point

Summary of Consolidated Financial Results for the Fiscal Year Ended February 29, 2012

[Japanese GAAP]

April 4, 2012

Company name: POINT INC. Listing: TSE 1st section
Stock code: 2685 URL: http://www.point.co.jp
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Scheduled date of Annual General Meeting of Shareholders: May 24, 2012
Scheduled date of payment of dividend: May 9, 2012
Scheduled date of filing of Annual Securities Report: May 25, 2012
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for investors)

Note: The original disclosure in Japanese was released on April 4, 2012 at 15:00 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2012 (March 1, 2011 – February 29, 2012)

(1) Consolidated results of operations (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 29, 2012	115,058	8.7	12,361	(19.4)	12,522	(19.2)	6,789	(19.2)
Fiscal year ended Feb. 28, 2011	105,893	8.4	15,329	(9.3)	15,504	(9.1)	8,400	(11.7)

Note: Comprehensive income Fiscal year ended Feb. 29, 2012: 6,758 million yen (down 19.7 %)
Fiscal year ended Feb. 28, 2011: 8,416 million yen (- %)

	Net income per share	Diluted net income per share	ROE	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Feb. 29, 2012	285.71	-	17.4	20.1	10.7
Fiscal year ended Feb. 28, 2011	348.18	-	23.8	26.3	14.5

Reference: Equity in earnings of affiliates Feb. 29, 2012: - million yen Feb. 28, 2011: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 29, 2012	62,771	41,191	65.3	1,724.17
As of Feb. 28, 2011	62,089	37,330	59.8	1,561.71

Reference: Shareholders' equity Feb. 29, 2012: 40,969 million yen Feb. 28, 2011: 37,109 million yen

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Feb. 29, 2012	8,119	(6,076)	(2,850)	25,308
Fiscal year ended Feb. 28, 2011	10,531	(5,699)	(4,805)	26,151

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 28, 2011	-	50.00	-	70.00	120.00	2,879	34.5	8.2
Fiscal year ended Feb. 29, 2012	-	50.00	-	70.00	120.00	2,851	42.0	7.3
Fiscal year ending Feb. 28, 2013 (forecast)	-	50.00	-	70.00	120.00		38.0	

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2013 (March 1, 2012 – February 28, 2013)

(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
First half	56,900	8.3	4,700	0.5	4,800	1.0	2,700	12.7	113.63
Full year	125,000	8.6	13,100	6.0	13,200	5.4	7,500	10.5	315.63

4. Others

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

(2) Changes in accounting principles, procedures and presentation methods

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

(3) Number of outstanding shares (common stock)

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

Feb. 29, 2012:	24,400,000 shares	Feb. 28, 2011:	24,400,000 shares

2) Number of shares of treasury stock at end of period

Feb. 29, 2012:	637,885 shares	Feb. 28, 2011:	637,885 shares

3) Average number of shares outstanding during the period

Fiscal year ended Feb. 29, 2012:	23,762,115 shares	Fiscal year ended Feb. 28, 2011:	24,126,424 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2012 (March 1, 2011 – February 29, 2012)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 29, 2012	111,561	8.1	11,710	(19.7)	12,006	(19.3)	6,553	(18.4)
Fiscal year ended Feb. 28, 2011	103,234	7.9	14,586	(11.4)	14,872	(11.1)	8,036	(13.4)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Feb. 29, 2012	275.81	-
Fiscal year ended Feb. 28, 2011	333.09	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 29, 2012	61,032	40,007	65.6	1,683.68
As of Feb. 28, 2011	60,630	36,371	59.9	1,528.67

Reference: Shareholders' equity Feb. 29, 2012: 40,007 million yen Feb. 28, 2011: 36,324 million yen

2. Non-consolidated Forecast for the Fiscal Year Ending February 28, 2013 (March 1, 2012 – February 28, 2013)

(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
First half	54,800	7.5	4,500	1.6	4,600	0.1	2,600	14.0	109.42
Full year	119,500	7.1	12,500	6.7	12,700	5.8	7,300	11.4	307.21

Note 1: Indication of audit procedure implementation status

The current financial statements are exempted from audit procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, the audit procedures for these consolidated financial statements have not been completed.

