

TAKAHASHI IMPORTS INC.  
BALANCE SHEET  
FOR THE PERIOD ENDING MARCH 31, 1997

CURRENT ASSETS	A S S E T S	MARCH, 1997	MARCH, 1996
Cash on hand and in banks			
Petty cash and change funds		600	600
Cash in bank - checking Account		21,881	48,669
Cash in bank - Merchants Account		56,164	66,274
Cash in bank - Money Market Funds & Etc.		151,462	151,448
Cash in bank - Securities/Treasury		203,529	104,260
Total On Hand And In Banks		433,636	371,251
Accounts Receivable - Trade			
Interest Receivable		12,336	
Inventories		180,725	223,323
Prepaid Expenses:			
Prepaid Insurance		8,197	6,944
Prepaid Taxes - Others		1,756	956
Prepaid Taxes - Franchise		595	800
Prepaid Taxes - Federal		571	1,839
Other Prepayments			
Total Prepaid Expenses		11,119	10,539
Other Current Assets			
<b>TOTAL CURRENT ASSETS</b>		<b>637,816</b>	<b>605,113</b>
<b>FIXED ASSETS</b>			
Furnitures and Equipments		10,959	10,959
Less: Accumulated Depreciation		-10,352	-10,192
Furnitures and Equipments - Net		607	767
Leasehold Improvements		92,302	92,302
Less: Accumulated Depreciation		-66,867	-61,944
Leasehold Improvements - Net		25,435	30,358
<b>TOTAL FIXED ASSETS - NET</b>		<b>26,042</b>	<b>31,125</b>
<b>OTHER ASSETS</b>			
Other Receivables			
Deposits			
Total Other Assets			
<b>TOTAL ASSETS</b>		<b>663,858</b>	<b>636,238</b>

TAKAHASHI IMPORTS INC  
BALANCE SHEET  
FOR THE PERIOD ENDING MARCH 31, 1997

LIABILITIES, CAPITAL STOCK AND RETAINED EARNINGS	MARCH, 1997	MARCH, 1997
<b>CURRENT LIABILITIES</b>		
Accounts Payable - Trade	12,612	15,812
Accrued Expenses Payable	1,830	1,819
Accrued Taxes, Payroll and Others	3,561	2,510
Unearned Interest Income	10,287	
Taxes Payable - Federal Income Taxes		426
Taxes Payable - Franchise Taxes		
Due To IRS	1,791	1,791
Deferred Credits	495	
Loans Payable - Affiliates	10,551	10,537
Accrued Bonus Payable - Officers	13,161	5,333
Profit Sharing Contribution Payable	2,717	3,685
<b>TOTAL CURRENT LIABILITIES</b>	<b>57,005</b>	<b>41,913</b>
<b>CAPITAL STOCK AND RETAINED EARNINGS</b>		
<b>CAPITAL STOCK</b>		
Issued - 140 shares, no par, stated value \$50	7,000	7,000
Paid-in-capital in excess of stated value	7,000	7,000
<b>Total Paid-In-Capital</b>	<b>14,000</b>	<b>14,000</b>
<b>RETAINED EARNINGS ACCOUNT</b>		
Beginning of the year - January 1,	580,842	572,706
Add/Deduct: Net Profit (Loss) Current Year	12,011	7,619
<b>Total</b>	<b>592,853</b>	<b>580,325</b>
Less: Dividends Paid		
<b>Total Retained Earnings - Net</b>	<b>592,853</b>	<b>580,325</b>
<b>TOTAL CAPITAL STOCK AND RETAINED EARNINGS</b>	<b>606,853</b>	<b>594,325</b>
<b>TOTAL LIABILITIES, CAPITAL STOCK &amp; RETAINED EARNINGS</b>	<b>663,858</b>	<b>636,238</b>

**TAKAHASHI IMPORTS INC**  
**COMPARATIVE STATEMENT OF OPERATION**  
**FOR THE QUARTER ENDING MARCH 31, 1997**

	<u>CURRENT</u> <u>THIS QUARTER</u> <u>JAN.-MARCH</u>	<u>LAST YEAR</u> <u>THIS QUARTER</u> <u>JAN.-MARCH</u>	<u>YEAR TO DATE</u> <u>THIS YEAR</u> <u>1,997</u>	<u>YEAR TO DATE</u> <u>LAST YEAR</u> <u>1,996</u>
Sales	44,910	48,571	44,910	48,571
Cost of Sales	-17,318	-20,569	-17,318	-20,569
Gross Profit From Sales	<u>27,592</u>	<u>28,002</u>	<u>27,592</u>	<u>28,002</u>
Operating Expenses:				
Salaries - Selling	10,596	10,761	10,596	10,761
Salaries - Officers				
Salaries - Warehouse		2,454		2,454
Salaries - Contractual	570	1,027	570	1,027
Commissions	219	360	219	360
Travel and Entertainment				
Advertising and Promotions	319	95	319	95
Collection Fees	665	888	665	888
Rent	1,305	1,305	1,305	1,305
Insurance	2,457	2,664	2,457	2,664
Taxes and Licenses	2,179	2,306	2,179	2,306
Depreciation	1,258	1,275	1,258	1,275
Transportation and Parking				
Repairs and Maintenance	135	183	135	183
Legal and Accounting				
Store and Office Supplies	23	42	23	42
Telephone and Telegraph	482	454	482	454
Utilities				
Miscellaneous	4	39	4	39
Total Operating Expenses	<u>20,212</u>	<u>23,853</u>	<u>20,212</u>	<u>23,853</u>
Operating Profit (Loss)	7,380	4,149	7,380	4,149
Other Income (Charges)	<u>5,140</u>	<u>4,022</u>	<u>5,140</u>	<u>4,022</u>
Gross Profit (Loss) After Other Income	12,520	8,171	12,520	8,171
Profit Sharing Expenses	<u>-509</u>	<u>-552</u>	<u>-509</u>	<u>-552</u>
Net Profit (Loss) Before Taxes	12,011	7,619	12,011	7,619
Corporate Taxes				
Net Profit (Loss) After Tax	<u><u>12,011</u></u>	<u><u>7,619</u></u>	<u><u>12,011</u></u>	<u><u>7,619</u></u>

