

Operating Results and Business Overview

Six Months Ended September 30, 2003

November 20, 2003

JOINT Corporation



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*These materials were prepared for the purpose of presenting operating results for the six months ended September 30, 2003 and the company's business strategies. This presentation is not a solicitation to purchase any securities issued by the company.

* Information in these materials is current as of November 20, 2003.

* Opinions, plans, estimates and other forward-looking statements are based on management's judgments as of the time this presentation was prepared and are not guarantees or promises regarding future results. The company makes no guarantees or promises that this information is accurate or complete.

* Information in these materials may be altered at any time without prior notification.

I. First Half Results of Operations



I-1 Overview of the First Half

1) Results

	Net sales	Ordinary income
Six months ended September 2003	¥30.1 billion	¥1,230 million
Plan figures announced May 23, 2003	¥33.7 billion	¥280 million
Six months ended September 2002	¥30.6 billion	¥690 million



I-1 Overview of the First Half

2) Steady Growth in Condominium Sales

Condominium sales contracts much higher than one year earlier

	1H/Sept. 03	1H/Sept. 02
Units sold	847 units	379 units
Amount	¥27.9 billion	¥15.3 billion

Completed units in inventory

JOINT	17 units
L Kakuei	27 units

Began sales of 「Feel」 series of urban condominiums targeting single and DINKS buyers

During the first half, 654 units at eight Feel projects, including one at Hatanodai, were sold.



I-1 Overview of the First Half

3) Beginning of operations at full-service apartments

Trial operations started at two locations.

4) Diversified fund procurement channels

Established ¥7.0 billion credit line on September 29 backed by syndication of 18 financial institutions

- * Makes JOINT more competitive through greater flexibility in the procurement of condominium development sites.

- * Reduces cost of capital by allowing JOINT to reduce internal liquidity.

JOINT will continue to conduct debt IR activities to maintain sound ties with financial institutions.

Private placements of bonds

Two issues during the first half totaling ¥2.0 billion

Commercial paper

Nine CP issues during the first half totaling ¥6.2 billion



I-1 Overview of the First Half

5) Established Four Committees

Four committees were set up to help achieve the goals of the medium-term plan.

Construction Cost Reduction Committee

TUG REIT Committee

SG&A Expense Reduction Committee

Group Reorganization Committee

The responsibilities of these committees are outlined in “III. Strategies.”



《Memo》



I-2 Consolidated Income Statement Highlights

(million yen)

	1H Sept. 02		1H Sept. 03		Year to March 04 (Plan)	
	Amount	Pct. of sales	Amount	Pct. of sales	Amount	Pct. of sales
Net sales	30,699	100.0%	30,127	100.0%	93,930	100.0%
Gross profit	4,432	14.5%	4,816	16.0%	13,700	14.6%
Operating income	1,137	3.8%	1,766	5.9%	5,360	5.7%
Ordinary income	694	2.3%	1,237	4.1%	3,820	4.1%
Net income	638	2.1%	846	2.8%	2,380	2.5%

Note: All plan figures are rounded down to the nearest ten million.

I-2 Consolidated Sales by Business Sector

(million yen)

	1H Sept.02		1H Sept. 03		Year to March 04 (Plan)	
	Amount	Share	Amount	Share	Amount	Share
Housing Sales						
Condominiums	17,245	56.2%	13,830	45.9%	55,580	59.1%
TUG REIT	1,440	4.7%	5,744	19.0%	12,400	13.2%
Others	3,219	10.5%	3,724	12.3%	8,440	8.9%
Total	21,905	71.4%	23,300	77.3%	76,420	81.3%
Fee-Based Businesses						
Consignment sales	159	0.5%	486	1.6%	830	0.9%
Leasing	2,195	7.2%	2,258	7.5%	5,270	5.6%
Property management	2,256	7.3%	2,291	7.6%	5,870	6.2%
Others	4,181	13.6%	1,789	5.9%	5,520	5.9%
Total	8,793	28.6%	6,826	22.6%	17,510	18.6%
Grand total	30,699	100.0%	30,127	100.0%	93,930	100.0%

Notes: 1. The others component of housing sales represents sales of single-family houses and housing lots.

2. All plan figures are rounded down to the nearest ten million.



I-2 Consolidated Balance Sheets

(million yen)

	March 31, 2003		1H Sept. 03		
	Amount	Share	Amount	Share	Increase (Decrease)
Cash and deposits	39,470		28,858		(10,612)
Inventories	75,038	54.5%	85,623	63.4%	10,584
Other current assets	10,970		8,516		(2,454)
Non-current assets	11,987		11,976		(11)
Total assets	137,468	100.0%	134,974	100.0%	(2,493)
Interest-bearing liabilities	53,910	39.2%	60,308	44.6%	6,398
Other liabilities	55,607		46,289		(9,318)
Total liabilities	109,517	79.7%	106,597	79.0%	(2,920)
Minority interests	415	0.3%	377	0.3%	(38)
Paid-in capital	7,672		7,672		0
Others	19,862		20,327		464
Total shareholders' equity	27,534	20.0%	27,999	20.7%	464
Total liabilities and equity	137,468	100.0%	134,974	100.0%	(2,493)



I-3 Non-Consolidated Income Statement Highlights

(million yen)

	1H Sept. 02		1H Sept. 03		Year to March 04 (Plan)	
	Amount	Pct. of sales	Amount	Pct. of sales	Amount	Pct. of sales
Net sales	17,287	100.0%	16,530	100.0%	57,050	100.0%
Gross profit	2,660	15.4%	2,635	15.9%	8,820	15.5%
Operating income	778	4.5%	1,025	6.2%	3,210	5.6%
Ordinary income	285	1.6%	592	3.6%	1,910	3.3%
Net income	145	0.8%	269	1.6%	1,090	1.9%

Note: All plan figures are rounded down to the nearest ten million.



I-3 Non-Consolidated Sales by Business Sector

(million yen)

	1H Sept. 02		1H Sept. 03		Year to March 04 (Plan)	
	Amount	Share	Amount	Share	Amount	Share
Housing Sales						
Condominiums	14,954	86.5%	10,352	62.6%	43,590	76.4%
TUG REIT	1,440	8.3%	5,744	34.7%	11,800	20.6%
Others	353	2.1%	79	0.4%	1,160	2.0%
Total	16,749	96.9%	16,176	97.8%	56,550	99.1%
Fee-Based Businesses						
Consignment sales	-	-%	-	-%	-	- %
Leasing	133	0.8%	155	0.9%	290	0.5%
Property management	-	-%	-	-%	-	- %
Others	405	2.3%	198	1.2%	200	0.3%
Total	538	3.1%	354	2.1%	500	0.9%
Grand total	17,287	100.0%	16,530	100.0%	57,050	100.0%

Notes: 1. The others component of housing sales represents sales of single-family houses and housing lots.

2. All plan figures are rounded down to the nearest ten million.



I-3 Non-Consolidated Balance Sheets

(million yen)

	March 31, 2003		1H Sept. 03		
	Amount	Share	Amount	Share	Increase (Decrease)
Cash and deposits	23,532		11,977		(11,555)
Inventories	49,944	55.4%	57,289	65.9%	7,345
Other current assets	7,135		7,931		796
Non-current assets	9,478		9,608		129
Total assets	90,091	100.0%	86,807	100.0%	(3,283)
Interest-bearing liabilities	49,194	54.6%	53,558	61.6%	4,364
Other liabilities	17,396		9,868		(7,527)
Total liabilities	66,591	73.9%	63,427	73.0%	(3,163)
Paid-in capital	7,672		7,672		0
Others	15,827		15,707		(120)
Total shareholders' equity	23,499	26.1%	23,379	26.9%	(120)
Total liabilities and equity	90,091	100.0%	86,807	100.0%	(3,283)



I-4 Results of L Kakuei Corporation

Statement of Income

(billion yen)

	1H Sept. 02	1H Sept. 03
Net sales	6.1	8.2
Gross profit	1.5	1.7
Operating income	0.6	0.8
Ordinary income	0.7	0.7
Net income	0.7	0.7

Note: Following the approval of the company's recovery plan in July 2001, the balance of bankruptcy liabilities has declined by a total of ¥8.2 billion (through repayments).

