

**iKco.,LTD**



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**Corporate Profile**

# Business field of IK CO., LTD. continues to expand toward a “Comprehensive Planner of Motorcycle Life.”



Our corporate philosophy

**We constantly pursue “growth.”**  
**We share pleasure of such a growth with everybody.**

**We pursue “smiling faces” of our customers.**

**We contribute to the development of society.**  
**We create culture for the future.**

**We continue to hold dreams.**  
**We aim at realizing a company which is loved by all.**

**We are determined to continue our evolving process to be a comprehensive planner of your motorcycle life.**

Our company, IK CO., LTD. is engaged in business specializing in buying used motorcycles through our nationwide network of specialty shops “Bike-Oh (King of Motorcycles).”

We have strived for the expansion of our services by placing the highest priority on satisfying customers' convenience, by way of creating a 24 hours a day, 365 days a year system which provides nationwide Free Pick-up Service (free motorcycle appraisal and pick-up service) for purchasing vehicles and attention to their contacts. Since the inception of our company, we have elaborated unique features of our business with an understanding of the necessity to computerize our business model, which resulted in a realization of our uniformed nationwide criteria for appraisal using portable devices. This is the only such attempt in our industry.

For now, in our new business fields, we are trying to establish attractive business models with high growth potential, starting with the sales of spare parts and advancing into vehicle sales, motorcycle parking and exporting businesses.

We are pleased to report to you that we attained listing with the Second Section of the Tokyo Stock Exchange (security code: 3377) on August 21, 2006, for which we would like to express our most heartfelt appreciation for all your support and understanding.

Admitting our motorcycle industry is still premature compared with the automobile industry, we will spare no effort in contributing to the activation of the market, to the improvement of social and environmental issues through our reuse and recycle business concept, as well as in providing full-fledged support to motorcycle users for their comfortable and safer enjoyment of motorcycle life to the fullest extent in our move for earlier realization of our position as a “comprehensive planner of motorcycle life” which is posted in our corporate vision.

We promise that we will not contradict your kind expectation.



Chairman  
Akihiko Ishikawa  
石川 敏彦



President  
Yoshihiro Kato  
加藤 義博

# “Bike-Oh,” our specialty shops, was No.1 in the number of motorcycles purchased.

## — Establishing a new business model in used motorcycle distribution market —

“Bike-Oh,” specialty shops in buying used motorcycles, which have been opened nationwide by IK CO., LTD. and are now at the forefront of the motorcycle distribution revolution. The basic concept is a “purchase directly from customer’s home with payment in cash” in which motorcycles belonging to users will be appraised on the spot by our appraiser and paid for in cash immediately. The purchased vehicles will be placed on sale at auction halls throughout the country, thus enabling us a substantial cut in inventory and display costs. The cost saving has been reflected in our sales price and redeemed to our customers. Our purchase price of used motorcycles is constantly linked to the most updated market information.

As of the end of March 2005, the total number of motorcycles owned in Japan reached about 13.17 million. This means one out of ten Japanese are users of motorcycles, which can be considered as an index of a wide public support of motorcycles as a means of daily transportation. In spite of this, however, the traditional market of used motorcycles did not necessarily accompany favorable images because of insufficiencies in the distribution channels and in the criteria of appraisal as well as the public nuisance of abandoned vehicles. In view of this situation, we have tried to establish unique business models considering how the used motorcycle business should be more rational and highly transparent to the market environment to create an environment in which motorcycle users may use with ease.

Subsequently, we have strived to enhance our corporate image and awareness through our shop and advertisement strategy, strengthening our basic system and organization. The business model of IK CO., LTD. does not stop its evolutionary process.



Media promotion



Call center



Appraisal with portable devices



Strategic small-scale shops

### We aim at greater customer satisfaction by quicker response and enhanced convenience.

IK CO., LTD. has always considered our service from the standpoint of our customers and pursued their convenience. All our staff carry out our daily operation with a determination to offer a sense of security, comfort and trustworthiness which customers desire.

