



JOINT CORPORATION

株式会社 ジョイント・コーポレーション

**Operating Results and Business Overview for the Six Months
Ended September 30, 2008**

November 21, 2008

Security Code: 8874

Tokyo Stock Exchange, First Section

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I. Operating Results and Business Overview for the Six Months Ended September 30, 2008

Drastic changes in the real estate market

- » Escalating construction and land costs
- » Adverse market conditions for condominiums
- » Enforcement of the New Building Standards Law
- » Subprime mortgage crisis
- » Changes in the lending policies at the financial institutions
- » Enforcement of the Financial Instruments and Exchange Law
- » Fewer real estate investors and operators in the securitization business

**Escalation of the
global financial crisis**

**Further stagnation
in the real estate
market**

■ Right-sizing the balance sheet

- » Prioritize reduction of inventory and interest-bearing liabilities following basic principles of maintaining a healthy balance sheet

■ Group restructuring

- » Establish a business structure that improves productivity and profitability

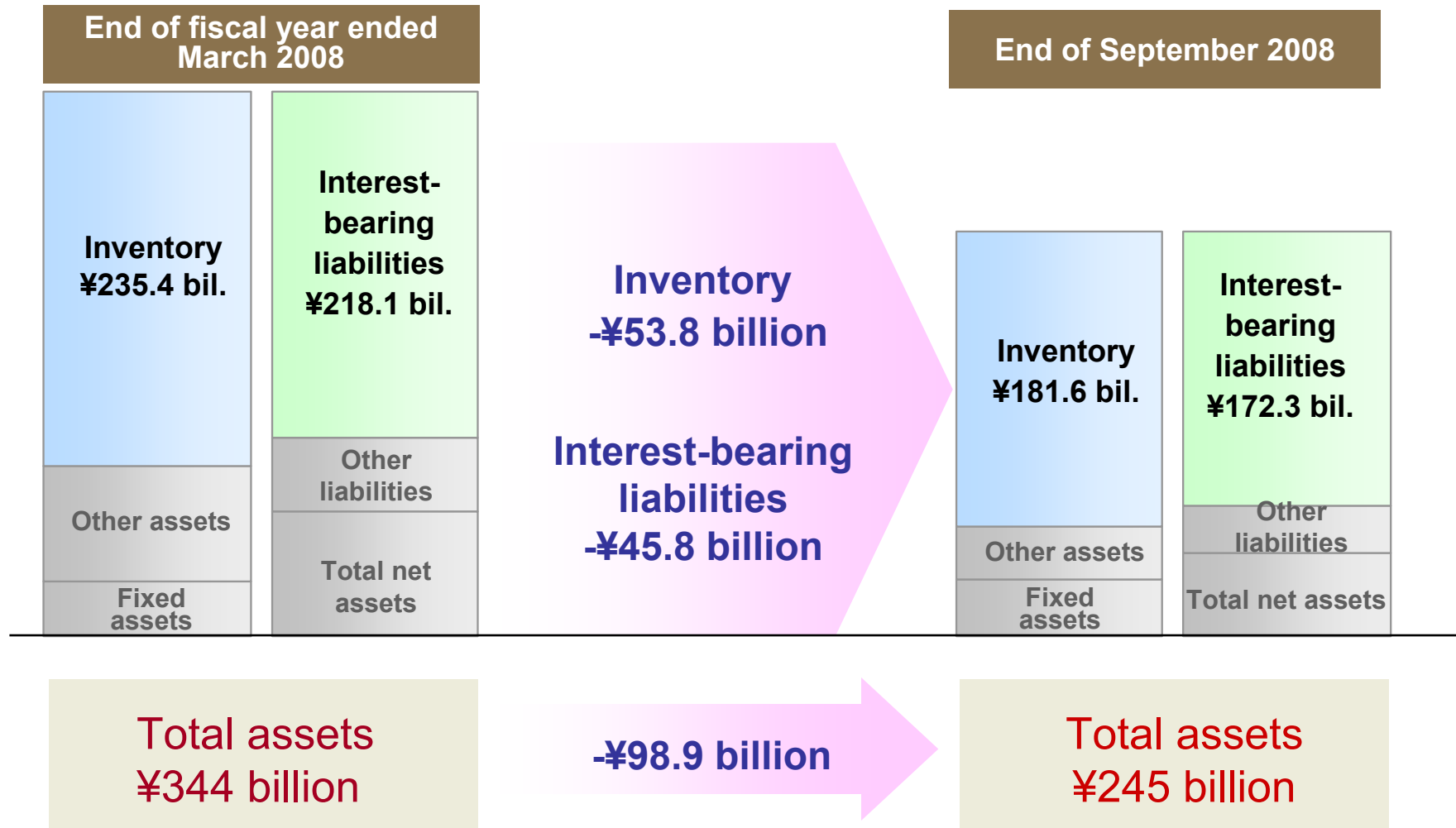
■ ORIX Group's investment in Joint Corporation

