



**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending February 28, 2014**  
**(Three Months Ended May 31, 2013)**

[Japanese GAAP]

June 28, 2013

Company name: POINT INC.

Listing: TSE 1st section

Stock code: 2685

URL: <http://www.point.co.jp>

Representative: Michio Fukuda, Representative Director, Chairman & President

Contact: Ryo Araya, Executive Officer,  
 General Manager of Corporate Planning Department

Tel: +81-3-6895-6011

Scheduled date of filing of Quarterly Report: July 12, 2013

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on June 28, 2013 at 15:00 (GMT +9).

(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, 2014**

**(March 1, 2013 – May 31, 2013)**

(1) 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	%
Three months ended May 31, 2013	30,806	14.3	3,022	27.7	3,169	31.1	1,827	35.2
Three months ended May 31, 2012	26,940	7.8	2,367	6.7	2,418	6.6	1,352	26.5

Note: Comprehensive income Three months ended May 31, 2013: 2,392 million yen (up 65.5 %)

Three months ended May 31, 2012: 1,445 million yen (up 45.4 %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended May 31, 2013	84.07	84.07
Three months ended May 31, 2012	57.07	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2013	61,370	39,537	64.3
As of Feb. 28, 2013	63,410	38,598	60.9

Reference: Shareholders' equity As of May 31, 2013: 39,487 million yen As of Feb. 28, 2013: 38,598 million yen

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 28, 2013	-	50.00	-	70.00	120.00
Fiscal year ending Feb. 28, 2014	-	-	-	-	-
Fiscal year ending Feb. 28, 2014 (forecast)	-	50.00	-	70.00	120.00

Note: Revision to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending February 28, 2014 (March 1, 2013 – February 28, 2014)**

(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	61,300	11.1	3,500	(7.0)	3,600	(6.4)	2,100	(3.2)	96.59
Full year	134,000	10.1	10,100	3.9	10,300	3.5	6,100	10.7	280.56

Note: Revision to the most recently announced consolidated forecast: None

**\* Notes**

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

(2) Special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: Yes

4) Restatements: None

Note: Please refer to the section “2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements” on page 3 for further information.

(4) Number of outstanding shares (common stock)

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

As of May 31, 2013: 24,400,000 shares As of Feb. 28, 2013: 24,400,000 shares

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

As of May 31, 2013: 2,657,885 shares As of Feb. 28, 2013: 2,657,885 shares

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

Three months ended May 31, 2013: 21,742,115 shares Three months ended May 31, 2012: 23,696,001 shares

Note 1: Indication of quarterly review procedure implementation status

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, the review procedures for these quarterly 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. Actual results may differ significantly from these forecasts for a number of factors. Please refer to the section “Qualitative Information Regarding Consolidated Forecast” on page 3 regarding preconditions or other related matters for the forecast shown above.

**Reference: Summary of Non-consolidated Forecast**

**Non-consolidated Forecast for the Fiscal Year Ending February 28, 2014 (March 1, 2013 – February 28, 2014)**

(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	55,300	4.0	3,700	2.8	3,800	0.2	2,300	5.2	105.79
Full year	120,300	4.5	9,800	5.9	10,000	3.8	6,100	12.2	280.56

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

## Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Qualitative Information Regarding Consolidated Results of Operations	2
(2) Qualitative Information Regarding Consolidated Financial Position	2
(3) Qualitative Information Regarding Consolidated Forecast	3
2. Matters Related to Summary Information (Notes)	3
(1) Changes in Significant Subsidiaries during the Period	3
(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	3
(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements	3
3. Quarterly Consolidated Financial Statements	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Going Concern Assumption	7
(4) Significant Changes in Shareholders' Equity	7
4. Supplementary Information	8
(1) Number of Stores for Formats and Regions	8
(2) Sales for Brands and Regions	9
(3) Sales for Merchandise Categories	9

## 1. Qualitative Information Regarding Quarterly Consolidated Financial Performance

### (1) Qualitative Information Regarding Consolidated Results of Operations

In the first quarter of the current fiscal year (March 1, 2013 to May 31, 2013), the Japanese economy recovered at a moderate pace. There was an improvement in corporate earnings, particularly at major businesses, mainly because of an improvement in the environment for exports and the benefits of government's economic policy and monetary policy. In addition, capital investments stopped declining.

In the casual wear market, in which our group operates, the operating environment was favorable overall because of a rebound in consumer spending along with warmer weather.

In this environment, existing-store sales were 103.7% of the same period of the previous fiscal year, and consolidated net sales increased 14.3%.