- Free Pick-up Service for purchasing vehicles, in which we dispatch specialized appraisers to the designated place at designated time.
- Offer of transparent and appropriate purchasing price in accordance with unified appraisal criteria nationwide.
- Trouble free settlement of the payment in cash.

### Stepped up opening of shops to realize a “100 shop network.” We aim at further improvement of public awareness by introduction of mini shops.

IK CO., LTD. main force brand “Bike-Oh” has been promoting opening of sales outlets throughout Japan with an aim to realize a “100 shop network.” Bike-Oh’s basic shop style is road-side shops which are easily visible to motorcycle users, and the shop brand shows a healthy and consistent growth as trusted only one brand specialized in buying used motorcycles.

### Service

- **24 hours a day, 365 days available**  
Our call center accepts telephone calls 24 hours a day throughout the year. “Right now” type requests can be responded to quickly.
- **Free Pick-up Service**  
Our well trained appraisers equipped with sufficient product knowledge and service manners appraise your vehicle using portable devices. If agreed, an immediate cash payment is made on the spot and a purchase certificate is issued.
- **Agent service**  
We provide total support for the cumbersome procedures which accompany the selling of your vehicle including substitution of formalities such as changing the owner’s name, abandoning the vehicle and settlement of loan balance, etc.

### Opening of Shops

#### ■ Road-side shops

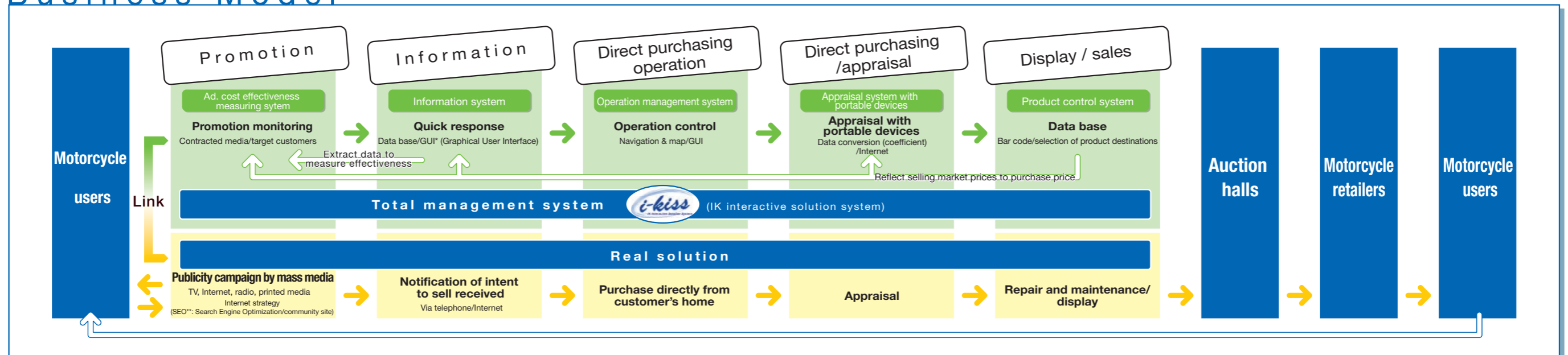
Our road-side shops are opened along principal roads, aimed at appealing to core users of motorcycles. We intend to obtain new customers and attract local customers with enhanced visual effects by signboards and other means.



#### ■ Strategic small-scale shops

We opened strategic small-scale shops in high-traffic and busy shopping areas along station roads in order to develop handling capacity which does not rely on publicity efforts by the headquarters. We aim to enhance awareness of our company as well as the motorcycle buying industry as a whole.

## Business Model



\* GUI (Graphical User Interface): Demonstration and input method of screen data which enables visual and sensory manipulation such as graphic display or use of mouse.  
 \*\* SEO (Search Engine Optimization): A measure to get users' bigger attention for effective promotion by locating relevant pages at upper ranks of search engine.