Note 2: Cautionary statement with respect to forward-looking statements

Forward-looking statements in this report are based on currently available information and certain assumptions judged to be reasonable. These statements are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to the section "1. Results of Operations and Outlook (1) Analysis of Operations" on page 1 regarding preconditions or other related matters for the forecast shown above.

1. Results of Operations and Outlook

(1) Analysis of Operations

1) Results of operations for the current fiscal year

In the current fiscal year (March 1, 2011 to February 29, 2012), the Great East Japan Earthquake had a temporary but severe impact on social and economic activity in Japan. But production and exports generally returned to pre-earthquake levels and private-sector demand in Japan also recovered as constraints on the supply side caused by the earthquake were mostly alleviated. However, Japan's recovery was progressing at only a moderate pace due to slowing global economic growth as the widening European sovereign debt problem affected international financial markets. Consumer spending remained somewhat lackluster due to considerable uncertainty about the economic outlook and preference for low-priced items.

In the casual wear market, in which our group operates, consumer demand recovered rather quickly from the downturn caused by the earthquake. But market conditions remained challenging primarily because of earlier than usual discount sales and poor weather.

In this environment, domestic existing-store sales were 95.8% of the previous fiscal year. However, consolidated net sales increased 8.7% due to growth in overseas sales and newly opened domestic stores.

In Japan, two new brands, namely *COLLECT POINT* and *REPIPI ARMARIO*, posted strong sales growth and sales of *RAGEBLUE* and *HEATHER*, among existing brands, kept growing steadily.

We continued to aggressively open new stores and close unprofitable ones in Japan: we opened 101 new stores, and closed 39, resulting in a domestic network of 766 stores at the end of the current fiscal year (including 31 e-commerce websites).

Overseas, seven stores were opened and two were closed in Taiwan, five stores were opened and one store was closed in Hong Kong, and five stores were opened in China. At the end of the current fiscal year, there were 27 stores in Taiwan, 17 in Hong Kong and 11 in China for a total of 55 overseas stores.

Regarding profits, the gross profit margin was 58.7%, down 1.1 points year-on-year, mainly because of timely revisions to selling prices responding to changes in market conditions, including an increase in discount sales of merchandise in response to the impact of the earthquake and other factors.

Selling, general and administrative (SG&A) expenses increased 14.9% year-on-year mainly because of an increase of personnel expenses, primarily the opening of many new stores and measures to strengthen the organization to build a base for rapid growth during the next medium-term management plan. As a result, the SG&A-to-sales ratio rose 2.6 points year-on-year to 48.0%, and the operating income margin declined 3.8 points to 10.7%.

In addition, we booked an extraordinary gain of 845 million yen, which includes an 82 million yen reversal of allowance for doubtful accounts, a 580 million yen reversal of provision for bonuses, a 136 million yen reversal of provision for directors' bonuses and a 46 million yen gain on reversal of subscription rights to shares, and an extraordinary loss of 1,547 million yen, which includes a 515 million yen loss on retirement of non-current assets, a 266 million yen loss on cancellation of store rental contracts, a 323 million yen impairment loss, and a 438 million yen earthquake-related loss.

As a result, consolidated net sales in the current fiscal year increased 8.7% year-on-year to 115,058 million yen, operating income decreased 19.4% to 12,361 million yen, ordinary income decreased 19.2% to 12,522 million yen, and net income decreased 19.2% to 6,789 million yen.

2) Outlook for fiscal year ending in February 28, 2013

The operating environment will change drastically as the Japanese market becomes more uncertain due to factors like the declining population, falling birthrate and aging population as well as the effects of the Great East Japan Earthquake. The rapid advance of globalization and the expansion of markets in Asian countries are other factors to be taken into account. To respond to these circumstances, the Point Group started the TOP15 medium-term management plan in the fiscal year ending on February 28, 2013, taking actions in line with the strategic objectives of this plan with the goal of further enhancing corporate value.

