
FACTBOOK

(3377)
IK CO.,LTD.

For the Six Months Ended May 31, 2011

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IKCO.,LTD

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 May 31, 2011)
Date of Establishment	September 1998
Representative	Akihiko Ishikawa, Chairman ; 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, 9 shops for retail sales, 1 shop for parts sales 110 shops in total (as of May 31, 2011)
Total Employees	961 (Consolidated), 955 (Non-Consolidated) (as of May 31, 2011)

Consolidated Balance Sheets

IK Co., Ltd. and subsidiaries
for the six months ended May 31, 2007-2011



(¥ Thousand)	2/2007	2/2008	2/2009	2/2010	5/2011
Assets					
Total assets	4,173,351	5,155,122	5,686,169	5,719,743	6,214,010
Current assets	2,826,878	3,631,882	4,033,741	4,080,504	4,284,786
Cash and deposits	1,667,150	2,635,062	2,657,766	2,611,619	2,646,047
Accounts receivable-trade	313,880	180,437	166,679	156,801	166,243
Inventories	451,607	457,349	-	-	-
Merchandise	-	-	731,831	827,747	1,067,164
Supplies	-	-	11,433	33,782	27,645
Prepaid expenses	280,329	252,398	-	-	-
Deferred tax assets	47,569	56,141	-	-	-
Other	67,090	50,612	466,191	451,228	378,642
Allowance for doubtful accounts	△ 750	△ 120	△ 161	△ 675	△ 957
Fixed assets	1,346,472	1,523,240	1,652,428	1,639,238	1,929,224
Property, plant and equipment	649,933	799,365	858,114	821,011	803,432
Buildings and structures, net	431,417	571,693	625,672	561,451	515,752
Other, net	218,516	227,671	232,441	259,560	287,680
Intangible fixed assets	311,124	236,047	182,525	158,497	189,545
Software	259,462	219,054	-	-	-
Other	51,661	16,993	-	-	-
Investments and other assets	385,414	487,827	611,789	659,728	936,246
Deferred tax assets	30,637	21,006	-	-	-
Lease and guarantee deposits	344,883	457,814	-	-	-
Other	9,893	9,006	621,789	665,257	941,693
Allowance for doubtful accounts	-	-	△ 10,000	△ 5,528	△ 5,446
Liabilities					
Total liabilities	927,721	1,458,864	1,230,296	1,402,514	1,885,402
Current liabilities	824,905	1,367,605	1,185,800	1,264,855	1,545,562
Accounts payable-trade	63,044	73,297	79,913	84,240	74,667
Short-term loans payable	-	170,000	238,000	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	-
Accrued income taxes	211,481	340,046	44,224	22,490	114,590
Reserve for bonuses	38,455	48,525	55,122	62,748	44,358
Provision for loss on store closing	-	-	-	-	24,581
Asset retirement obligations	-	-	-	-	7,821
Other	133,097	226,155	318,038	388,504	1,041,543
Non-current liabilities	102,815	91,258	44,496	137,659	339,839
Long-term loans payable	34,000	10,000	-	-	-
Asset retirement obligations	-	-	-	-	186,331
Other	68,815	81,258	-	-	153,508
Net assets					
Total net assets	3,245,629	3,696,258	4,455,872	4,317,228	4,328,608
Shareholders' equity	3,235,898	3,647,062	4,384,063	4,244,770	4,323,265
Capital stock	584,534	584,930	585,650	585,650	585,650
Capital surplus	604,156	604,552	605,272	605,272	605,272
Retained earnings	2,047,207	2,457,579	3,193,139	3,264,901	3,528,152
Treasury stock	-	-	-	△ 211,053	△ 395,810
Valuation and translation adjustments	-	-	△ 682	2,109	2,630
Translation adjustment	-	-	△ 682	2,109	2,630
Subscription rights to shares	9,731	49,195	72,492	70,347	2,711
Total liabilities and net assets	4,173,351	5,155,122	5,686,169	5,719,743	6,214,010

Consolidated Statements of Income
 IK Co., Ltd. and subsidiaries
 for the six months ended May 31, 2007-2011



