point

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 29, 2012 (Three Months Ended May 31, 2011)

[Japanese GAAP]

June 30, 2011

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: Tsuyoshi Matsuda, Director, Managing Corporate Officer, General Manager of Administration Division Tel: +81-3-3243-6011

Scheduled date of filing of Quarterly Report: July 15, 2011
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 29, 2012 (March 1, 2011 – May 31, 2011)

(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	%
Three months ended May 31, 2011	24,995	7.8	2,219	(37.6)	2,269	(37.2)	1,068	(42.1)
Three months ended May 31, 2010	23,186	6.9	3,553	(9.7)	3,616	(9.1)	1,845	(21.1)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended May 31, 2011	44.98	-
Three months ended May 31, 2010	75.84	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2011	55,154	36,661	66.0	1,532.80
As of Feb. 28, 2011	62,089	37,330	59.8	1,561.71

(Reference) Shareholders' equity May 31, 2011: 36,422 million yen Feb. 28, 2011: 37,109 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Yearend	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 28, 2011	-	50.00	-	70.00	120.00
Fiscal year ending Feb. 29, 2012	-				
Fiscal year ending Feb. 29, 2012 (forecast)		50.00	-	70.00	120.00

(Note) Revision of dividend forecast during the period: Yes

3. Consolidated Forecast for the Fiscal Year Ending February 29, 2012 (March 1, 2011 – February 29, 2012)

(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	51,500	8.3	4,300	(28.6)	4,300	(29.6)	2,000	(37.0)	84.17
Full year	116,000	9.5	14,000	(8.7)	14,100	(9.1)	7,500	(10.7)	315.63

(Note) Revision of consolidated forecast during the period: Yes

4. Others

(1) Changes in significant subsidiaries during the period: None

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

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

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements described in "Changes in Significant Accounting Policies in the Preparation of Quarterly Consolidated Financial Statements"

(4) Number of outstanding shares (common stock)

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

May 31, 2011:	24,400,000 shares	Feb. 28, 2011:	24,400,000 shares

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

May 31, 2011:	637,885 shares	Feb. 28, 2011:	637,885 shares

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

Three months ended May 31, 2011:	23,762,115 shares	Three months ended May 31, 2010:	24,332,116 shares

* 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, we have not completed the review process for these quarterly consolidated financial statements.

* 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 2 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 29, 2012 (March 1, 2011 – February 29, 2012)

(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	50,400	8.7	4,100	(28.2)	4,200	(28.6)	1,900	(38.1)	79.96
Full year	112,000	8.5	13,400	(8.1)	13,600	(8.6)	7,200	(10.4)	303.00

(Note) Revision of non-consolidated forecast during the period: Yes

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, 2011 to May 31, 2011), production and exports in Japan were down sharply because of the March 11 earthquake and domestic private-sector demand was lackluster. Although restrictions on the supply side started to ease, many sources of uncertainty still remained. There was a significant risk of a downturn in the Japanese economy because of limitations on the supply of electricity in Japan, the sovereign debt problem in Europe, the direction of the U.S. economy and other issues.

In the casual wear market, in which our group operates, consumption remained weak due to a shortage of gasoline and an uncertain outlook for the economy in addition to the continuing severe conditions in unemployment and personal income.

In this environment, domestic existing-store sales were 93.2% of the same period of the previous fiscal year. However, consolidated net sales increased 7.8% due to newly opened stores in Japan and growth in overseas sales.

Domestic sales growth rates were high for two new brands, *COLLECT POINT* and *REPIPI ARMARIO*, and for *RAGEBLUE* and *HEATHER* among established brands.

As for new brands, *NASHDULEK* was launched in March.

We continued to aggressively open new stores and close unprofitable ones in Japan: we opened 68 new stores, and closed 7, resulting in a domestic network of 767 stores at the end of the first quarter (including 31 e-commerce websites).

Overseas, one store was opened in Taiwan and two were closed, and one store was opened in Shanghai. At the end of the first quarter, there were 21 stores in Taiwan, 13 in Hong Kong and seven in Shanghai for a total of 41 overseas stores.

Regarding profits, the gross profit margin was 61.9%, down 1.3 points year-on-year, because of extensive measures to increase sales in response to the impact of the earthquake last March.

Selling, general and administrative (SG&A) expenses increased 19.5% year-on-year primarily because of higher personnel expenses associated with the addition of many new stores and expanded advertising and marketing activities. As a result, the SG&A-to-sales ratio rose 5.2 points year-on-year to 53.1%, and the operating income margin declined 6.4 points to 8.9%.

We booked an extraordinary loss of 480 million yen, which includes a 5 million yen loss on retirement of non-current assets, a 20 million yen loss on cancellation of store rental contracts, a 19 million yen impairment loss, and a 435 million yen earthquake-related loss.

As a result, consolidated net sales in the first quarter increased 7.8% year-on-year to 24,995 million yen, operating income decreased 37.6% to 2,219 million yen, ordinary income decreased 37.2% to 2,269 million yen, and net income decreased 42.1% to 1,068 million yen.

(2) Qualitative information regarding consolidated financial position

1) Balance sheet position

Total assets decreased 6,935 million yen from as of February 28, 2011 to 55,154 million yen as of May 31, 2011. This was mainly due to a decrease in short-term investment securities (commercial papers and treasury bills) of 8,998 million yen.

Liabilities decreased 6,265 million yen to 18,492 million yen. This was mainly due to decreases in accounts payable-trade of 3,972 million yen and income taxes payable of 2,382 million yen.

Net assets decreased 669 million yen to 36,661 million yen mainly due to a decrease in shareholders' equity of 594 million yen.

2) Cash flow position

Cash and cash equivalents (hereinafter “net cash”) as of May 31, 2011 amounted to 15,605 million yen, or 10,545 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 used in operating activities totaled 6,192 million yen. The main factors include income before income taxes of 1,788 million yen, an increase in accounts receivable-trade of 1,898 million yen, a decrease in accounts payable-trade of 3,976 million yen, and income taxes paid of 2,993 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 2,763 million yen. This was mainly due to the payment of 2,492 million yen for purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities totaled 1,603 million yen. This was due to cash dividends paid.

(3) Qualitative information regarding consolidated forecast

When the Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2011 was announced on April 4, 2011, consolidated forecasts for earnings and dividends for the fiscal year ending on February 29, 2012 were yet to be determined. In this summary release, we are presenting for the first time forecasts for earnings in the first half of the current fiscal year and the entire fiscal year as well as a dividend forecast.
For more information about these forecasts, please refer to the news release titled “Announcement of Earnings and Dividend Forecasts for the Fiscal Year Ending February 29, 2012” that was released today.