Sales of the *REPIPI ARMARIO* brand were higher and the *LOWRYS FARM*, *HARE* and *APART BY LAWRY'S* brands all posted solid sales.

We continued to aggressively open new stores and close unprofitable ones in Japan: we opened 39 new stores, and closed four, resulting in a domestic network of 820 stores at the end of the first quarter of the current fiscal year (including 31 e-commerce websites).

At BABYLONE INC., including the operations of this company's subsidiary universite CO., LTD., there were 41 stores at the end of the first quarter as three stores were opened during the period.

BABYLONE INC. changed its name from trinity Co., Ltd. on April 15, 2013.

Overseas, two stores were opened and seven were closed in Taiwan, one store was closed in Hong Kong, three stores were opened in China, and one store was opened in Singapore. At the end of the first quarter of the current fiscal year, there were 26 stores in Taiwan, 23 in Hong Kong, 20 in China, and five in Singapore for a total of 74 overseas stores.

Regarding earnings, the gross profit margin increased 0.7 percentage point year on year to 62.7%. This was attributable to a lower cost of procuring merchandise because of growth in internal production and to measures to control prices at which merchandise is sold.

Selling, general and administrative (SG&A) expenses were generally in line with plans despite higher personnel expenses caused by the aggressive store openings during the first quarter. As a result, the SG&A-to-sales ratio decreased 0.3 percentage point year on year to 52.9% and the operating income margin increased 1.0 percentage point to 9.8%.

We booked impairment losses at nine stores totaling 27 million yen as an extraordinary loss.

As a result, consolidated net sales in the first quarter of the current fiscal year increased 14.3% year-on-year to 30,806 million yen, operating income increased 27.7% to 3,022 million yen, ordinary income increased 31.1% to 3,169 million yen, and net income increased 35.2% to 1,827 million yen.

### (2) Qualitative Information Regarding Consolidated Financial Position

Total assets decreased 2,040 million yen from as of February 28, 2013 to 61,370 million yen as of May 31, 2013. This was mainly due to increases in accounts receivable-trade of 1,805 million yen, inventories of 1,024 million yen and property, plant and equipment of 896 million yen in spite of a decrease in short-term investment securities (commercial papers and Treasury Discount Bills) of 6,499 million yen.

Liabilities decreased 2,979 million yen to 21,832 million yen. This was mainly due to a decrease in accounts payable-trade of 3,192 million yen.

Net assets increased 939 million yen to 39,537 million yen. This was mainly due to an increase in valuation difference on available-for-sale securities of 440 million yen.

**(3) Qualitative Information Regarding Consolidated Forecast**

We maintain the first-half and full-year consolidated forecasts for the fiscal year ending on February 28, 2014 that were announced on April 4, 2013. However, these forecasts do not include the effect of the management integration of TRINITY ARTS inc. and NATURAL NINE HOLDINGS CO., LTD. and the shift to a holding company structure (hereinafter the “management integration”.) It is not possible to determine at this time a reliable consolidated forecast following the management integration. We plan to announce a forecast in September 2013 after taking into consideration the forecasts of group companies following the integration. NATURAL NINE HOLDINGS CO., LTD. became a consolidated subsidiary starting in the second quarter of the current fiscal year and we plan to make TRINITY ARTS inc. a consolidated subsidiary starting in the third quarter.

For details about the management integration, please refer to the April 4, 2013 press release (Japanese version only) announcing the agreement for an exchange of stock with TRINITY ARTS inc. and NATURAL NINE HOLDINGS CO., LTD., the establishment of a preparatory company for the shift to a holding company structure, the agreement to absorb and divest businesses, and the change in the company name and other items prescribed in the Articles of Incorporation.

**[Reference] Qualitative Information Regarding Non-consolidated Forecast**

We maintain the first-half and full-year non-consolidated forecasts for the fiscal year ending on February 28, 2014 that were announced on April 4, 2013. However, these forecasts do not include the effect of the management integration. Although there is no change in the forecast for the first half, the planned shift to a holding company on September 1, 2013 will eliminate revenue from the sale of merchandise at POINT INC. Instead, there will be revenue from dividends from group companies, management guidance and administrative services revenue from group companies, and other revenue. Expenses will be primarily the cost of performing the functions of a holding company. As a result, non-consolidated sales or revenue as well as earnings are expected to decline. It is not possible to determine a reliable forecast at this time. We plan to announce a non-consolidated forecast in September 2013 after taking into consideration the forecasts of group companies following the integration.

