point

Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2011

[Japanese GAAP]

April 4, 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
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Scheduled date of Annual General Meeting of Shareholders: May 26, 2011
Scheduled date of payment of dividend: May 11, 2011
Scheduled date of filing of Annual Securities Report: May 27, 2011
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2011 (March 1, 2010 – February 28, 2011)

(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, 2011	105,893	8.4	15,329	(9.3)	15,504	(9.1)	8,400	(11.7)
Fiscal year ended Feb. 28, 2010	97,684	12.7	16,910	7.2	17,058	7.0	9,516	17.6

(Note) Comprehensive income Feb. 28, 2011: - million yen (- %) Feb. 28, 2010: - million yen (- %)

	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, 2011	348.18	-	23.8	26.3	14.5
Fiscal year ended Feb. 28, 2010	391.13	-	31.8	33.6	17.3

(Reference) Equity in earnings of affiliates Feb. 28, 2011: - million yen Feb. 28, 2010: (41) 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, 2011	62,089	37,330	59.8	1,561.71
As of Feb. 28, 2010	55,660	33,698	60.2	1,377.64

(Reference) Shareholders' equity Feb. 28, 2011: 37,109 million yen Feb. 28, 2010: 33,520 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, 2011	10,531	(5,699)	(4,805)	26,151
Fiscal year ended Feb. 28, 2010	12,722	(4,230)	(2,606)	26,200

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 28, 2010	-	50.00	-	70.00	120.00	2,919	30.7	9.7
Fiscal year ended Feb. 28, 2011	-	50.00	-	70.00	120.00	2,879	34.5	8.2
Fiscal year ending Feb. 29, 2012 (forecast)	-	-	-	-	-		-	

(Note) The forecast for dividend payments in the next fiscal year is yet to be determined due to the difficulty at this time of a forecast for results of operations. An announcement will be made when it becomes possible to announce a forecast.

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

The forecast for the next fiscal year is yet to be determined because it is difficult at this time to obtain a rational estimate of the effects of the March 11, 2011 earthquake and resulting electricity conservation and blackouts on consumer spending and economic activity as well as on the results of our operations. An announcement will be made when it becomes possible to determine a forecast.

4. Others

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

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

1) Changes caused by revision of accounting standards: None

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, 2011:	24,400,000 shares	Feb. 28, 2010:	25,990,720 shares

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

Feb. 28, 2011:	637,885 shares	Feb. 28, 2010:	1,658,604 shares

3) Average number of shares outstanding during the period

Fiscal year ended Feb. 28, 2011:	24,126,424 shares	Fiscal year ended Feb. 28, 2010:	24,332,120 shares

(For reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2011 (March 1, 2010 – February 28, 2011)

(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, 2011	103,234	7.9	14,586	(11.4)	14,872	(11.1)	8,036	(13.4)
Fiscal year ended Feb. 28, 2010	95,680	11.8	16,472	5.9	16,733	5.9	9,274	15.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Feb. 28, 2011	333.09	-
Fiscal year ended Feb. 28, 2010	381.18	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2011	60,630	36,371	59.9	1,528.67
As of Feb. 28, 2010	54,605	33,051	60.5	1,357.37

(Reference) Shareholders' equity Feb. 28, 2011: 36,324 million yen Feb. 28, 2010: 33,027 million yen

* Information concerning status of audits

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* 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 reasons. Please refer to "1. Results of Operations, (1) Analysis of Results of Operations" on page 3 for information about preconditions or other related matters concerning the forecast shown above.

1. Results of Operations and Outlook

(1) Analysis of Operations

1) Results of operations for the current fiscal year

In the current fiscal year (March 1, 2010 to February 28, 2011), the Japanese economy staged a moderate recovery as the global economy improved due to rapid economic growth in emerging countries and other factors. However, there are signs of a slowdown in this improvement. In the second half of the fiscal year, consumer spending for durable goods slowed down in reaction to the rush to purchase these goods in order to take advantage of numerous government economic stimulus measures prior to their expiration.

In the casual wear market in which our group operates, consumption remained weak due to consumers' defensive spending stance and preference for low-priced items even though signs emerged of a slight easing of the harsh employment and income conditions.

In this environment, domestic existing-store sales were 96.3% of the same period of the previous fiscal year partly due to poor weather. However, consolidated net sales increased 8.4% due to growth in overseas sales and newly opened stores in Japan.

Domestic sales growth rates remained high for the following brands: *LEPSIM LOWRYS FARM*, *APART BY LAWRYS*, *RAGEBLUE*, and *HEATHER*. In addition, the *REPIPI ARMARIO* stores that we started opening in the previous fiscal year are performing well. During the current fiscal year, we launched two brands; *JEWELIUM* and *turno jeana*.

We continued to aggressively open new stores and close unprofitable ones in Japan: we opened 102 new stores, and closed 23, resulting in a domestic network of 706 stores at the end of the fiscal year (including 29 e-commerce websites). The number of *COLLECT POINT* stores, which are large integrated stores, was six in Japan at the end of the fiscal year including the Shinjuku store, which is opened as our second flagship store following the Harajuku store.

