

# Reference Information

**May 31, 2005**



# Corporate Data (as of March 31, 2005)

Name	JOINT Corporation	
Established	September 1986	
Capital	¥7,672.51 million	
CEO	Yoshinobu Shoji, President and Chief Executive Officer	
Business activities	1. Real estate development (“Adenium” series condominium)	
	2. Real estate securitization-related business (former “TUG-REIT”)	
	3. Other businesses (leasing, property management, others)	
Fiscal year	Ends March 31	
Employees	873 (Consolidated, March 31, 2005)	
Head office	2-10-11 Meguro, Meguro-ku, Tokyo 153-0063, Japan	
Major shareholders	Joint Living Service	28.39%
	Yoshinobu Shoji	14.66%
	The Master Trust Bank of Japan (trust account)	9.14%
	Japan Trustee Services Bank (trust account)	3.65%
	Morgan Stanley & Co.	3.34%
	Financial institutions and brokers 22.13%	



# Segmentation change

## 1. “TUG-REIT” widens its scope and changes its name to “real estate securitization-related business”

<b>TUG-REIT</b>	<b>Real estate securitization-related business</b>
Property sales revenue	Property sales revenue Leasing revenue from inventory assets (rental condos and others) AM/PM fee, dividend, others

## 2. Former “fee business” is now “other businesses”

## 3. Starting 2006/3, same segmentation applies both for analyst meeting materials and other financial documents (*Yukashoken Hokokusho, Kessan Tanshin*)

(This analyst meeting material uses new segmentation)

<b>Analyst meeting material</b>	<b><i>Yukashoken Hokokusho, Kessan Tanshin</i></b>
Real estate securitization-related business	Real estate securitization-related business
Real estate development business (condos, single-family homes)	Real estate development business (condos, single-family homes)
Other businesses	Leasing Property management Other businesses (construction, hotel, lending, golf)



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- \* These materials were prepared for the purpose of presenting operating results for fiscal year ended March 31, 2005 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 March 31, 2005.
- \* 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. Overview of Fiscal Year Ended March 31, 2005**



# Overview of Fiscal Year Ended March 31, 2005

## Consolidated income statements (vs. plan)

(¥mil)

	05/3 (plan)	Margin	05/3 (actual)	Margin	Difference	Major reasons
Net sales	102,000		96,470		5,530	· Postponed a large sale (¥6.7bil) to 06/3
Cost of sales	86,000	84.3	76,789	79.6	9,211	· Continued effort to contain construction cost
Gross income	16,000	15.7	19,680	20.4	3,680	· Commercial property sales produced nice profit
SG & A	8,800	8.6	10,308	10.7	1,508	
Operating income	7,200	7.1	9,372	9.7	2,172	· Realized better-than-plan sales price in some condos
Ordinary income	5,300	5.2	7,536	7.8	2,236	
Net income	2,800	2.7	4,174	4.3	1,374	

# Overview of Fiscal Year Ended March 31, 2005

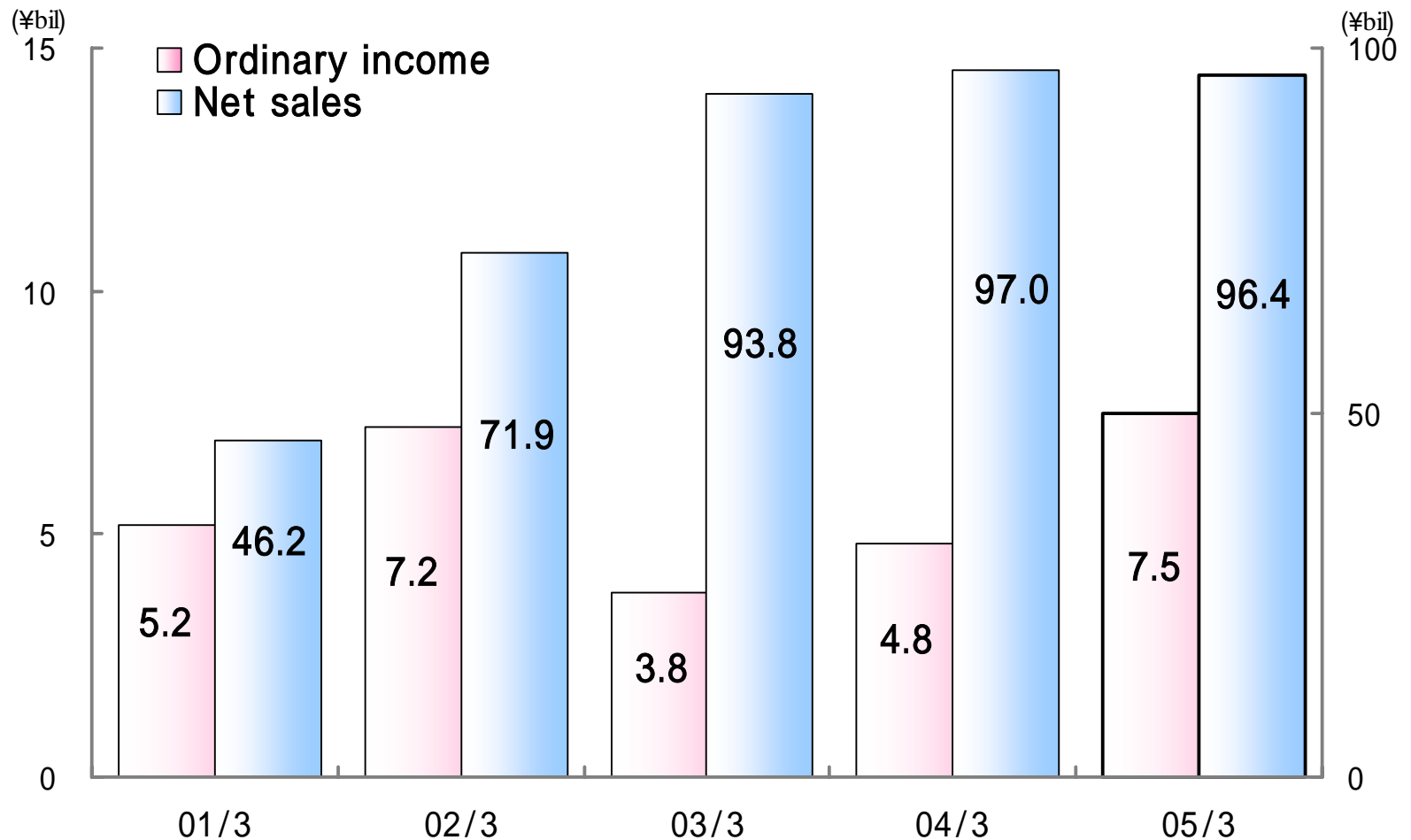
## Consolidated cash flows statements

(¥mil)

05/3		Major reasons	
Operating activities	48,329	Increase in inventory	52,869
Investing activities	955		
Financing activities	43,497	Increase in interest-bearing debt	47,011
Change in cash and cash equivalents	5,786		
Cash and cash equivalents at beginning of fiscal year	37,525		
Cash and cash equivalents at the end of fiscal year	31,747		

# Overview of Fiscal Year Ended March 31, 2005

## Consolidated sales and ordinary income (01/3 – 05/3)



# Real estate securitization-related business

# Overview of Fiscal Year Ended March 31, 2005

Rental condo development (real estate securitization-related business  
"Spacia" series)



SPACIA Ebisu

Location	4-chome Higashi, Shibuya-ku, Tokyo
Units	42 units
Layout	1LDK · 2LDK
Floor area	39.32 ~ 80.23㎡
Monthly rent	195,000 ~ 420,000 yen
Completion	June 2003



