

**FOR IMMEDIATE RELEASE**

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**Joint Corporation to Issue New Shares (Common Shares and Series A Preferred Shares) via Private Placement and Amend its Articles of Incorporation**

**TOKYO, Japan, Sept. 8, 2008**--Joint Corporation announces that its board, at a board of directors meeting on September 8, 2008 (the "Board of Directors Meeting") approved resolutions to the effect that Joint Corporation (the "Company") will enter into an agreement with the OPI2008 Investment Partnership ("OPI2008," comprising Orix Corporation ["Orix"] and Orix Principal Investments Co., Ltd., a wholly owned subsidiary of Orix) to underwrite (the "Share Underwriting Agreement") a private placement of common shares (the "Common Shares") and Series A preferred shares (the "Preferred Shares"; including the Common Shares, collectively the "Shares") and to issue the Shares (the "New Share Issuance") to OPI2008.

Orix will hold a 99.96% stake in OPI2008, while Orix Principal Investments will own the remaining 0.04%.

At the Company's Board of Directors Meeting, the board agreed to place the following two items on agenda for the extraordinary shareholders' meeting scheduled for November 14, 2008 (the "Extraordinary Shareholders' Meeting):

- 1) amendments to the articles of incorporation required for the issuance of the Preferred Shares and to change limit on directors' term of office; and
- 2) the issuance of subscribed shares via private placement in conjunction with the issuance of the Preferred Shares.

The board also agreed to set September 30, 2008, as the date of record for determining which shareholders are entitled to exercise voting rights at the Extraordinary Shareholders' Meeting.

The Share Underwriting Agreement stipulates certain preconditions on the

issuance of the Common Shares, such as the validity of the securities registration statement based on the Financial Instruments and Exchange Act, as well as preconditions on the issuance of the Preferred Shares, such as the approval of the aforementioned items at the Extraordinary Shareholders' Meeting.

In accord with the Share Underwriting Agreement, the appointment of two new directors selected by OPI2008 will also be placed on the agenda for the Extraordinary Shareholders' Meeting. The Company plans to appoint one of those directors as a representative director.

In accord with item 2.(2)(a) of the "Response Measures to Takeover Bids Targeting Joint Corporation (Takeover Defense Measures)" (the "Takeover Defense Plan")--which was approved at the Company's 22<sup>nd</sup> Ordinary General Shareholders' Meeting held on June 21, 2008--the board, at the Board of Directors Meeting, agreed that the underwriting of the Shares by OPI2008 in accord with the Share Underwriting Agreement would not be subject to the Takeover Defense Plan. In accord with the Share Underwriting Agreement, the Company plans to abolish the Takeover Defense Plan at a board meeting before the payment date for the Common Shares. The Company will disclose details immediately it finalizes the representative director changes and the abolishment of the Takeover Defense Plan.

When the Common Shares are issued, OPI2008 and Orix will become related companies of Joint Corporation (or other companies of which Joint Corporation is an affiliated company).

### **Issuance of New Shares (Common Shares and Series A Preferred Shares) via Private Placement**

#### **1. Objectives and Reasons for Offering Shares Issued via Private Placement**

The Group has expanded its activities and grown chiefly through its core businesses of securitization development, condominium development, and other real estate-related businesses. The Joint Group achieved substantial growth by leveraging the development capabilities cultivated in its original core business of condominium development to be the first in the industry to engage in securitization development involving the development of income properties for real estate investors. Beginning with a focus on condominiums,

the scope of development properties has expanded to include rental condominiums, commercial facilities, office buildings, and other properties. Similarly, after starting with a focus on the Tokyo metropolitan area, the Company expanded geographically to cover all of Japan. As it expanded its activities, the Company also focused on maximizing the asset value of its development properties and delivering service that combines the Group's comprehensive capabilities.

However, conditions have cooled in the real estate industry, where the Group operates, due to rising land prices and construction costs as well as other factors including the enforcement of the revised Building Standards Act. Furthermore, the industry has been impacted by the stagnation of funds triggered by the subprime mortgage crisis and financial institutions' increasingly stringent criteria on real estate lending. As a result, conditions facing the industry have changed dramatically, creating uncertainty about the real estate market overall.

