point

Summary of Financial Results for the Fiscal Year Ended February 28, 2010

April 2, 2010

Company name: POINT INC. Listing: TSE 1st section
Stock code: 2685 URL: http://www.point.co.jp
Representative: Yoichi Endo, Representative Director, Senior Managing Executive Officer
Contact: Tsuyoshi Matsuda, Director, Corporate Officer, General Manager of Administration Division
Tel: +81-3-3243-6011

Scheduled date of Annual General Meeting of Shareholders: May 27, 2010
Scheduled date of payment of dividend: May 12, 2010
Scheduled date of filing of Annual Securities Report: May 28, 2010

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

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2010 (March 1, 2009 – February 28, 2010)

(1) Consolidated results of operations

(Percentages shown for net sales, operating income, ordinary income and net income 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. 28, 2010	97,684	12.7	16,910	7.2	17,058	7.0	9,516	17.6
Fiscal year ended Feb. 28, 2009	86,705	17.3	15,772	21.7	15,947	22.4	8,089	8.0

	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. 28, 2010	391.13	-	31.8	33.6	17.3
Fiscal year ended Feb. 28, 2009	328.89	-	33.2	38.2	18.2

(Reference) Equity in earnings of affiliates Feb. 28, 2010: (41) million yen Feb. 28, 2009: (6) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2010	55,660	33,698	60.2	1,377.64
As of Feb. 28, 2009	45,885	26,565	57.6	1,086.09

(Reference) Shareholders' equity Feb. 28, 2010: 33,520 million yen Feb. 28, 2009: 26,426 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. 28, 2010	12,722	(4,230)	(2,606)	26,200
Fiscal year ended Feb. 28, 2009	12,650	(1,980)	(4,165)	20,302

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Yearend	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 28, 2009	-	40.00	-	60.00	100.00	2,450	30.4	10.1
Fiscal year ended Feb. 28, 2010	-	50.00	-	70.00	120.00	2,919	30.7	9.7
Fiscal year ending Feb. 28, 2011 (forecast)	-	50.00	-	70.00	120.00		29.5	

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2011 (March 1, 2010 – February 28, 2011)

(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	48,000	9.7	6,900	2.6	7,000	3.2	3,600	(8.6)	147.95
Full year	107,500	10.0	17,800	5.3	17,900	4.9	9,900	4.0	406.87

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: POINT (Shanghai) Co., Ltd.

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

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

(3) Number of outstanding shares (common shares)

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

Feb. 28, 2010: 25,990,720 shares Feb. 28, 2009: 25,990,720 shares

2) Number of treasury stock at end of period

Feb. 28, 2010: 1,658,604 shares Feb. 28, 2009: 1,658,593 shares

(For reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2010 (March 1, 2009 – February 28, 2010)

(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. 28, 2010	95,680	11.8	16,472	5.9	16,733	5.9	9,274	15.4
Fiscal year ended Feb. 28, 2009	85,562	17.0	15,551	22.3	15,808	22.9	8,037	8.5

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Feb. 28, 2010	381.18	-
Fiscal year ended Feb. 28, 2009	326.77	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2010	54,605	33,051	60.5	1,357.37
As of Feb. 28, 2009	45,413	26,246	57.6	1,075.95

(Reference) Shareholders' equity Feb. 28, 2010: 33,027 million yen Feb. 28, 2009: 26,180 million yen

2. Non-consolidated Forecast for the Fiscal Year Ending February 28, 2011 (March 1, 2010 – February 28, 2011)

(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	47,000	9.6	6,800	3.5	6,900	2.6	3,500	(11.3)	143.84
Full year	105,000	9.7	17,600	6.8	17,800	6.4	9,800	5.7	402.76

*** 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.

1. Results of Operations

(1) Analysis of Results of Operations

1) Results of operations for the current fiscal year

In the current fiscal year (March 1, 2009 to February 28, 2010), there was a growing consensus that the Japanese economy gradually picked up thanks to benefits from various domestic and overseas stimulus measures, although the self-sustainability of the recovery in domestic private demand remained weak.

In the casual wear market in which our group operates, consumption remained weak in the context of ongoing harsh employment and income conditions, and due to consumers' more defensive spending stance and their growing preference for low-priced items.

In this environment, we continued to grow as consolidated net sales increased 12.7% to 97,684 million yen.

All of our brands steadily increased sales owing to newly opened stores among other factors, while domestic existing-store sales were 97.3% of the previous year's level.

