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JOINT CORPORATION ANNOUNCES 2007 FIRST QUARTER RESULTS

Tokyo, Japan – [July 30, 2007] – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the first fiscal quarter ended June 30, 2007. The results are unaudited and prepared in accordance with Japanese GAAP.

Consolidated Financial Highlights for the First Quarter ended June 30, 2007

(¥ million, except EPS)	June 30, 2007	June 30, 2006	Y o Y change (%)
Revenue	37,603	34,650	8.5
Operating income	6,001	4,956	21.1
Ordinary income	5,151	4,492	14.7
Net income	3,004	2,741	9.6
EPS	68.52	62.83	9.1

Consolidated Financial Position

(¥ million)	June 30, 2007	June 30, 2006
Total assets	300,163	227,172
Shareholders' equity	77,091	64,825
Shareholders' equity ratio (%)	25.4	28.1
Shareholders' equity per share (¥)	1,736.19	1,485.47

Consolidated Cash Flows Position

(¥ million)	June 30, 2007	June 30, 2006
Cash flows from operating activities	▲ 21,222	▲ 29,529
Cash flows from investing activities	▲ 2,727	▲ 1,092
Cash flows from financing activities	17,160	18,704
Cash and cash equivalents	32,184	20,132

This document is a brief summary of financial statement (“tanshin”) for reference.

If there is any difference between the contents of this document and those of “tanshin”, “tanshin” will always prevail over this document.

Financial Results by Segment

(¥ million)	Revenue	Share (%)
Securitization Development	15,321	40.7
Condominium Development	18,336	48.8
Leasing	2,101	5.6
Property Management	997	2.7
Other	846	2.2

Financial Forecasts for Year ending March 31, 2008

(¥ million except EPS)	
Revenue	199,300
Operating income	28,700
Ordinary income	23,500
Net income	13,500
EPS	307.90

[Qualitative information on consolidated operating performance]

The revenue for the first three months of fiscal year ending March 31, 2008, 37,603 million yen, amounts to 18.9% of full year forecast, 199,300 million yen. Our business has performed according to our plan.

About Joint

Joint Corporation (“Joint”) has three businesses; Securitization development, Condominium development and Real estate related business (combining “leasing”, “property management” and “other”). Founded in 1986, Joint has provided over 15,000 units of condominiums by focusing on central and southern area of Tokyo. Since 2001, Joint has started to develop and sell residential, commercial and other 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, 2007

(¥ million, %)

	June 30, 2007	June 30, 2006	Y o Y change		(Reference) March 31, 2007
				%	
(Assets)					
I Current assets					
1 Cash and time deposits	32,322	20,843	11,478	55.1	39,107
2 Trade accounts receivable	1,254	1,185	69	5.8	1,552
3 Inventories	228,719	178,024	50,695	28.5	216,276
4 Other current assets	24,599	15,095	9,503	63.0	21,599
Allowance for doubtful accounts	▲ 122	▲ 44	▲ 78	-	▲ 115
Total current assets	286,772	215,104	71,668	33.3	278,421
II Fixed assets					
1 Tangible fixed assets	5,065	4,676	389	8.3	5,113
2 Intangible fixed assets	421	508	▲ 86	▲ 17.0	361
3 Investments and other assets	8,043	7,043	1,000	14.2	8,071
Allowance for doubtful accounts	▲ 140	▲ 160	19	-	▲ 150
Total fixed assets	13,390	12,067	1,322	11.0	13,396
Total assets	300,163	227,172	72,990	32.1	291,817

(Liabilities)					
I Current liabilities					
1 Trade accounts payable	13,688	12,288	1,399	11.4	18,240
2 Short-term bank loans	90,901	63,911	26,990	42.2	80,468
3 Bond due within one year	11,530	8,225	3,305	40.2	11,530
4 Commercial paper	10,000	4,700	5,300	112.8	10,000
5 Advances and deposits received	3,722	4,281	▲ 558	▲ 13.0	5,349
6 Other current liabilities	8,003	5,746	2,256	39.3	13,153
Total current liabilities	137,846	99,153	38,693	39.0	138,743
II Long-term liabilities					
1 Bonds	2,510	9,567	▲ 7,057	▲ 73.8	2,510
2 Convertible bonds	11,000	-	11,000	-	11,000
3 Long-term debt	65,525	45,168	20,356	45.1	58,174
4 Other long-term liabilities	6,189	8,456	▲ 2,266	▲ 26.8	6,510
Total long-term liabilities	85,225	63,193	22,032	34.9	78,195
Total liabilities	223,071	162,346	60,725	37.4	216,938

