

TAKAHASHI IMPORTS INC

FINANCIAL REPORT

FOR THE PERIOD ENDING JUNE 30, 1996

TAKAHASHI IMPORTS INC
BALANCE SHEET
FOR THE PERIOD ENDING JUNE 30, 1996

<u>A S S E T S</u>	<u>1996</u>	<u>1995</u>
<u>CURRENT ASSETS</u>		
Cash on hand and in banks		
Petty cash and change funds	600	600
Cash in bank - checking Account	15,577	25,095
Cash in bank - Merchants Account	93,259	45,700
Cash in bank - Money Market Funds & Etc.	153,156	248,733
Cash in bank - Securities/Treasury	103,968	
Total On Hand And In Banks	<u>366,560</u>	<u>320,128</u>
Accounts Receivable - Trade	<u>5,999</u>	
Investment - Long Term		
Inventories	<u>214,648</u>	<u>245,035</u>
Prepaid Expenses:		
Prepaid Insurance	3,869	4,280
Prepaid Taxes - Others	476	829
Prepaid Taxes - Franchise	800	1,839
Prepaid Taxes - Federal	1,413	1,530
Other Prepayments	670	
Total Prepaid Expenses	<u>7,228</u>	<u>8,478</u>
Other Current Assets		
TOTAL CURRENT ASSETS	<u>594,435</u>	<u>573,641</u>
<u>FIXED ASSETS</u>		
Furnitures and Equipments	10,959	10,959
Less: Accumulated Depreciation	<u>-10,236</u>	<u>-10,001</u>
Furnitures and Equipments - Net	<u>723</u>	<u>958</u>
Leasehold Improvements	92,302	92,302
Less: Accumulated Depreciation	<u>-63,175</u>	<u>-58,250</u>
Leasehold Improvements - Net	<u>29,127</u>	<u>34,052</u>
TOTAL FIXED ASSETS - NET	<u>29,850</u>	<u>35,010</u>
<u>OTHER ASSETS</u>		
Other Receivables		
Deposits		
Total Other Assets		
TOTAL ASSETS	<u>624,285</u>	<u>608,651</u>

TAKAHASHI IMPORTS INC
BALANCE SHEET
FOR THE PERIOD ENDING JUNE 30, 1996

LIABILITIES, CAPITAL STOCK AND RETAINED EARNINGS	1996	1995
CURRENT LIABILITIES		
Accounts Payable - Trade	10,938	12,133
Accrued Expenses Payable	891	710
Accrued Taxes, Payroll and Others	2,662	3,140
Taxes Payable - Federal Income Taxes	1,791	
Taxes Payable - Franchise Taxes		
Loans Payable - Affiliates	408	4,090
Accrued Bonus Payable - Officers	5,333	4,692
Profit Sharing Contribution Payable	1,348	1,566
TOTAL CURRENT LIABILITIES	23,371	26,331
CAPITAL STOCK AND RETAINED EARNINGS		
CAPITAL STOCK		
Issued - 140 shares, no par, stated value \$50	7,000	7,000
Paid-in-capital in excess of stated value	7,000	7,000
Total Paid-In-Capital	14,000	14,000
RETAINED EARNINGS ACCOUNT		
Beginning balance, January 1, <u>1996</u>	572,706	569,841
Add/Deduct: Net Profit (Loss) Current Year	14,208	-1,521
Total	586,914	568,320
Less: Dividends Paid	586,914	568,320
Total Retained Earnings - Net	586,914	568,320
TOTAL CAPITAL STOCK AND RETAINED EARNINGS	600,914	582,320
TOTAL LIABILITIES, CAPITAL STOCK & RETAINED EARNINGS	624,285	608,651

TAKAHASHI IMPORTS INC
COMPARATIVE STATEMENT OF OPERATION
FOR THE QUARTER ENDING JUNE 30, 1996

	<u>CURRENT</u> <u>THIS QUARTER</u> <u>APRIL-JUNE</u>	<u>LAST YEAR</u> <u>THIS QUARTER</u> <u>APRIL-JUNE</u>	<u>YEAR TO DATE</u> <u>THIS YEAR</u> <u>1,996</u>	<u>YEAR TO DATE</u> <u>LAST YEAR</u> <u>1,995</u>
Sales	46,252	45,230	94,823	79,104
Cost of Sales	-16,078	-18,974	-36,647	-33,577
Gross Profit From Sales	<u>30,174</u>	<u>26,256</u>	<u>58,176</u>	<u>45,527</u>
Operating Expenses:				
Salaries - Selling	10,724	10,622	21,485	21,199
Salaries - Officers				
Salaries - Warehouse	2,354	5,106	4,808	10,119
Salaries - Contractual	754	769	1,781	1,470
Commissions	298	317	658	502
Travel and Entertainment				
Advertising and Promotions	190	150	285	435
Collection Fees	613	633	1,501	1,349
Rent	1,305	1,305	2,610	2,610
Insurance	2,752	2,770	5,416	5,539
Taxes and Licenses	1,616	1,810	3,922	3,812
Depreciation	1,276	1,305	2,551	2,610
Transportation and Parking				1
Repairs and Maintenance	162	451	345	809
Legal and Accounting	1,565		1,565	
Store and Office Supplies	117	16	159	16
Telephone and Telegraph	475	434	929	855
Utilities				
Miscellaneous	3	13	42	17
Total Operating Expenses	<u>24,204</u>	<u>25,701</u>	<u>48,057</u>	<u>51,343</u>
Operating Profit (Loss)	5,970	555	10,119	-5,816
Other Income (Charges)	<u>1,415</u>	<u>3,393</u>	<u>5,437</u>	<u>5,861</u>
Gross Profit (Loss) After Other Income	7,385	3,948	15,556	45
Profit Sharing Expenses	<u>-711</u>	<u>-783</u>	<u>-1,348</u>	<u>-1,566</u>
Net Profit (Loss) Before Taxes	6,674	3,165	14,208	-1,521
Corporate Taxes				
Net Profit (Loss) After Tax	<u><u>6,674</u></u>	<u><u>3,165</u></u>	<u><u>14,208</u></u>	<u><u>-1,521</u></u>