- » Credit support stemming from investment and an ongoing relationship with financial institutions due to investment
- » Investigate possible joint real estate investment business

■ Unrealized losses

- » Declare appropriate write-downs reflecting further stagnation of the real estate market in the second quarter (April - September)

Prioritize reduction of inventory and interest-bearing liabilities following basic principles of maintaining a healthy balance sheet



Establish a business structure that improves productivity and profitability

Business consolidation and integration

■ Create group synergy

(Increase productivity by sharing business and management know-how)

- » Consolidate condominium sales businesses into Joint Residential Fudosan
- » Consolidate administrative and development-related businesses* into company headquarters

*Development-related businesses: purchasing, product planning, etc.

■ Reduce general and administrative expenses

- » Year-on-year change: decrease of approximately 7%

* Eliminate one-off factors such as reserves for credit losses and specific factors such as account changes

* Fiscal year goal: Reduce general administrative expenses by 5 to 10%

Reference data: Change in the number of employees (consolidated)

End of March 2007	End of March 2008	End of Sept. 2008*
947	916	871

*Based on periodic securities report

Third-party share allocation

Underwriter

ORIX Group

Underwriting amount

Approximately ¥10.0 billion (both common and preferred stock)

Line of credit

Maximum limit

¥20.0 billion

Purpose of funds

Business operations

Real estate joint investment business

Investigate possible real estate joint investment business with ORIX Real Estate Corporation

Other

Personnel deployment

Director 1

Adjunct Director 1

Others 5

Total 7 (as of November 21, 2008)

Establish a solid financial and stable management base

Flexible financing that makes new property
development possible

Real estate joint investment business



Establish a flexible system that enables the next
leap forward

Declare appropriate write-downs reflecting the further stagnation of the real estate market in the second quarter (April - September)

March 31, 2008

Inventory write-downs

¥11.4 billion

Second quarter of the fiscal year ending March 2009

Revision of forecast
on September 8, 2008

Earnings announced
on November 13, 2008

Inventory write-downs

¥18.8 billion → ¥23.7 billion

Allowance for bad debts*

¥3.5 million → ¥4.2 billion

*Allowance for bad debts from loan businesses of financial subsidiaries specializing in real estate

Unrealized losses of ¥39.5 billion

Downward revision

(million yen)

	Net sales	Operating income	Ordinary income	Net income
Initial forecast (A)	59,800	4,600	2,500	1,500
Revised forecast	68,200	-24,200	-26,000	-28,500
Actual (B)	70,422	-29,648	-32,075	-40,432
Change (B-A)	10,622	-34,248	-34,575	-41,932
% change	17.8	-	-	-

Factors

- » The deterioration of real estate market conditions are reflected in inventory figures.**
 - Inventory write-downs: ¥23.7 billion
 - Doubtful debts from loan businesses of financial subsidiaries specializing in real estate: ¥4.2 billion
- » Declining profits due to bad sales performance from securitization properties, etc.**
- » Adjustment for income tax, etc.: ¥5.8 billion**

Consolidated income statements

(million yen)

	2008/3 4/1/2007-9/30/2007	2009/3 4/1/2008-9/30/2008	% Change
Net sales	87,374	70,422	-19.4%
Cost of sales	62,726	87,646	39.7%
Gross income (Gross income margin)	24,647 (28.2%)	-17,223 (-)	—
Selling, general and administrative (SG & A)	8,222	12,424	51.1%
Operating income (Operating margin)	16,425 (18.8%)	-29,648 (-)	—
Ordinary income (Ordinary margin)	14,357 (16.4%)	-32,075 (-)	—
Extraordinary gain/loss, net	-5	-1,569	—
Net income before tax	14,352	-33,644	—
Net Income (Net margin)	8,331 (9.5%)	-40,432 (-)	—

POINT

» Write-down of inventory: ¥23.7 bil.

POINT

» Decline of sales and profitability in securitization development business

POINT

» Allowances for bad debts, etc.: ¥4.6 bil.
(one-off factor)

POINT

» Loss from reduction of value of securities:
¥1.6 bil. (Joint Reit Investment Corporation)

POINT

» Adjustment for income tax, etc.: ¥5.8 bil.