(¥ Thousand)	2/2007	2/2008	2/2009	2/2010	5/2011
Net sales	8,849,253	10,980,692	10,756,442	11,313,549	11,726,435
Cost of sales	4,312,525	5,377,002	5,213,128	5,469,437	5,221,981
Gross profit	4,536,727	5,603,690	5,543,314	5,844,111	6,504,453
Selling, general and administrative expenses	4,131,456	5,080,244	5,663,552	6,001,730	5,992,503
Operating income	405,271	523,446	△ 120,238	△ 157,619	511,950
Non-operating income	14,637	22,608	38,098	59,908	65,465
Interest and dividends income	1,046	2,416	2,263	1,161	1,194
Subsidy income	-	7,363	11,264	28,613	29,646
Credit commission income	-	7,639	11,892	8,899	-
Miscellaneous income	13,591	5,189	-	-	-
Other	-	-	12,678	21,235	34,624
Non-operating expenses	954	6,628	10,440	37,813	20,945
Interest expenses	912	2,247	2,039	4,859	5,662
Foreign exchange losses	-	-	1,738	40	-
Provision of allowance for doubtful accounts	-	-	5,000	-	-
Equity in losses of affiliates	-	-	1,297	29,329	12,467
Commission fee	-	-	-	-	1,866
Miscellaneous loss	42	4,381	-	-	-
Other	-	-	364	3,583	948
Ordinary income	418,954	539,425	△ 92,579	△ 135,524	556,470
Extraordinary income	3,836	530	1,055	10,211	14,485
Gain on sales of fixed assets	-	530	197	225	1,756
Gain on reversal of subscription rights to shares	-	-	857	2,144	-
Compensation for transfer	-	-	-	-	12,000
Reversal of allowance for doubtful accounts	3,836	-	-	7,840	729
Extraordinary loss	45,685	329,738	20,447	23,007	83,940
Loss on sales of fixed assets	-	136	-	60	199
Loss on retirement of fixed assets	3,202	39,374	15,172	5,102	6,787
Extraordinary depreciation of fixed assets	-	-	-	-	22,502
Provision of reserve for loss on closing of stores	-	-	-	-	24,581
Other	-	-	-	-	8,116
Impairment loss	42,482	290,227	5,274	17,844	21,753
Income before income taxes	377,105	210,217	△ 111,971	△ 148,320	487,015
Total income taxes	220,181	333,645	1,575	△ 38,705	183,788
Income taxes-current	203,093	320,666	33,849	11,432	100,741
Income taxes-deferred	17,088	12,978	△ 32,273	△ 50,137	83,046
Loss of minority shareholders	3,700	-	-	-	-
Net income	160,624	△ 123,427	△ 113,547	△ 109,615	303,227

