
FACTBOOK

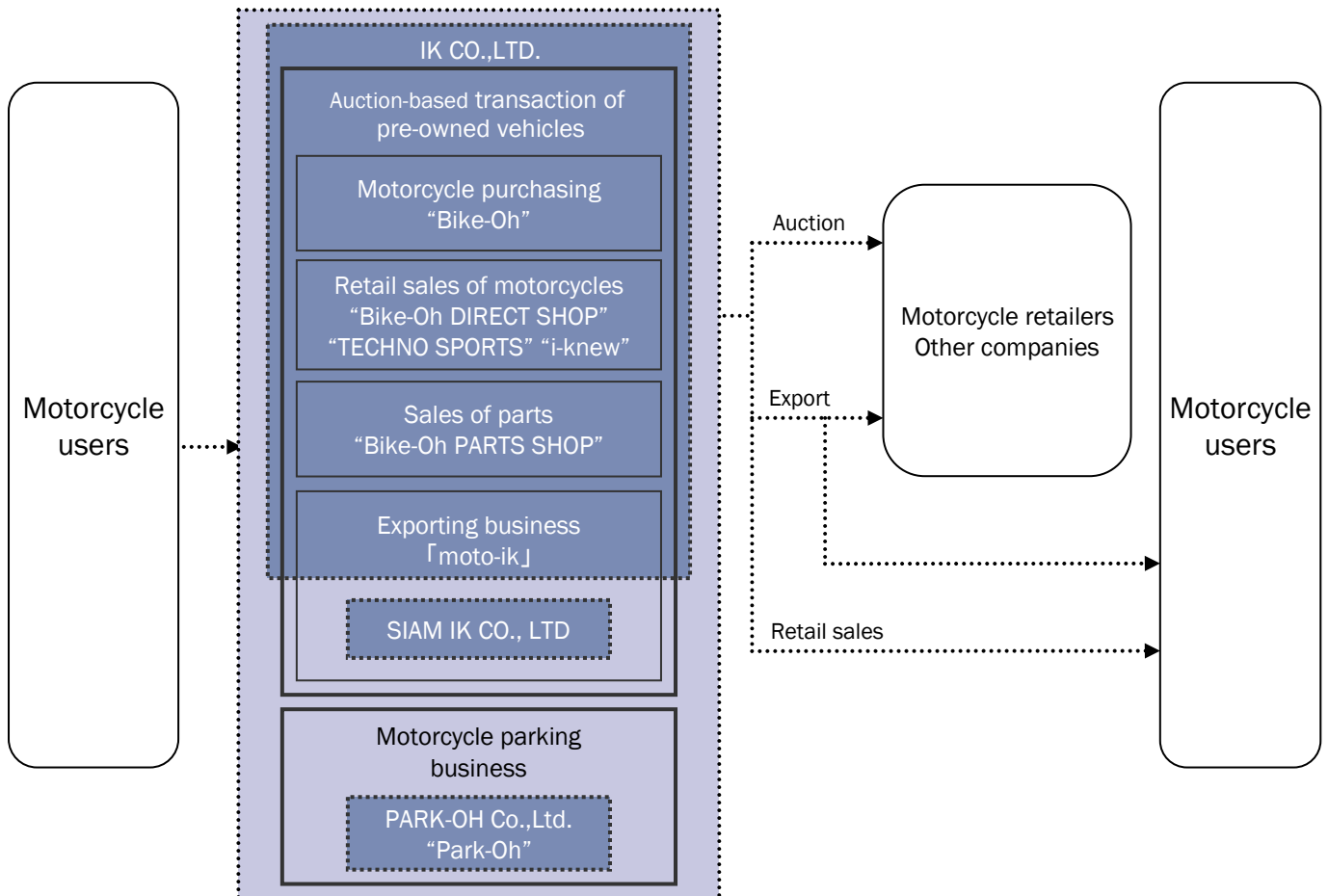
(3377)
IK CO.,LTD.

For the Six Months Ended February 28, 2010

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Company Name	IK Co.,Ltd.
URL	http://www.ikco.co.jp
Headquarters	Prime-Square (Bldg.), 18th Floor 1-1-39 Hiroo, Shibuya-ku, Tokyo 150-0012 JAPAN TEL.03(6803)8811 FAX.03(3409)5050
Capital	¥ 585Million (as of February 28, 2010)
Date of Establishment	September 1998
Representative	Yoshihiro Kato, President & CEO
Main Business	Management of retail/repurchase of motorcycles at specialized outlets, creating a new distribution channel for bikes in Japan <ul style="list-style-type: none"> • Auction-based transaction of pre-owned vehicles • Retail sales of motorcycles • Sales of parts • Motorcycle parking business
Number of Shops	100 Bike-Oh, 10 shops for retail sales, 1 shop for parts sales 111 shops in total (as of February 28, 2010)
Total Employees	913 (Consolidated), 907 (Non-Consolidated) (as of February 28, 2010)