Downward revision of earnings forecast

(million yen)

	Net sales		Operating income		Operating Margin	
		Y o Y change		Y o Y change		Y o Y change
Securitization development	19,142	48,706 (-60.7%)	-18,923	13,488 (-)	-98.9%	27.7% (-)
Condominium development	43,221	31,009 (39.4%)	-6,962	2,370 (-)	-16.1%	7.6% (-)
Real estate-related businesses	8,513	8,446 (0.8%)	-3,298	1,118 (-)	-38.7%	13.2% (-)
Segment adjustments	-453	-787 (-)	-464	-550 (-)	—	—
Total	70,422	87,374 (-19.4%)	-29,648	16,425 (-)	-42.1%	18.8% (-)

POINT

» Write-down of inventory

POINT

» Sales of large properties

» Write-down of inventory

POINT

» Allowances for bad debts

<Reference Data>

» Completed inventory:
168 units + 11 units (completed properties acquired)
(Previous year: 224)

» Contracted properties*:
As of September 30, 2008
59% (delivery estimate for Mar. 2009:
¥54.3 bil. or 1,526 units)
As of September 30, 2007
67% (delivery estimate for Mar. 2008: ¥46
bil. or 1,251 units)

*Delivery and contract status in comparison with forecasts

Consolidated balance sheet

(million yen)

	Note: FY 2008/3 September 30		FY 2008/3 March 31		FY 2009/3 September 30		Change
	Amount	Share	Amount	Share	Amount	Share	
Cash and deposits	36,843		40,755		10,169		-30,585
Inventory	239,725	75.1%	235,461	68.4%	181,605	74.1%	-53,856
Other current assets	30,322		32,870		18,458		-14,411
Fixed assets	12,192		34,946		34,819		-126
Total assets	319,083	100.0%	344,033	100.0%	245,053	100.0%	
Interest-bearing liabilities	210,964	66.1%	218,191	63.4%	172,304	70.3%	-45,886
Other liabilities	29,022		46,779		29,916		-16,863
Total liabilities	229,987	75.2%	264,971	77.0%	202,220	82.5%	-62,750
Shareholders' equity	78,498	24.6%	78,638	22.9%	41,567	17.0%	-37,070
Other	598		424		1,264		840
Total net assets	79,096	24.8%	79,062	23.0%	42,832	17.5%	
Total liabilities and net assets	319,083	100.0%	344,033	100.0%	245,053	100.0%	

POINT

» Property sales prioritized and new purchases held back

POINT

» Decrease in Joint Finance business loans
 » Allowance for bad debts

POINT

» Repayment of loans

POINT

» Decrease in building expenses related notes and accounts payable



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II. Forecast for the Fiscal Year Ending March 2009

Consolidated Earnings Forecast

(million yen)

	March 2008	March 2009				
	Actual	Initial forecast	Revised forecast	Revised forecast	Change from initial forecast	
		5/19/2008	9/8/2008	11/13/2008	(million yen)	%
Net sales	187,785	172,900	145,500	129,800	-43,100	-24.9
Operating income	27,555	13,900	-23,600	-28,500	-42,400	-305.0
Ordinary income	23,060	10,000	-27,500	-32,800	-42,800	-428.0
Net income	9,112	5,800	-32,000	-40,800*	-46,600	-803.4

Note

*Adjustment for income tax, etc.: ¥5.6 billion

Sales and Earnings Forecast by Segment

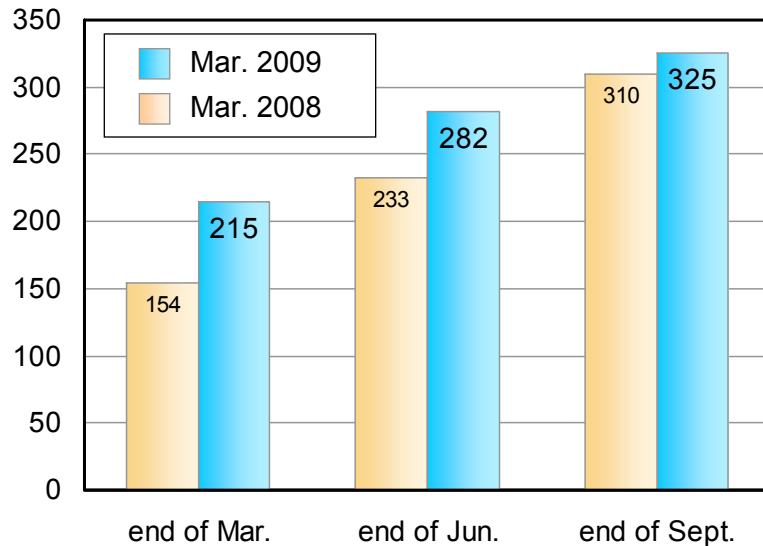
(million yen)