TAKAHASHI IMPORTS INC  
PURCHASES AND INVENTORY ANALYSIS  
AT COST TO RETAIL VALUES  
AS OF MARCH 31, 1997

	COST TO RETAIL RATIOS	AT COST VALUES		AT RETAIL VALUES	
		QUARTERLY	YEAR-TO-DATE	QUARTERLY	YEAR-TO-DATE
BEGINNING INVENTORY:					
OUTSIDE - BLUE	47.35%		98,247		207,507
TTCO - WHITE	46.70%		77,453		165,865
TI IMPORTS - YELLOW	30.02%		12,449		41,465
ANTIQUES - B/W/Y	11.95%		5,548		46,431
TTCO - OTHERS					4,498
TOTAL - DECEMBER 31,	1996		<u>193,697</u>		<u>465,766</u>
BEGINNING OF QUARTER:	JANUARY 1, 1997	<u>193,697</u>		<u>465,766</u>	
PURCHASES:					
OUTSIDE - BLUE		1,063	1,063	2,207	2,207
TTCO - WHITE		3,283	3,283	7,029	7,029
TI IMPORTS - YELLOW					
ANTIQUES - B/W/Y					
TTCO - OTHERS				5,500	5,500
TOTAL PURCHASES		<u>4,346</u>	<u>4,346</u>	<u>14,736</u>	<u>14,736</u>
TOTAL AVAILABLE FOR SALES		<u>198,043</u>	<u>198,043</u>	<u>480,502</u>	<u>480,502</u>
LESS: COST OF GOODS SOLD:					
OUTSIDE - BLUE	47.35%	8,859	8,859	18,707	18,707
TTCO - WHITE	46.70%	4,614	4,614	9,881	9,881
TI IMPORTS - YELLOW	30.02%	3,845	3,845	12,808	12,808
ANTIQUES - B/W/Y	11.95%	0	0		
TTCO - OTHERS		0	0	3,514	3,514
TOTAL COST OF SALES		<u>17,318</u>	<u>17,318</u>	<u>44,910</u>	<u>44,910</u>
ENDING INVENTORY:	MARCH 31, 1997	<u>180,725</u>	<u>180,725</u>	<u>435,592</u>	<u>435,592</u>
BREAKDOWN OF ENDING INVENTORY:					
OUTSIDE - BLUE	47.35%		90,451		191,007
TTCO - WHITE	46.70%		76,122		163,013
TI IMPORTS - YELLOW	30.02%		8,604		28,657
ANTIQUES - B/W/Y	11.95%		5,548		46,431
TTCO - OTHERS					6,484
TOTAL ENDING INVENTORY:	41.49%		<u>180,725</u>		<u>435,592</u>

TAKAHASHI IMPORTS INC  
 QUARTERLY SALES ANALYSIS  
 SHOWCASE STORE  
 FOR THE PERIOD ENDING MARCH 31, 1997

SALES FROM/TO	NET SALES	TTCO WHITE	OUTSIDE BLUE	T.I. YELLOW	ANTIQUES B/W/Y	TTCO OTHERS
JANUARY, 1997	9,773	2,958	3,763	1,898		1,154
FEBRUARY, 1997	13,493	3,155	3,846	5,727		765
MARCH, 1997	<u>21,644</u>	<u>3,768</u>	<u>11,098</u>	<u>5,183</u>		<u>1,595</u>
QUARTERLY SALES - CURRENT MONTHS	44,910	9,881	18,707	12,808		3,514
Y-T-D SALES - PREVIOUS MONTHS						
Y-T-D SALES - CURRENT YEAR - 1997	44,910	9,881	18,707	12,808		3,514
Y-T-D SALES - PREVIOUS YEAR - 1996	<u>48,571</u>	<u>18,749</u>	<u>21,958</u>	<u>4,644</u>		<u>3,220</u>
INCREASE(-DECREASE)	<u><u>-3,661</u></u>	<u><u>-8,868</u></u>	<u><u>-3,251</u></u>	<u><u>8,164</u></u>		<u><u>294</u></u>