# Promotion

## Closer to your life style Aggressive media strategy

Promotion Campaign

### Enhance brand awareness through aggressive and effective advertising and publicity activities.

From an early stage of our business, IK CO., LTD. has placed emphasis on advertising and publicity activities using television, Internet, radio and magazines in order to realize wider customer awareness of both the concept of specialty shops for buying used motorcycles, a new distribution system and the brand "Bike-Oh." In addition, we have developed a unique system to measure cost effectiveness of advertising by conducting continuous monitoring and multi-sided analysis, which allows us to engage in effective advertising and publicity activities to arouse customer needs. Results of such analysis are reflected in our media mix, drafting of advertisements, projects of various publicity campaigns and events and others linked to each other.



Text of "Bike-Oh" TVCM (February 2005 -)



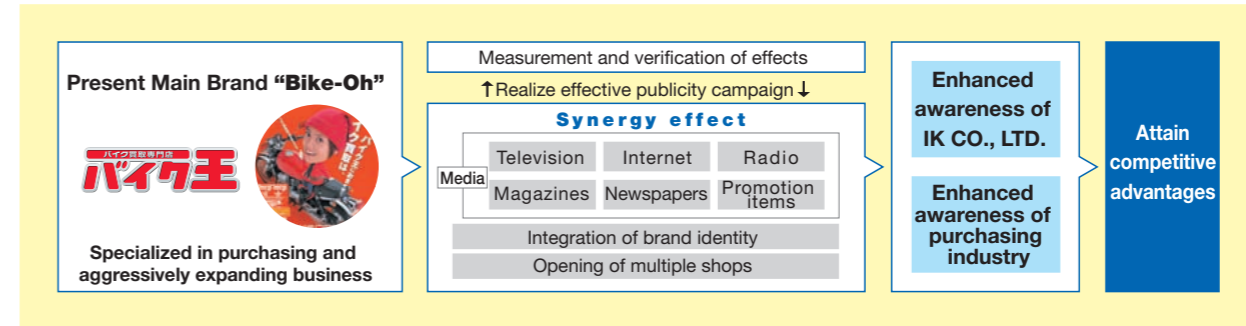
"Bike-Oh" mobile phone site



"Bike-Oh" web site



"Bike-Oh" poster



#### Print Media

We are advertising in specialist motorcycle magazines, other magazines, newspapers and various other print media, targeting the needs of motorcycle users as identified by various marketing data.

#### Broadcast Media

As a strategy in our television and radio commercials, we emphatically try to reach a wider group of potential customers, not only core motorcycle users, and try to invite stronger responses from the market through creating images of "familiarity" and "comfort."

#### Internet

We created a web site for "Bike-Oh" as an effective publicity tool for our purchasing business. We also created a community site with an aim to obtaining potential clients. This site is utilized both for spreading awareness of our service to users and for sensing current trends and the opinions of such users.

#### Events

We made our publicity at events where many core motorcycle users are present in order to promote our company and induce them to use our services.

# IT System

## Most advanced IT system "i-kiss" which ensures our reliable service

IT System

### Uniquely custom-built IT system has enabled reliable appraisals in accordance with a uniform nationwide criteria.

Our total management system "i-kiss" which was uniquely developed by ourselves, provides technical support for the appraisal of purchasing prices in accordance with uniform nationwide criteria.

"i-kiss" is a new core system which was created by reinforcing and integrating each system which was designed independently to meet the needs of each operational level of the purchasing business. "i-kiss," which is linked to real solutions enabled us to provide appropriate service with customers quickly.

"i-kiss" has been utilized strategically in other areas as well, giving us bigger competitive advantages.



Unique IT system supporting our business model



#### Measurement System of Advertisement Cost Effectiveness

We accumulate basic data by questionnaire and other means, and we conduct multi-faceted measurements and analyses of cost effectiveness for each area and each advertising medium when ordering advertisements.

#### Information System

We quickly offer an appropriate purchasing price to customers linked to a data based market price of used motorcycles.