SPACIA Ginza

Location	3-chome Ginza, Chuo-ku, Tokyo
Units	136 units
Layout	STUDIO · 1LDK
Floor area	32.55 ~ 49.70㎡
Monthly rent	153,000 ~ 279,000 yen
Completion	February 2005

SPACIA

# Overview of Fiscal Year Ended March 31, 2005

Commercial property development  
(real estate securitization-related business)

1. b-town Jingumae (sold in September 2004)

2. Jingumae 6 chome project  
(acquired land in July 2004)



Location	4-chome Jingumae, Shibuya-ku, Tokyo
Structure	1 underground level (RC), 2 floors (steel)
Use	Three buildings for retail stores and others
Floor area	1,128.98㎡
Completion	March 2004



Jingumae 6 chome project	
Location	6-chome Jingumae, Shibuya-ku, Tokyo
Description	Commercial
Scale	2 underground level, 6 floors
Floor area	4,517.00㎡
Tenant	Retail stores and others

# Overview of Fiscal Year Ended March 31, 2005

## Acquisition of existing commercial property (real estate securitization-related business)

Bulk purchase of 7 properties, ¥25bil (August 2004)

### 1. Hamamatsu Plaza, Hamamatsu West



Hamamatsu Plaza	
Location	Hamamatsu, Shizuoka Prefecture
Site	99,135.98m <sup>2</sup> (30,041.21tsubo)
Buildings	53,975.49m <sup>2</sup> (16,372.43tsubo)
Tenants	Ito-Yokado
	Super Sports Xebio
	Akachan Honpo

Hamamatsu West	
Location	Hamamatsu, Shizuoka Prefecture
Site	36,681.48m <sup>2</sup> (11,115.60tsubo)
Buildings	19,274.68m <sup>2</sup> (5,830.59tsubo)
Main Tenants	Nitori
	Daiso
	Saizeriya



# Overview of Fiscal Year Ended March 31, 2005

## Acquisition of existing commercial property (real estate securitization-related business)

### 2. Rinku



Rinku	
Location	Sennan, Osaka
Site	51,146.89㎡ (15,499.06tsubo)
Buildings	Kohnan ····26,905.71㎡ (8,138.98tsubo)
	Kojima····12,774.66㎡ (3,871.11tsubo)
	Aeon·····11,466.52㎡ (3,474.70tsubo)





# Overview of Fiscal Year Ended March 31, 2005

## Asset breakdown of private funds holding (real estate securitization-related business)

<b>Total: ¥64.5bil</b>	<b>Rental condos</b>	<b>Commercial properties and others</b>
<b>Central and southern Tokyo</b>	16.2%	18.2%
<b>Tokyo 23 wards</b>	9.1%	2.8%
<b>Tokyo area</b>	6.4%	7.1%
<b>Other areas</b>	0.5%	39.8%
<b>Total</b>	<b>32.1% (¥20.7bil)</b>	<b>67.9% (¥43.8bil)</b>

# Overview of Fiscal Year Ended March 31, 2005

## Property sold (real estate securitization-related business)

(02/3 – 03/3)

02/3		
Location	Property	# unit # bldg
Meguro ward	Building	1 bldg
Meguro ward	Rental condo	66 units
Minato ward	Building	1 bldg
Minato ward	Rental condo	38 units
Setagaya ward	Rental condo	32 units
Shinjuku ward	Rental condo	56 units
Shinjuku ward	Rental condo	45 units
Shibuya ward	Rental condo	21 units
Shibuya ward	Rental condo	29 units

03/3		
Location	Property	# unit # bldg
Shinjuku ward	Building	1 bldg
Shinjuku ward	Rental condo	66 units
Shinjuku ward	Rental condo	90 units
Chiyoda ward	Building	1 bldg
Ota ward	Rental condo	46 units
Setagaya ward	Rental condo	33 units
Shibuya ward	Rental condo	51 units
Shibuya ward	Rental condo	108 units
Shibuya ward	Commercial	1 bldg
Chuo ward	Rental condo	84 units
Bunkyo ward	Rental condo	53 units
Shinagawa ward	Rental condo	4 units



Left: SPACIA Yoyogiuehara  
 Right: SPACIA Ebisu

# Overview of Fiscal Year Ended March 31, 2005

## Property sold (real estate securitization-related business)

(04/3 – 05/3)

04/3		
Location	Property	# unit # bldg
Setagaya ward	Rental condo	33 units
Setagaya ward	Rental condo	92 units
Minato ward	Rental condo	31 units
Minato ward	Rental condo	46 units
Minato ward	Rental condo	10 units
Minato ward	Rental condo	1 units
Shibuya ward	Rental condo	42 units
Shibuya ward	Building	1 bldg
Shibuya ward	Building	1 bldg
Chiyoda ward	Rental condo	68 units
Machida city	Rental condo	95 units

05/3		
Location	Property	# unit # bldg
Chiyoda ward	Rental condo	23 units
Shibuya ward	Rental condo	27 units
Shibuya ward	Commercial	1 bldg
Minato ward	Building	1 bldg
Shinjuku ward	Rental condo	20 units
Taito ward	Rental condo	86 units
Kawasaki city	Rental condo	146 units



**Left: SPACIA Sangenjaya**  
**Right: SPACIA Kawasaki**

# Real estate development business

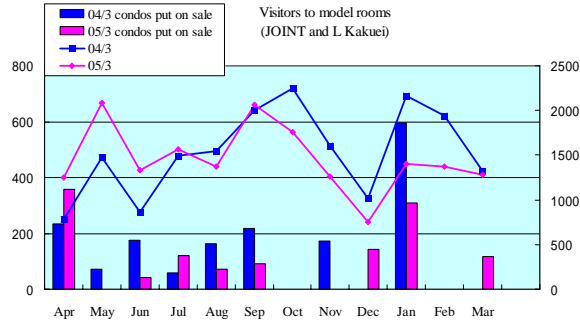


JOINT CORPORATION  
株式会社ジョイント・コーポレーション

# Overview of Fiscal Year Ended March 31, 2005

## Customer volume, # of contract, internet promotion

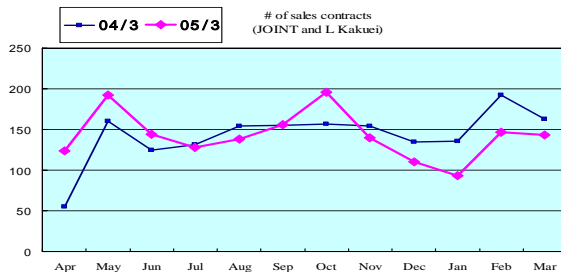
(real estate development business)



### <Visitors to model rooms>

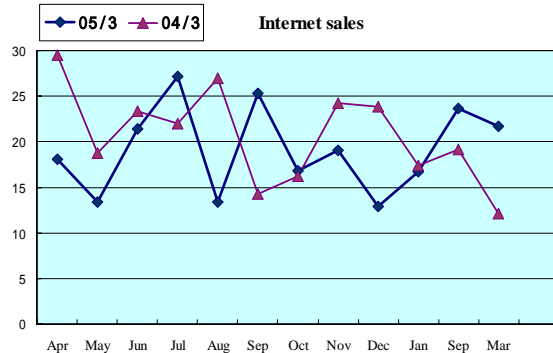
-6.7% Y o Y

Condos put on sale for 05/3 were shifted relatively toward the end of fiscal year. Visitors to model rooms were down Y o Y in 2<sup>nd</sup> half of fiscal year because there was not enough rooms put on sale to bring customers into model rooms.