Consolidated Statements of Cash Flows

IK Co., Ltd. and subsidiaries

for the six months ended May 31, 2007-2011



(¥ Thousand)	2/2007	2/2008	2/2009	2/2010	5/2011
Cash flows provided by (used in) operating activities					
Net cash provided by (used in) operating activities	△ 442,560	151,241	△ 673,192	△ 264,469	754,987
Income before income taxes	377,105	210,217	△ 111,971	△ 148,320	487,015
Depreciation and amortization	102,068	158,390	155,793	148,600	123,620
Impairment loss	42,482	290,227	5,274	17,844	21,753
Amortization of goodwill	-	27,389	-	-	-
Increase (decrease) in allowance for doubtful accounts	△ 3,836	△ 1,949	5,088	△ 9,789	△ 729
Increase (decrease) in reserve for bonuses	38,455	48,525	55,122	62,748	44,358
Increase (decrease) in reserve for loss on store closings	-	-	-	-	24,581
Interest and dividends income	△ 1,046	△ 2,416	△ 2,263	△ 1,161	△ 1,194
Interest expenses	912	2,247	2,039	4,859	5,662
Loss on retirement of fixed assets	3,202	39,374	15,172	5,102	6,787
Loss (gain) on sales of property, plant and equipment	-	△ 394	△ 197	△ 164	△ 1,557
Extraordinary depreciation of fixed assets	-	-	-	-	22,502
Stock issuance cost	-	-	-	-	-
Foreign exchange losses (gains)	-	-	1,738	40	-
Equity in (earnings) losses of affiliates	-	-	1,297	29,329	12,467
Decrease (increase) in notes and accounts receivable-trade	△ 64,721	△ 70,847	△ 63,482	2,401	39,479
Decrease (increase) in inventories	△ 8,105	126,794	△ 136,014	△ 67,009	△ 1,614
Increase (decrease) in notes and accounts payable-trade	1,802	3,435	△ 20,467	926	△ 3,418
Other	△ 394,216	△ 78,418	△ 125,666	△ 38,007	△ 13,285
Subtotal	94,102	752,574	△ 218,536	7,399	766,430
Interest and dividends income received	1,046	2,417	2,223	1,047	317
Interest expenses paid	△ 800	△ 2,247	△ 1,760	△ 4,594	△ 5,662
Income tax (paid) refund	△ 536,908	△ 601,503	△ 455,118	△ 268,322	△ 6,096
Cash flows provided by (used in) investing activities					
Net cash provided by (used in) investing activities	△ 202,275	△ 167,818	△ 203,197	△ 140,505	△ 426,795
Purchase of property, plant and equipment	△ 167,869	△ 134,902	△ 101,639	△ 33,427	△ 96,275
Proceeds from sales of property, plant and equipment	-	882	340	250	27
Purchase of intangible fixed assets	△ 58,494	△ 215	△ 35,030	△ 69,163	△ 58,669
Purchase of investment securities	-	-	-	-	△ 268,800
Payments of loans receivable to affiliates	-	-	△ 50,000	△ 33,000	△ 2,500
Payments for lease and guarantee deposits	△ 32,316	△ 56,025	-	-	△ 10,892
Proceeds from collection of lease and guarantee deposits	56,405	22,441	-	-	10,902
Other	-	-	△ 16,867	△ 5,164	△ 588
Net cash used in financing activities					
Net cash used in financing activities	△ 38,329	4,881	△ 75,446	△ 320,861	142,865
Increase (decrease) in short-term loans payable	-	70,000	18,000	-	-
Repayment of long-term loans payable	△ 2,000	△ 12,000	△ 24,000	-	-
Repayments of lease obligations	-	-	-	-	△ 26,794
Purchase of treasury stock	-	-	-	△ 211,053	△ 98,218
Loss (gain) on money held in trust	-	-	-	-	317,110
Cash dividends paid	△ 30,160	△ 45,398	△ 60,926	△ 91,429	△ 49,231
Payments for installment debt	△ 8,512	△ 8,512	-	-	-
proceeds from share issuance	2,343	792	-	-	-
Other	-	-	△ 8,519	△ 18,378	-
Increase (decrease) in cash and cash equivalents	△ 683,165	△ 11,696	△ 951,835	△ 725,836	471,058
Cash and cash equivalents, beginning of year	2,350,316	2,646,758	3,609,602	3,337,456	2,174,989
Cash and cash equivalents, end of term	1,667,150	2,635,062	2,657,766	2,611,619	2,646,047