**2. Matters Related to Summary Information (Notes)****(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

**(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

Not applicable.

**(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements**

Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates

Following tax law revisions, from the first quarter of the current fiscal year, the Company and its domestic consolidated subsidiaries have changed the method of depreciation of property, plant and equipment acquired on or after March 1, 2013 in line with methods prescribed in the revised Corporation Tax Act.

The effect of this change on operating income, ordinary income, and income before income taxes and minority interests in the first quarter of the current fiscal year is insignificant.

**3. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheets**

(Million yen)

	FY2/13 (As of Feb. 28, 2013)	First quarter of FY2/14 (As of May 31, 2013)
<b>Assets</b>		
Current assets		
Cash and deposits	11,849	12,225
Accounts receivable-trade	4,829	6,634
Short-term investment securities	6,499	-
Inventories	7,749	8,773
Other	2,296	1,739
Allowance for doubtful accounts	(34)	(57)
Total current assets	33,190	29,316
Noncurrent assets		
Property, plant and equipment		
Store interior equipment, net	5,933	6,893
Other, net	5,061	4,997
Total property, plant and equipment	10,994	11,890
Intangible assets		
Goodwill	1,797	1,704
Other	812	924
Total intangible assets	2,609	2,629
Investments and other assets		
Lease and guarantee deposits	11,306	11,714
Other	5,513	6,024
Allowance for doubtful accounts	(204)	(205)
Total investments and other assets	16,616	17,534
Total noncurrent assets	30,220	32,054
Total assets	63,410	61,370
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	13,909	10,716
Short-term loans payable	508	806
Current portion of long-term loans payable	235	233
Accounts payable-other	5,581	6,592
Income taxes payable	2,378	1,604
Provision for bonuses	1,212	650
Provision for directors' bonuses	51	-
Other provision	163	275
Other	191	256
Total current liabilities	24,231	21,134

(Million yen)

	FY2/13 (As of Feb. 28, 2013)	First quarter of FY2/14 (As of May 31, 2013)
Noncurrent liabilities		
Bonds payable	31	44
Long-term loans payable	261	289
Provision	101	101
Other	187	262
Total noncurrent liabilities	581	698
Total liabilities	24,812	21,832
Net assets		
Shareholders' equity		
Capital stock	2,660	2,660
Capital surplus	2,517	2,517
Retained earnings	40,826	41,151
Treasury stock	(8,188)	(8,188)
Total shareholders' equity	37,816	38,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	792	1,233
Deferred gains or losses on hedges	7	0
Foreign currency translation adjustment	(17)	112
Total accumulated other comprehensive income	781	1,346
Subscription rights to shares	-	50
Total net assets	38,598	39,537
Total liabilities and net assets	63,410	61,370

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statements of Income****(For the Three-month Period)**

(Million yen)

	First three months of FY2/13 (Mar. 1, 2012 – May 31, 2012)	First three months of FY2/14 (Mar. 1, 2013 – May 31, 2013)
Net sales	26,940	30,806
Cost of sales	10,246	11,495
Gross profit	16,694	19,311
Selling, general and administrative expenses	14,326	16,289
Operating income	2,367	3,022
Non-operating income		
Dividends income	22	22
Insurance premiums refunded cancellation	-	62
Other	35	73
Total non-operating income	57	158
Non-operating expenses		
Interest expenses	0	2
Commitment fee	2	3
Loss on insurance cancellation	-	3
Other	4	0
Total non-operating expenses	7	10
Ordinary income	2,418	3,169
Extraordinary loss		
Impairment loss	78	27
Loss on valuation of investment securities	14	-
Total extraordinary losses	93	27
Income before income taxes and minority interests	2,324	3,141
Income taxes-current	1,251	1,570
Income taxes-deferred	(275)	(256)
Total income taxes	976	1,314
Income before minority interests	1,348	1,827
Minority interests in loss	(4)	-
Net income	1,352	1,827



**Quarterly Consolidated Statements of Comprehensive Income****(For the Three-month Period)**

(Million yen)

	First three months of FY2/13 (Mar. 1, 2012 – May 31, 2012)	First three months of FY2/14 (Mar. 1, 2013 – May 31, 2013)
Income before minority interests	1,348	1,827
Other comprehensive income		
Valuation difference on available-for-sale securities	8	440
Deferred gains or losses on hedges	(6)	(6)
Foreign currency translation adjustment	94	130
Total other comprehensive income	97	564
Comprehensive income	1,445	2,392
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,440	2,392
Comprehensive income attributable to minority interests	5	-

**(3) Going Concern Assumption**

Not applicable.