#### Operation Control System

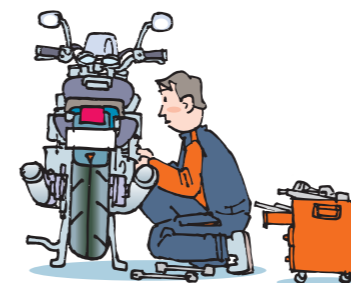
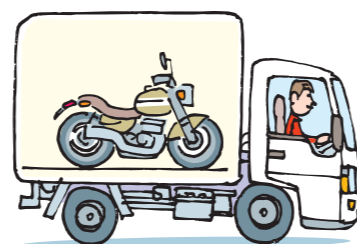
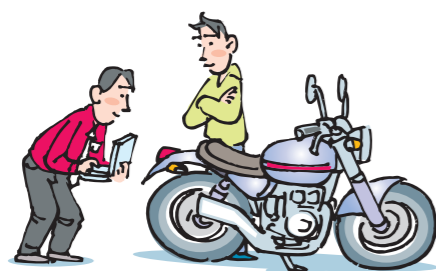
We realized efficient operation through using a system to control the schedule of appraisers and calculate their likely arrival timing by linking map and car navigation systems etc.

#### Appraisal System with Portable Devices

We have secured nationwide uniform criteria of appraisals by way of intercommunication of data through the Internet, by making a database of sales market prices and appraisal items as coefficient.

#### Product Control System

By way of centralized information control via database and inventory control using bar codes, we have realized proper exhibition and selling at auction halls.



# Personnel Training

**We spare no effort in making our “employees” as valuable “assets.”**

## Personnel Training

**We have a substantial employee education system in order to maximize organizational performance.**

IK CO., LTD. believes that the most essential managerial resource for business expansion and growth is that of “human assets.”

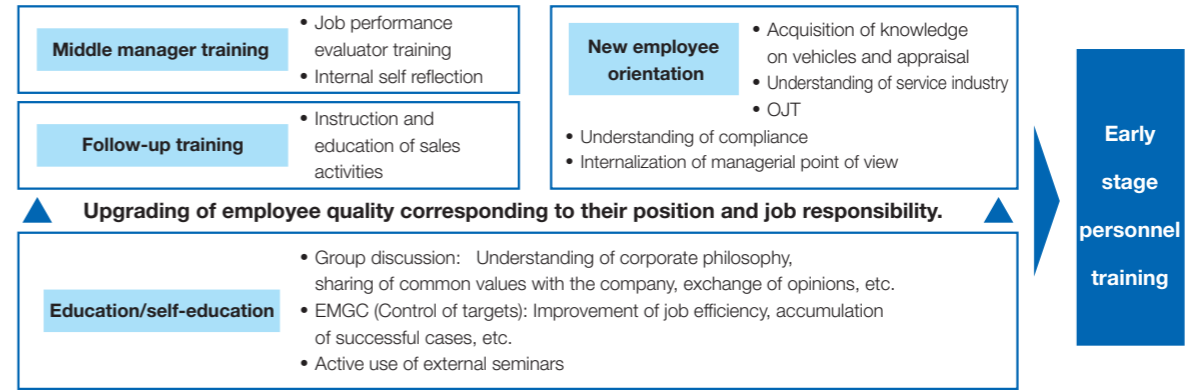
Our employee education system enables us to convert our new employees into effective staff in a short period of time through a combination of various systems and basic personnel training, and as a result, we have attained communication and trust with our customers without reduced the quality of service. We have also prepared a training system which corresponds to each job level and job responsibility so that employees will acquire professional knowledge, understand our corporate



An “assembly to announce job performance,” where a trophy and a supplementary prize are awarded to the best performer.

philosophy and managerial objectives, and improve their management skills.

We will try to maximize our organizational performance which will enable more efficient corporate management, and we aim at creating a strong and solid organization with enhanced employee identification with the company.