	2008/3 (actual)				2009/3 (forecast)			
	Net sales	Share	Operating income	%	Net sales	Share	Operating income	%
Securitization development	116,149	61.5	23,293	20.1	30,900	23.7	-17,100	—
Condominium development	55,724	29.5	3,128	5.6	82,300	63.0	-8,200	—
Real estate-related businesses	17,132	9.1	2,293	13.4	17,400	13.3	-1,900	—
Sub total	189,007	100.0	28,716	—	130,600	100.0	-27,200	—
Segment adjustments	-1,221	—	-1,160	—	-800	—	-1,300	—
Total	187,785	—	27,555	14.7	129,800	—	-28,500	—

Condominium delivery and contract information*

*Delivery and contract status in comparison with forecast (value basis)
Excludes contracts for the next fiscal year

(hundred million yen)



Delivery Estimate for
Mar. 2009

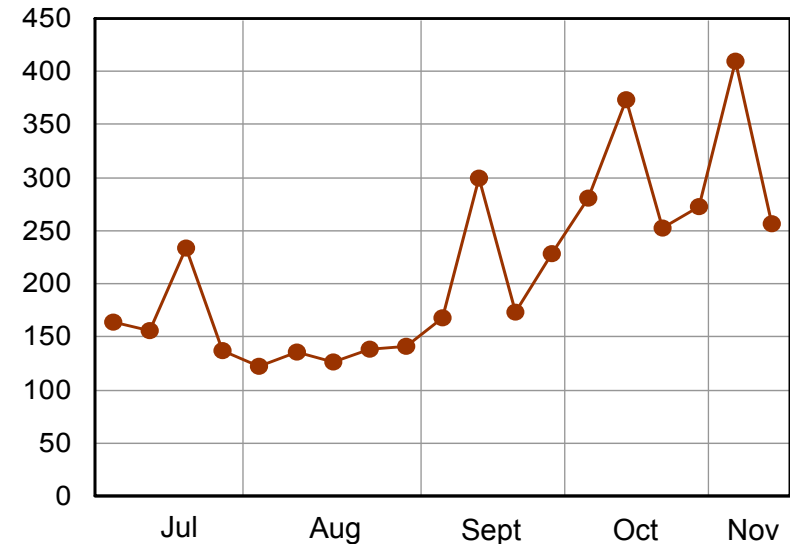
¥54.3 bil.
1,526 units

Delivery Results for
Mar. 2008

¥41 bil.
1,133 units

Number of visitors to Joint showrooms

Visitors



Jul-Sept (monthly avg.)

736

October

1,235



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III. Business Strategy

Respond to drastic changes in the real estate market and fundamentally review business strategy and organizational structure to quickly revitalize businesses

Business strategy and organizational restructuring are urgent issues

Policy 1

Revise the business strategy

Policy 2

Enhance funding

Policy 3

Improve corporate governance

**Improve the
business model**

**Enforce flexible
business financing and
secure liquidity**

**Improve transparency
in the decision making
process**

■ Right-size assets to optimal levels

- » Enhance condominium sales
- » Review securitization development business projects

■ Withdraw from unprofitable businesses

- » Consolidate businesses and emphasize profitability
- » Improve human productivity and cost-cutting

■ Acquire properties with short turnover periods

- » Utilize property information and purchasing know-how and focus on acquiring completed properties

■ Specialize in advantageous business fields and locations

Field

Shift focus to the condominium business (Focus on potential demand in Tokyo and its surrounding areas)

Locations

Condominium business

Focus strictly on the 23 wards of Tokyo and Kanagawa Pref.

Securitization business

Focus on properties in six Tokyo wards (Minato, Chuo, Chiyoda, Shinagawa, Shinjuku and Shibuya)
Sales of 2-10 billion yen per project

■ Joint real estate investment business with ORIX Group

Improve business model

ORIX Credit Line

Credit Line **¥20.0 billion**

Purpose Flexible property acquisition, strengthen development

Enhance relationship with financial institutions

» Acquire necessary operating funds

**Enforce flexible business finance and
secure liquidity**

■ Clarify roles of top management and operating officers

» Overhaul board of directors

Appoint three external board members

Strengthens decision making abilities and allows the board to better supervise business and affairs

» Reduce term of board members from two years to one year

Clarifies management responsibility and improves flexibility in decision making

» Increase responsibility of the operating officers

■ Strengthen business risk management system

» Strengthen organizational checks system

Risk management via business process monitoring (financing, purchasing, planning and development, marketing)

» Strategy revisions

Respond to changes in the business environment and revise policies



Improve transparency in decision making process

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- These materials were prepared for the purpose of presenting operating results for the second quarter of the fiscal year ending March 2009 and the company's future business strategy. This presentation is not a solicitation to purchase any securities issued by the company.
- Information in this material is current as of September 30, 2008.
- Opinions, plans, estimates and other forward-looking statements are based on the management's judgments as of November 21, 2008 and do not guarantee or promise regarding future results. The company makes no guarantees or promises that this information is accurate or complete.
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