1 Bond	8,620	3,365	5,255	156.2	3,105
2 Long-term debt due after one year	32,510	13,928	18,582	133.4	20,063
3 Reorganization claims payable	26,721	28,957	2,235	7.7	27,193
4 Other long-term liabilities	1,879	1,746	132	7.6	1,963
Total long-term liabilities	69,731	47,997	21,734	45.3	52,325
Total liabilities	143,007	112,313	30,694	27.3	104,775
(Minority interests in consolidated subsidiaries)					
Minority interests in consolidated subsidiaries	606	389	216	55.8	379
(Shareholders' equity)					
Common stock	7,672	7,672	-	-	7,672
Capital surplus	7,553	7,447	106	1.4	7,447
Retained earnings	15,872	13,247	2,624	19.8	15,174
Net unrealized gains on other securities	0	1	1	-	0
Foreign currency translation adjustments	1	1	0	19.1	1
Treasury stock	262	325	62	19.4	325
Total shareholders' equity	30,837	28,041	2,796	10.0	29,969
Total liabilities and shareholders' equity	174,450	140,743	33,707	23.9	135,124

**Consolidated Statements of Income for the Third Quarter ended December 31, 2004**

(¥ million, %)

	December 31,2004	December 31,2003	Y o Y change		(Reference) March 31,2004
Net sales	48,921	45,747	3,174	6.9	97,021
Cost of sales	38,962	38,319	642	1.7	82,349
Gross income	9,958	7,427	2,531	34.1	14,671
Selling, general and administrative expenses	6,059	4,793	1,265	26.4	8,474
Operating income	3,899	2,633	1,265	48.1	6,197
Non-operating income					
1 Interest income	20	53	32	61.3	63
2 Other	227	140	87	61.8	311
Non-operating expenses					
1 Interest expense	1,149	1,009	139	13.9	1,422
2 Other	394	151	242	159.9	280
Ordinary income	2,603	1,665	937	56.3	4,871
Extraordinary gains					
1 Gain on expired stock option	-	33	33	-	33
2 Other	4	24	19	81.5	32
Extraordinary losses					
1 Loss on disaposal of fixed assets	16	21	4	23.2	26
2 Other	-	21	21	-	30
Income before income taxes and others	2,591	1,681	910	54.1	4,879
Corporate income, residential and enterprise taxes	1,141	257	883	342.8	1,821
Adjustment for income taxes	118	220	102	46.3	62
Minority interests	88	56	32	58.6	57
Net income	1,242	1,146	96	8.4	3,063

**Consolidated Statements of Cash Flows for the Third Quarter ended December 31, 2004**

(¥ million)

	December 31,2004	December 31,2003
Cash flows from operating activities		
Income before income taxes	2,591	1,681
Depreciation and amortization	185	197
Increase in inventories	43,002	9,170
Increase in trade notes and accounts payable	13,373	12,347
Increase in advances paid for purchases	448	379
Increase in advances and deposits receipt	1,313	1,812
Other	5,626	614
Total	58,360	18,061
Interest and dividends received	39	85
Interest paid	995	1,010
Income taxes paid	1,958	1,032
Net cash provided by (used in) operating activities	61,275	20,018
Cash flows from investing activities		
Payments for purchase of marketable securities	3	91
Proceeds from sale of marketable securities	41	278
Proceeds from sale of subsidiaries' stock	-	41
Increase in loan receivable	2,916	43
Others	88	12
Net cash provided by (used in) investing activities	2,967	258
Cash flows from financing activities		
Increase in short-term bank loans	19,354	9,579
Increase in long-term debt	25,667	1,616
Increase in reorganization claims payable	472	365
Proceeds from sale of bond	7,245	3,600
Cash dividend paid	504	446
Other	1,497	744
Net cash provided by (used in) financing activities	49,792	13,239
Effects of exchange rate change on cash and cash equivalents	0	0
Net increase in cash and cash equivalents	14,450	6,519
Effects of consolidation change on cash and cash equivalents	-	152
Cash and cash equivalents at beginning of year	37,525	39,260
Cash and cash equivalents at quarter-end	23,075	32,893