point

Summary of Financial Results
for the First Quarter of the Fiscal Year Ending February 28, 2010
(Three Months Ended May 31, 2009)

June 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: July 15, 2009
Scheduled date of payment of dividend: -

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2010 (March 1, 2009 – May 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	%
First quarter ended May 2009	21,685	-	3,933	-	3,979	-	2,339	-
First quarter ended May 2008	18,800	17.8	3,323	(1.8)	3,389	(0.7)	1,803	(8.7)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended May 2009	96.15	-
First quarter ended May 2008	72.85	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2009	41,924	27,483	65.4	1,126.20
As of Feb. 28, 2009	45,885	26,565	57.6	1,086.09

(Reference) Shareholders' equity May 31, 2009: 27,402 million yen Feb. 28, 2009: 26,426 million yen

2. Dividends

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

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

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
First half	43,800	-	6,100	-	6,200	-	3,400	-	139.73
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)

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

2) Number of treasury stock at end of period

May 31, 2009: 1,658,598 shares Feb. 28, 2009: 1,658,593 shares

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

First quarter ended May 2009: 24,332,125 shares First quarter ended May 2008: 24,756,836 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
First half	43,000	-	6,100	-	6,250	-	3,400	-	139.73
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 quarter (March 1, 2009 to May 31, 2009) of the current fiscal year, the Japanese economy saw personal consumption continue to cool due to harsh labor market conditions caused by the global economic downturn.

In this environment, net sales increased 15.3% year-on-year. Domestic existing-store sales were 97.0% of the previous year's level, exceeding our 96.1% target, as favorable weather from mid-April supported firm sales of early summer wear.

Sales increased year-on-year for all brands due in part to a contribution from newly opened stores, and the following brands showed particularly sharp domestic sales growth: LEPSIM LOWRYS FARM, HEATHER, and APART BY LOWRYS.

COLLECT POINT Harajuku, a large integrated flagship store that we opened in April, saw sales get off to a smooth start.

We continued to aggressively open new stores: we opened 43 new stores (including eight e-commerce websites) in the first quarter, expanding our domestic store network to 594 stores (including 26 e-commerce websites) at the end of the quarter.

Overseas, we opened four new stores in Hong Kong including LOWRYS FARM, RAGEBLUE, and *COLLECT POINT*, expanding our overseas store network to 29 stores at the end of the first quarter: 17 stores in Taiwan and 12 stores in Hong Kong.

Regarding profits, the gross profit margin improved to 63.9% (up 0.7 point year-on-year) as we optimally controlled procurement, inventories, and sales price revisions.

The SG&A-to-sales ratio rose 0.2 point year-on-year to 45.7% due to an increase in strategic spending on advertising and promotion, and an increase in expenses related to aggressive store development in domestic and overseas markets. The operating income margin rose 0.4 point to 18.1%.

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 12 million yen, losses of 10 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 quarter increased 15.3% year-on-year to 21,685 million yen, operating income increased 18.3% to 3,933 million yen, ordinary income increased 17.4% to 3,979 million yen, and net income increased 29.7% to 2,339 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 declined 3,960 million yen from as of February 28, 2009 to 41,924 million yen as of May 31, 2009, mainly due to a decrease in cash and deposits.

Liabilities declined 4,878 million yen to 14,441 million yen mainly due to a decrease in accounts payable and income taxes payable.

Net assets rose 918 million yen to 27,483 million yen mainly due to an increase in retained earnings.

(2) Cash flow position

Cash and cash equivalents as of May 31, 2009 amounted to 12,988 million yen, or 7,313 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 used in operating activities totaled 4,081 million yen. The main factors include income before income taxes of 3,961 million yen, an increase in accounts receivable of 2,087 million yen, a decrease in accounts payable of 2,169 million yen, and income taxes paid of 4,036 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 1,845 million yen. This was mainly due to payment of 1,106 million yen for acquisition of tangible assets.

(Cash flows from financing activities)

Net cash used in financing activities totaled 1,409 million yen. This was mainly due to cash dividends paid of 1,405 million yen.

3. Qualitative information regarding consolidated forecast

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