Overseas, five *COLLECT POINT* stores were opened each in Taiwan and Shanghai in the current fiscal year. As a result, there were 22 stores in Taiwan, 13 in Hong Kong and six in Shanghai for a total of 41 overseas stores at the end of the fiscal year.

Regarding profits, the gross profit margin was 59.8%, 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 13.8% year-on-year mainly because of aggressive store network expansion 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 45.4%, and the operating income margin declined 2.8 points to 14.5%.

We booked an extraordinary gain of 1 million yen from the reversal of the allowance for doubtful accounts. However, we also booked an extraordinary loss totaling 1,259 million yen, which includes a 136 million yen loss on retirement of non-current assets, a 374 million yen loss on cancellation of store rental contracts, a 142 million yen impairment loss, a 393 million yen loss on an adjustment for changes in the accounting standard for asset retirement obligations, and a 200 million yen loss as a cancellation fee for the T-point program contract.

As a result, consolidated net sales in the fiscal year increased 8.4% year-on-year to 105,893 million yen, operating income decreased 9.3% to 15,329 million yen, ordinary income decreased 9.1% to 15,504 million yen, and net income decreased 11.7% to 8,400 million yen.

2) Outlook for fiscal year ending in February 29, 2012

In the fiscal year ending on February 29, 2012, Point is determined to overcome the challenging operating environment resulting from the devastating earthquake of March 11, 2011 to build the powerful framework needed to achieve rapid growth under the next medium-term management plan. Furthermore, since the impact of the earthquake is changing day to day, we are also placing emphasis on responding swiftly to shifts in the operating environment. Based on these goals, we are taking the following actions in the next fiscal year.

- Open many large stores, including integrated stores that use two or more brands.
- Establish a merchandise planning capability at the Production Division and increase collaboration with suppliers.
- Increase recognition of Point's brands overseas and enlarge the scale of operations outside Japan.
- Create a more powerful head office organization for supporting store operations.

The forecast for the fiscal year ending February 29, 2012 is yet to be determined because it is difficult at this time to obtain a rational estimate of the effects of the March 11, 2011 earthquake and resulting electricity conservation and blackouts on consumer spending and economic activity as well as on the results of our operations. An announcement will be made when it becomes possible to determine a forecast.

(2) Analysis of Consolidated Financial Condition

1) Balance sheet position

(Assets)

Current assets increased 2,739 million yen from February 28, 2010 to 38,579 million yen as of February 28, 2011. This was mainly due to an increase in merchandise.

Noncurrent assets increased 3,690 million yen to 23,510 million yen. This was mainly due to increases in store interior equipment and lease and guarantee deposits.

As a result, total assets increased 6,429 million yen to 62,089 million yen.

(Liabilities)

Current liabilities increased 2,399 million yen to 23,877 million yen. This was mainly due to increase in accounts payable-trade.

Noncurrent liabilities increased 397 million yen to 881 million yen. This was mainly due to an increase in the provision for medium-term achievement-linked bonuses.

As a result, total liabilities increased 2,796 million yen to 24,758 million yen.

(Net assets)

Net assets rose 3,632 million yen to 37,330 million yen mainly due to an increase in retained earnings and the retirement of treasury stock.

2) Cash flow position

Cash and cash equivalents (hereafter "net cash") as of February 28, 2011 amounted to 26,151 million yen, 49 million yen less than as of February 28, 2010.

A summary of cash flows is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities totaled 10,531 million yen (a decrease of 2,190 million yen, compared to the previous fiscal year). The main factors include income before income taxes of 14,246 million yen and income taxes paid of 6,481 million yen.

(Cash flows from investing activities)

Net cash used in investing activities totaled 5,699 million yen (an increase of 1,468 million yen). This was mainly due to payments of 4,716 million yen for purchase of property, plant and equipment and 1,485 million yen for lease and guarantee deposits, both of which were caused by new store openings.

(Cash flows from financing activities)

Net cash used in financing activities totaled 4,805 million yen (an increase of 2,199 million yen). This was mainly due to cash dividends paid of 2,919 million yen and treasury stock purchases of 1,885 million yen.

(3) Basic Policy on Profit Distribution, and Dividend Plans for the Current and Next Fiscal Years

With regard to the distribution of profits, we will make investments in the necessary businesses to develop highly appealing brands and supply merchandise that can further increase corporate value (shareholder value), which will lead to the satisfaction of both customers and shareholders. For profit distributions to shareholders, we use a consolidated payout ratio of 30% as the standard for dividends. In addition, we position the repurchase of treasury stock as one way to return earnings to shareholders. Repurchases will be determined in an appropriate and timely manner while taking into account changes in our stock price, our financial position and other factors.

Based on this policy, we decided to pay a 70 yen fiscal year-end dividend. Combined with the 50 yen interim dividend, the annual dividend for the current fiscal year is 120 yen per share, which results in an annual consolidated payout ratio of 34.5%.

The forecast for dividend payments in the next fiscal year is yet to be determined because it is difficult at this time to obtain a rational estimate of the effects of the March 11, 2011 earthquake and resulting electricity conservation and blackouts on consumer spending and economic activity as well as on the results of our operations. An announcement will be made when it becomes possible to determine a forecast.