point

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 29, 2008

June 15, 2007

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 First Quarter ended May 31, 2007 (March 1, 2007 − May 31, 2007)

(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	%
First quarter ended May 2007	15,965	25.0	3,383	14.2	3,413	15.2
First quarter ended May 2006	12,776	18.4	2,963	15.6	2,963	15.5
(Ref.) Year ended Feb. 2007	61,650		12,287		12,324	

	Net income		Net income per share	Diluted net income per share
	Million yen	%	Yen	Yen
First quarter ended May 2007	1,974	20.8	78.32	78.27
First quarter ended May 2006	1,634	13.7	64.01	63.55
(Ref.) Year ended Feb. 2007	6,877		270.25	269.30

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

May 2007: 25,211,933 shares, May 2006: 25,542,329 shares, Feb. 2007: 25,448,458 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 first quarter of the fiscal year increased steadily to 15,965 million yen, up 25.0% over the year-ago figure, as aggressive new store openings offset the impact of weak sales during periods of poor weather.

Existing-store sales were 98.6% of the year-ago level in Japan, but new stores contributed to higher sales in all brands. Sales of “APART BY LOWRYS” and “LEPSIM LOWRYS FARM”, our new brands launched last year, increased particularly significantly.

We opened 37 new stores domestically, bringing the total number of stores in Japan at the end of the first quarter to 399.

The gross margin improved 0.8% year-on-year as we strengthened sales at our outlet store “NINE BLOCKS” which sells unsold merchandise from our various brand-name shops.

SG&A expenses increased 33.3% year-on-year to 7,119 million yen due to more aggressive advertising, earlier and more systematic employee recruiting, and a year-on-year increase in new store openings.

Due to the above factors, operating income increased 14.2% year-on-year to 3,383 million yen, and ordinary income rose 15.2% to 3,413 million yen.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of May 31, 2007	32,094	20,646	64.2	816.90
As of May 31, 2006	27,075	17,008	62.8	668.08
As of Feb. 28, 2007	34,377	19,547	56.8	775.00

Note: Number of shares outstanding (consolidated):
May 31, 2007: 25,237,233 shares, May 31, 2006: 25,458,991 shares, Feb. 28, 2007: 25,190,433 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
First quarter ended May 2007	(2,652)	(668)	(1,363)	12,322
First quarter ended May 2006	(2,662)	(827)	(1,467)	9,915
(Ref.) Year ended Feb. 2007	8,584	(2,140)	(4,307)	17,009

Qualitative Information Regarding Consolidated Financial Position

Assets totaled 32,094 million yen as of May 31, 2007, 5,019 million yen higher than one year earlier. Net asset rose 3,638 million yen to 20,646 million yen. As a result, equity ratio increased from 62.8% to 64.2%.

Cash flow position

Net cash used in operating activities totaled 2,652 million yen. The main factors include income before income taxes of 3,377 million yen, an increase in accounts receivable of 1,291 million yen, an increase in inventories of 815 million yen, a decrease in accounts payable of 1,113 million yen, and income taxes paid of 3,258 million yen.

Net cash used in investing activities totaled 668 million yen. It was mainly due to payment of 288 million yen for lease deposits mostly for new stores.

Net cash used in financing activities totaled 1,363 million yen. It was mainly due to payment of 974 million yen for cash dividends, and 500 million yen for redemption of corporate bonds.

As a result, cash and cash equivalents as of May 31, 2007 amounted 12,322 million yen, 4,686 million yen lower than at February 28, 2007.

3. Consolidated Forecast for the Fiscal Year Ending February 29, 2008 (March 1, 2007 – February 29, 2008)

Point Inc. maintains its consolidated forecast for the first half and full year of fiscal year ending February 29, 2008 (released on April 5, 2007).

* *Consolidated forecasts 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.*