Balance Sheets

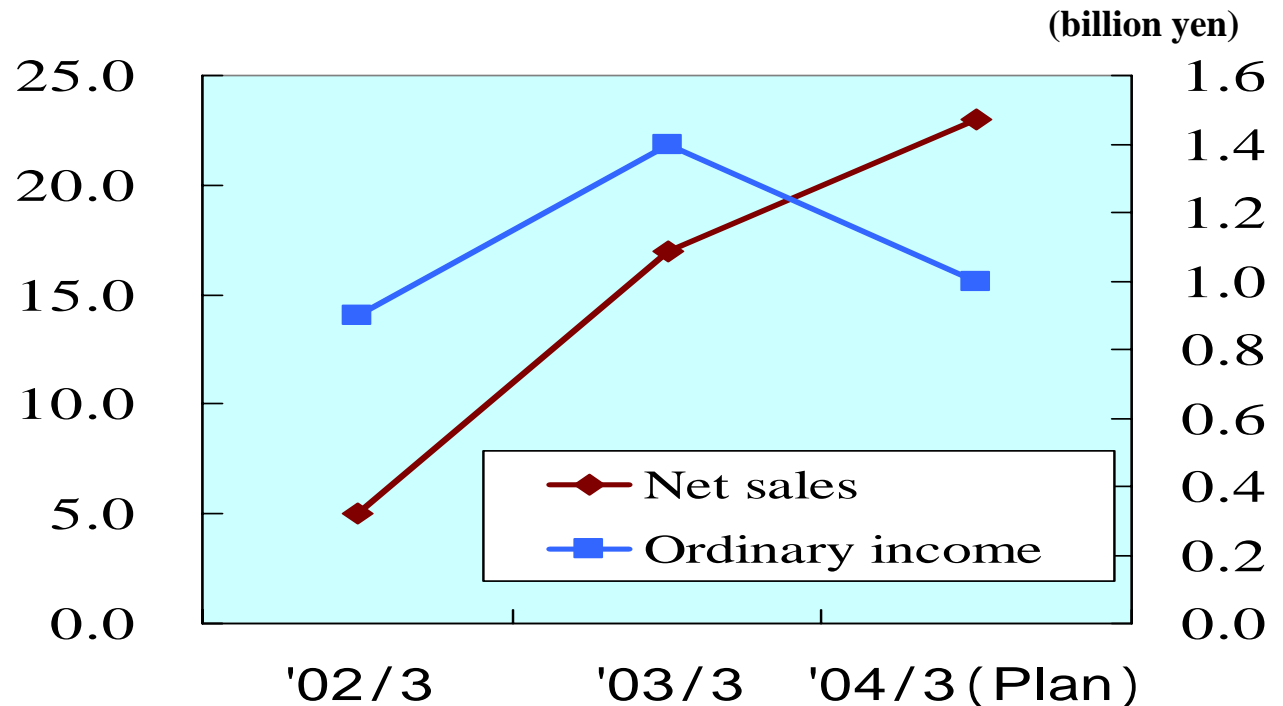
(billion yen)

	March 31, 2003	Sept. 30, 2003	Increase (Decrease)
Cash and deposits	12.6	13.1	0.5
Inventories	23.5	24.9	1.3
Non-current assets	4.2	4.3	(0.6)
Total assets	43.4	44.7	1.3
Interest-bearing debt	2.8	4.9	1.9
Bankruptcy liabilities	29.3	29.1	(0.2)
Total liabilities	37.3	37.9	0.6
Total shareholders' equity	6.0	6.8	0.7
Total liabilities and shareholders' equity	43.4	44.7	1.3



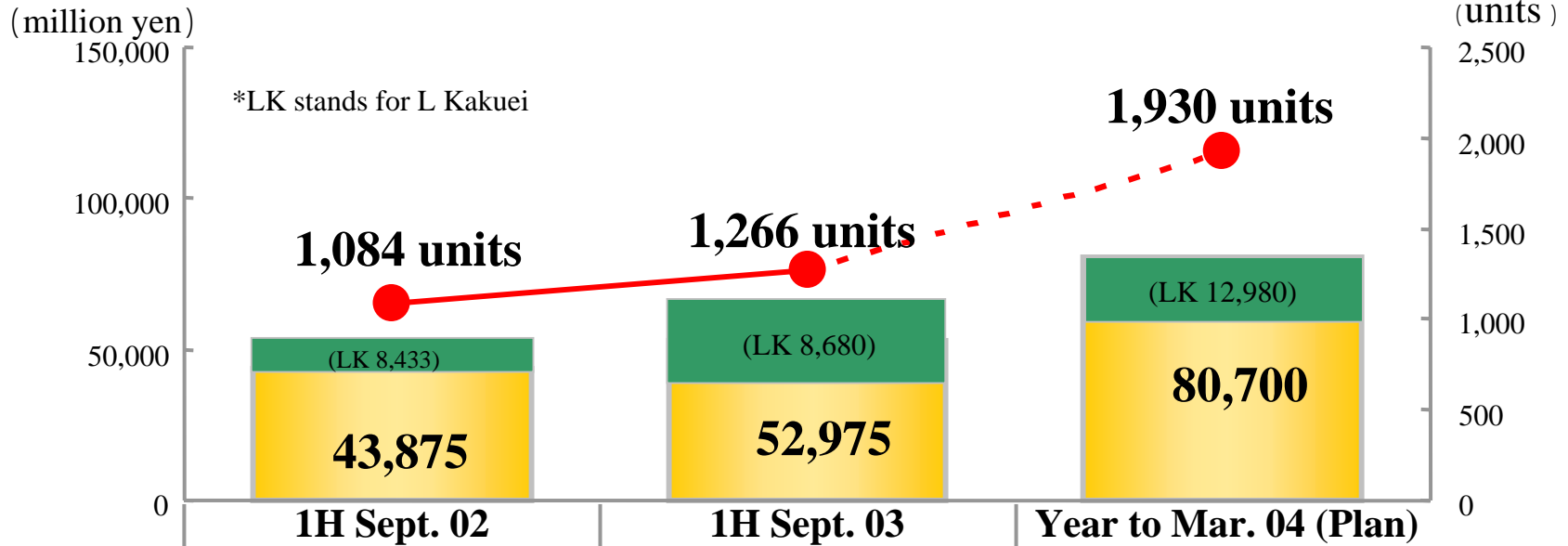
I-4 Results of L Kakuei Corporation

	3/02 (five months)	3/03	3/04 (Plan)
Net sales	4.5	17.2	23.8
Ordinary income	0.9	1.4	1.0
Net income	1.0	2.8	0.9





I-5. Housing Units Placed on Sale and Plans (Housing Sales/Consolidated)