Amid this environment, the Company revalued its assets to completely eliminate the market's concern about the risk of additional valuation losses on Company assets resulting from the precipitous worse-than-expected downturn in the real estate market. After this revaluation, it was clear that valuation losses on inventory assets and additional loan loss provisions on operating loans of a financial subsidiary may need to be posted. Consequently, the Company substantially downwardly revised its initial earnings forecasts for the six months ending September 30, 2008, and the full-year ending March 31, 2009. For details, refer to the Company's September 8, 2008 press release titled "Joint Corporation Revises Earnings and Dividend Forecasts for the Fiscal Year Ending March 31, 2009 (Consolidated and Non-consolidated) and Reduces Corporate Officer Compensation."

The Company anticipates a challenging real estate market for the time being. To overcome this situation, it is crucial that the Company augments equity capital so as to shore up its financial position and secure a solid business base, thereby allowing it to flexibly obtain financing to develop new properties. As such, the Company has been examining the prospect of developing business with a creditworthy business partner.

Orix (a partner in OPI2008, with which the Shares will be placed) began

business in 1964 as a pioneer in the leasing industry in Japan. Ever since, Orix has continually pursued new business activities, and provided both corporate and individual clients with innovative financial products and services.

In addition, Orix has been engaged in a wide range of real estate-related businesses, including real estate-related finance with a focus on non-recourse loans; condominium sales; the development and leasing of office buildings and distribution centers; the operation of hotels, golf courses and training centers; and the development and operation of housing for the elderly.

Orix has a wide range of experience and expertise in finance and real estate. Selecting OPI2008, in which Orix is a partner, as the underwriter for the private placement will raise the Company's creditworthiness, allowing it to more easily finance business operations and build a stronger financial base. In addition, the Company will appoint one representative director and one director from Orix to its board of directors, and develop business under Orix's sponsorship. This will enable the Company to expand its business base amid the prevailing difficult environment and maintain a high degree of competitiveness, and it will also help boost the Company's future corporate value.

Orix has positioned this capital participation in the Company as a pure investment comprising part of its principal investment activities, and has no intention of making the Company a subsidiary through the New Share Issuance. Because OPI2008 proposed to the Company an investment comprised of common shares and preferred shares, and considering the Company's financial status, the business environment and other factors, it was decided that the New Share Issuance would not be limited to common shares but constitute a capital raising via private placement involving the issuance of both common shares and Series A preferred shares.

## 2. Amount and Use of Proceeds

### (1) Proceeds to be Raised (approximate net proceeds)

#### Common Shares

Total Proceeds	3,999 million yen
Approximate issuance fees	18 million yen
Approximate net proceeds	3,981 million yen

#### Preferred Shares

Total Proceeds	6,000 million yen
Approximate issuance fees	22 million yen
Approximate net proceeds	5,978 million yen

### (2) Details on Use of Proceeds

#### Common Shares

The approximate net proceeds of 3,981 million yen noted above will be applied to operating funds (development and construction costs related to condominiums for sale in the securitization development business and the condominium sales business, as well as development and construction costs for commercial facilities to be sold as income-generating properties and office buildings, funds for purchasing real estate for sale, and funds for investments in real estate for sales).

The proceeds from the issuance of Common Shares will be paid into the Company's bank account on the payment date of September 26, 2008, and the entire amount will be available for the above business activities at any point in time from that date onward. During the period before the Company uses the approximate net proceeds from the Common Shares for the above business activities, the proceeds will remain in the Company's bank account and will not be used temporarily for any other use.

#### Preferred Shares

The approximate net proceeds of 5,978 million yen noted above will be applied to operating funds (development and construction costs related to condominiums for sale in the securitization development business and the condominium sales business, as well as development and construction costs for commercial facilities to be sold as income-generating properties and office buildings, funds for purchasing real estate for sales, and funds for investments in real estate for sale).