### <# of sales contracts>

+6% Y o Y



### <Internet sales\*>

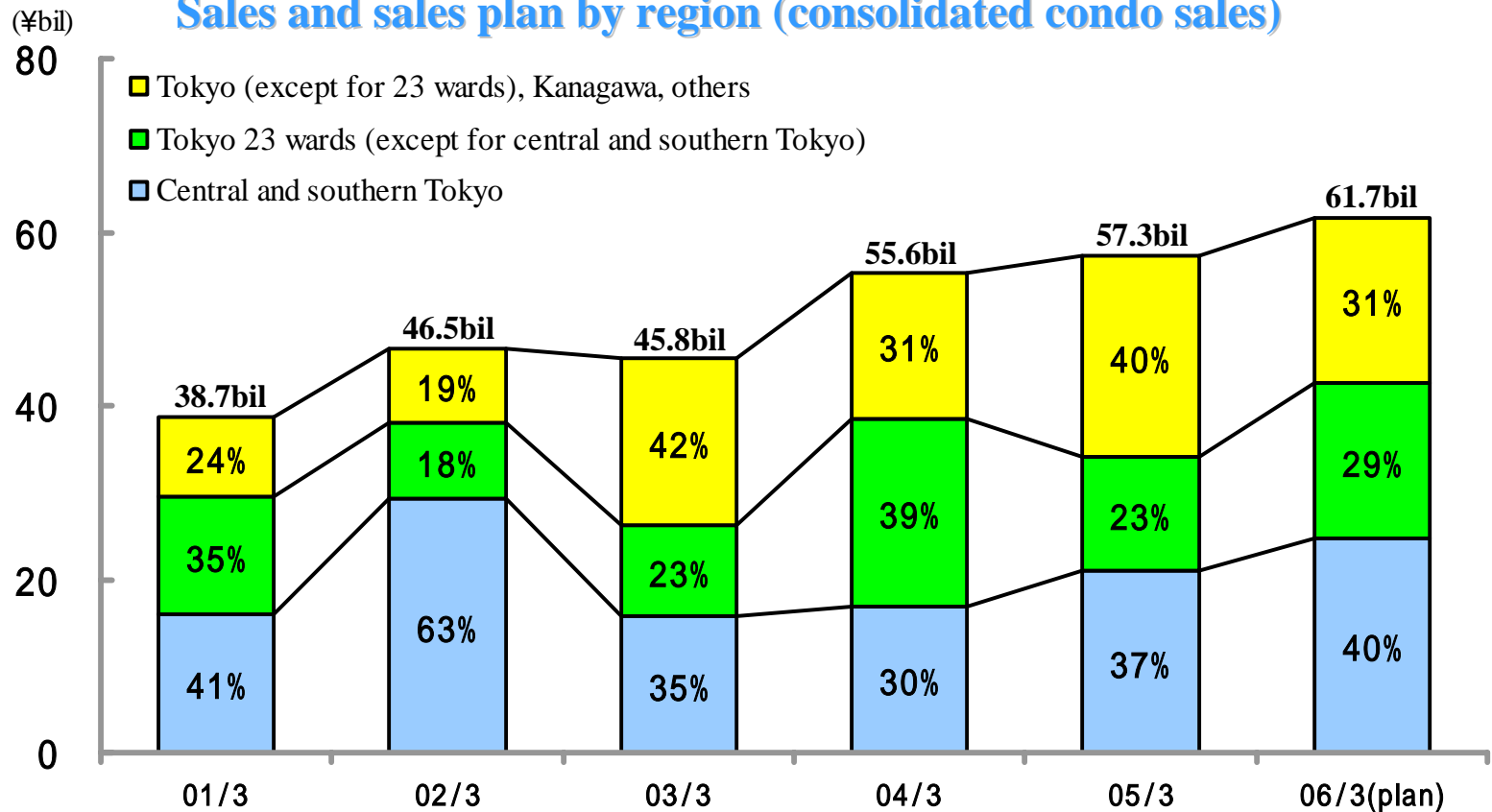
19.7%

\*Sales from customers who first visited JOINT's website.

# Overview of Fiscal Year Ended March 31, 2005

## Regional strategy (real estate development business)

### Sales and sales plan by region (consolidated condo sales)



# Group Companies



JOINT CORPORATION

株式会社ジョイント・コーポレーション

# Overview of Fiscal Year Ended March 31, 2005

L Kakuei

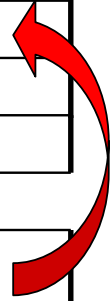
## 1. Results

	05/3	Y o Y	vs. plan
<b>Net sales</b>	<b>¥22bil</b>	<b>+2.5%</b>	<b>-7.8%</b>
<b>Ordinary income</b>	<b>¥2.5bil</b>	<b>+90.2%</b>	<b>+53.7%</b>
<i>Real estate securitization-related business</i> <i>Net sales</i>	<i>¥7.4bil</i>	<i>+456.0%</i>	
<i>Real estate development business</i> <i>Net sales</i>	<i>¥12.2bil</i>	<i>-31.1%</i>	

## 2. Steady progress in rehabilitation plan

(¥bil)

	End of Oct 2001	02/3	03/3	04/3	05/3	Accumulated total
Net sales	-	4.5	17.2	21.5	<b>22.0</b>	-
Ordinary income	-	0.9	1.4	1.3	<b>2.5</b>	-
Net income	-	1.0	2.8	1.1	<b>1.6</b>	6.5
Net assets	1.5	3.2	6.0	7.2	<b>10.5</b>	-
Bankruptcy liability	37.3	35.0	29.3	27.0	<b>24.5</b>	-
Net income projected on rehabilitation plan	-	0.2	1.1	1.2	<b>1.1</b>	3.6



# Overview of Fiscal Year Ended March 31, 2005

## Joint Rent

### Results

	05/3	Y o Y	vs. plan
<b>Net sales</b>	<b>¥4.4bil</b>	<b>+32.8%</b>	<b>+21.6%</b>
<b>Ordinary income</b>	<b>¥0.38bil</b>	<b>+87.7%</b>	<b>+94.4%</b>
<b>Units under property management</b>	<b>7,563units</b>	<b>+63.0%</b>	

### Major reasons

- Rental property management: Large increase in units under property management  
 Provided a new product  
 Strengthen “conversion” business  
 (Convert corporate dormitory into rental condo for students.  
 2bldg in 04/3    10 bldg in 05/3)
- Rental brokerage: Opened new office (10 → 12 offices)  
 Website contributed in bringing customers



# Overview of Fiscal Year Ended March 31, 2005

## J·COMS

	05/3	Y o Y
<b>Condos under property management</b>	<b>23,550units</b>	<b>+12.9%</b>
<b>Buildings under property management</b>	<b>212buildings</b>	<b>-3.2%</b>

## Joint Land

Started condo development business in 05/3

“IXIA” brand

# IXIA

# Overview of Fiscal Year Ended March 31, 2005

## Financing activities

### Issued the first bonds in public offering

¥5bil, 3years (¥10bil under shelf registration)