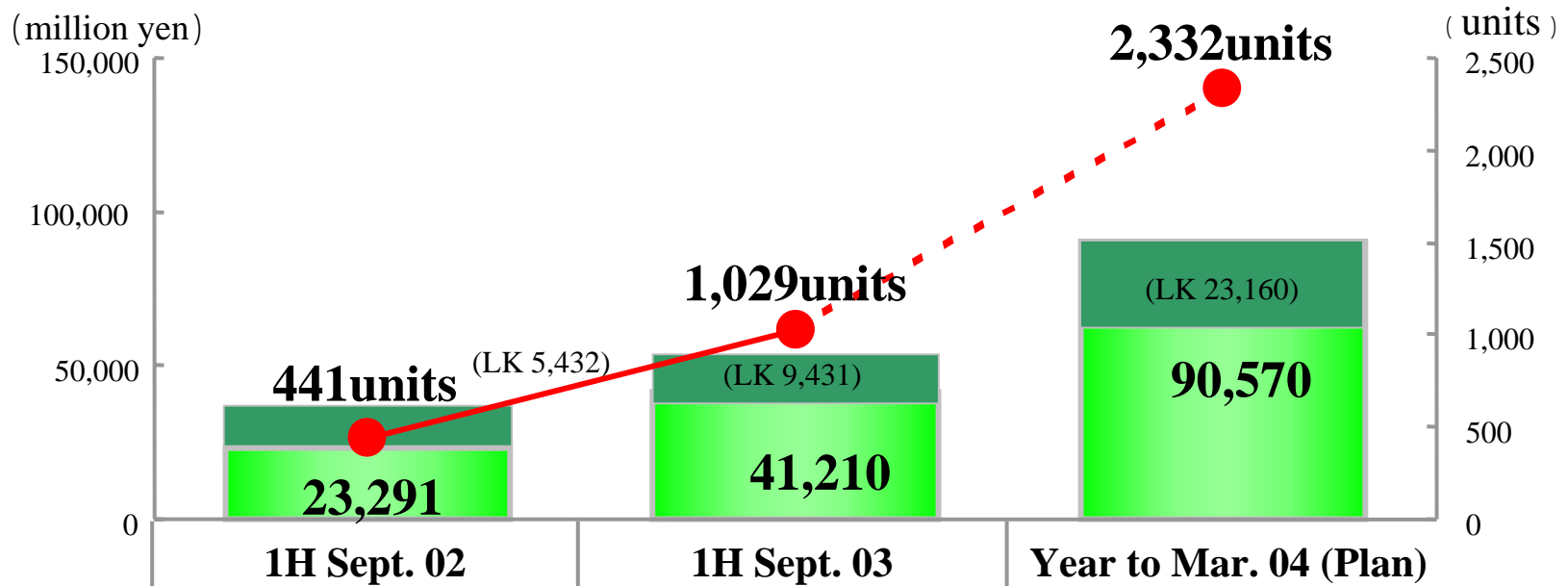


Condominiums	1,084 units	39,610	1,132 units	41,920	1,704 units	65,870
TUG REIT	4 houses	3,740	6 houses (125 units)	8,960	10 houses (202 units)	10,590
Others	-	524	9 units	2,094	24 units	4,240
Total	1,084 units	43,875	1,266 units	52,975	1,930 units	80,700

Notes: 1. The others component of housing sales represents sales of single-family houses and housing lots.
 2. Plan figures are rounded down to the nearest ten million .



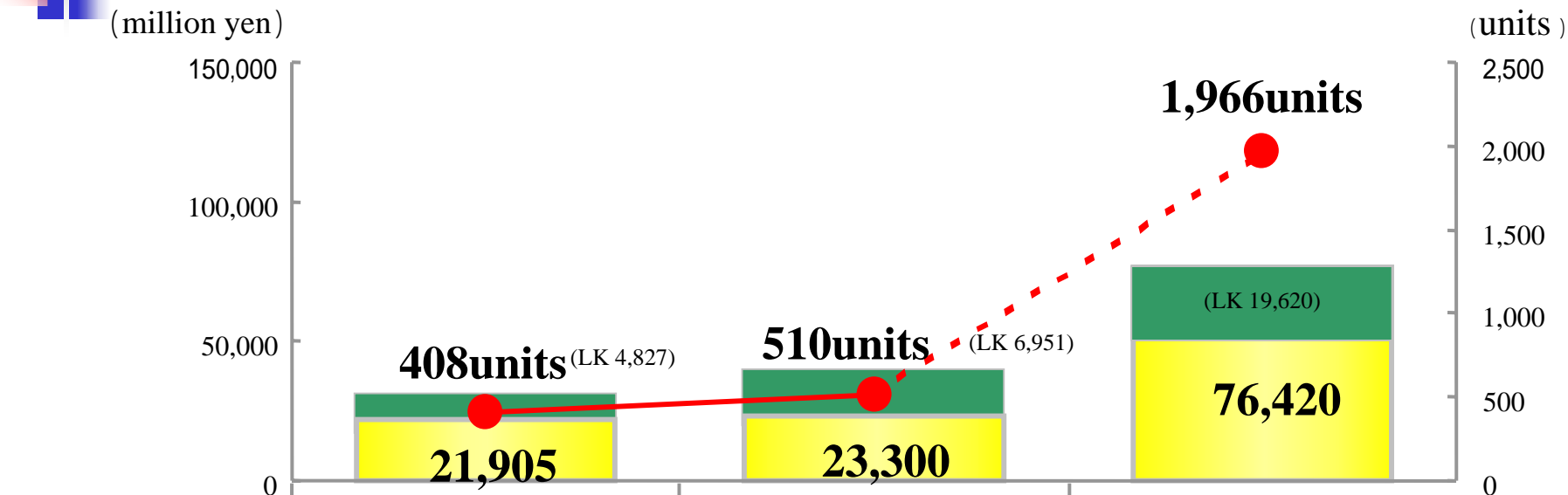
I-5. Contracts Signed and Plans (Housing Sales/Consolidated)



	1H Sept. 02		1H Sept. 03		Year to Mar. 04 (Plan)	
Condominiums	379 units	15,390	847 units	27,913	1,987 units	70,590
TUG REIT	5 houses (46 units)	4,642	6 houses (125 units)	8,960	11 houses (225 units)	11,600
Others	16 units	3,258	57 units	4,335	120 units	8,380
Total	441 units	23,291	1,029 units	41,210	2,332 units	90,570

Notes: 1. The others component of housing sales represents sales of single-family houses and housing lots.
 2. All plan figures are rounded down to the nearest ten million.