Information by Segment

IK Co., Ltd. and subsidiaries

for the six months ended May 31, 2007-2011



(¥ Thousand)	2/2007	2/2008	2/2009	2/2010	5/2011
Auction-Based Pre-Owned Motorcycles Transaction					
Net Sales	8,768,580	10,897,778	10,592,693	11,054,687	9,737,966
To Total Net Sales	99.1%	99.2%	98.5%	97.7%	83.0%
Internal sales, transfer	14	-	-	-	825,734
Subtotal	8,768,595	10,897,778	10,592,693	11,054,687	10,563,700
Operating expenses	8,300,646	10,323,258	-	-	-
Operating Income	467,949	574,519	△ 92,830	△ 164,324	-
Ordinary Income	-	-	-	-	507,368
Operating Income Margin	15.6%	5.3%	-0.9%	-1.5%	-
Ordinary Income Margin	-	-	-	-	5.2%
*Auction-based transaction of pre-owned motorcycles: Motorcycles purchasing, Retail sales of motorcycles and Sales of parts business.					
Motorcycle Retail Sales					
Net Sales	-	-	-	-	1,688,070
To Total Net Sales	-	-	-	-	14.4%
Internal sales, transfer	-	-	-	-	15,373
Subtotal	-	-	-	-	1,703,443
Operating expenses	-	-	-	-	-
Ordinary Income	-	-	-	-	73,499
Ordinary Income Margin	-	-	-	-	4.4%
Motorcycle Parking					
Net Sales	80,672	82,914	163,748	258,861	300,398
To Total Net Sales	0.9%	0.8%	1.5%	2.3%	2.6%
Internal sales, transfer	-	180	180	180	357
Subtotal	80,672	83,094	163,928	259,041	300,755
Operating expenses	143,405	134,220	-	-	-
Operating Income	△ 62,732	△ 51,125	△ 28,613	4,553	-
Ordinary Income	-	-	-	-	△ 24,397
Operating Income Margin	-77.8%	-61.7%	-17.5%	1.8%	-
Ordinary Income Margin	-	-	-	-	-8.1%
Total					
Net Sales	8,849,253	10,980,692	10,756,442	11,313,549	11,726,435
Internal sales, transfer	14	180	180	180	841,465
Subtotal	8,849,267	10,980,872	10,756,622	11,313,729	12,567,900
Operating expenses	8,444,051	10,457,478	-	-	-
Operating Income	405,216	523,393	△ 121,443	△ 159,771	-
Ordinary Income	-	-	-	-	556,470
Operating Income Margin	4.6%	4.8%	-1.1%	-1.4%	-
Ordinary Income Margin	-	-	-	-	4.7%
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	-
Adjustment					
Net Sales	-	-	-	-	-
Internal sales, transfer	-	-	-	-	△ 841,465
Subtotal	-	-	-	-	△ 841,465
Consolidated					
Net Sales	8,849,253	10,980,692	10,756,442	11,313,549	11,726,435
Internal sales, transfer	-	-	-	-	-
Subtotal	8,849,253	10,980,692	10,756,442	11,313,549	11,726,435
Operating expenses	8,443,982	10,457,246	-	-	-
Operating Income	405,271	523,446	△ 120,238	△ 157,619	-
Ordinary Income	-	-	-	-	556,470

Profitability Indicators

IK Co., Ltd. and subsidiaries

for the six months ended May 31, 2007-2011



(¥ Million)	2/2007	2/2008	2/2009	2/2010	5/2011
Total Assets	4,173	5,155	5,686	5,719	6,214
Equity	3,235	3,647	4,383	4,246	4,325
Net Sales	8,849	10,980	10,756	11,313	11,726
Cost of Sales	4,312	5,377	5,213	5,469	5,221
SG&A Expenses	4,131	5,080	5,663	6,001	5,992
Operating Income	405	523	△ 120	△ 157	511
Net Income	160	△ 123	△ 113	△ 109	303

(%)	2/2007	2/2008	2/2009	2/2010	5/2011
Return on Asset (ROA)	3.8%	-2.4%	-2.0%	-1.9%	4.9%
Return on Equity (ROE)	4.9%	-3.4%	-2.6%	-2.6%	7.0%
Cost of Sales Ratio	48.7%	49.0%	48.5%	48.3%	44.5%
SG&A Ratio	46.7%	46.3%	52.6%	53.0%	51.1%
Operating Margin	4.6%	4.8%	-1.1%	-1.4%	4.4%
Net Margin	1.8%	-1.1%	-1.1%	-1.0%	2.6%