Consolidated Balance Sheets

IK Co., Ltd. and subsidiaries
for the six months ended February 28, 2006-2010



(¥ Thousand)	2/06	2/07	2/08	2/09	2/10
Assets					
Total assets	-	4,173,351	5,155,122	5,686,169	5,719,743
Current assets	-	2,826,878	3,631,882	4,033,741	4,080,504
Cash and deposits	-	1,667,150	2,635,062	2,657,766	2,611,619
Accounts receivable-trade	-	313,880	180,437	166,679	156,801
Inventories	-	451,607	457,349	-	-
Merchandise	-	-	-	731,831	827,747
Supplies	-	-	-	11,433	33,782
Prepaid expenses	-	280,329	252,398	-	-
Deferred tax assets	-	47,569	56,141	-	-
Other	-	67,090	50,612	466,191	451,228
Allowance for doubtful accounts	-	△ 750	△ 120	△ 161	△ 675
Noncurrent assets	-	1,346,472	1,523,240	1,652,428	1,639,238
Property, plant and equipment	-	649,933	799,365	858,114	821,011
Buildings and structures, net	-	431,417	571,693	625,672	561,451
Other, net	-	218,516	227,671	232,441	259,560
Intangible assets	-	311,124	236,047	182,525	158,497
Software	-	259,462	219,054	-	-
Other	-	51,661	16,993	-	-
Investments and other assets	-	385,414	487,827	611,789	659,728
Deferred tax assets	-	30,637	21,006	-	-
Lease and guarantee deposits	-	344,883	457,814	-	-
Other	-	9,893	9,006	621,789	665,257
Allowance for doubtful accounts	-	-	-	△ 10,000	△ 5,528
Liabilities					
Total liabilities	-	927,721	1,458,864	1,230,296	1,402,514
Current liabilities	-	824,905	1,367,605	1,185,800	1,264,855
Accounts payable-trade	-	63,044	73,297	79,913	84,240
Short-term loans payable	-	-	170,000	238,000	238,000
Current portion of long-term loans payable	-	24,000	24,000	-	-
Accounts payable-other	-	354,827	485,580	450,502	468,872
Income taxes payable	-	211,481	340,046	44,224	22,490
Provision for bonuses	-	38,455	48,525	55,122	62,748
Other	-	133,097	226,155	318,038	388,504
Noncurrent liabilities	-	102,815	91,258	44,496	137,659
Long-term loans payable	-	34,000	10,000	-	-
Other	-	68,815	81,258	-	-
Net assets					
Total net assets	-	3,245,629	3,696,258	4,455,872	4,317,228
Shareholders' equity	-	3,235,898	3,647,062	4,384,063	4,244,770
Capital stock	-	584,534	584,930	585,650	585,650
Capital surplus	-	604,156	604,552	605,272	605,272
Retained earnings	-	2,047,207	2,457,579	3,193,139	3,264,901
Treasury stock	-	-	-	-	△ 211,053
Valuation and translation adjustments	-	-	-	△ 682	2,109
Foreign currency translation adjustment	-	-	-	△ 682	2,109
Subscription rights to shares	-	9,731	49,195	72,492	70,347
Total liabilities and net assets	-	4,173,351	5,155,122	5,686,169	5,719,743

*Up to 2/06, non-consolidated only

Nonconsolidated Balance Sheets

IK Co., Ltd.

for the six months ended February 28, 2006-2010



(¥ Thousand)	2/06	2/07	2/08	2/09	2/10
Assets					
Total assets	3,384,880	4,249,122	5,147,739	-	-
Current assets	2,432,475	2,776,479	3,580,220	-	-
Cash and deposits	1,588,014	1,652,216	2,570,617	-	-
Accounts receivable-trade	40,188	312,884	268,375	-	-
Inventories	527,729	423,363	409,693	-	-
Prepaid expenses	191,162	272,973	232,652	-	-
Other	87,400	115,790	98,881	-	-
Allowance for doubtful accounts	△ 2,021	△ 750	-	-	-
Noncurrent assets	952,405	1,472,643	1,567,519	-	-
Property, plant and equipment	382,817	649,229	696,191	-	-
Buildings	305,562	422,401	460,082	-	-
Other	77,255	226,827	236,109	-	-
Intangible assets	272,218	311,124	220,137	-	-
Software	266,353	259,462	207,802	-	-
Other	5,864	51,661	12,334	-	-
Investments and other assets	297,369	512,289	651,190	-	-
Lease and guarantee deposits	202,765	339,069	409,109	-	-
Long-term loans receivable from subsidiaries and affiliates	-	-	604,500	-	-
Other	94,603	243,220	153,639	-	-
Allowance for doubtful accounts	-	-	△ 516,058	-	-
Allowance for investment loss	-	△ 70,000	-	-	-

Nonconsolidated Balance Sheets

IK Co., Ltd.