The proceeds from the issuance of Preferred Shares will be paid into the Company's bank account on the payment date of November 17, 2008, and the entire amount will be available for the above business activities at any point in time from that date onward. During the period before the Company uses the approximate net proceeds from the Preferred Shares for the above business activities, the proceeds will remain in the Company's bank account and will not be used temporarily for any other use.

### (3) Period During Which the Company Plans to Use the Proceeds

#### Common Shares

September 2008 onward

#### Preferred Shares

November 2008 onward

### (4) Rationale for Use of Proceeds

Because financial institutions' are applying increasingly stringent criteria to real estate-related financing, as mentioned above, the Company determined that raising capital through this Issuance of New Shares via private placement is a reasonable means of raising money to quickly acquire and develop new properties.

## 3. Business Performance and Equity Finance over the Last Three Years

### (1) Performance of the Last Three Years (Consolidated) (in millions of yen, except per share data)

	Year ended March 31,		
	2006	2007	2008
Net sales	136,720	168,526	187,785
Operating income	16,072	24,043	27,555
Ordinary income	13,009	20,641	23,060
Net income	11,928	12,934	9,112
Net income per share (yen)	294.86	295.70	210.60
Dividend per share (yen)	25.00	27.50	30.00
Net assets per share (yen)	1,408.92	1,687.41	1,813.39

(2) Current Number of Shares Issued and Potential Shares  
(as of August 31, 2008)

	Number of shares	As a percent of shares issued
Shares issued	43,879,000	100.00%
Number of potential shares at conversion price (strike price) as of September 8, 2008	1,824,212	4.16%
Number of potential shares at floor conversion price (strike price)	-	-%
Number of potential shares at cap conversion price (strike price)	-	-%

\* Due to the issuance of the Shares, the conversion price of the Yen-dominated Convertible Bond-Type Bonds with Stock Acquisition Rights Due 2012 will be adjusted, and the number of potential shares will be increased. For details, please refer to the Company's September 8, 2008 press release titled "Adjustment of Conversion Price on Joint Corporation Bonds."

(3) Recent Share-price Performance

1) Price of the Company's Shares over the Last Three Fiscal Years (yen)

	Year ended March 31,		
	2006	2007	2008
Open	2,640	3,850	4,470
High	8,770 *4,590	5,100	4,580
Low	2,535 *2,805	2,460	603
Close	3,760	4,480	643

\* Ex-rights stock price after stock split.

2) Price of the Company's Shares over the Last Six Months (yen)

	March	April	May	June	July	August
Open	1,350	680	829	819	523	330
High	1,350	836	1,086	838	591	363
Low	603	568	756	503	350	185
Close	643	782	810	532	350	194

3) Share Price prior to Date of Resolution at Board Meeting

(in yen)

	September 5, 2008
Open	121
High	155
Low	116
Close	141

#### (4) Current Equity Finance

##### Private Placement of New Shares (Common Shares)

Payment date	September 26, 2008 (scheduled)
Proceeds	3,981,986,700 yen (approximate net proceeds) (issue price: 141 yen)
Number of shares at offering	43,879,000 shares (August 31, 2008)
Number of shares to be offered	28,368,700 shares
Total number of shares after offering	72,247,700 shares
Placed with	OPI2008

##### Private Placement of Preferred Shares (Series A preferred shares)

Payment date	November 17, 2008 (scheduled)
Proceeds	5,978,000,000 yen (approximate net proceeds) (issue price: 5,000 yen)
Number of shares at offering	-
Number of shares to be offered	Series A preferred shares: 1,200,000 shares
Total number of shares after offering	Common shares: 72,247,700 shares Series A preferred shares: 1,200,000 shares
Number of shares after exercise of the conversion rights	At initial conversion price: 114,800,891 common shares At floor conversion price: 125,439,189 common shares
Placed with	OPI2008