Equity = Shareholders' Equity + Valuation and Translation Adjustments

Return on Asset=Net Income/Total Assets

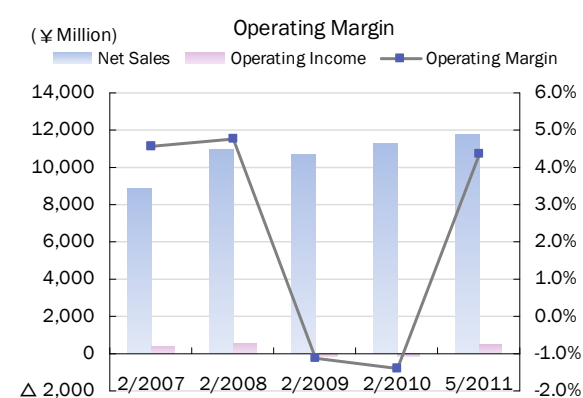
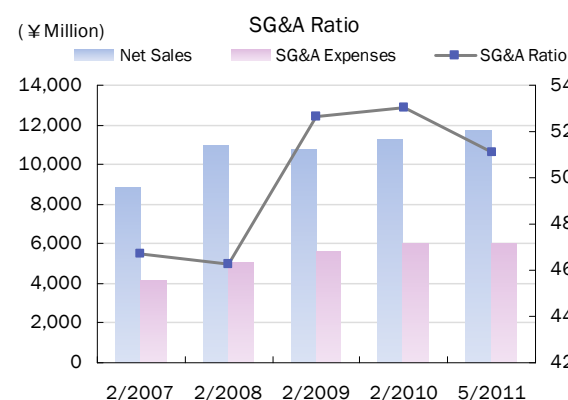
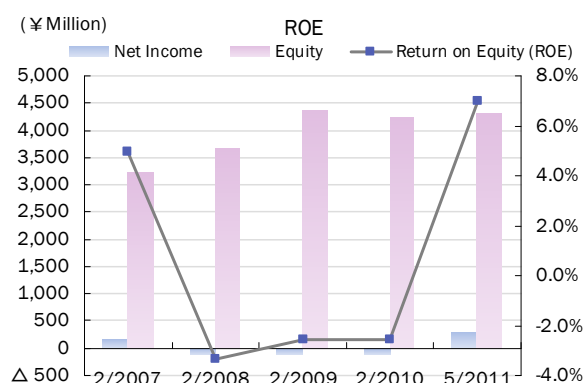
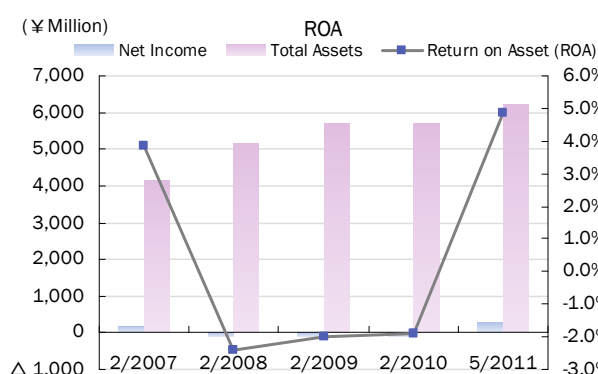
Return on Equity=Net Income/Equity

Cost of Sales Ratio=Cost of Sales/Net Sales

SG&A Expenses Ratio=SG&A Expenses/Net Sales

Operating Margin=Operating Income/Net Sales

Net Margin=Net Income/Net Sales



Efficiency Indicators

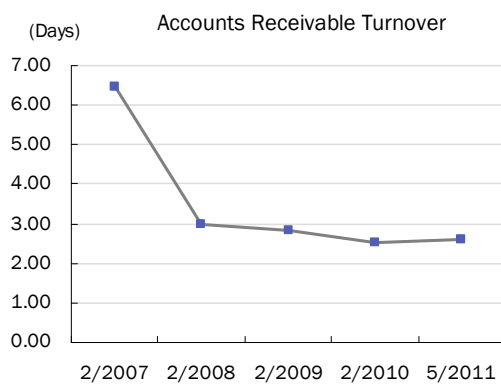
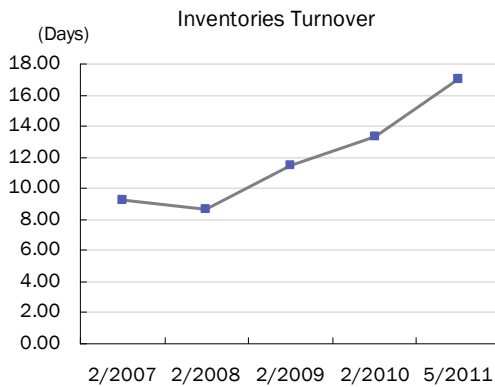
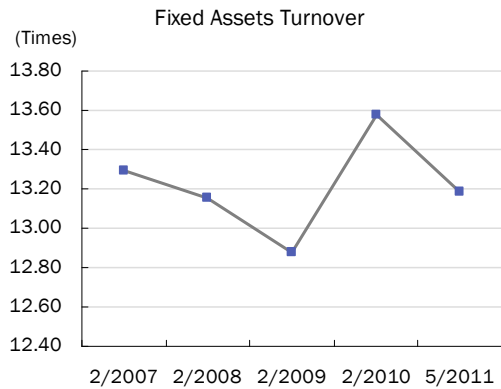
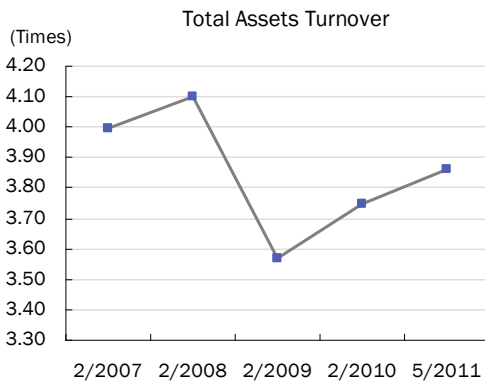
IK Co., Ltd. and subsidiaries
for the six months ended May 31, 2007-2011