for the six months ended February 28, 2006-2010



(¥ Thousand)	2/06	2/07	2/08	2/09	2/10
Liabilities					
Total liabilities	1,055,923	903,735	1,343,168	-	-
Current liabilities	1,001,469	865,089	1,085,218	-	-
Accounts payable-trade	40,787	63,044	67,986	-	-
Short-term loans payable	-	-	-	-	-
Current portion of long-term loans payable	130,000	-	-	-	-
Accounts payable-other	424,087	349,678	463,039	-	-
Income taxes payable	263,193	211,391	339,115	-	-
Provision for bonuses	22,157	38,455	43,125	-	-
Other	121,244	202,519	171,952	-	-
Noncurrent liabilities	54,453	38,645	257,950	-	-
Long-term loans payable	-	-	-	-	-
Allowance for losses incurred in subsidiaries and affiliates	-	-	236,092	-	-
Other	54,453	38,645	21,858	-	-
Shareholders' equity					
Total shareholders' equity	2,328,957	-	-	-	-
Capital stock	369,020	-	-	-	-
Capital surplus	388,643	-	-	-	-
Legal capital surplus	388,643	-	-	-	-
Retained earnings	1,571,293	-	-	-	-
Legal retained earnings	13,250	-	-	-	-
Voluntary retained earnings	1,230,000	-	-	-	-
Unappropriated income for the current year	328,043	-	-	-	-
Total liabilities and shareholders' equity	3,384,880	-	-	-	-
Net assets					
Total net assets	-	3,345,387	3,804,571	-	-
Shareholders' equity	-	3,335,656	3,755,375	-	-
Capital stock	-	584,534	584,930	-	-
Capital surplus	-	604,156	604,552	-	-
Legal capital surplus	-	604,156	604,552	-	-
Retained earnings	-	2,146,964	2,565,891	-	-
Legal retained earnings	-	13,250	13,250	-	-
General reserve	-	1,230,000	1,230,000	-	-
Retained earnings brought forward	-	903,714	1,322,641	-	-
Subscription rights to shares	-	9,731	49,195	-	-
Total liabilities and net assets	-	4,249,122	5,147,739	-	-

Consolidated Statements of Income
 IK Co., Ltd. and subsidiaries
 for the six months ended February 28, 2006-2010



(¥ Thousand)	2/06	2/07	2/08	2/09	2/10
Net sales	-	8,849,253	10,980,692	10,756,442	11,313,549
Cost of sales	-	4,312,525	5,377,002	5,213,128	5,469,437
Gross profit	-	4,536,727	5,603,690	5,543,314	5,844,111
Selling, general and administrative expenses	-	4,131,456	5,080,244	5,663,552	6,001,730
Operating income	-	405,271	523,446	△ 120,238	△ 157,619
Non-operating income	-	14,637	22,608	38,098	59,908
Interest and dividends income	-	1,046	2,416	2,263	1,161
Subsidy income	-	-	7,363	11,264	28,613
Credit commission income	-	-	7,639	11,892	8,899
Miscellaneous income	-	13,591	5,189	-	-
Other	-	-	-	12,678	21,235
Non-operating expenses	-	954	6,628	10,440	37,813
Interest expenses	-	912	2,247	2,039	4,859
Foreign exchange losses	-	-	-	1,738	40
Provision of allowance for doubtful accounts	-	-	-	5,000	-
Equity in losses of affiliates	-	-	-	1,297	29,329
Miscellaneous loss	-	42	4,381	-	-
Other	-	-	-	364	3,583
Ordinary income	-	418,954	539,425	△ 92,579	△ 135,524
Extraordinary income	-	3,836	530	1,055	10,211
Gain on sales of noncurrent assets	-	-	530	197	225
Gain on reversal of subscription rights to shares	-	-	-	857	2,144
Reversal of allowance for doubtful accounts	-	3,836	-	-	7,840
Extraordinary loss	-	45,685	329,738	20,447	23,007
Loss on sales of noncurrent assets	-	-	136	-	60
Loss on retirement of noncurrent assets	-	3,202	39,374	15,172	5,102
Impairment loss	-	42,482	290,227	5,274	17,844
Income before income taxes	-	377,105	210,217	△ 111,971	△ 148,320
Total income taxes	-	220,181	333,645	1,575	△ 38,705
Income taxes-current	-	203,093	320,666	33,849	11,432
Income taxes-deferred	-	17,088	12,978	△ 32,273	△ 50,137
Loss of minority shareholders	-	3,700	-	-	-
Net income	-	160,624	△ 123,427	△ 113,547	△ 109,615

*Up to 2/06, non-consolidated only

Nonconsolidated Statements of Income

IK Co., Ltd.

for the six months ended February 28, 2006-2010



(¥ Thousand)	2/06	2/07	2/08	2/09	2/10
Net sales	7,528,912	8,768,595	10,618,511	-	-
Cost of sales	3,790,753	4,230,241	5,163,210	-	-
Gross profit	3,738,158	4,538,354	5,455,300	-	-
Selling, general and administrative expenses	3,252,236	4,069,693	4,707,547	-	-
Operating income	485,922	468,660	747,752	-	-
Non-operating income	42,593	12,550	10,908	-	-
Non-operating expenses	6,414	176	1,814	-	-
Ordinary income	522,101	481,034	756,846	-	-
Extraordinary income	59	3,836	530	-	-
Extraordinary loss	5,230	76,989	839,189	-	-
Income before income taxes	516,931	407,882	△ 81,811	-	-
Total income taxes	246,393	191,598	235,607	-	-
Income taxes-current	252,000	203,000	319,691	-	-
Income taxes-deferred	△ 5,606	△ 11,401	△ 84,083	-	-
Net income	270,537	216,284	△ 317,419	-	-