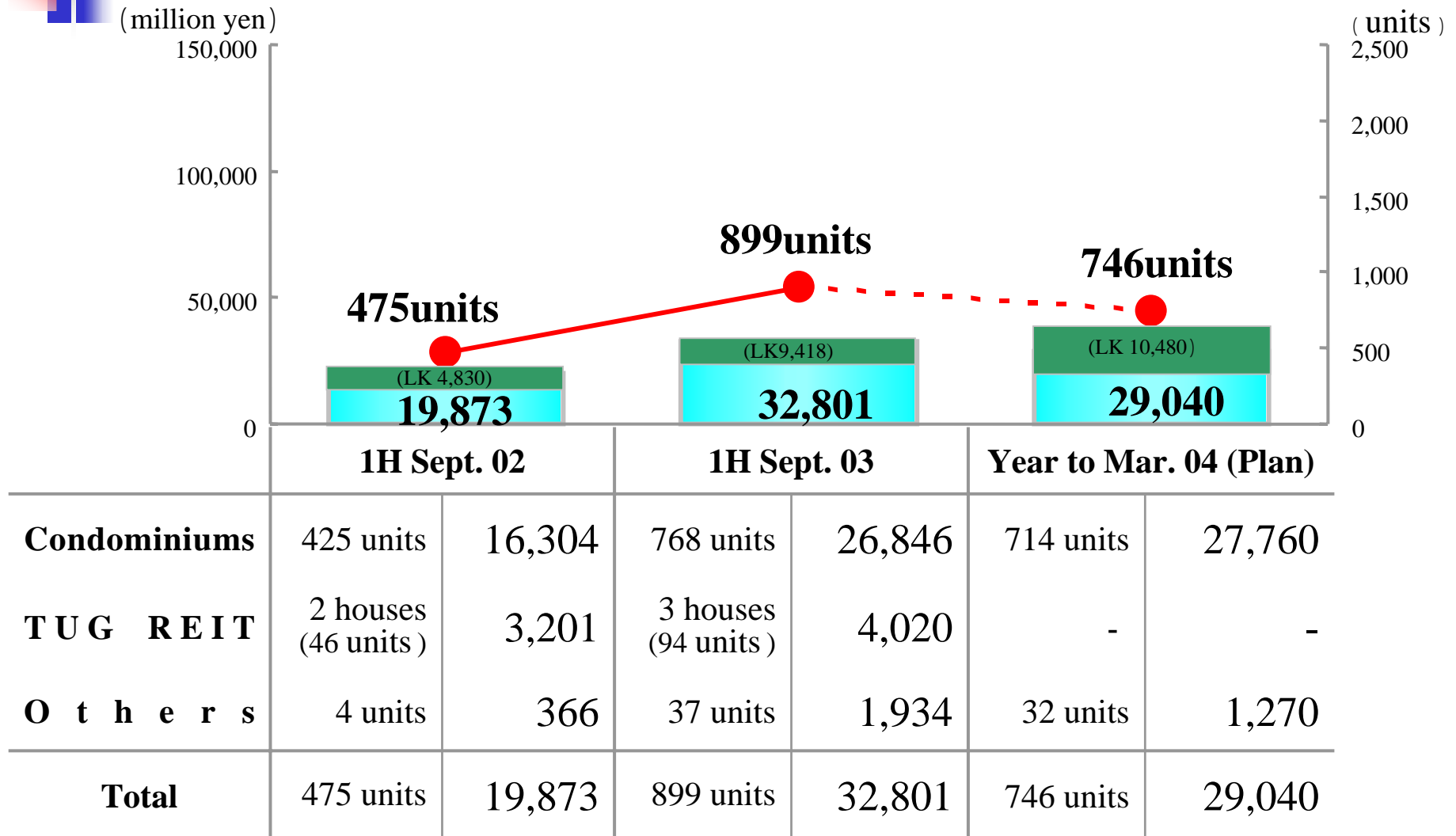
I-5. Houses Sold and Plans (Housing Sales/Consolidated)



	1H Sept. 02		1H Sept. 03		Year to Mar. 04 (Plan)	
Condominiums	393 units	17,245	434 units	13,830	1,628 units	55,580
TUG REIT	3 houses	1,440	5 houses (33 units)	5,744	12 houses (227 units)	12,400
Others	15 units	3,219	43 units	3,724	111 units	8,440
Total	408 units	21,905	510 units	23,300	1,966 units	76,420

Notes: 1. The others component of housing sales represents sales of single-family houses and housing lots.
 2. All plan figures are rounded down to the nearest ten million.

I-5. Contracted Units and Plans (Housing Sales/Consolidated)



Notes: 1. The others component of housing sales represents sales of single-family houses and housing lots.
 2. All plan figures are rounded down to the nearest ten million.



I-6. Land Purchases and Plans (Housing Sales/Consolidated)

JOINT's policy is to maintain a balance of land for development equivalent to 1.5 years of planned sales.

(billion yen)

Sales to be posted in year ending	Land procured during year to 3/04	Land to be procured during year to 3/04	Total
March 2005	78.8	0	78.8
March 2006	36.1	5.4	41.5

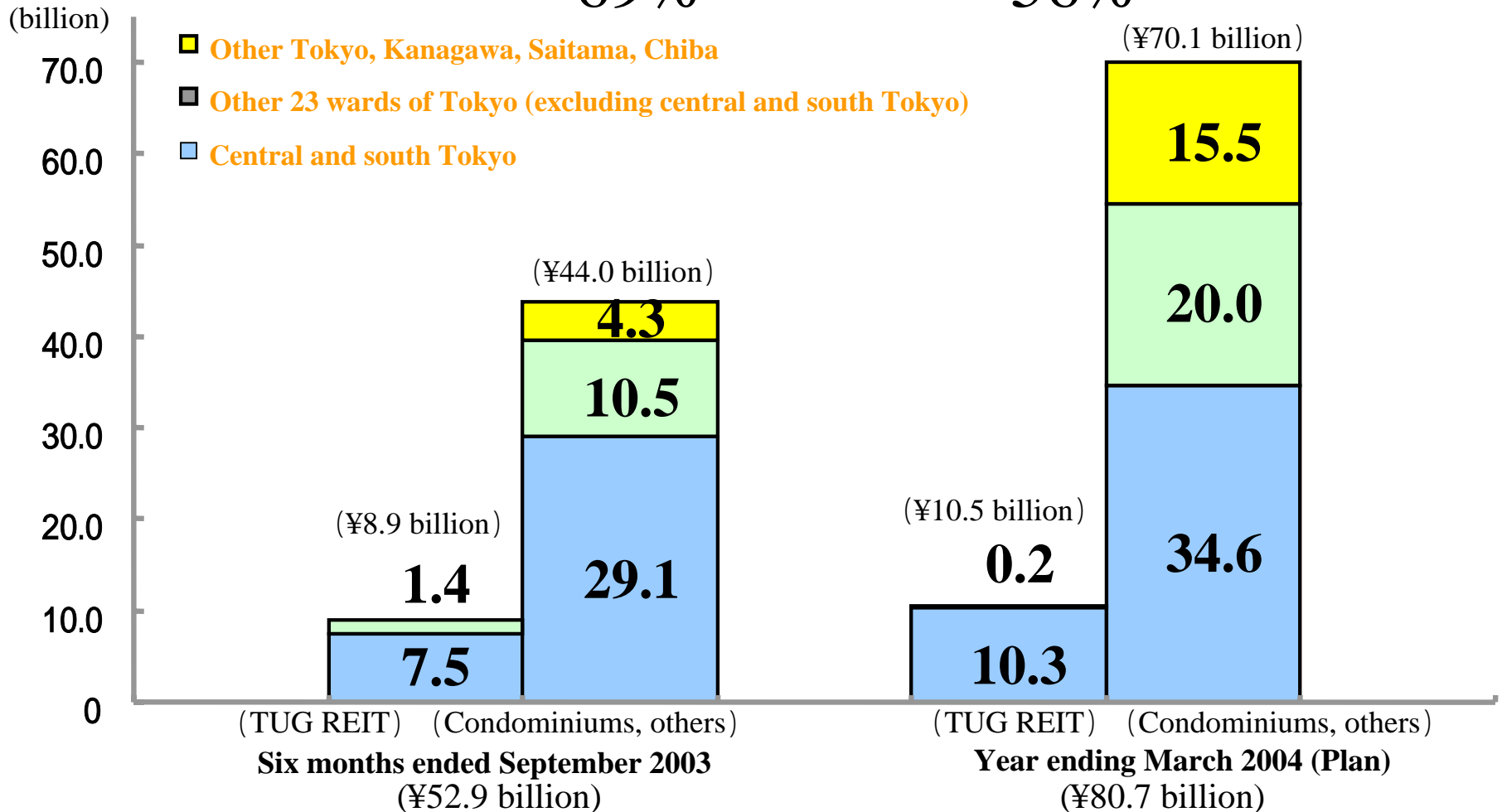
- Notes:**
1. Sales amounts include planned sales of housing lots.
 2. Amounts are based on estimated sales.