We are implementing the following initiatives in the fiscal year ending on February 28, 2013.

-Operate larger stores and strengthen lineups of goods other than apparel items for further growth of our core brands.

- Reexamine and reinforce sales support functions for core brands.
- Open stores in Singapore, adding to existing operations in Taiwan, Hong Kong and China, to increase recognition of Point’s brands overseas and enlarge the scale of operations outside Japan.
- Upgrade merchandise-planning capabilities of the Production Division and strengthen the collaboration-framework with key suppliers.

For the fiscal year ending on February 28, 2013, we forecast an 8.6% increase in consolidated net sales to 125 billion yen, a 9.6% increase in gross profit to 74 billion yen, a 6.0% increase in operating income to 13.1 billion yen, a 5.4% increase in ordinary income to 13.2 billion yen and a 10.5% increase in net income to 7.5 billion yen. This forecast assumes that domestic existing-store sales will increase 0.5% and that 92 stores will be opened and 21 stores will be closed in Japan. SG&A expenses are expected to increase for several reasons: substantial expenditures for strengthening the organization to achieve the strategic objectives of the TOP15 medium-term management plan, higher depreciation cost from a change in the estimation method of residual book value for store interior equipment, and the amortization of expenses for closing and remodeling stores which were treated as extraordinary losses in previous fiscal years.

(2) Analysis of Consolidated Financial Condition

1) Balance sheet position

Assets

Current assets decreased 347 million yen from as of February 28, 2011 to 38,231 million yen as of February 29, 2012. This was mainly due to a decrease in cash and deposits, in spite of an increase in short-term investment securities (mainly treasury discounted bills).

Noncurrent assets increased 1,029 million yen to 24,539 million yen. This was mainly due to an increase in store interior equipment.

As a result, total assets increased 682 million yen to 62,771 million yen.

Liabilities

Current liabilities decreased 2,424 million yen to 21,452 million yen. This was mainly due to decreases in accounts payable-trade and income taxes payable.

Noncurrent liabilities decreased 754 million yen to 126 million yen. This was mainly due to reversal of provision for medium-term achievement-linked bonuses.

As a result, total liabilities decreased 3,179 million yen to 21,579 million yen.

Net assets

Net assets increased 3,861 million yen to 41,191 million yen mainly due to an increase in retained earnings.

2) Cash flow position

Cash and cash equivalents (hereinafter “net cash”) as of February 29, 2012 amounted to 25,308 million yen, or 842 million yen less than as of February 28, 2011.

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

Cash flows from operating activities

Net cash provided by operating activities totaled 8,119 million yen (a decrease of 2,412 million yen, compared to the previous fiscal year). The main factors include income before income taxes of 11,820 million yen and income taxes paid of 6,257 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 6,076 million yen (an increase of 377 million yen). This was mainly due to payments of 4,915 million yen for purchase of property, plant and equipment and 1,435 million yen for lease and guarantee deposits, both of which were caused by new store openings.

Cash flows from financing activities

Net cash used in financing activities totaled 2,850 million yen (a decrease of 1,955 million yen). This was due to cash dividends paid.

(3) Basic Policy on Profit Distribution, and Dividend Plans for the Current and Next Fiscal Years

With regard to the distribution of profits, we will make investments in the necessary businesses to develop highly appealing brands and supply merchandise that can further increase corporate value (shareholder value), which will lead to the satisfaction of both customers and shareholders. For profit distributions to shareholders, we use a consolidated payout ratio of 30% as the standard for dividends. In addition, we position the repurchase of treasury stock as one way to return earnings to shareholders. Repurchases will be determined in an appropriate and timely manner while taking into account changes in our stock price, our financial position and other factors.

Based on this policy, we decided to pay a 70 yen fiscal year-end dividend. Combined with the 50 yen interim dividend, the annual dividend for the current fiscal year is 120 yen per share, which results in an annual consolidated payout ratio of 42.0%.

For the next fiscal year ending on February 28, 2013, we plan to pay 120 yen for an annual dividend, the same as the dividend for the current fiscal year.