Consolidated Statements of Cash Flows
 IK Co., Ltd. and subsidiaries
 for the six months ended February 28, 2006-2010



(¥ Thousand)	2/06	2/07	2/08	2/09	2/10
Cash flows provided by (used in) operating activities					
Net cash provided by (used in) operating activities	478,258	△ 442,560	151,241	△ 673,192	△ 264,469
Income before income taxes	516,931	377,105	210,217	△ 111,971	△ 148,320
Depreciation and amortization	67,786	102,068	158,390	155,793	148,600
Amortization of goodwill	-	-	27,389	-	-
Increase (decrease) in allowance for doubtful accounts	1,961	△ 3,836	△ 1,949	5,088	△ 9,789
Increase (decrease) in provision for bonuses	22,157	38,455	48,525	55,122	62,748
Interest and dividends income	△ 57	△ 1,046	△ 2,416	△ 2,263	△ 1,161
Interest expenses	2,297	912	2,247	2,039	4,859
Loss (gain) on sales of noncurrent assets	-	-	△ 394	△ 197	△ 164
Loss on retirement of noncurrent assets	5,230	3,202	39,374	15,172	5,102
Stock issuance cost	3,617	-	-	-	-
Impairment loss	-	42,482	290,227	5,274	17,844
Foreign exchange losses (gains)	-	-	-	1,738	40
Equity in (earnings) losses of affiliates	-	-	-	1,297	29,329
Decrease (increase) in notes and accounts receivable-trade	△ 3,006	△ 64,721	△ 70,847	△ 63,482	2,401
Decrease (increase) in inventories	83,060	△ 8,105	126,794	△ 136,014	△ 67,009
Increase (decrease) in notes and accounts payable-trade	1,130	1,802	3,435	△ 20,467	926
Other	109,972	△ 394,216	△ 78,418	△ 125,666	△ 38,007
Subtotal	811,082	94,102	752,574	△ 218,536	7,399
Interest and dividends income received	58	1,046	2,417	2,223	1,047
Interest expenses paid	△ 1,885	△ 800	△ 2,247	△ 1,760	△ 4,594
Income taxes paid	△ 330,996	△ 536,908	△ 601,503	△ 455,118	△ 268,322
Cash flows provided by (used in) investing activities					
Net cash provided by (used in) investing activities	△ 249,710	△ 202,275	△ 167,818	△ 203,197	△ 140,505
Purchase of property, plant and equipment	△ 134,306	△ 167,869	△ 134,902	△ 101,639	△ 33,427
Proceeds from sales of property, plant and equipment	-	-	882	340	250
Purchase of intangible assets	△ 6,095	△ 58,494	△ 215	△ 35,030	△ 69,163
Payments of loans receivable to subsidiaries and affiliates	-	-	-	△ 50,000	△ 33,000
Payments for lease and guarantee deposits	△ 44,408	△ 32,316	△ 56,025	-	-
Proceeds from collection of lease and guarantee deposits	5,100	56,405	22,441	-	-
Other	△ 70,000	-	-	△ 16,867	△ 5,164
Cash flows provided by (used in) financing activities					
Net cash provided by (used in) financing activities	△ 437,202	△ 38,329	4,881	△ 75,446	△ 320,861
Net increase (decrease) in short-term loans payable	△ 300,000	-	70,000	18,000	-
Repayment of long-term loans payable	△ 134,000	△ 2,000	△ 12,000	△ 24,000	-
Cash dividends paid	-	△ 30,160	△ 45,398	△ 60,926	△ 91,429
Installment payments	△ 8,512	△ 8,512	△ 8,512	-	-
Proceeds from stock issuance	5,310	2,343	792	-	-
Purchase of treasury stock	-	-	-	-	△ 211,053
Other	-	-	-	△ 8,519	△ 18,378
Net increase (decrease) in cash and cash equivalents	△ 208,653	△ 683,165	△ 11,696	△ 951,835	△ 725,836
Cash and cash equivalents, beginning of term	1,796,668	2,350,316	2,646,758	3,609,602	3,337,456
Cash and cash equivalents, end of term	1,588,014	1,667,150	2,635,062	2,657,766	2,611,619

Information by Segment

IK Co., Ltd. and subsidiaries

for the six months ended February 28, 2006-2010



(¥ Thousand)	2/06	2/07	2/08	2/09	2/10
Auction-based transaction of pre-owned motorcycles					
Net Sales	-	8,768,580	10,897,778	10,592,693	11,054,687
To Total Net Sales	-	99.1%	99.2%	98.5%	97.7%
Internal sales, transfer	-	14	-	-	-
Subtotal	-	8,768,595	10,897,778	10,592,693	11,054,687
Operating expenses	-	8,300,646	10,323,258	-	-
Operating Income	-	467,949	574,519	△ 92,830	△ 164,324
Operating Income Margin	-	15.6%	5.3%	-0.9%	-1.5%

*Auction-based transaction of pre-owned motorcycles: Motorcycle purchasing, Retail sales of motorcycles and Sales of parts business.