### Privately placed bonds

Issued ¥10.2bil, ¥11.8bil outstanding at 05/3

### Commitment line

¥11bil

### Commercial paper

Up to ¥5bil

### Rating (Feb 05)

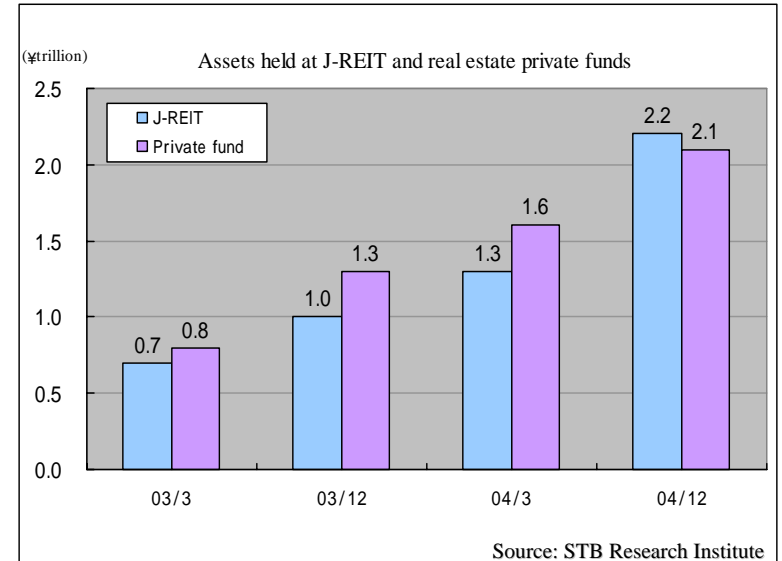
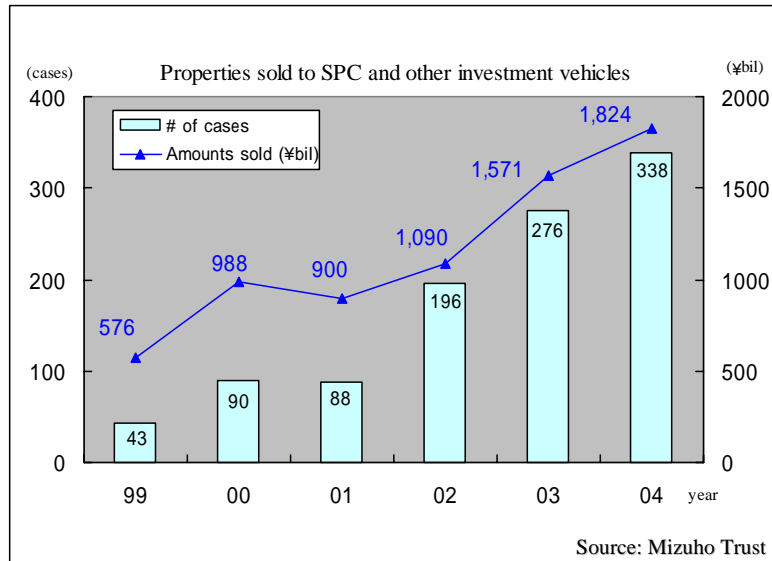
- \* CP J-2
- \* Senior long-term debt BBB-

## . Mid-Term Plan

# Mid-Term Plan

## Operating environment

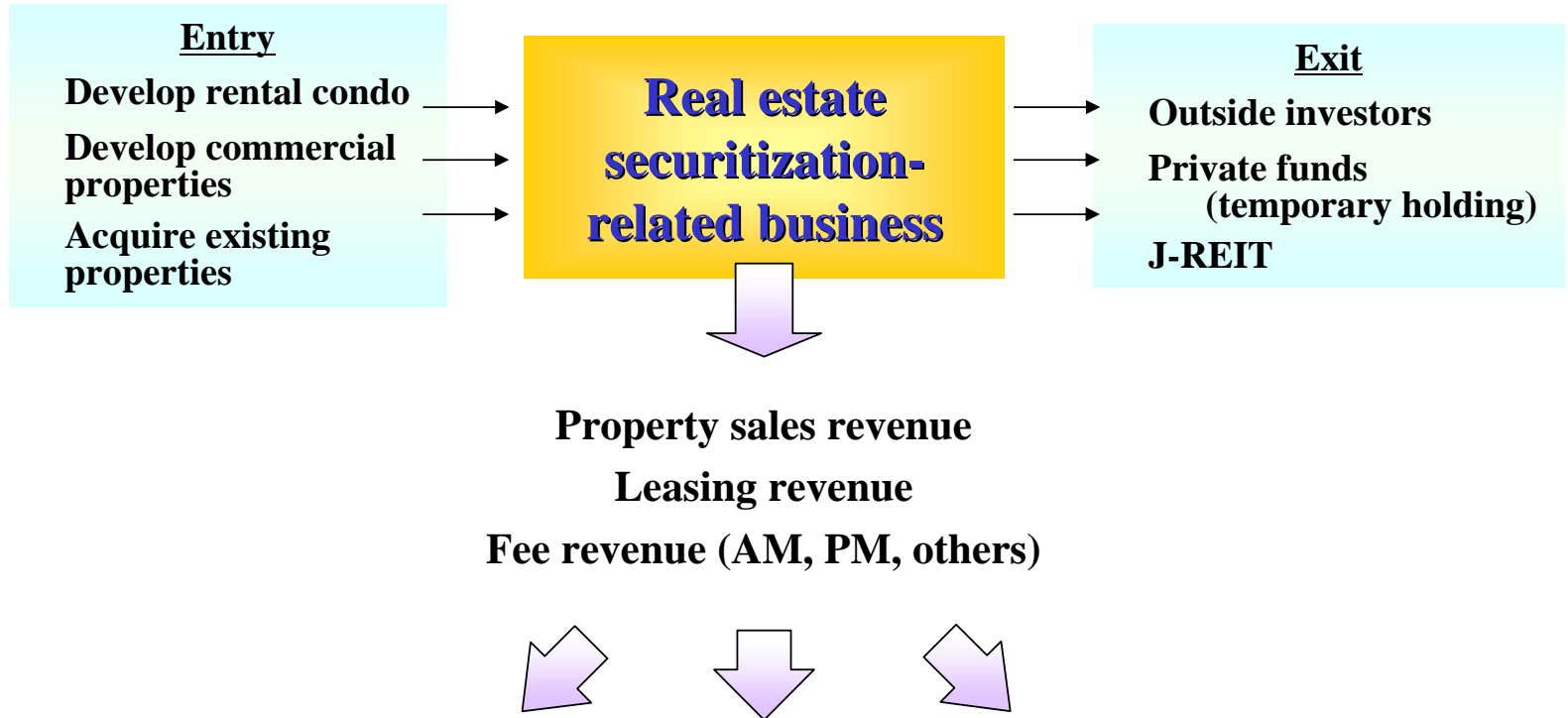
### Booming real estate securitization market



# Mid-Term Plan

*Development in last 5 years*

*(real estate securitization-related business)*



JOINT, L Kakuei, Joint Rent, J·COMS, Joint Asset Management



# Mid-Term Plan

## Development in last 5 years

*(real estate securitization-related business)*

### <Advantage in broadening the scope of entry>

- To deal with intensifying competition for land/property, broadening the scope helps acquiring enough land/property
- Wider scope makes JOINT more flexible than condo-only players
- Acquiring existing properties can buy time in accumulating assets

### <Advantage in broadening the scope of exit>

- Cap rate and leasing income affects property sale revenue  
Temporary holding at private funds makes JOINT “time” the market while earning leasing revenue
- JOINT’s J-REIT could be a stable party where JOINT makes constant property sales on long-term basis



# Mid-Term Plan

## Breakdown of sales and operating income (real estate securitization-related business)

05/3

(¥mil)