(Times)	2/2007	2/2008	2/2009	2/2010	5/2011
Total Assets Turnover	3.99	4.10	3.57	3.75	3.86
Fixed Assets Turnover	13.29	13.15	12.88	13.58	13.19


(Days)	2/2007	2/2008	2/2009	2/2010	5/2011
Inventories Turnover	9.23	8.65	11.46	13.36	17.03
Accounts Receivable Turnover	6.47	3.00	2.83	2.53	2.59

Total Assets Turnover=Net Sales*2/Average Total Assets
 Fixed Assets Turnover=Net Sales*2/Average Fixed Assets
 Inventories Turnover=(Average Inventories/Net Sales)*365/2
 Accounts Receivable Turnover=(Accounts Receivable/Net Sales)*365/2



Stability Indicators

IK Co., Ltd. and subsidiaries
for the six months ended May 31, 2007-2011

*Up to 2/06, non-consolidated only  **IKCO.,LTD**

(¥ Million)	2/2007	2/2008	2/2009	2/2010	5/2011
Equity	3,235	3,647	4,383	4,246	4,325
Total Assets	4,173	5,155	5,686	5,719	6,214
Fixed Assets	1,346	1,523	1,652	1,639	1,929
Current Assets	2,826	3,631	4,033	4,080	4,284
Current Liabilities	824	1,367	1,185	1,264	1,545
Interest-Bearing Debt	58	204	238	238	238

(%)	2/2007	2/2008	2/2009	2/2010	5/2011
Equity Ratio	77.5%	70.7%	77.1%	74.2%	69.6%
D/E Ratio	1.8%	5.6%	5.4%	5.6%	5.5%
Fixed Ratio	41.6%	41.8%	37.7%	38.6%	44.6%
Current Ratio	343.0%	265.6%	340.3%	322.8%	277.3%

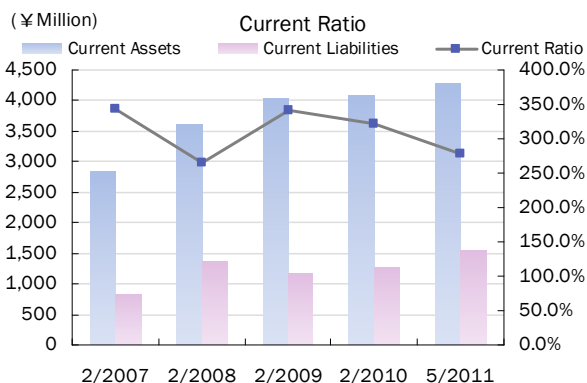
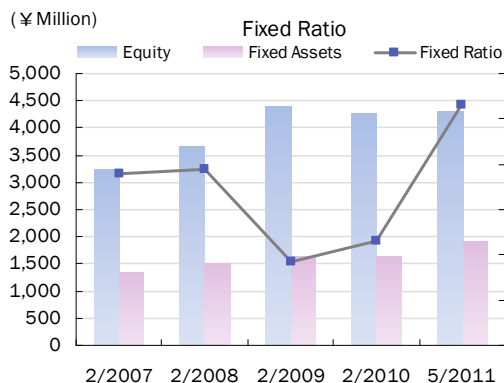
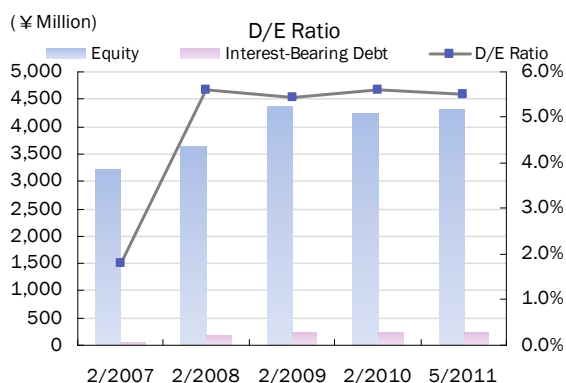
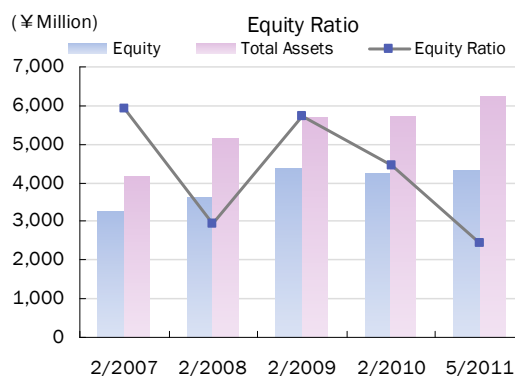
Equity = Shareholders' Equity + Valuation and Translation Adjustments