Motorcycle parking business					
Net Sales	-	80,672	82,914	163,748	258,861
To Total Net Sales	-	0.9%	0.8%	1.5%	2.3%
Internal sales, transfer	-	-	180	180	180
Subtotal	-	80,672	83,094	163,928	259,041
Operating expenses	-	143,405	134,220	-	-
Operating Income	-	△ 62,732	△ 51,125	△ 28,613	4,553
Operating Income Margin	-	-77.8%	-61.7%	-17.5%	1.8%

Total					
Net Sales	7,528,912	8,849,253	10,980,692	10,756,442	11,313,549
Internal sales, transfer	-	14	180	180	180
Subtotal	-	8,849,267	10,980,872	10,756,622	11,313,729
Operating expenses	-	8,444,051	10,457,478	-	-
Operating Income	485,922	405,216	523,393	△ 121,443	△ 159,771
Operating Income Margin	6.5%	4.6%	4.8%	-1.1%	-1.4%

Elimination/All company					
Net Sales	-	-	-	-	-
Internal sales, transfer	-	△ 14	△ 180	△ 180	△ 180
Subtotal	-	△ 14	△ 180	△ 180	△ 180
Operating expenses	-	△ 69	△ 232	-	-
Operating Income	-	54	52	1,205	2,152

Consolidated					
Net Sales	-	8,849,253	10,980,692	10,756,442	11,313,549
Internal sales, transfer	-	-	-	-	-
Subtotal	-	8,849,253	10,980,692	10,756,442	11,313,549
Operating expenses	-	8,443,982	10,457,246	-	-
Operating Income	-	405,271	523,446	△ 120,238	△ 157,619

*Up to 2/06, non-consolidated only

Profitability Indicators

IK Co., Ltd. and subsidiaries

for the six months ended February 28, 2006-2010



(¥ Million)	2/06	2/07	2/08	2/09	2/10
Net sales	7,528	8,849	10,980	10,756	11,313
Cost of sales	3,790	4,312	5,377	5,213	5,469
Selling, general and administrative expenses	3,252	4,131	5,080	5,663	6,001
Operating income	485	405	523	△ 120	△ 157
Net income	270	160	△ 123	△ 113	△ 109

(%)	2/06	2/07	2/08	2/09	2/10
Sales cost ratio	50.3%	48.7%	49.0%	48.5%	48.3%
SG&A ratio	43.2%	46.7%	46.3%	52.7%	53.0%
Operating margin	6.5%	4.6%	4.8%	-1.1%	-1.4%
Net margin	3.6%	1.8%	-1.1%	-1.1%	-1.0%

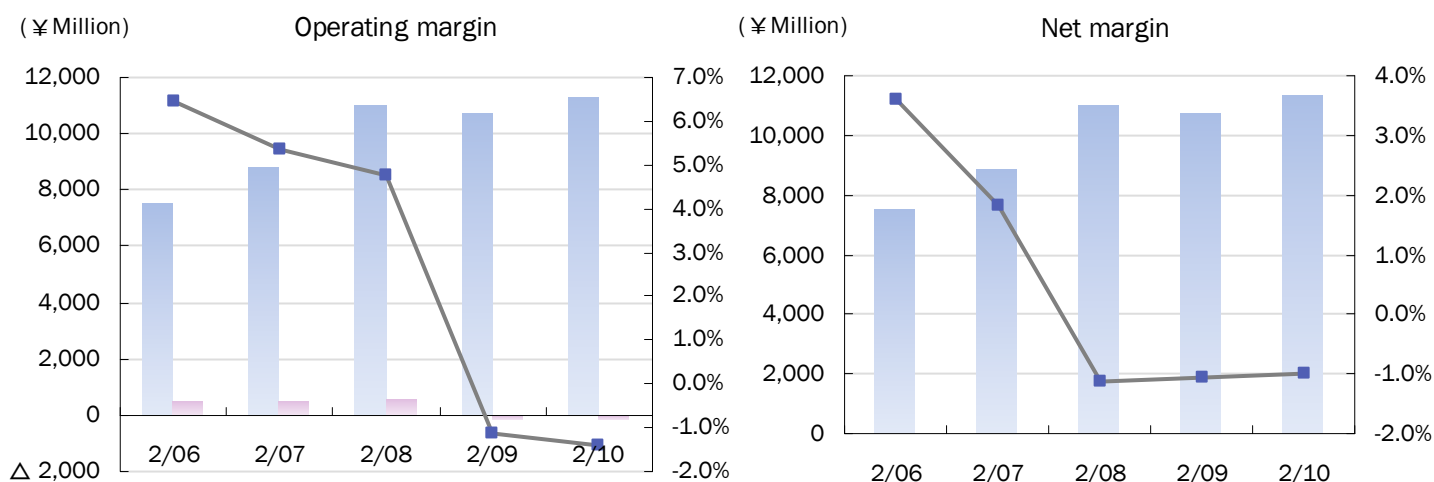
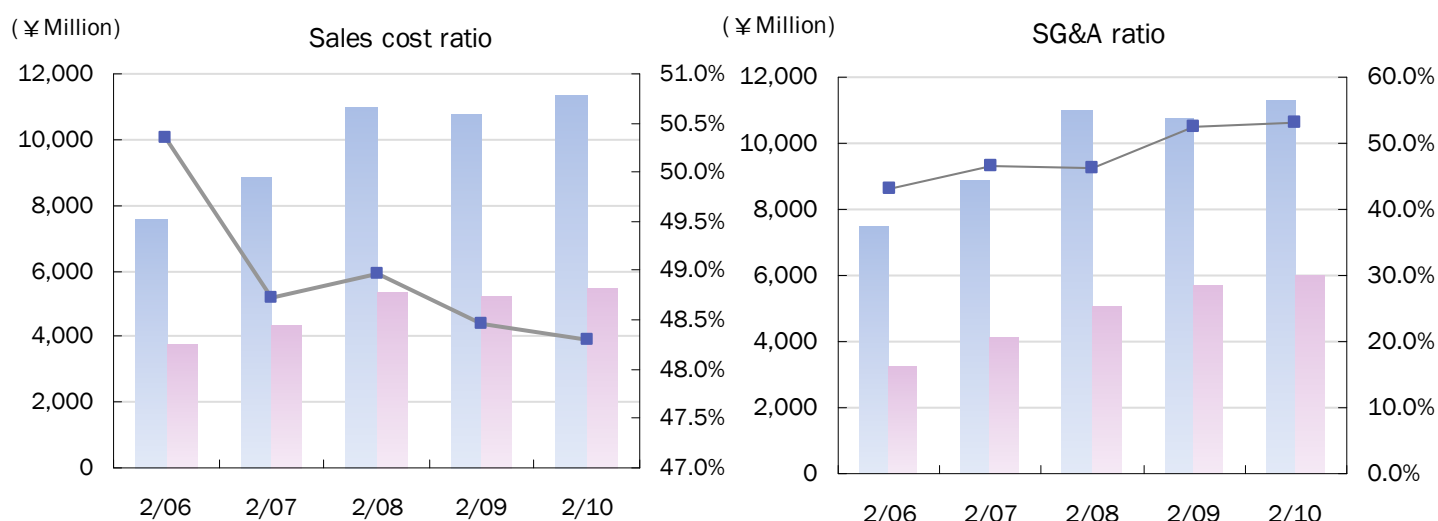
Sales cost ratio=cost of sales/net sales