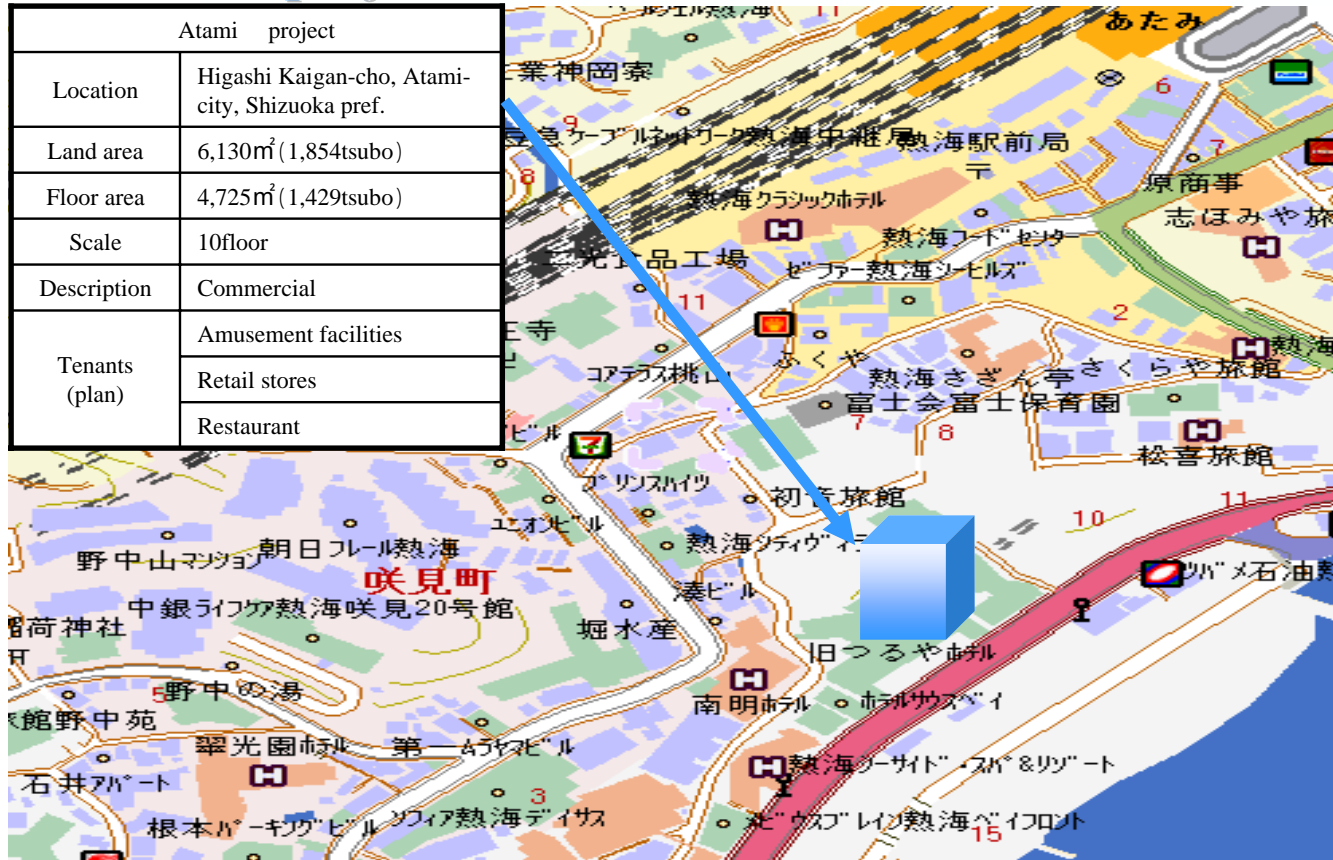
	Net sales		Operating income	Operating margin	
		Y o Y			Y o Y
<b>Property sales revenue</b>	13,942	4,452	2,575	18.5%	11.6 p
<b>Other</b>					
(Leasing revenue)	2,574	1,345	1,111	43.2%	14.2 p
(AM/PM fee)					
(Dividend and others)					
<b>Subtotal</b>	16,515	-	3,686	-	-
Consolidation adjustment	400	-	17	-	-
<b>Total</b>	16,915	2,905	3,703	21.9%	12.4 p

# Mid-Term Plan

## New Project (commercial property development)

### Atami project

Atami project	
Location	Higashi Kaigan-cho, Atami-city, Shizuoka pref.
Land area	6,130m <sup>2</sup> (1,854tsubo)
Floor area	4,725m <sup>2</sup> (1,429tsubo)
Scale	10floor
Description	Commercial
Tenants (plan)	Amusement facilities
	Retail stores
	Restaurant





# Mid-Term Plan

## New "Adenium"

# A D E N I U M



**Adenium Sensokuike-Minami**



**Adenium Chitosekarasuyama**



**Adenium Atami  
Ocean suite**

<b>Location</b>	Kamiikedai, Ota-ku, Tokyo
<b>Units</b>	30 units
<b>Floor area</b>	64.98 ~ 114.56 m <sup>2</sup>
<b>Layout</b>	2LDK · 3LDK
<b>Completion</b>	Mar 06

<b>Location</b>	Kamisoshigaya, Setagaya-ku, Tokyo
<b>Units</b>	51 units
<b>Floor area</b>	62.69 ~ 78.30 m <sup>2</sup>
<b>Layout</b>	2LDK · 3LDK
<b>Completion</b>	Jan 06

**Adenium Nishi Funabashi**

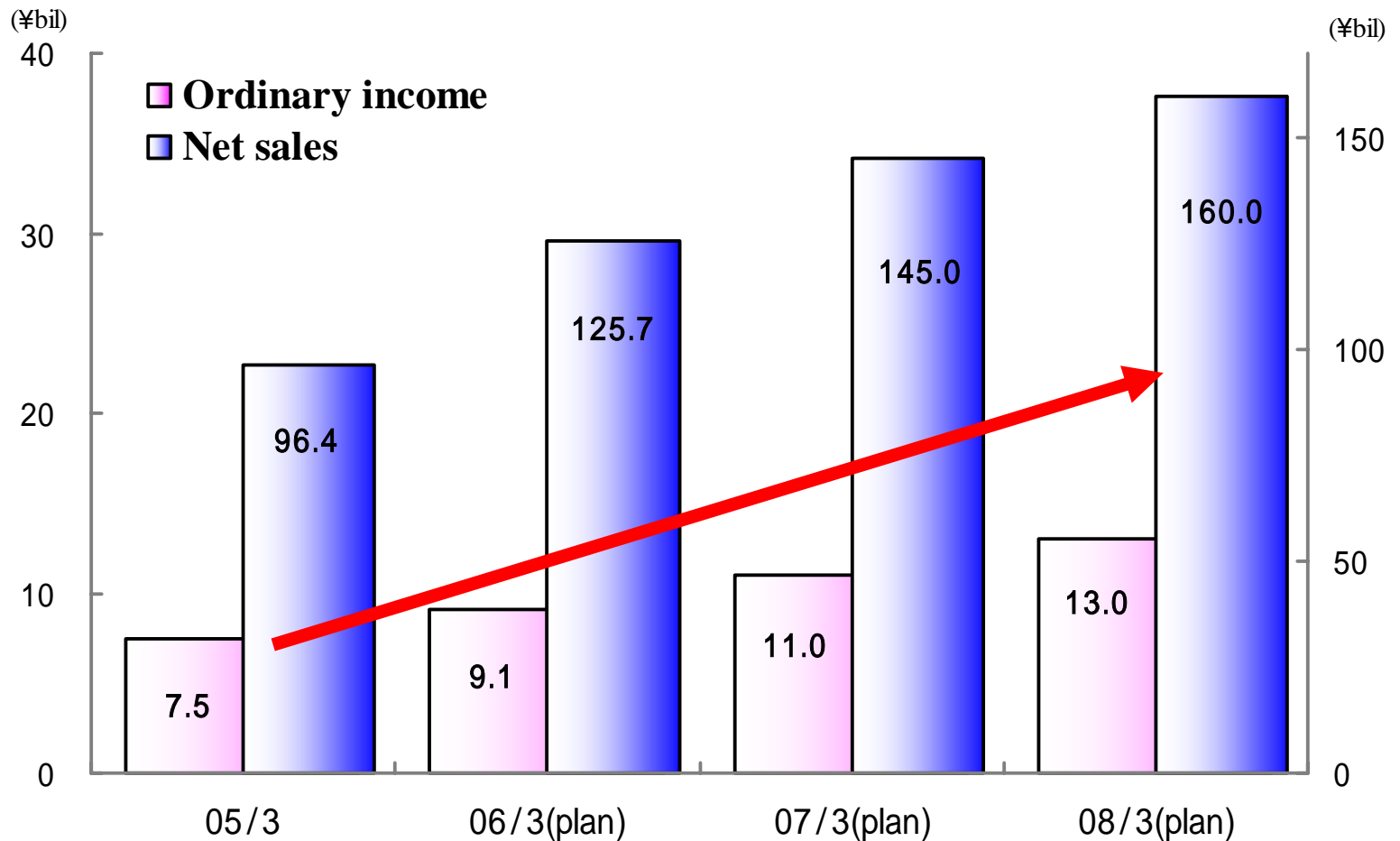
<b>Location</b>	Innai, Funabashi-city, Chiba pref.
<b>Units</b>	40 units
<b>Floor area</b>	72.67 ~ 86.47 m <sup>2</sup>
<b>Layout</b>	3LDK · 4LDK
<b>Completion</b>	Mar 06