I-7. Sales by Region (Housing Sales/Consolidated)

Central and south Tokyo

69%

56%



Note: JOINT defines central Tokyo as Chiyoda, Chuo, Minato, Bunkyo and Shibuya wards and south Tokyo as Setagaya, Meguro, Shinagawa and Ota wards.

.Operating Environment



-1 Industry Trends

1) Large volume of new condominiums continues in Tokyo

Total Tokyo area new condos placed on sale Jan-Sept 2003 was 58,339 units

Estimate for calendar 2003 is 86,500 units, fourth highest on record

New condos placed on sale down 8.0% year on year

Up 6.3% in Tokyo, up 7.3% in Tokyo's 23 wards

Down 17.0% in Kanagawa, down 19.6% in Saitama, down 32.6% in Chiba

Source: Real Estate Economic Institute

2) Rapid growth in small condominiums in central Tokyo

Volume of small condominiums placed on sale

2002 More than 800 units

2003 More than 3,600 units (estimate)

Source: JOINT market survey covering only certain companies and the regions of central Tokyo, southern Tokyo and the wards of Shinjuku and Koto.



-1 Industry Trends

3) Increase in plans for construction of high-rise (at least 20 floors) condominiums in Tokyo

Tokyo area high-rise construction plans for 107,000 units

Tokyo 23-wards construction plans for 74,000 units (end of August 2003)

Source: Real Estate Economic Institute website

4) Condominium rents are falling

In the first half of calendar 2003, rent at new condominiums (40 to 80 sq meters) in Tokyo's 23 wards was down 0.7% year on year, and down 1.8% in the wards of Chiyoda, Chuo, Minato, Shinjuku and Shibuya.

Sources: Real Estate Economic Institute website, Jutaku Index Forum

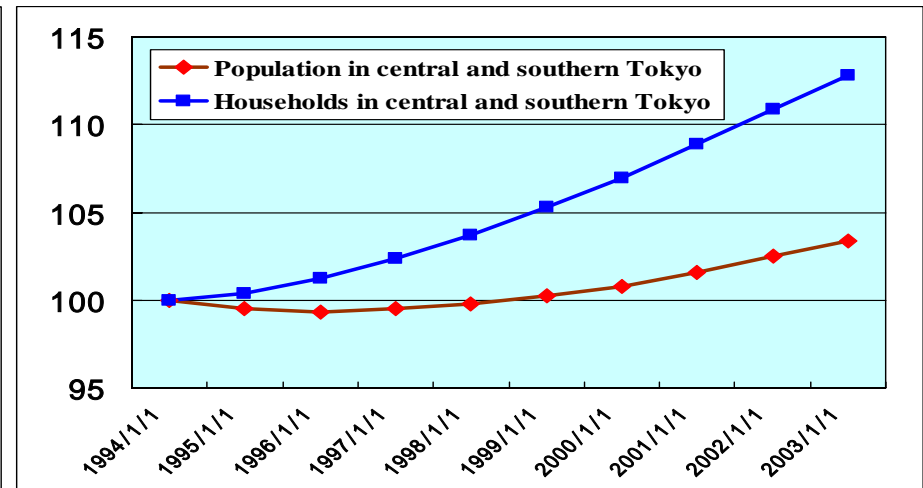
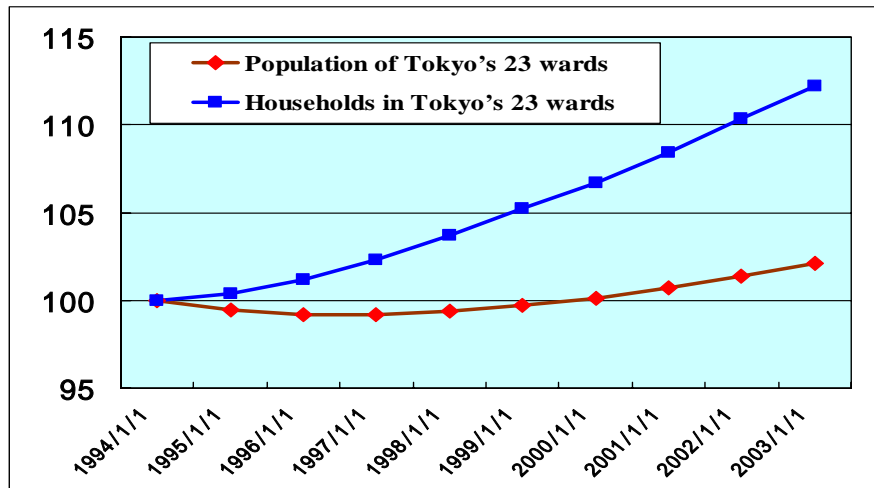
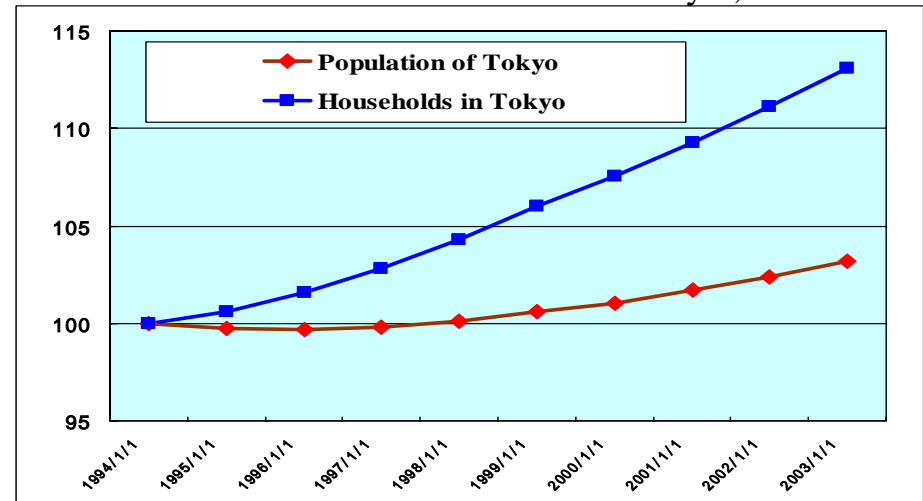
-1 Industry Trends

5) Rising population and number of households

January 1, 1994 = 100

The population is projected to rise until 2010 or 2015 in Tokyo and Tokyo's 23 wards.

Source: Data prepared by JOINT based on data on the Tokyo Metropolitan Government website