**(4) Significant Changes in Shareholders' Equity**

Not applicable.

#### 4. Supplementary Information

##### (1) Number of Stores for Formats and Regions

Store format / region	Number of stores					
	As of Feb. 28, 2013	First three months of FY2/14				As of May 31, 2013
		Opened	Rebranded	Closed	Increase /decrease	
RAGEBLUE	62	3	-	(1)	2	64
LOWRYS FARM	149	12	-	(1)	11	160
GLOBAL WORK	172	5	-	(2)	3	175
JEANASIS	81	2	-	-	2	83
HEATHER	75	2	-	-	2	77
HARE	35	-	-	-	-	35
NINE BLOCKS (Note 3)	29	3	-	-	3	32
APART BY LAWRY'S (Note 4)	29	3	-	-	3	32
LEPSIM LOWRYS FARM	111	1	-	-	1	112
REPIPI ARMARIO	23	5	-	-	5	28
JEWELIUM	4	-	-	-	-	4
TURNO JEANA	5	1	-	-	1	6
ME PERCENT	3	-	-	-	-	3
BLISS POINT	6	2	-	-	2	8
COLLECT POINT (Multiple brand shop)	1	-	-	-	-	1
Total (POINT INC.)	785	39	-	(4)	35	820
BABYLONE INC. (Note 5)	38	3	-	-	3	41
Total (Consolidated subsidiary in Japan)	38	3	-	-	3	41
Total (Japan)	823	42	-	(4)	38	861
Taiwan	31	2	-	(7)	(5)	26
Hong Kong	24	-	-	(1)	(1)	23
China	17	3	-	-	3	20
Singapore	4	1	-	-	1	5
Total (Overseas)	76	6	-	(8)	(2)	74
Total (Group)	899	48	-	(12)	36	935

Notes: 1. The number of stores includes e-commerce websites of other companies and e-commerce websites of POINT INC.

2. Stores that sell merchandise of two or more brands are categorized as the brand that operates each store.

3. *NINE BLOCKS* stores include brand outlets.

4. *APART BY LAWRY'S* includes *MALLIKA FLICKA*.

5. *BABYLONE INC.* includes its subsidiary *universite CO., LTD.*

**(2) Sales for Brands and Regions**

Brand / region	First three months of FY2/14		YoY change (%)
	Sales (million yen)	Composition (%)	
RAGEBLUE	2,132	6.9	9.2
LOWRYS FARM	6,494	21.1	14.6
GLOBAL WORK	6,026	19.6	3.6
JEANASIS	2,663	8.6	2.7
HEATHER	2,197	7.1	4.8
HARE	1,285	4.2	16.3
NINE BLOCKS (Note 1)	2,156	7.0	6.3
APART BY LAWRY'S (Note 2)	824	2.7	17.8
LEPSIM LOWRYS FARM	2,821	9.2	(2.0)
REPIPI ARMARIO	707	2.3	54.0
JEWELIUM	99	0.3	(30.8)
TURNO JEANA	95	0.3	36.3
ME PERCENT	60	0.2	-
BLISS POINT	407	1.3	12.4
Others	0	0.0	-
Total (POINT INC.)	27,972	90.8	7.9
BABYLONE INC. (Notes 3, 4)	1,156	3.8	-
Total (Consolidated subsidiary in Japan)	1,156	3.8	-
Total (Japan)	29,128	94.6	12.3
Taiwan	363	1.2	11.0
Hong Kong	967	3.1	76.8
China	213	0.7	62.1
Singapore	134	0.4	-
Total (Overseas)	1,678	5.4	65.6
Total (Group)	30,806	100.0	14.3

Notes: 1. *NINE BLOCKS* stores include brand outlets.

2. *APART BY LAWRY'S* includes *MALLIKA FLICKA*.

3. *BABYLONE INC.* includes its subsidiary *universite CO., LTD.*

4. No year-on-year change is shown for *BABYLONE INC.* because this company became a consolidated subsidiary on November 1, 2012.

**(3) Sales for Merchandise Categories**

Category	Period	First three months of FY2/14		YoY change (%)
		Sales (million yen)	Composition (%)	
Men's apparel (bottoms, tops)		5,486	17.8	13.8
Lady's apparel (bottoms, tops)		19,989	64.9	11.6
Others		5,330	17.3	26.7
Total		30,806	100.0	14.3

Note: The others category includes additions to the provision for point card certificates and other items.

*This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*