### Training

New employee orientation is designed to help them form an image of our business, create mutual understanding with their fellow new employees and to understand basic behavioral patterns of job life.

At mid management training, they learn new management knowledge, and motivation theory of subordinates to enhance organizational strength.

### Education/self-education

Holding of regular discussions to share common values with management. We have been promoting EMGC (Every Month Growing up Campaign) with an aim to accelerate the speed of capacity development of our employees, improve job efficiency, deepen the understanding of corporate philosophy and formation of corporate culture.

# Cash Flow

**“Revolutionary” business model breaks through the wall of stereotypes.**

## Cash Flow

**Excellent financial structure which supports our business expansion.**

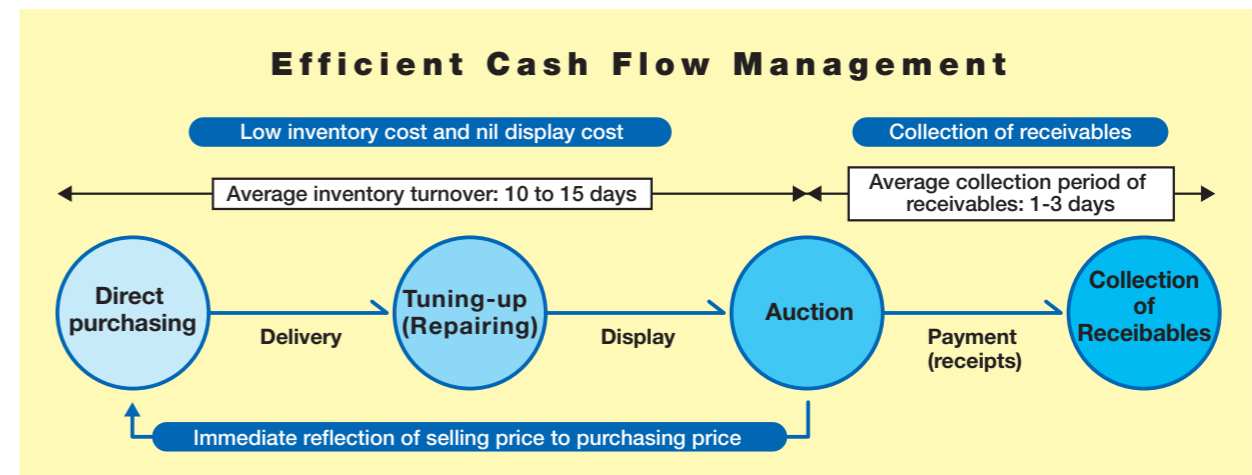
IK CO., LTD. has attained superb efficiency and profitability by dint of our unprecedented business model, scale merit from our nationwide network and uniform service quality. Furthermore we have realized a level of management unrivaled by our preceding competitors, which has brought us distinguished awareness and unchallenged superiority.

A basic understanding of our business is “purchase directly from customer’s home, with payment in cash.” Those vehicles purchased receive tuning up at our facilities to be sold mainly through motorcycle auction halls addressed to professionals. In this way, inventory turnover is shortened and costs pertaining to personnel for holding stock and space are substantially reduced. Convertibility



The setting of the purchase price is linked with quotations at auctions.

into liquid assets are very high, and our top ranked share at auctions favorably affects our selling positively. In addition, we have realized more efficient cash flow management by way of linking the setting of the purchase price with quotations at auctions. The above mentioned sound base of finance is our major strength which supports our rapid business expansion.