(Net assets)					
I Shareholders' equity					
1 Common stock	15,827	15,800	27	0.2	15,821
2 Capital surplus	15,814	15,692	121	0.8	15,808
3 Retained earnings	44,326	32,315	12,011	37.2	41,973
4 Treasury stock	▲ 1	▲ 97	96	-	▲ 1
Total shareholders' equity	75,966	63,710	12,255	19.2	73,601
II Unrealised gains					
1 Net unrealized gains on other securities	185	32	153	472.2	394
2 Unrealized gains on hedging contract	▲ 5	▲ 14	9	-	▲ 11
Total unrealized gains	180	17	162	925.8	383
III Minority interests in consolidated subsidiaries	944	1,097	▲ 152	▲ 13.9	893
Total net assets	77,091	64,825	12,265	18.9	74,879
Total liabilities and net assets	300,163	227,172	72,990	32.1	291,817

Consolidated Statements of Income for the First Quarter ended June 30, 2007

(¥ million, %)

	June 30, 2007	June 30, 2006	Y o Y change		(Reference) March 31, 2007
				%	
I Net sales	37,603	34,650	2,953	8.5	168,526
II Cost of sales	27,249	25,200	2,049	8.1	127,063
Gross income	10,354	9,449	904	9.6	41,463
III Selling, general and administrative expenses	4,352	4,493	▲ 140	▲ 3.1	17,419
Operating income	6,001	4,956	1,045	21.1	24,043
IV Non-operating income					
1 Interest income	26	19	6	33.5	88
2 Dividend income	75	108	▲ 33	▲ 31.0	175
3 Other	73	76	▲ 3	▲ 4.2	302
V Non-operating expenses					
1 Interest expense	723	424	298	70.2	2,470
2 Other	301	244	56	23.3	1,498
Ordinary income	5,151	4,492	659	14.7	20,641
VI Extraordinary gains					
1 Gain on disposal of fixed assets	-	25	▲ 25	-	28
2 Gain on sale of business	-	-	-	-	2,028
3 Other	2	-	2	-	29
VII Extraordinary losses					
1 Loss on disposal of fixed assets	10	10	▲ 0	▲ 3.4	22
Income before income taxes and others	5,144	4,506	637	14.1	22,704
Corporate income, residential and enterprise taxes	1,701	1,239	462	37.3	9,850
Adjustment for income taxes	423	477	▲ 53	▲ 11.2	▲ 341
Minority interests	14	49	▲ 34	▲ 70.9	259
Net income	3,004	2,741	263	9.6	12,934

Consolidated Statements of Cash Flows for the First Quarter ended June 30, 2007

(¥ million)

	June 30, 2007	June 30, 2006	(Reference) March 31, 2007
I Cash flows from operating activities			
Income before income taxes	5,144	4,506	22,704
Depreciation and amortization	145	71	310
Increase in inventories	▲ 10,143	▲ 20,685	▲ 65,645
Increase in trade notes and accounts payable	▲ 4,552	▲ 4,387	1,666
Increase in advances paid for purchases	1,719	▲ 1,236	▲ 5,601
Increase in advances and deposits received	▲ 1,627	▲ 331	722
Other	▲ 4,260	509	▲ 1,817
Total	▲ 13,574	▲ 21,552	▲ 47,661
Interest and dividends received	100	103	257
Interest paid	▲ 713	▲ 497	▲ 2,583
Income taxes paid	▲ 7,035	▲ 7,582	▲ 10,352
Net cash provided by (used in) operating activities	▲ 21,222	▲ 29,529	▲ 60,339
II Cash flows from investing activities			
Payments for making loans	▲ 2,109	▲ 1,041	▲ 537
Other	▲ 617	▲ 50	8,893
Net cash provided by (used in) investing activities	▲ 2,727	▲ 1,092	8,355
III Cash flows from financing activities			
Proceeds from short-term loans	13,384	17,945	37,337
Proceeds from long-term loans	4,403	▲ 2,290	5,780
Cash dividend paid	▲ 638	▲ 509	▲ 1,090
Other	11	3,560	16,314
Net cash provided by (used in) financing activities	17,160	18,704	58,342
IV Net increase in cash and cash equivalents	▲ 6,788	▲ 11,916	6,358
V Effects of change in scope of consolidation on cash and cash equivalents	-	53	618
VI Cash and cash equivalents at beginning of year	38,972	31,995	31,995
VII Cash and cash equivalents at quarter-end	32,184	20,132	38,972