\* The Preferred Shares carry conversion rights (the request to demand that the Company repurchase the Preferred Shares in exchange for common shares) and are subject to a repurchase clause. The initial conversion price for the conversion rights is 141 yen. If the conversion rights are exercised at the initial conversion price, a total of 42,553,191 common shares will be issued, which accounts for 37.07% of the total number of issued shares of common stock after the exercise of the conversion rights at the initial conversion price, and 58.90% of the total number of issued shares of common stock after the Issuance of New Shares. The conversion price will be marked to market on April 1 of each year, starting 2009 and ending 2018, subject to a conversion price ceiling of 100% of the initial conversion price and a conversion price floor of 80% of the initial conversion price. If the conversion rights are exercised at the conversion price floor, a total of 53,191,489 common shares will be issued, which accounts for 42.40% of the total number of issued shares of common stock after the exercise of the conversion rights at the conversion price floor, and 73.62% of the total number of issued shares of common stock after the Issuance of New Shares.

## (5) Equity Finance over the Last Three Years

### Capital Raising via Public Offering

Payment date	October 25, 2005
Proceeds	13,645,500,000 yen (approximate net proceeds) (issue price: 5,458.20 yen)
Number of shares at offering	18,956,200 shares
Number of shares to be offered	2,500,000 shares
Initial use of proceeds	Operating funds (funds for purchasing real estate for sale and funds for investments in real estate for sales, etc.)
Period for use of proceeds	October 2005 to March 2006
Current application of proceeds	Applied to funds for purchasing real estate for sale and funds for investments in real estate for sales, etc.

### Capital Increase via Private Placement

Payment date	November 4, 2005
Proceeds	2,456,190,000 yen (approximate net proceeds) (issue price: 5,458.20 yen)
Number of shares at offering	21,456,200 shares
Number of shares to be offered	450,000 shares
Allotted to	Mizuho Securities Co., Ltd.
Initial use of proceeds	Operating funds (for purchasing real estate for sale and for investment in real estate for sale, etc.)
Period for use of proceeds	November 2005 to March 2006
Current application of proceeds	Funds for purchasing real estate for sale and for investment in real estate for sale, etc.

### Issuance of Yen-dominated Convertible Bond-Type Bonds with Stock Acquisition Rights Due 2012

Payment date	January 29, 2007
Proceeds	10,935,000,000 yen (approximate net proceeds)
Number of shares at offering	43,812,400 shares
Number of potential shares at issuance	Number of potential shares based on the initial conversion price (6,030 yen): 1,824,212 shares
Conversion (exercise) status as of September 8, 2009	Number of converted shares: 0 shares
Initial use of proceeds	Funds for purchasing real estate for sale
Period for use of proceeds	January 2007 to March 2007
Current application of proceeds	Funds for purchasing real estate for sale

\* Due to the issuance of the Shares, the conversion price of the Yen-dominated Convertible Bond-Type Bonds with Stock Acquisition Rights Due 2012 will be adjusted, and the number of potential shares will be increased. For details, please refer to the Company's September 8, 2008 press release titled "Adjustment of Conversion Price on Joint Corporation Bonds."

#### 4. Major Shareholders and Their Percent Holdings

Before the offering (as of March 31, 2008)		After the offering	
Joint Living Service	25.05%	OPI2008 Toshi Jigyo Kumiai (investment partnership)	39.27%
Yoshinobu Shoji	9.75%	Joint Living Service	15.21%
Japan Trustee Services Bank, Ltd. (trust account)	5.68%	Yoshinobu Shoji	5.92%
Morgan Stanley & Co. Incorporated (Standing proxy: Morgan Stanley Japan Securities Co., Ltd.)	5.04%	Japan Trustee Services Bank, Ltd. (trust account)	3.45%
The Master Trust Bank of Japan, Ltd. (trust account)	4.73%	Morgan Stanley & Co. Incorporated (Standing proxy: Morgan Stanley Japan Securities Co., Ltd.)	3.06%
Joint Corporation	2.28%	The Master Trust Bank of Japan, Ltd. (trust account)	2.87%
Bank of New York GCM Client Account JPRD ISG FE-AC (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2.03%	Joint Corporation	1.39%
Deutsche Bank AG London 610 (Standing proxy: Deutsche Securities Inc.)	1.42%	Bank of New York GCM Client Account JPRD ISG FE-AC (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.23%
The Chase Manhattan Bank GTS Clients Account Escrow (Standing proxy: Mizuho Corporate Bank, Ltd.)	1.24%	Deutsche Bank AG London 610 (Standing proxy: Deutsche Securities Inc.)	0.86%
State Street Bank AND Trust Company (Standing proxy: Mizuho Corporate Bank, Ltd.)	1.23%	The Chase Manhattan Bank GTS Clients Account Escrow (Standing proxy: Mizuho Corporate Bank, Ltd.)	0.75%

