point

Summary of Financial Results
for the Second Quarter of the Fiscal Year Ending February 28, 2010
(Six Months Ended August 31, 2009)

September 30, 2009

Company name: POINT INC. Listing: TSE 1st section
Stock code: 2685 URL: http://www.point.co.jp
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Scheduled date of filing of Quarterly Report: October 15, 2009
Scheduled date of payment of dividend: October 26, 2009

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending February 28, 2010 (March 1, 2009 – August 31, 2009)

(1) Consolidated results of operations (cumulative) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Aug. 31, 2009	43,741	-	6,722	-	6,780	-	3,939	-
Six months ended Aug. 31, 2008	38,425	19.8	5,980	12.8	6,078	13.6	3,350	9.3

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Aug. 31, 2009	161.91	-
Six months ended Aug. 31, 2008	135.35	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Aug. 31, 2009	45,981	29,310	63.4	1,197.86
As of Feb. 28, 2009	45,885	26,565	57.6	1,086.09

(Reference) Shareholders' equity Aug. 31, 2009: 29,146 million yen Feb. 28, 2009: 26,426 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 28, 2009	-	40.00	-	60.00	100.00
Fiscal year ending Feb. 28, 2010	-	50.00			
Fiscal year ending Feb. 28, 2010 (forecast)			-	60.00	110.00

(Note) Revision of dividend forecast during the period: Yes

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2010 (March 1, 2009 – February 28, 2010)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	97,000	11.9	16,100	2.1	16,200	1.6	9,000	11.2	369.88

(Note) Revision of consolidated forecast during the period: None

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: Yes
2) Other changes: Yes

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at end of period (including treasury stock)

Aug. 31, 2009:	25,990,720 shares	Feb. 28, 2009:	25,990,720 shares

2) Number of treasury stock at end of period

Aug. 31, 2009:	1,658,600 shares	Feb. 28, 2009:	1,658,593 shares

3) Average number of shares outstanding during the period (cumulative)

Six months ended Aug. 31, 2009:	24,332,123 shares	Six months ended Aug. 31, 2008:	24,756,833 shares

*** Cautionary statement with respect to forward-looking statements**

1. Forward-looking statements in this report are based on currently available information and certain assumptions judged to be reasonable. Actual results may differ significantly from these forecasts for a number of factors.
2. Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No. 12, March 14, 2007) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14, March 14, 2007). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

Reference: Summary of Non-consolidated Forecasts

Non-consolidated Forecast for the Fiscal Year Ending February 28, 2010 (March 1, 2009 – February 28, 2010)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	95,000	11.0	15,800	1.6	16,000	1.2	9,000	12.0	369.88

(Note) Revision of non-consolidated forecast during the period: None

Qualitative Information and Financial Statements

1. Qualitative information regarding consolidated results of operations

In the first half (March 1, 2009 to August 31, 2009) of the current fiscal year, the Japanese economy finally began to show signs of bottoming out as public works spending increased, and exports and production picked up. Personal consumption, however, remained weak overall, despite indications of improvement in some sectors, as conditions for employment and income remained harsh.

In the casual wear market in which our group operates, personal consumption remained weak due to poor weather, consumers' more defensive spending stance, and a growing preference among consumers for low-priced items.

In this environment, net sales increased 13.8% year-on-year. Domestic existing-store sales were 96.2% of the previous year's level, roughly in line with our 96.1% full-year target. Sales of early summer and summer wear were steady from mid-April, but poor weather, including a prolonged rainy season, weighed on sales from July.

The following domestic brands maintained strong sales growth: LEPSIM LOWRYS FARM, HEATHER, and APART BY LOWRYS.

COLLECT POINT Harajuku, a large integrated flagship store that we opened in April, also saw steady sales.

We continued to aggressively open new stores. We expanded the domestic store network to 597 stores (including 28 e-commerce websites) at the end of the second quarter, the net result of opening 50 new stores (including 10 e-commerce websites) during the first half, and closing four.

Overseas, we opened one new store in Taiwan, *COLLECT POINT,* and five new stores in Hong Kong including LOWRYS FARM, RAGEBLUE, and *COLLECT POINT*, expanding our overseas store network to 31 stores at the end of the second quarter: 18 stores in Taiwan and 13 stores in Hong Kong.

Regarding profits, the gross profit margin improved to 60.9% (up 0.5 point year-on-year) as we optimally controlled procurement, inventories, and sales price revisions.

The SG&A-to-sales ratio rose 0.7 point year-on-year to 45.5% mainly due to aggressive and strategic store development in domestic and overseas markets, and an increase in expenses from the expansion of results-based incentives. The operating income margin declined 0.2 point to 15.4%.

We booked an extraordinary gain of 66 million yen from the reversal of subscription rights to shares following the expiration of stock options. However, we also booked extraordinary losses including disposal costs for fixed asset of 39 million yen, losses of 48 million yen from the cancellation of store rental contracts, and impairment losses at three stores of 61 million yen.

As a result, consolidated net sales in the first half increased 13.8% year-on-year to 43,741 million yen, operating income increased 12.4% to 6,722 million yen, ordinary income increased 11.5% to 6,780 million yen, and net income increased 17.6% to 3,939 million yen.

(Note) Year-on-year figures in "Qualitative information regarding consolidated results of operations" are for reference purpose.

2. Qualitative information regarding consolidated financial position

(1) Balance sheet position

Total assets increased 96 million yen from as of February 28, 2009 to 45,981 million yen as of August 31, 2009. This was mainly the net result of an increase in short-term investment securities of 1,001 million yen, an increase in tangible assets of 1,120 million yen, and a decrease in cash and deposits of 1,973 million yen.

Liabilities declined 2,649 million yen to 16,670 million yen mainly due to decreases in accounts payable of 728 million yen and income taxes payable of 1,946 million yen.

Net assets rose 2,745 million yen to 29,310 million yen mainly due to an increase in retained earnings of 2,479 million yen.

(2) Cash flow position

Cash and cash equivalents as of August 31, 2009 amounted to 18,329 million yen, or 1,973 million yen less than as of February 28, 2009.

A summary of cash flows from each activity is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 1,657 million yen. The main factors include income before income taxes of 6,697 million yen, an increase in accounts receivable of 748 million yen, a decrease in accounts payable of 736 million yen, and income taxes paid of 4,041 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 2,191 million yen. This was mainly due to payment of 1,432 million yen for acquisition of tangible assets.

(Cash flows from financing activities)

Net cash used in financing activities totaled 1,460 million yen. This was mainly due to cash dividends paid of 1,457 million yen.

3. Qualitative information regarding consolidated forecast

Point Inc. maintains its consolidated forecast for the fiscal year ending on February 28, 2010 (released on April 3, 2009).