point

Summary of Consolidated Financial Results
for the Nine Months of the Fiscal Year Ending February 2007

December 15, 2006

Company name: POINT INC. Stock code: 2685

(URL: http://www.point.co.jp) Listing: TSE 1st section

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1. Significant Accounting Policies in the Preparation of Quarterly Financial Information

1) Adoption of the simplified method for accounting: Yes

We have adopted the simplified method for booking allowance reserves and income taxes.

2) Changes to accounting methods in the most recent consolidated fiscal year: None

3) Changes in the scope of consolidation and application of the equity method: None

2. Consolidated Financial Results for the Nine Months ended November 2006 (March 1, 2006 − November 30, 2006)

(1) Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended Nov. 2006	42,859	22.7	9,158	18.0	9,171	18.3
Nine months ended Nov. 2005	34,922	28.7	7,759	34.5	7,754	34.6
Year ended Feb. 2006	49,073		9,973		9,957	

	Net income		Net income per share	Diluted net income per share
	Million yen	%	Yen	Yen
Nine months ended Nov. 2006	5,164	17.9	202.20	201.36
Nine months ended Nov. 2005	4,380	36.7	170.41	169.25
Year ended Feb. 2006	5,551		216.22	214.69

Notes: 1. Average number of shares (consolidated):

Nov. 2006: 25,542,515 shares, Nov. 2005: 25,707,266 shares, Feb. 2006: 25,673,981 shares

2. Percentages for net sales, operating income, ordinary income and net income represent year-on-year percentage change.

Qualitative Information Regarding Consolidated Results of Operations

Consolidated net sales in the nine months of the fiscal year increased remarkably to 42,859 million yen, 22.7% higher than one year earlier due to the opening of new stores and effective renovation of existing stores.

Sales of “LOWRYS FARM” and “GLOBAL WORK”, our flagship brands, remained strong. Following these two brands, “JEANASIS” has developed to become our third core brand. Running behind these three, “RAGEBLUE,” “HEATHER” and “HARE” brands also increased their sales considerably. Moreover, two new brands have been added to the lineup; “UNDERCURRENT” which targets both men and women in the late 30s to 50s; “LEPSIM LOWRYS FARM” which is a brand suitable for suburban locations. And besides, “APART BY LOWRYS,” which is a new brand launched at the end of the previous fiscal year, performed very well.

We opened 76 new stores and closed five domestically, bringing the total number of stores in Japan at the end of the third quarter to 359.

Ordinary income increased 18.3% year-over-year to 9,171 million yen, although an increase in cost due to proactive efforts such as disposal of outlet products ahead of schedule, and conducting planned advertisement and upgrade workforce skills.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Nov. 30, 2006	31,179	17,725	56.8	703.91
As of Nov. 30, 2005	27,760	16,460	59.3	641.77
As of Feb. 28, 2006	29,160	16,847	57.8	659.17

Note: Number of shares outstanding (consolidated):
Nov. 30, 2006: 25,155,038 shares, Nov. 30, 2005: 25,649,227 shares, Feb. 28, 2006: 25,558,997 shares

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
Nine months ended Nov. 2006	1,780	(1,784)	(4,376)	10,491
Nine months ended Nov. 2005	2,533	(1,898)	(1,501)	11,672
Year ended Feb. 2006	7,744	(3,073)	(2,338)	14,872

Qualitative Information Regarding Consolidated Financial Position

Assets totaled 31,179 million yen as of November 30, 2006, 3,418 million yen higher than one year earlier. Net asset rose 1,264 million yen to 17,725 million yen, decreasing equity ratio from 59.3% to 56.8% as a result.

Cash flows

Cash flows from operating activities were 1,780 million yen. The factors lying behind include income before income taxes of 8,902 million yen, increase in accounts receivable of 2,663 million yen, increase in inventories of 2,010 million yen, increase in accounts payable of 978 million yen and income taxes paid of 4,494 million yen.

Cash flows from investing activities were minus 1,784 million yen. It was mainly due to payment of 476 million yen for acquisition of tangible assets, including Fukuoka New Logistics Center, and payment of 1,068 million yen for lease deposits mostly for new stores.

Cash flows from financing activities were minus 4,376 million yen. It was mainly because of 1,279 million yen paid for cash dividends and 3,573 million yen paid to buy back shares of Point Inc.

As a result, cash and cash equivalents was 10,491 million yen as of November 30, 2006, 4,381 million yen lower than February 28, 2006.

3. Consolidated Forecast for the Fiscal Year Ending February 2007 (March 1, 2006 – February 28, 2007)

	Net sales	Ordinary income	Net income	Estimated net income per share
	Million yen	Million yen	Million yen	Yen
Full year	60,000	11,500	6,300	249.63

Reference: Non-consolidated Forecast for the Fiscal Year Ending February 2007 (March 1, 2006 – February 28, 2007)

	Net sales	Ordinary income	Net income	Estimated net income per share
	Million yen	Million yen	Million yen	Yen
Full year	59,400	11,400	6,300	249.63

*1. Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this presentation was prepared. Actual results may differ significantly from these forecasts for a number of factors.

*2. Estimated net income per share is based on the number of outstanding shares (25,237,238 shares) after the exercise of stock options (number of unexercised shares: 82,200 shares).

Qualitative Information Regarding Consolidated Forecast

Point Inc. is revising its forecast for net sales, ordinary income and net income (released on October 5, 2006) for the fiscal year ending February 28, 2007, based on the strong nine-month results.