\* With the exception of OPI2008, the major shareholders and their projected percent holdings after the offering have been calculated based on the number of shares held prior to the offering (as of March 31, 2008).

\* OPI2008 plans to acquire Preferred Shares (1,200,000 shares) in addition to the Common Shares. The Preferred Shares carry conversion rights (the request to demand that the Company repurchase the Preferred Shares in exchange for common shares) and are subject to a repurchase clause. The initial conversion price for the conversion rights is 141 yen. If the conversion rights are exercised at the initial conversion price, a total of 42,553,191 common shares will be issued, which accounts for 37.07% of the total number of issued shares of common stock after the exercise of the conversion rights at the initial conversion price, and 58.90% of the total number of issued shares of common stock after the Issuance of New Shares. The conversion price will be marked to market on April 1 of each year, starting 2009 and ending 2018,

subject to a conversion price ceiling of 100% of the initial conversion price and a conversion price floor of 80% of the initial conversion price. If the conversion rights are exercised at the conversion price floor, a total of 53,191,489 common shares will be issued, which accounts for 42.40% of the total number of issued shares of common stock after the exercise of the conversion rights at the conversion price floor, and 73.62% of the total number of issued shares of common stock after the Issuance of New Shares.

## 5. Expected Impact on the Company's Earnings

The New Share Issuance will enable the Company to strengthen its financial position and maintain a stable business base. Further, as mentioned above, the Company plans to grow earnings by working on business activities that leverage Orix as a sponsor. As one example of this, the Company is examining the prospect of joint real estate-investment activities with Orix Real Estate Corporation, a subsidiary of Orix. Both parties intend to discuss and negotiate the details going forward.

For details of revisions to the Company's earnings forecasts due to the recognition of valuation losses on inventory assets and additional loan loss reserves for operating loans of a financial subsidiary, refer to the Company's September 8, 2008 press release titled "Joint Corporation Revises Earnings and Dividend Forecasts for the Fiscal Year Ending March 31, 2009 (Consolidated and Non-consolidated) and Reduces Corporate Officer Compensation."

## 6. Reasonableness of Issuance Terms and Other Items

### (1) Basis for Calculation of the Issue Price

The issue price for the Common Shares issued via the private placement is 141 yen per share.

The issue price for the Common Shares was set at 141 yen per share, which is equal to the closing price of the Company's common shares on the Tokyo Stock Exchange on September 5, 2008, the business day immediately prior to the day on which the resolution was passed by the Company's board of directors.

The issue price for the Preferred Shares issued via this private placement is 5,000 yen per share. The Company received a proposal from OPI2008 for an investment comprised of common shares and preferred shares, and after careful discussion and consideration, the Company's Board of Directors

approved the proposal because it believes that the terms of the Preferred Shares are appropriate in light of the Company's financial situation, the business environment, and the fact that the potential dilution of equity has been taken into account by, for example, setting the initial conversion price for the conversion options (141 yen) to a price equal to the closing price on the business day immediately prior to the day the resolution was passed by the Board of Directors and allowing the conversion price to be adjusted once each year. However, calculating the fair price of the Preferred Shares is a highly sophisticated and complex process because the Preferred Shares carry conversion options over the Company's common stock and are subject to a clause about accumulated dividends. Because of this complexity, the Company determined that there was the possibility of the offering price being deemed *particularly favorable* (as defined by the Companies Act), and therefore decided that the issuance of the Preferred Shares would be subject to the approval of a special resolution at the Extraordinary Shareholders' Meeting.