Equity Ratio=Equity/Total Assets

D/E Ratio=Interest-Bearing Debt/Equity

Fixed Ratio=Fixed Assets/Equity

Current Ratio=Current Assets/Current Liabilities



Stock Information

IK Co., Ltd. and subsidiaries
for the six months ended May 31, 2007-2011



Indicators per Share

(¥)	2/2007	2/2008	2/2009	2/2010	5/2011
Share price at term-end	156,000	105,000	20,800	26,210	20,880
Net income per share	1,055.66	△ 809.08	△ 742.84	△ 738.09	2,188.78
Net income per share (fully diluted)	1,050.07	-	-	-	-
Net assets per share	21,221.23	23,896.98	28,676.54	29,116.94	31,379.82
Dividend per share	-	400.00	600.00	600.00	600.00

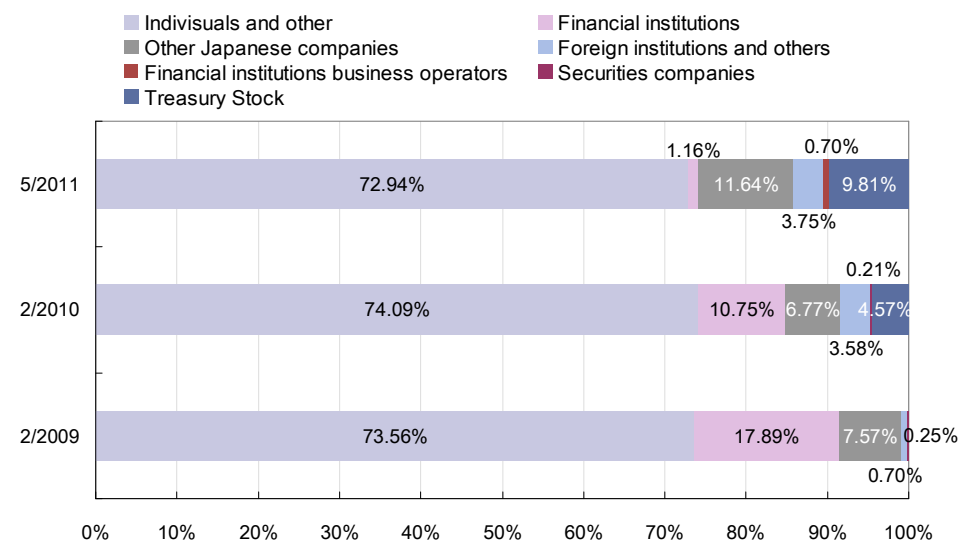
* 1-for-3 stock split in FY8/07

Major Shareholders

As of May 31, 2011

Top 11 Shareholders	Number of Shares	Shareholding Ratio
Ishikawa, Akihiko	39,229	25.66%
Kato, Yoshihiro	31,590	20.67%
IK CO., LTD	15,000	9.81%
Kei Co, Ltd.	9,000	5.89%
USS Co., Ltd.	7,733	5.06%
Ishikawa, Yukari	4,289	2.81%
Employee's Stockholdings	3,391	2.22%
Kato, Nobuko	2,940	1.92%
Matsuyama, Taiga	2,675	1.75%
Ohtani, Maki	2,604	1.70%
Mellon Bank, N.A. Treaty Clients Omnibus	1,500	0.98%

Shareholding by Category





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

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