point

Summary of Financial Results
for the First Quarter of the Fiscal Year Ending February 28, 2011
(Three Months Ended May 31, 2010)

June 30, 2010

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, 2010
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, 2011 (March 1, 2010 – May 31, 2010)

(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, 2010	23,186	6.9	3,553	(9.7)	3,616	(9.1)	1,845	(21.1)
Three months ended May 31, 2009	21,685	-	3,933	-	3,979	-	2,339	-

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended May 31, 2010	75.84	-
Three months ended May 31, 2009	96.15	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2010	51,881	33,851	64.9	1,383.31
As of Feb. 28, 2010	55,660	33,698	60.2	1,377.64

(Reference) Shareholders' equity May 31, 2010: 33,658 million yen Feb. 28, 2010: 33,520 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, 2010	-	50.00	-	70.00	120.00
Fiscal year ending Feb. 28, 2011	-				
Fiscal year ending Feb. 28, 2011 (forecast)		50.00	-	70.00	120.00

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

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

(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: None

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

2) Number of treasury stock at end of period

May 31, 2010:	1,658,604 shares	Feb. 28, 2010:	1,658,604 shares

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

Three months ended May 31, 2010:	24,332,116 shares	Three months ended May 31, 2009:	24,332,125 shares

*** <u>Cautionary statement with respect to forward-looking statements</u>**

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.

Reference: Summary of Non-consolidated Forecasts

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

(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, 2010 to May 31, 2010) of the current fiscal year, the Japanese economy showed a moderate recovery as the global economy improved due to rapid economic growth in emerging countries and other factors. Consumer spending in Japan rebounded, chiefly for consumer durables, because of the benefits of numerous government economic stimulus measures.

However, 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, domestic existing-store sales were 93.6% of the same period in the previous fiscal year (3.6 points below the full-year target) mainly because of unseasonable weather. However, consolidated net sales increased 6.9% due to newly opened stores.

The following domestic brands remained at high sales growth rates: HEATHER, LEPSIM LOWRYS FARM, APART BY LAWRYS and RAGEBLUE.

We continued to aggressively open new stores: we opened 41 new stores, and closed 6, resulting in the domestic store network of 662 stores at the end of the first quarter (including 28 e-commerce websites).

Overseas, a *COLLECT POINT* store was opened in Shanghai in the first quarter. As a result, there were 17 stores in Taiwan, 13 in Hong Kong and two in Shanghai for a total of 32 overseas stores at the end of the first quarter.

Regarding profits, the gross profit margin was 63.2%, down 0.7 point year-on-year, mainly because of timely revisions to selling prices responding to changes in market conditions.

Selling, general and administrative (SG&A) expenses increased 11.9% year-on-year mainly because of aggressive store development and higher personnel expenses resulting from an increase in wages and other benefits. As a result, the SG&A-to-sales ratio rose 2.2 points year-on-year to 47.9%, and the operating income margin declined 2.8 points to 15.3%.

We booked an extraordinary gain of 12 million yen from the reversal of allowance for doubtful accounts. However, we also booked extraordinary losses of 528 million yen, including a 9 million yen loss on retirement of noncurrent assets, a 7 million yen loss on cancellation of store rental contracts, a 112 million yen impairment loss and a 393 million yen loss on adjustment for changes of accounting standard for asset retirement obligations.

As a result, consolidated net sales in the first quarter increased 6.9% year-on-year to 23,186 million yen, operating income decreased 9.7% to 3,553 million yen, ordinary income decreased 9.1% to 3,616 million yen, and net income decreased 21.1% to 1,845 million yen.

2. Qualitative information regarding consolidated financial position

(1) Balance sheet position

Total assets decreased 3,778 million yen from as of February 28, 2010 to 51,881 million yen as of May 31, 2010. This was mainly due to a decrease in short-term investment securities (commercial papers and treasury bills).

Liabilities decreased 3,931 million yen to 18,030 million yen. This was mainly due to decreases in accounts payable-trade and income taxes payable.

Net assets rose 153 million yen to 33,851 million yen mainly due to an increase in retained earnings.

(2) Cash flow position

Cash and cash equivalents (hereinafter "net cash") as of May 31, 2010 amounted to 19,270 million yen, or 6,929 million yen less than as of February 28, 2010.

A summary of cash flows from each activity is as follows.

(Cash flows from operating activities)

Net cash used in operating activities totaled 3,659 million yen. The main factors include income before income taxes of 3,099 million yen, an increase in accounts receivable of 1,825 million yen, a decrease in accounts payable of 1,707 million yen, and income taxes paid of 3,181 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 1,616 million yen. This was mainly due to the payment of 1,952 million yen for purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities totaled 1,659 million yen. This was due to cash dividends paid.

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, 2011 (released on April 2, 2010).