<b>Location</b>	Kasuga-cho, Atami-city, Shizuoka pref.
<b>Units</b>	95 units
<b>Floor area</b>	56.46 ~ 89.03 m <sup>2</sup>
<b>Layout</b>	1LDK · 2LDK
<b>Completion</b>	Mar 06

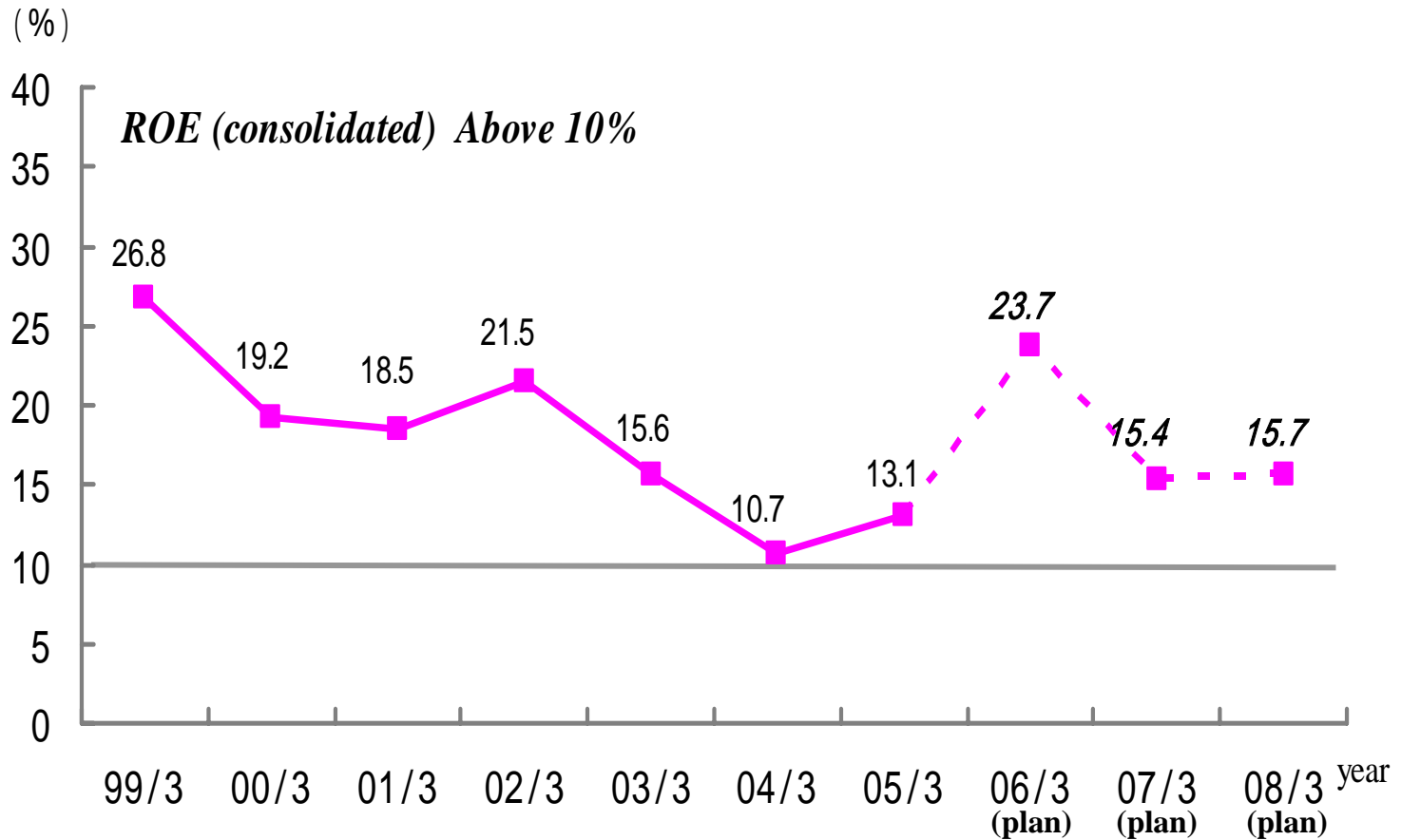
# Mid-Term Plan

## Consolidated sales, ordinary income



# Mid-Term Plan

## Targets for financial indicators

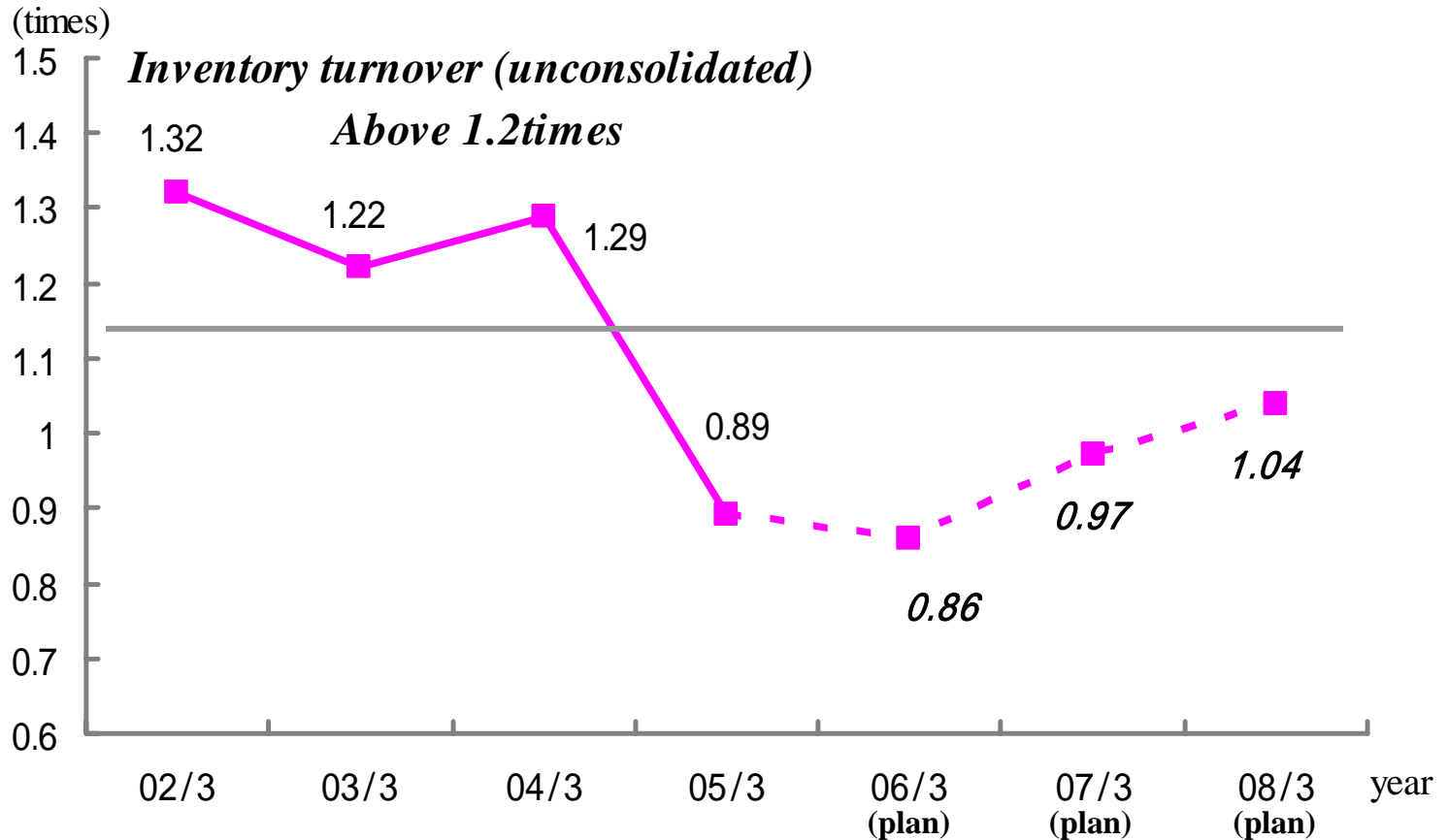


# Mid-Term Plan

## Targets for financial indicators

Reflects aggressive land bank strategy and condo project getting larger

Try to increase number of off-balance transaction

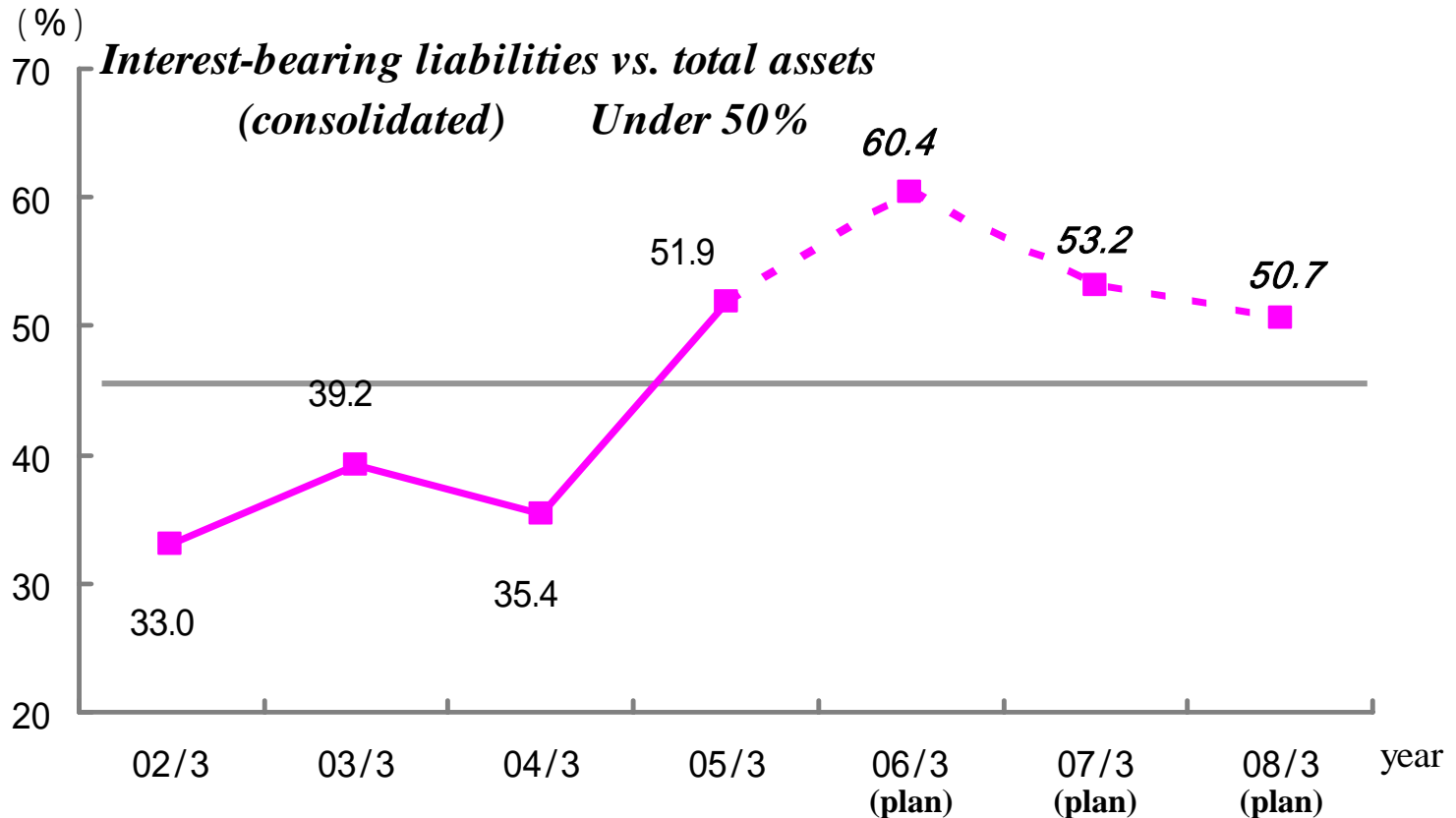


# Mid-Term Plan

## Targets for financial indicators

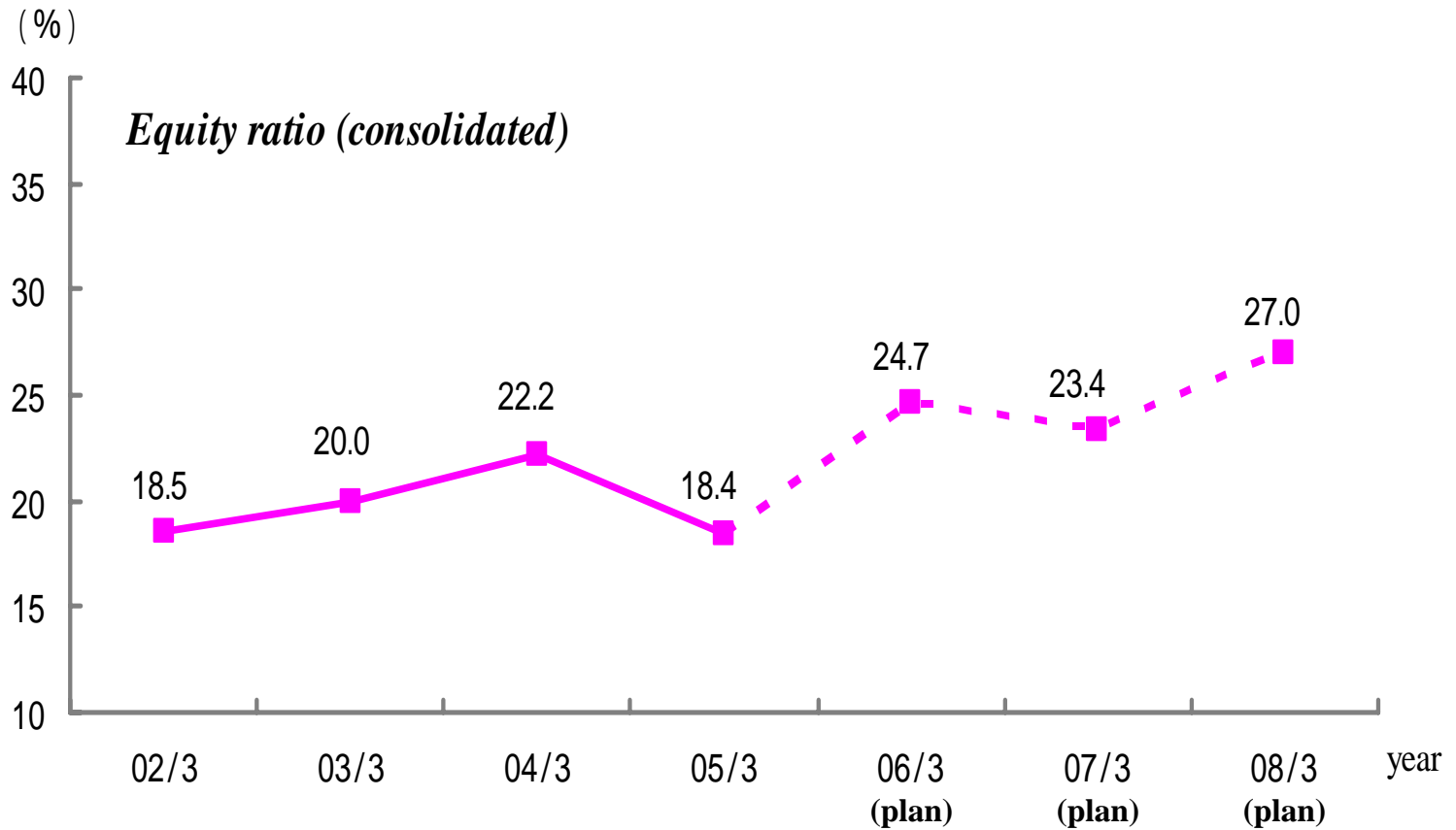
*Balance between aggressive buying and financial prudence*

*Try to increase numbers of off-balance transaction*



# Mid-Term Plan

## Other financial indicator



# Other Information



# Other Information

## Condo sales data (consolidated)

(¥mil)

	04/3		05/3		06/3(plan)	
<b>Units placed on sale</b>	1,903 units	71,252	<b>1,955 units</b>	<b>70,968</b>	<b>2,677 units</b>	<b>97,155</b>
<b>Contracts signed</b>	1,781 units	62,107	<b>1,887 units</b>	<b>64,211</b>	<b>2,392 units</b>	<b>84,271</b>
<b>Condo sold (delivered)</b>	1,648 units	55,614	<b>1,637 units</b>	<b>57,377</b>	<b>1,786 units</b>	<b>62,785</b>