*NOTE A *

NOTE A - YEAR-TO-DATE NET INCOME INCLUDES \$5,999 REPRESENTING BAD CHECKS RECEIVED FROM CUSTOMER TEMPORARILY DEBITED TO ACCOUNTS RECEIVABLE FOR POSSIBLE RECOVERY. IF PROVEN UNRECOVERABLE, A CHARGE TO BAD DEBTS EXPENSE WILL DECREASE NET INCOME TO \$8,209.

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TAKAHASHI IMPORTS INC
 QUARTERLY SALES ANALYSIS
 SHOWCASE STORE
 FOR THE PERIOD ENDING JUNE 30, 1996

<u>SALES FROM/TO</u>	<u>NET SALES</u>	<u>TTCO WHITE</u>	<u>OUTSIDE BLUE</u>	<u>T.I. YELLOW</u>	<u>ANTIQUES B/W/Y</u>	<u>TTCO OTHERS</u>
APRIL, 1996	13,015	2,904	6,081	3,445		585
MAY, 1996	17,302	2,657	5,037	7,061		2,547
JUNE, 1996	<u>15,935</u>	<u>5,177</u>	<u>2,854</u>	<u>4,402</u>		<u>3,502</u>
QUARTERLY SALES - CURRENT MONTHS	46,252	10,738	13,972	14,908		6,634
Y-T-D SALES - PREVIOUS MONTHS	<u>48,571</u>	<u>18,749</u>	<u>21,958</u>	<u>4,644</u>		<u>3,220</u>
Y-T-D SALES - CURRENT YEAR - 1996	94,823	29,487	35,930	19,552		9,854
Y-T-D SALES - PREVIOUS YEAR - 1995	<u><u>-79,104</u></u>	<u><u>-25,017</u></u>	<u><u>-38,266</u></u>	<u><u>-12,959</u></u>		<u><u>-2862</u></u>
INCREASE(-DECREASE)	<u><u>15,719</u></u>	<u><u>4,470</u></u>	<u><u>-2,336</u></u>	<u><u>6,593</u></u>		<u><u>6,992</u></u>

TAKAHASHI IMPORTS INC
PURCHASES AND INVENTORY ANALYSIS
AT COST TO RETAIL VALUES
AS OF JUNE 30, 1996

	COST TO RETAIL RATIOS	AT COST VALUES		AT RETAIL VALUES	
		QUARTERLY	YEAR-TO-DATE	QUARTERLY	YEAR-TO-DATE
BEGINNING INVENTORY:					
OUTSIDE - BLUE	47.39%		122,865		259,240
TTCO - WHITE	46.70%		78,446		167,995
TI IMPORTS - YELLOW	30.02%		23,611		78,645
ANTIQUES - B/W/Y	11.95%		5,548		46,431
TTCO - OTHERS					13,622
TOTAL - DECEMBER 31,	1995		230,470		565,933
BEGINNING OF QUARTER:	APRIL 1, 1996	223,323		545,739	
PURCHASES:					
OUTSIDE - BLUE		1,248	3,583	3,267	7,904
TTCO - WHITE		6,155	17,242	13,176	36,916
TI IMPORTS - YELLOW					
ANTIQUES - B/W/Y					
TTCO - OTHERS					
TOTAL PURCHASES		7,403	20,825	16,443	44,820
TOTAL AVAILABLE FOR SALES		230,726	251,295	562,182	610,753
LESS: COST OF GOODS SOLD:					
OUTSIDE - BLUE	47.33%	6,588	17,007	13,972	35,930
TTCO - WHITE	46.70%	5,014	13,770	10,738	29,487
TI IMPORTS - YELLOW	30.02%	4,476	5,870	14,908	19,552
ANTIQUES - B/W/Y	11.95%	0	0		
TTCO - OTHERS		0	0	6,634	9,854
TOTAL COST OF SALES		16,078	36,647	46,252	94,823
ENDING INVENTORY:	JUNE 30, 1996	214,648	214,648	515,930	515,930
BREAKDOWN OF ENDING INVENTORY:					
OUTSIDE - BLUE	47.33%		109,441		231,214
TTCO - WHITE	46.70%		81,918		175,424
TI IMPORTS - YELLOW	30.02%		17,741		59,093
ANTIQUES - B/W/Y	11.95%		5,548		46,431
TTCO - OTHERS					3,768
TOTAL ENDING INVENTORY:	41.60%		214,648		515,930