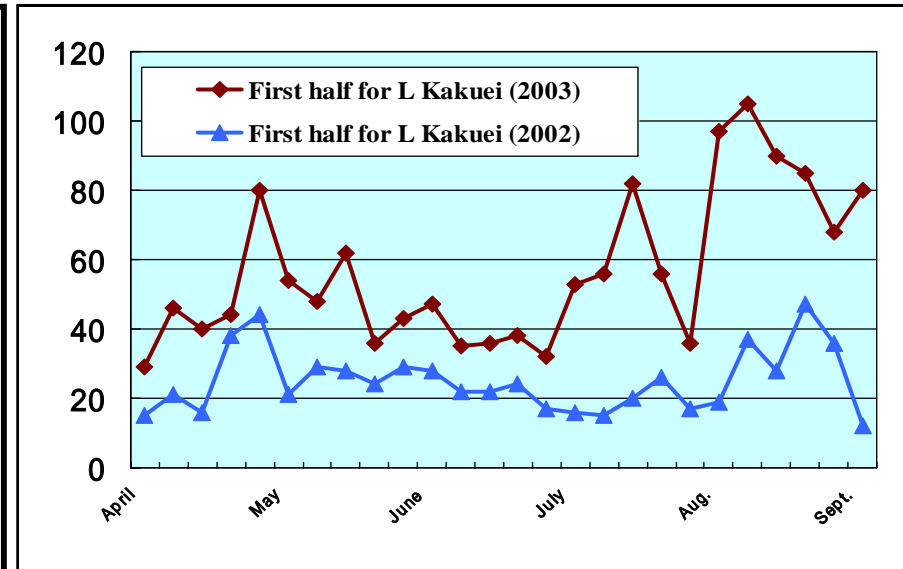
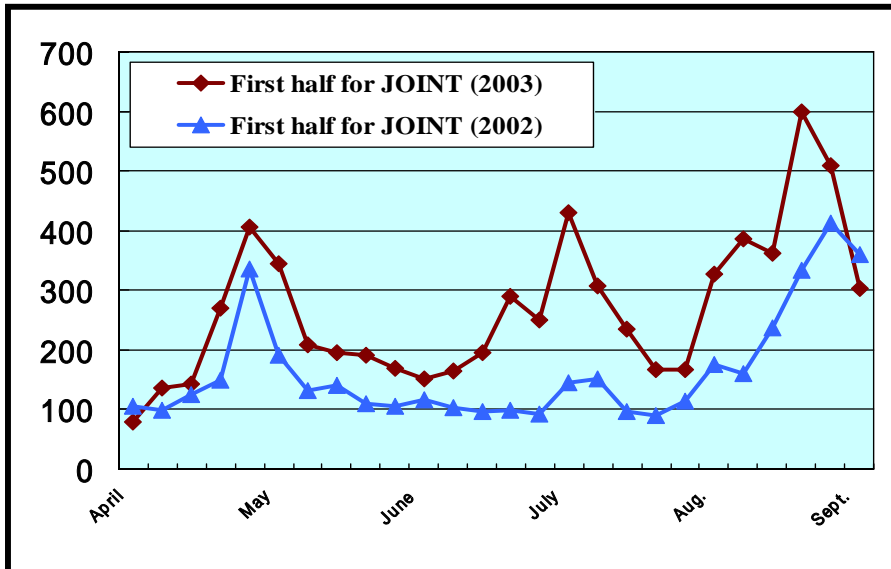
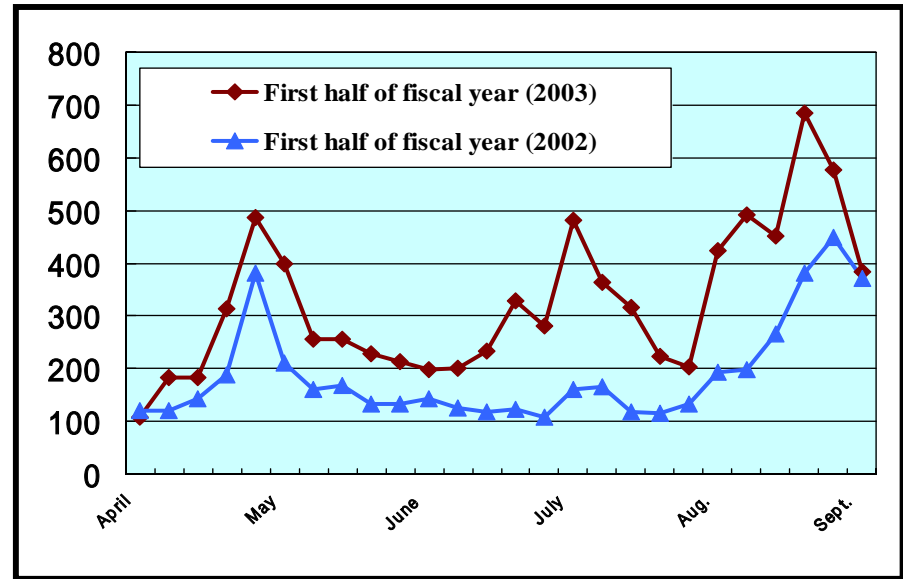
-2 Trends in JOINT's Operations

1) Customer volume and number of sales contracts

1. Visitors to condo model rooms

Up 71% year on year

Up 63% at JOINT and 12% at L Kakuei



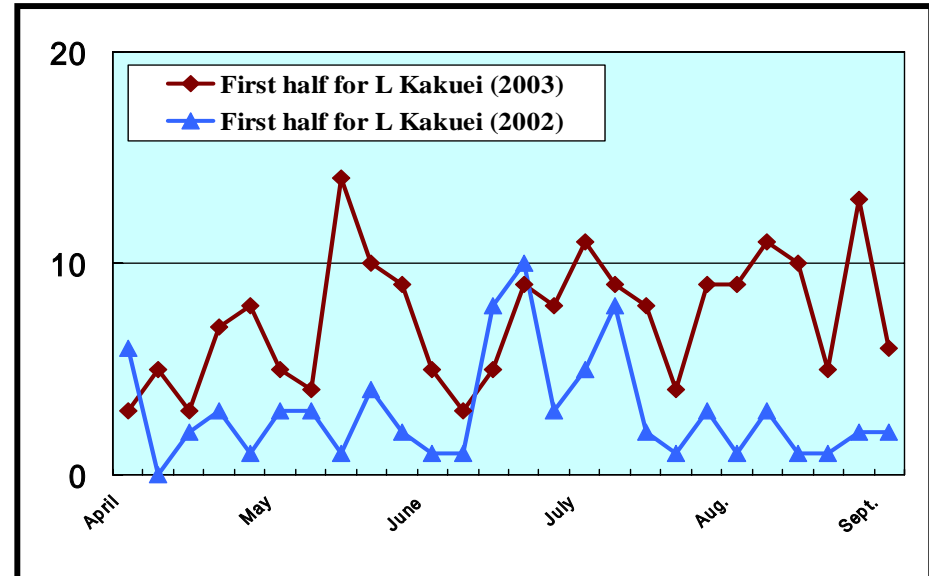
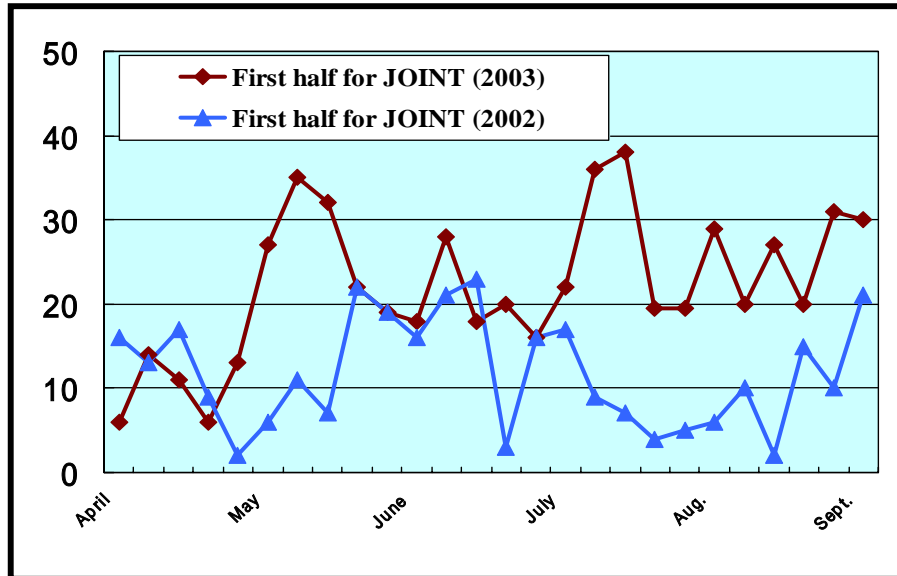
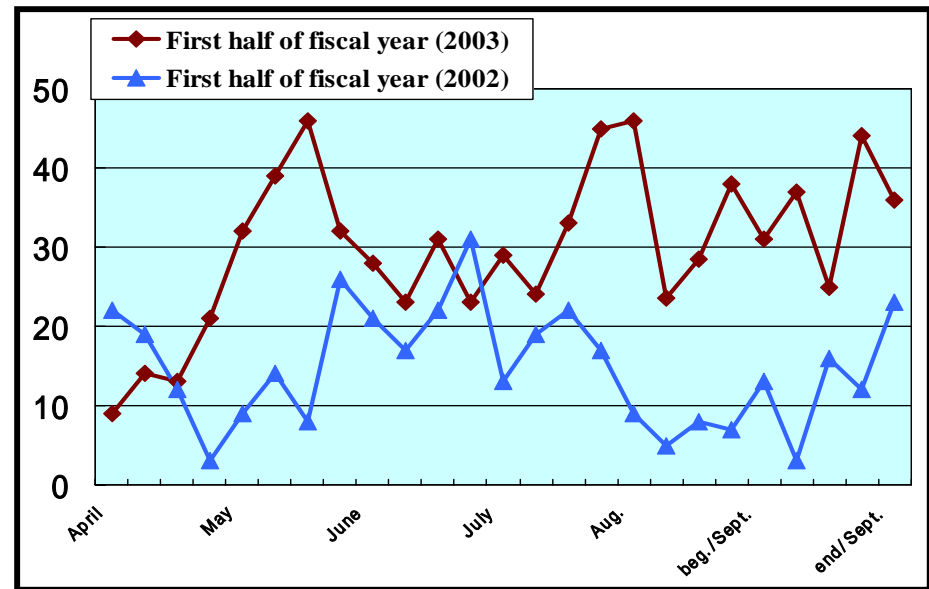