Sg&a ratio=sg&a/net sales

Operating margin=operating income/net sales

Net margin=net/net sales

*Up to 2/06, non-consolidated only



Efficiency Indicators

IK Co., Ltd. and subsidiaries
for the six months ended February 28, 2006-2010



(Times)	2/06	2/07	2/08	2/09	2/10
Total asset turnover	4.34	3.92	4.10	3.57	3.75
Fixed asset turnover	16.91	13.29	13.15	12.87	13.58

(Days)	2/06	2/07	2/08	2/09	2/10
Inventories turnover period	13.80	9.23	8.65	11.46	13.36
Receivables turnover period	0.97	6.47	3.00	2.83	2.81

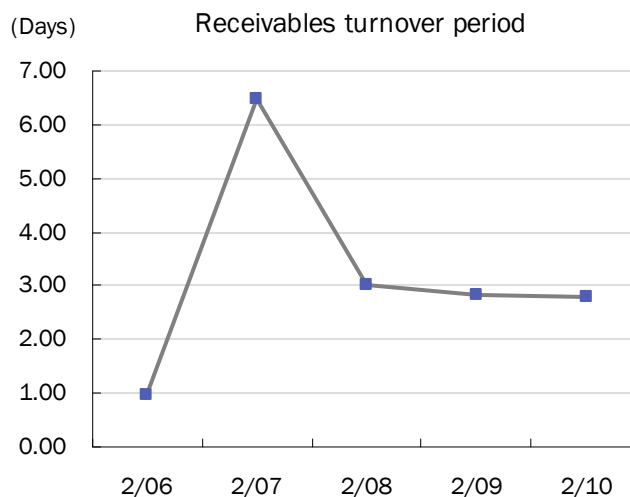
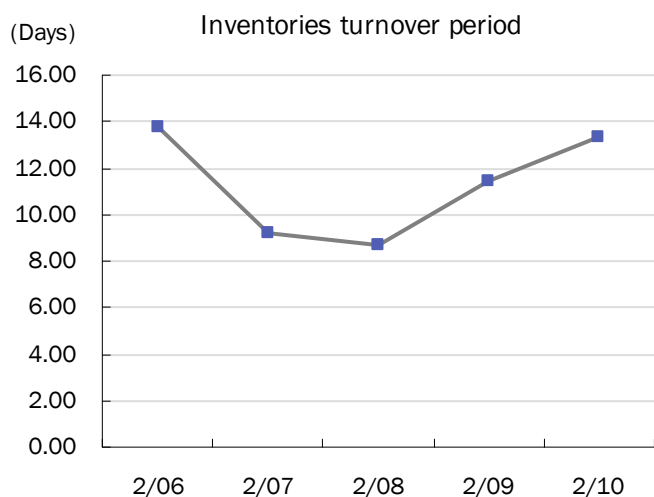
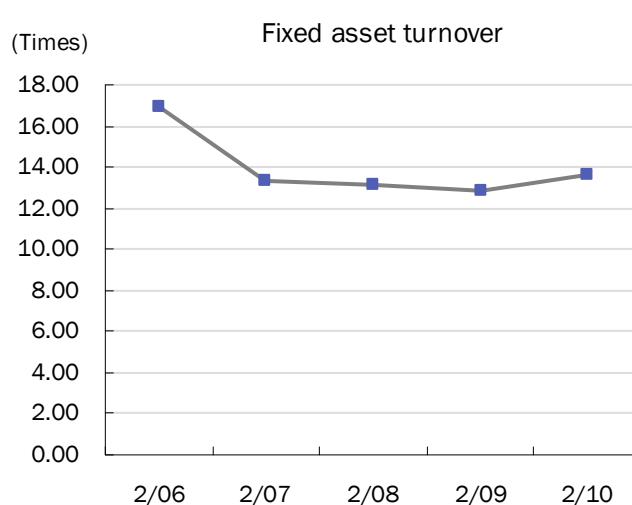
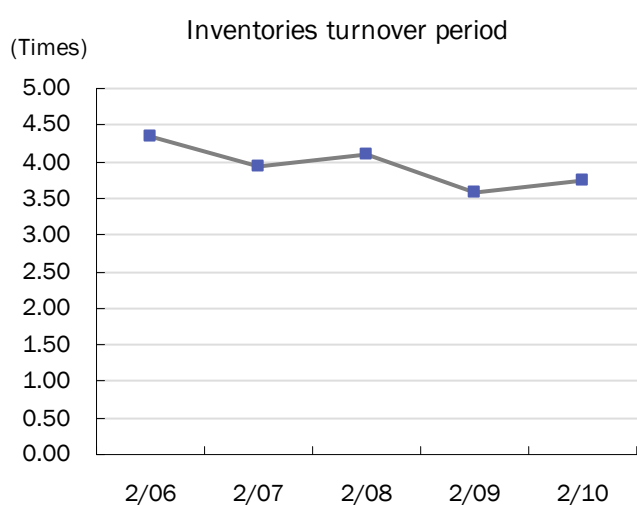
*Up to 2/06, non-consolidated only