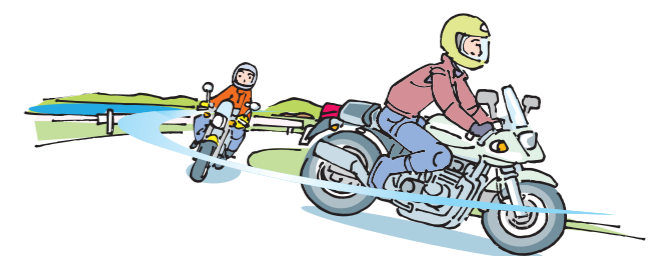
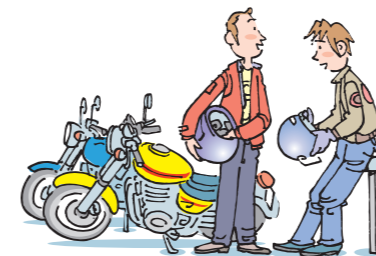
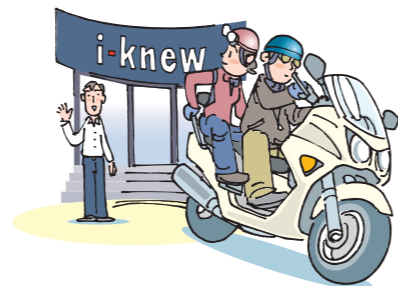
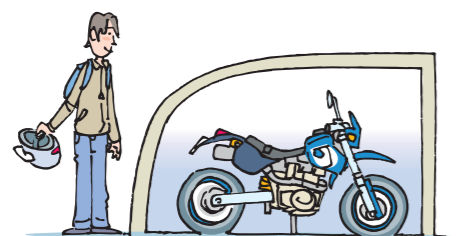


### High degree of agreement rate and profitability by reasonable setting of purchasing price

Through reduction of inventory and display costs by sales scheme centering on auction sales, it is possible to immediately reflect the selling price as compared with the purchasing price. Such a system was enabled to satisfy both agreement rate and profitability.

### Low risk and highly efficient speedy selling

Average period from purchasing and selling is 10 to 15 days and recovery period of sales credits is 1 to 3 days. Low risk and high assets efficiency endorse rapid expansion and growth of our business.



# The Next Stage

## IK CO., LTD. gathers momentum for growth toward a “comprehensive planner of your motorcycle life.”

### New Business

#### We will maximize corporate value by creating/establishing new business fields.

Along with strengthening our main brand specialty shops for purchasing used motorcycles “**Bike-Oh**,” we will advance into new business fields aggressively.

Initially, we opened spare parts shops “**Bike-Oh Parts** (King of Motorcycle Parts),” and retail shops “**i-knew**” as our sales business. We will promote the shops aggressively in order to make the businesses one of the two major pillars of our enterprise along with our purchasing business. Our subsidiary “**Park-Oh** (King of Parking),” established in March 2006 to engage in providing parking space for two-wheeled vehicles, will promote business vested in social contribution with an aim to alleviate chronic insufficiency of parking space in major urban areas and traffic congestion due to illegal parking. We will also decisively initiate export business to overseas markets. Through this we intend to secure potential opportunities to expand our business and maximize our corporate value through the creation and establishment of an attractive and highly expansionary business model.

IK CO.,LTD. has corresponded the voices of our customers to our business. As a “comprehensive planner of motorcycle life” which provides total support to a series of transactions from purchasing and possession through to the selling of motorcycles, we are determined to continue to convey the fascination of motorcycles to more people, to contribute to the activation of the motorcycle market, and promote business vested in social contribution through reuse and recycle.



■ Spare parts shops “**Bike-Oh Parts**”

High quality spare parts derived from the tuning-up of purchased vehicles are sold to individual users, in addition to traditional sales at auctions for professional buyers.



■ Parking lots for motorcycles “**Park-Oh**”

We promote the business to create an environment in which motorcycle users may go to their destination without concern for parking difficulties. We provide parking service, both monthly rent and spot use.



■ Motorcycle retail shops “**i-knew**”

We emphasize a line-up of AT (automatic) motorcycles, creating highly fashionable interiors with added facilities such as café booths. Beside vehicles, the shops offer a line-up of sundries and general merchandise aiming at creation of “motorcycle retail shops with a new taste” which propose a new life style.



■ Exporting business “**Nilin.jp**”

We are working to create new sales channels targeting both individuals and companies in overseas markets.