-2 Trends in JOINT's Operations

2. Condo sales contracts

Up 123% year on year

Up 116% at JOINT and 150% at L Kakuei



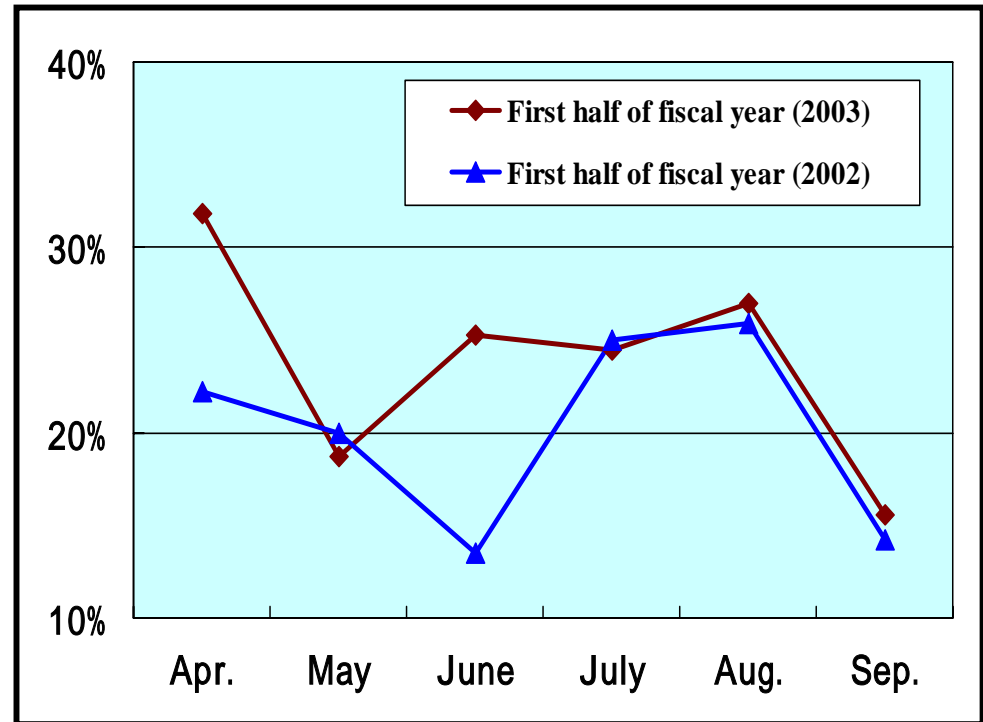
-2 Trends in JOINT's Operations

2) Internet sales

Internet accounts for 22.4% of sales contracts *

(Up 18.9% year on year)

Advertising expenses per sales contract are down 50% from the past fiscal year
Careful verification of benefits vs. expenses and continuous review of media used



* Sales contracts from people who visited model rooms because of Internet sales as a percentage of all sales contracts.



-2 Trends in JOINT's Operations

3) Only limited impact of end of government-backed housing loans

Utilization of government-backed housing loan program is 25%

(as of September 30, 2003, share of all sales)

Utilization rate is low due to growth in Feel series and other condominium units to which government-backed housing is not applicable, and to increasing availability and variety of private-sector loans.

. Strategies





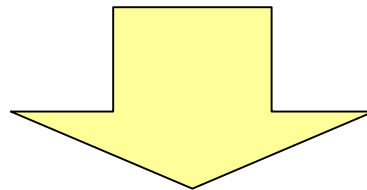
-1 Actions Based on Medium-Term Plan

Improve profitability of condominium sales business

Reexamine the TUG REIT business

Cut selling, general and administrative expenses

Reorganize group companies



Four committees formed, one for each goal



-2 Improve Profitability of Condominium Sales

1. Reduce cost of construction

Use fewer general contractors

Shift to design as well as construction

Reexamine standard specifications

Place orders in line with strengths

of each general contractor

Spread completions evenly

throughout each year



-2 Improve Profitability of Condominium Sales

Progress in reducing the cost of construction

Construction orders following establishment of committee

Projects to be sold in March 2005 fiscal year (not all)

Planned construction cost ¥15.7 billion

Actual cost of orders ¥14.8 billion (saving of 5.6%)



-2 Improve Profitability of Condominium Sales

2. Cut selling, general and administrative expenses

First half SG&A expenses were ¥0.4 billion below plan

Delays in closing dates for some condos pushed some SG&A expenses to the second half.

For the full fiscal year, efforts will continue to review operating efficiency and cut SG&A expenses.

Administrative expenses will be cut through collective group purchases of office supplies, PCs and other items.