Total asset turnover=net sales/average total assets×2

Fixed asset turnover=net sales/average noncurrent assets×2

Inventories turnover period=average inventories/net sales×365/2

Receivables turnover period=average tradenotes and account/net sales×365/2



Stability Indicators

IK Co., Ltd. and subsidiaries
for the six months ended February 28, 2006-2010

(¥ Million)	2/06	2/07	2/08	2/09	2/10
Equity	2,328	3,235	3,647	4,383	4,246
Interest-bearing debt	130	58	204	238	238
Noncurrent assets	952	1,346	1,523	1,652	1,639
Current assets	2,432	2,826	3,631	4,033	4,080
Current liabilities	1,001	824	1,367	1,185	1,264

(%)	2/06	2/07	2/08	2/09	2/10
Equity ratio	68.8%	77.5%	70.7%	77.1%	74.2%
D/E ratio	5.6%	1.8%	5.6%	5.4%	5.6%
Fixed ratio	40.9%	41.6%	41.8%	37.7%	38.6%
Current ratio	242.9%	342.7%	265.6%	340.2%	322.6%

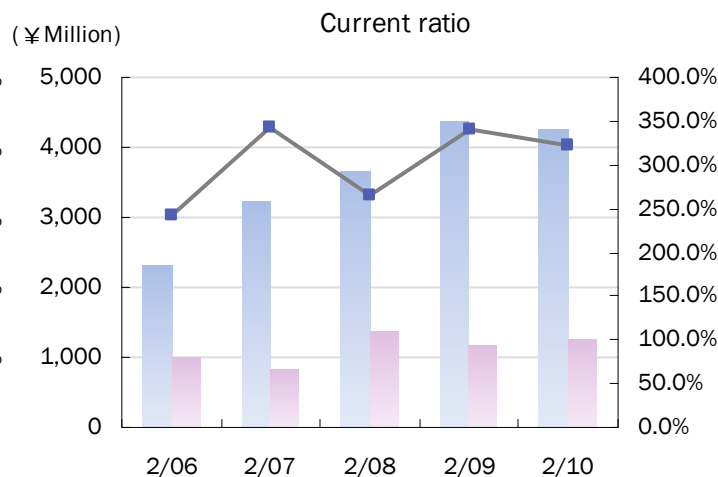
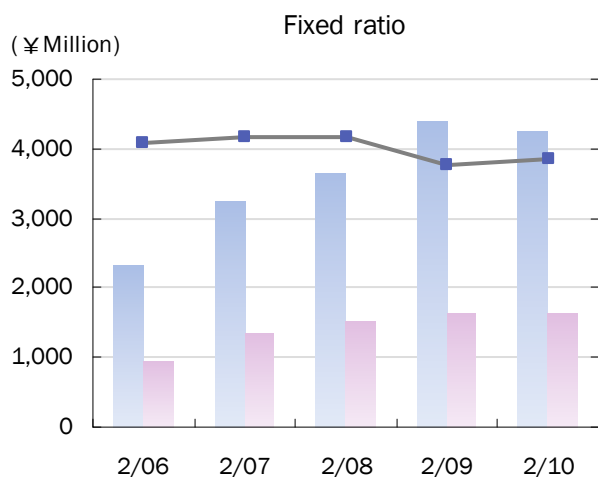
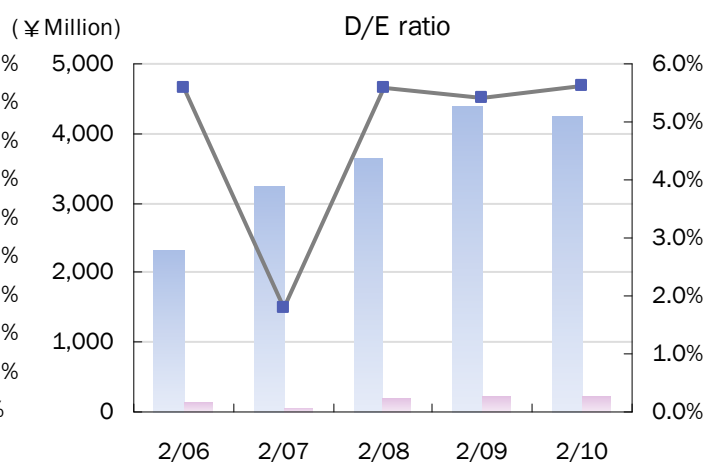
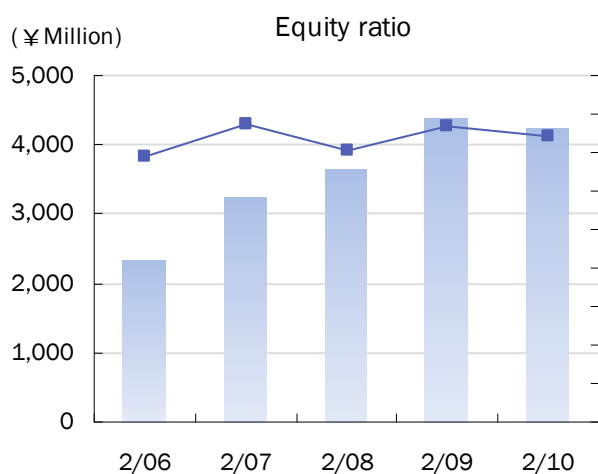
Equity ratio=equity/average total assets

D/E ratio=interest-bearing debt/equity

Fixed ratio=noncurrent assets/equity

Current ratio=current assets/current liabilities