<b>Contracted units at the end of fiscal year</b>	488 units	19,255	<b>738 units</b>	<b>26,089</b>	<b>1,343 units</b>	<b>47,574</b>



# Other Information

## Unconsolidated income statements

(¥mil)

	04/3		05/3		Difference	Note
	Amount	Margin	Amount	Margin		
Net sales	63,715	100.0%	<b>57,600</b>	<b>100.0%</b>	6,115	
Gross income	9,523	14.9%	<b>11,233</b>	<b>19.5%</b>	1,710	
Operating income	3,709	5.8%	<b>5,426</b>	<b>9.4%</b>	1,717	
Ordinary income	2,503	3.9%	<b>3,940</b>	<b>6.8%</b>	1,437	
Net income	1,372	2.1%	<b>2,110</b>	<b>3.7%</b>	738	Extraordinary loss ¥0.41bil (Unrealized loss of subsidiary)

# Other Information

## Unconsolidated balance sheets

(¥mil)

	04/3		05/3		Difference	Note
	Amount	%	Amount	%		
Cash and deposits	19,143		<b>18,491</b>		652	
Inventories	48,703	58.0%	<b>80,086</b>	<b>68.5%</b>	31,383	
Other current assets	7,064		<b>9,684</b>		2,620	
Fixed assets	9,079		<b>8,651</b>		428	
Total assets	83,991	100.0%	<b>116,913</b>	<b>100.0%</b>	32,922	
Interest-bearing liabilities	39,777	47.4%	<b>72,996</b>	<b>62.4%</b>	33,219	
Other liabilities	19,972		<b>18,010</b>		1,962	
Total liabilities	59,749	71.1%	<b>91,006</b>	<b>77.8%</b>	31,257	
Paid-in capital	7,672		<b>7,672</b>		0	
Others	16,569		<b>18,234</b>		1,665	
Total shareholder's equity	24,241	28.9%	<b>25,906</b>	<b>22.2%</b>	1,665	