(2) Basis for Decision that the Number of Shares to be Issued and the Amount of Equity Dilution is Appropriate

The private placement will involve the issuance of 28,368,700 Common Shares, representing 64.65% of the total number of issued shares of common stock prior to the New Share Issuance (39.27% of the total number of issued shares of common stock after the New Share Issuance). In addition, the Preferred Shares issued to OPI2008 carry conversion options over the Company's common shares and are subject to a repurchase clause. If the attached conversion options are exercised, OPI2008 will be able to acquire a maximum of 81,560,189 common shares (185.88% of the total number of issued shares of common stock before the New Share Issuance) when combined with the Common Shares.

The New Share Issuance will dilute the Company's equity, but as discussed above, it will also bolster the Company's financial condition, and the Company believes that developing business sponsored by Orix, which is engaged in a wide range of real estate-related businesses, from real estate development and sales to real estate finance, will help boost the Company's future corporate value. Consequently, the Company decided that the private placement of shares makes economic sense for the Company's existing

shareholders.

## 7. Reasons for Selecting OPI2008

### (1) Overview of OPI2008 (as of August 2008)

1. Name	OPI2008 Toshi Jigyo Kumiai (Investment partnership)	
2. Basis of establishment	Partnership based on partnership agreement stipulated in the Japanese Civil Code	
3) Location	2-4-1 Hamamatsu-cho, Minato-ku, Tokyo	
4. General partner	Orix Principal Investments	
5. Partners	Orix Corporation Orix Principal Investments	
6. Total amount of investment	50,000 million yen	
7. Relationships between Joint Corporation and investors	Capital relations between Joint Corporation (incl. its directors, affiliates of directors, and major shareholders) and investors	N/A
	Relationship between Joint Corporation and the general partner	N/A

\* Orix Principal Investments is a wholly owned subsidiary of Orix.

### (2) Reason for Selecting OPI2008

Orix is engaged in a wide range of real estate-related businesses and is a powerful player in the industry. The Company believes that raising capital through the private placement to OPI2008, in which Orix is a partner, will shore up its financial condition, and that developing business sponsored by Orix--which is engaged in a wide range of real estate-related businesses, from real estate development and sales to real estate finance--will help boost the Company's future corporate value. In light of these factors, the New Share Issuance via private placement to OPI2008 was approved at the Board of Directors Meeting. Further, in conjunction with the issuance of Common Shares, the Company is scheduled to become an equity-method affiliate of Orix, a partner in OPI2008.

### (3) OPI2008's Policy for Holding Shares

There are no agreements in place between the Company and the private placement recipient regarding the ongoing holding and/or deposit of the new shares placed.

In accord with Article 429, Paragraph 1, of the Tokyo Stock Exchange's Enforcement Rules for its Security Listing Regulations, OPI2008 has

provided the Company with an assurance that, if it sells or transfers the Common Shares within 2 years of the issue date of the Common Shares, or sells or transfers the Preferred Shares within 2 years of the issue date of the Preferred Shares, or sells or transfers common shares acquired by exercising conversion options attached to the Preferred Shares, it will report the details of such activity to the Company.

#### 8. Schedule for New Share Issuance

September 8, 2008 (Monday)	Board of Directors Meeting resolution on the New Share Issuance Submission of securities registration statement for the Common Shares Submission of Extraordinary Report on the Preferred Shares
September 26, 2008 (Friday)	Date of subscription and payment for the Common Shares (planned)
September 30, 2008 (Tuesday)	Date of record for Extraordinary Shareholders' Meeting (planned)
November 14, 2008 (Friday)	Extraordinary Shareholders' Meeting (planned)
November 17, 2008 (Monday)	Date of subscription and payment for the Preferred Shares (planned)