*Up to 2/06, non-consolidated only



Stock Information

IK Co., Ltd. and subsidiaries
for the six months ended February 28, 2006-2010



(¥)	2/06	2/07	2/08	2/09	2/10
Share price at term-end	-	156,000	105,000	20,800	26,210
Net income per share	5,522.58	1,055.66	△ 809.08	△ 742.84	△ 738.09
Net income per share (fully diluted)	5,496.27	1,050.07	-	-	-
Net assets per share	47,394.33	21,221.23	23,896.98	28,676.54	29,116.94
Dividend per share	-	-	400.00	600.00	600.00

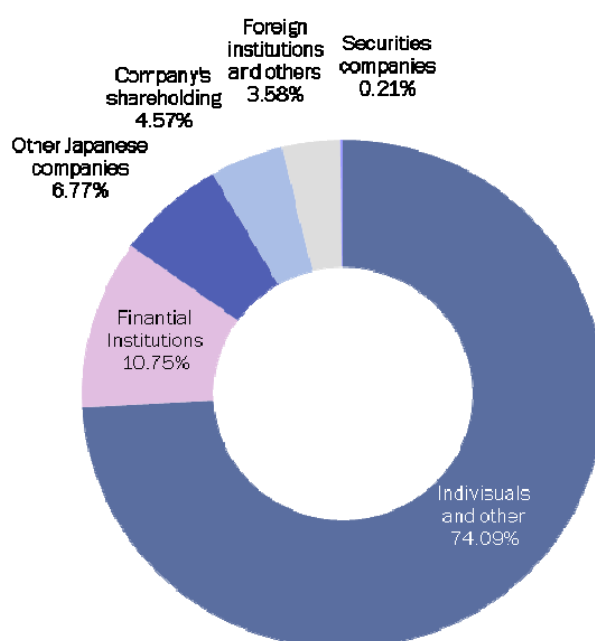
*Up to 2/06, non-consolidated only

* 1-for-3 stock split in FY8/07

As of February 28, 2010

Major Shareholders (Top 10)	Number of Shares (Thousand Shares)	Shareholding Ratio(%)
Ishikawa, Akihiko	39,154	25.61%
Kato, Yoshihiro	35,207	23.03%
Kei Co, Ltd.	9,000	5.88%
The Master Trust Bank of Japan, Ltd.	8,523	5.57%
Ishikawa, Yukari	7,980	5.22%
Company's Shareholding	7,000	4.57%
Japan Trustee Services Bank, Ltd.	4,503	2.94%
Ohtani, Maki	3,180	2.08%
Kato, Nobuko	2,940	1.92%
Employees' stockholding	2,710	1.77%

Composition of Shareholders by Category





[IK CO.,LTD.](http://www.ikco.co.jp/)

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