Total liabilities and equity	83,991	100.0%	<b>116,913</b>	<b>100.0%</b>	32,922	



# Other Information

## L Kakuei income statements

(¥mil)

	04/3		05/3		Difference	Note
	Amount	Margin	Amount	Margin		
Net sales	21,507	100.0%	<b>22,054</b>	<b>100.0%</b>	547	
Gross income	3,623	16.8%	<b>4,577</b>	<b>20.8%</b>	954	
Operating income	1,474	6.9%	<b>2,834</b>	<b>12.9%</b>	1,360	
Ordinary income	1,341	6.2%	<b>2,551</b>	<b>11.6%</b>	1,210	
Net income	1,179	5.5%	<b>1,679</b>	<b>7.6%</b>	500	



# Other Information

## L Kakuei balance sheets

(¥mil)

	04/3		05/3		Difference	Note
	Amount	%	Amount	%		
Cash and deposits	14,165		<b>7,617</b>		6,548	
Inventories	24,384	53.0%	<b>37,830</b>	<b>72.7%</b>	13,446	
Other current assets	2,937		<b>2,192</b>		745	
Fixed assets	4,534		<b>4,396</b>		138	
Total assets	46,021	100.0%	<b>52,037</b>	<b>100.0%</b>	6,016	
Interest-bearing liabilities	5,201	11.3%	<b>10,099</b>	<b>19.4%</b>	4,898	
Bankruptcy liabilities	27,011	58.7%	<b>24,525</b>	<b>47.1%</b>	2,486	
Other liabilities	6,545		<b>6,867</b>		322	
Total liabilities	38,757	84.2%	<b>41,491</b>	<b>79.7%</b>	2,734	
Paid-in capital	1,500		<b>3,000</b>		1,500	
Others	5,763		<b>7,545</b>		1,782	
Total shareholder's equity	7,263	15.8%	<b>10,545</b>	<b>20.3%</b>	3,282	
Total liabilities and equity	46,021	100.0%	<b>52,037</b>	<b>100.0%</b>	6,016	