-3 Reexamine the TUG REIT business

Now accounts for 10% to 20% of total sales

Conduct more joint projects with partners

Lease space to tenants before making sale

Study exit strategies



-3 Reexamine the TUG REIT business

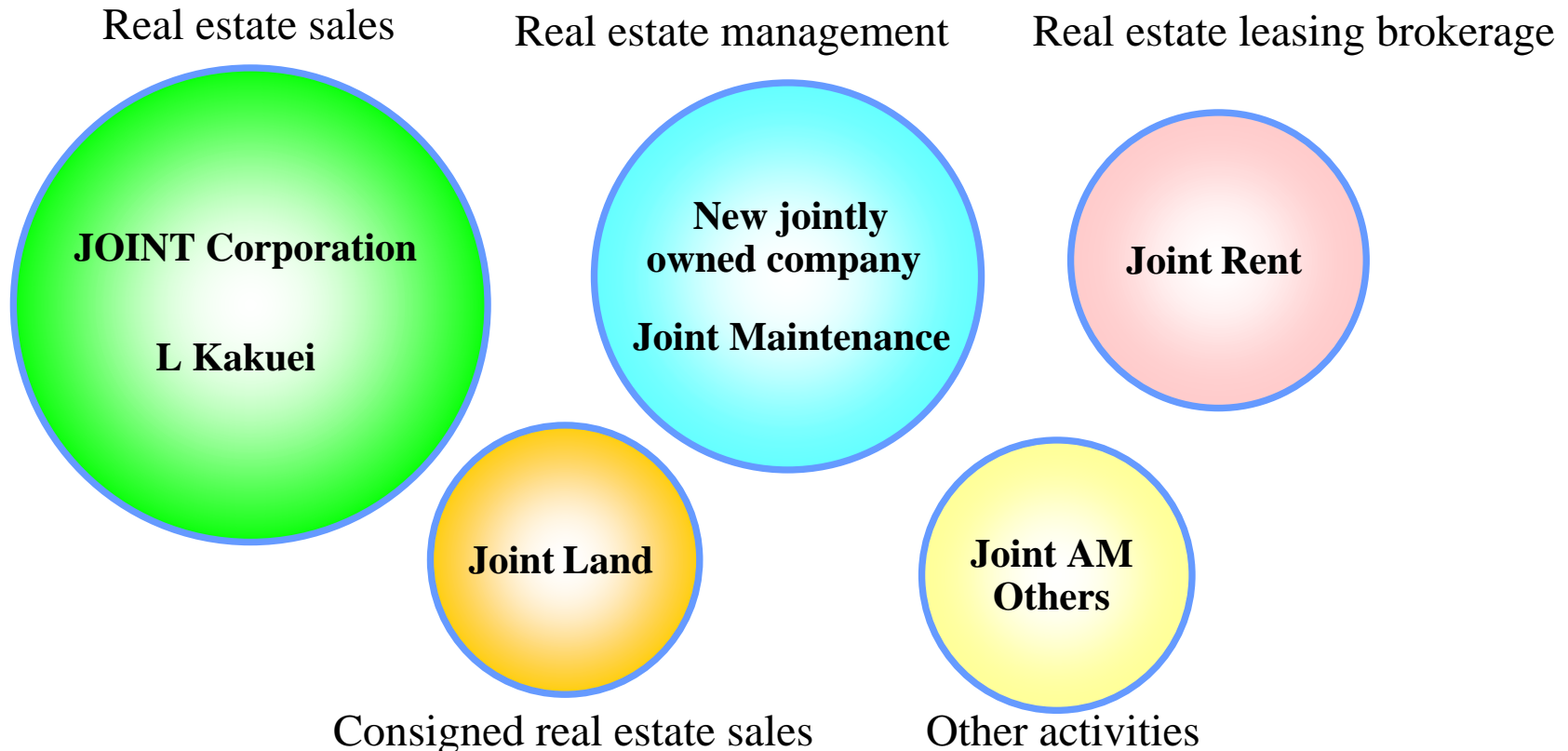
Conduct early redemption of J-INCOME Fund
Consider launching new private fund

Place priority on profitability at Joint Securities in every respect while preparing to withdraw from this business.



-4 Reorganize Group Companies

Reorganize group companies so there is one company for each business activity.





-4 Reorganize Group Companies

Merger of Joint Community and Kanto Building Service

Upgrade capabilities in condominium and building management to become a comprehensive real estate property management company.

Merger to occur on April 1, 2004

Five-Year Plan

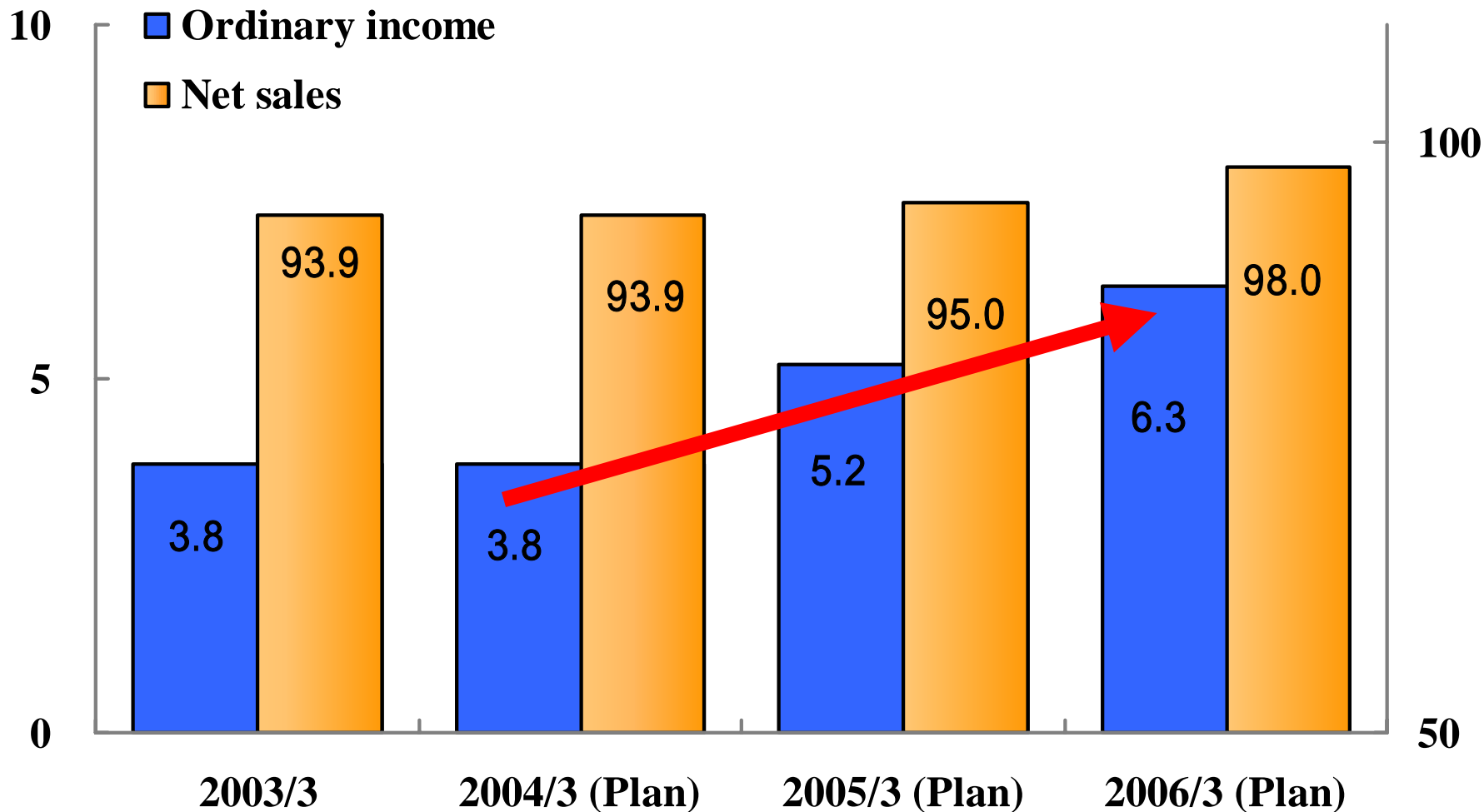
	Plan for March 2004 fiscal year	Plan for March 2009 fiscal year
Net sales	¥3.3 billion	¥4.7 billion
Ordinary income	¥170 million	¥400 million
Condos under management	19,000 units	30,000 units
Buildings/facilities under management	280 houses	340 houses



-5 Medium-Term Plan

(billion yen)

(billion yen)





『Management Philosophy 』

**Contribute to society by supplying quality,
reasonably priced residences
that mirror the needs of localities**

『Code of Behavior 』

- 1. Always aim to be a company that customers respect.**
- 2. Always have a flexible approach to new ideas.**
- 3. Always move forward.**



Contact information

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