The *LEPSIM LOWRYS FARM*, *HEATHER*, *JEANASIS* and *APART BY LOWRYS* brands continued to account for an increasing share of total sales. In particular, there were large increases in sales of *LEPSIM LOWRYS FARM* and *HEATHER*. As a result, the percentage of sales from these four brands increased to 31.5% in the current fiscal year compared with 27.8% in the previous fiscal year.

We launched the *repipi armario* brand during the fiscal year but suspended activities of the *TRANS CONTINENTS* brand.

We continued to aggressively open new stores during the fiscal year: we opened 87 new stores, including e-commerce websites, and closed 10, resulting in a network of 627 stores at the end of the fiscal year.

We opened more *COLLECT POINT* stores, which are large integrated stores, following the opening of the flagship *COLLECT POINT* Harajuku store. At the end of the fiscal year, there were four of these stores in Japan.

In Taiwan, subsidiary POINT TW INC. opened two *COLLECT POINT* stores in Taipei and closed two other stores in Taipei. At the end of the fiscal year, this subsidiary had 17 stores.

In Hong Kong, POINT HOLDING CO., LTD., in which we have a 75% equity stake, opened five stores during the fiscal year, mainly *COLLECT POINT*. At the end of the fiscal year, this subsidiary had 13 stores as the company continued to make steady progress in expanding its network.

In China, POINT (Shanghai) Co., Ltd., which is a wholly owned subsidiary of POINT HOLDING CO., LTD., opened its first store in October in Shanghai.

These store openings increased the number of stores outside Japan to 31 as of the end of the fiscal year.

Regarding profits, the gross profit margin stayed at a high level of 60.5% as we optimally controlled procurement, inventories, and sales price revisions.

The SG&A-to-sales ratio rose 0.9 points year-on-year to 43.2% 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 0.9 points to 17.3%.

We booked an extraordinary gain of 66 million yen from the reversal of subscription rights to shares following the expiration of stock options and gain of 85 million yen from sales of subsidiaries and affiliates' stocks. However, we also booked extraordinary losses including loss on retirement of noncurrent assets of 72 million yen, loss on cancellation of store rental contracts of 243 million yen, impairment losses at three stores of 61 million yen, loss on liquidation of the *TRANS CONTINENTS* business unit of 248 million yen and loss on valuation of investment securities of 463 million yen.

As a result, consolidated net sales in the current fiscal year increased 12.7% year-on-year to 97,684 million yen, operating income increased 7.2% to 16,910 million yen, ordinary income increased 7.0% to 17,058 million yen, and net income increased 17.6% to 9,516 million yen.

(2) Analysis of Consolidated Financial Condition

1) Balance sheet position

(Assets)

Current assets increased 7,415 million yen from as of February 28, 2009 to 35,839 million yen as of February 28, 2010. This was mainly due to an increase in short-term investment securities (commercial papers and treasury discount bills).

Noncurrent assets increased 2,359 million yen to 19,820 million yen. This was mainly due to increases in store interior equipment, and lease and guarantee deposits.

As a result, total assets increased 9,774 million yen to 55,660 million yen.

(Liabilities)

Current liabilities increased 2,304 million yen to 21,478 million yen. This was mainly due to increases in accounts payable-trade and accounts payable-other.

Noncurrent liabilities increased 338 million yen to 484 million yen. This was mainly due to an increase in provision for middle-term achievement-linked bonuses.

As a result, total liabilities increased 2,642 million yen to 21,962 million yen.

(Net assets)

Net assets rose 7,132 million yen to 33,698 million yen mainly due to an increase in retained earnings.

2) Cash flow position

Cash and cash equivalents (hereinafter “net cash”) as of February 28, 2010 amounted to 26,200 million yen, or 5,897 million yen more 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 12,722 million yen (an increase of 71 million yen, compared to the previous fiscal year). The main factors include income before income taxes mainly from higher sales of 16,120 million yen and income taxes paid of 7,335 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 4,230 million yen (an increase of 2,249 million yen). This was mainly due to the payments of 3,367 million yen for purchase of property, plant and equipment and 1,279 million yen for lease and guarantee deposits, both of which are caused by new store openings.

(Cash flows from financing activities)

Net cash used in financing activities totaled 2,606 million yen (a decrease of 1,559 million yen). This was mainly due to cash dividends paid of 2,674 million yen.