

TAKAHASHI IMPORTS INC
BALANCE SHEET
FOR THE PERIOD ENDING JUNE 30, 1997

	<u>A S S E T S</u>	<u>JUNE, 1997</u>	<u>JUNE, 1996</u>
<u>CURRENT ASSETS</u>			
Cash on hand and in banks			
Petty cash and change funds		600	600
Cash in bank - checking Account		21,909	15,577
Cash in bank - Merchants Account		46,835	93,259
Cash in bank - Money Market Funds & Etc.		153,251	153,156
Cash in bank - Securities/Treasury		203,529	103,968
Total On Hand And In Banks		<u>426,124</u>	<u>366,560</u>
Accounts Receivable - Trade			<u>5,999</u>
Interest Receivable		<u>12,336</u>	<u>2,343</u>
Inventories		<u>175,446</u>	<u>214,648</u>
Prepaid Expenses:			
Prepaid Insurance		5,728	3,869
Prepaid Taxes - Others		692	476
Prepaid Taxes - Franchise		2,895	800
Prepaid Taxes - Federal		1,571	1,413
Other Prepayments			670
Total Prepaid Expenses		<u>10,886</u>	<u>7,228</u>
Other Current Assets			
TOTAL CURRENT ASSETS		<u>624,792</u>	<u>596,778</u>
<u>FIXED ASSETS</u>			
Furnitures and Equipments		10,959	10,959
Less: Accumulated Depreciation		-10,379	-10,236
Furnitures and Equipments - Net		<u>580</u>	<u>723</u>
Leasehold Improvements		92,302	92,302
Less: Accumulated Depreciation		-68,098	-63,175
Leasehold Improvements - Net		<u>24,204</u>	<u>29,127</u>
TOTAL FIXED ASSETS - NET		<u>24,784</u>	<u>29,850</u>
<u>OTHER ASSETS</u>			
Other Receivables			
Deposits			
Total Other Assets			
TOTAL ASSETS		<u>649,576</u>	<u>626,628</u>

TAKAHASHI IMPORTS INC
BALANCE SHEET
FOR THE PERIOD ENDING JUNE 30, 1997

LIABILITIES, CAPITAL STOCK AND RETAINED EARNINGS	JUNE, 1997	JUNE, 1996
CURRENT LIABILITIES		
Accounts Payable - Trade	12,452	10,938
Accrued Expenses Payable	962	891
Accrued Taxes, Payroll and Others	1,165	2,662
Unearned Interest Income	7,212	
Taxes Payable - Federal Income Taxes		
Taxes Payable - Franchise Taxes		
Due To IRS	1,791	1,791
Deferred Credits	495	
Loans Payable - Affiliates	1,347	408
Accrued Bonus Payable - Officers	13,161	5,333
Profit Sharing Contribution Payable	1,018	1,104
TOTAL CURRENT LIABILITIES	39,603	23,127
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 of the year - January 1,	580,842	572,706
Add/Deduct: Net Profit (Loss) Current Year	15,131	16,795
Total	595,973	589,501
Less: Dividends Paid		
Total Retained Earnings - Net	595,973	589,501
TOTAL CAPITAL STOCK AND RETAINED EARNINGS	609,973	603,501
TOTAL LIABILITIES, CAPITAL STOCK & RETAINED EARNINGS	649,576	626,628

TAKAHASHI IMPORTS INC
COMPARATIVE STATEMENT OF OPERATION
FOR THE QUARTER ENDING JUNE 30, 1997

	<u>CURRENT THIS QUARTER APRIL-JUNE</u>	<u>LAST YEAR THIS QUARTER APRIL-JUNE</u>	<u>YEAR TO DATE THIS YEAR 1,997</u>	<u>YEAR TO DATE LAST YEAR 1,996</u>
Sales	33,059	46,252	77,969	94,823
Cost of Sales	-12,935	-16,078	-30,253	-36,647
Gross Profit From Sales	<u>20,124</u>	<u>30,174</u>	<u>47,716</u>	<u>58,176</u>
Operating Expenses:				
Salaries - Selling	10,681	10,724	21,277	21,485
Salaries - Officers				
Salaries - Warehouse		2,354		4,808
Salaries - Contractual	1,002	754	1,572	1,781
Commissions	301	298	520	658
Travel and Entertainment				
Advertising and Promotions	190	190	509	285
Collection Fees	707	613	1,372	1,501
Rent	1,305	1,305	2,610	2,610
Insurance	2,239	2,752	4,696	5,416
Taxes and Licenses	2,117	1,616	4,296	3,922
Depreciation	1,258	1,276	2,516	2,551
Transportation and Parking				
Repairs and Maintenance	694	162	829	345
Legal and Accounting		1,565		1,565
Store and Office Supplies	345	117	368	159
Telephone and Telegraph	492	475	974	929
Utilities				
Miscellaneous	28	3	32	42
Total Operating Expenses	<u>21,359</u>	<u>24,204</u>	<u>41,571</u>	<u>48,057</u>
Operating Profit (Loss)	-1,235	5,970	6,145	10,119
Other Income (Charges)	<u>4,864</u>	<u>3,758</u>	<u>10,004</u>	<u>7,780</u>
Gross Profit (Loss) After Other Income	3,629	9,728	16,149	17,899
Profit Sharing Expenses	<u>-509</u>	<u>-552</u>	<u>-1,018</u>	<u>-1,104</u>
Net Profit (Loss) Before Taxes	3,120	9,176	15,131	16,795
Corporate Taxes				
Net Profit (Loss) After Tax	<u><u>3,120</u></u>	<u><u>9,176</u></u>	<u><u>15,131</u></u>	<u><u>16,795</u></u>

TAKAHASHI IMPORTS INC
PURCHASES AND INVENTORY ANALYSIS
AT COST TO RETAIL VALUES
AS OF JUNE 30, 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:	APRIL, 1997	<u>180,725</u>		<u>435,592</u>	
PURCHASES:					
OUTSIDE - BLUE		815	1,878	1,613	3,820
TTCO - WHITE		6,841	10,124	13,176	20,205
TI IMPORTS - YELLOW					
ANTIQUES - B/W/Y					
TTCO - OTHERS					5,500
TOTAL PURCHASES		<u>7,656</u>	<u>12,002</u>	<u>14,789</u>	<u>29,525</u>
TOTAL AVAILABLE FOR SALES		<u>188,381</u>	<u>205,699</u>	<u>450,381</u>	<u>495,291</u>
LESS: COST OF GOODS SOLD:					
OUTSIDE - BLUE	47.38%	6,422	15,281	13,546	32,253
TTCO - WHITE	47.07%	4,869	9,483	10,266	20,147
TI IMPORTS - YELLOW	30.02%	1,644	5,489	5,474	18,282
ANTIQUES - B/W/Y	11.95%	0	0		
TTCO - OTHERS		0	0	3,773	7,287
TOTAL COST OF SALES		<u>12,935</u>	<u>30,253</u>	<u>33,059</u>	<u>77,969</u>
ENDING INVENTORY:	JUNE 30, 1997	<u>175,446</u>	<u>175,446</u>	<u>417,322</u>	<u>417,322</u>
BREAKDOWN OF ENDING INVENTORY:					
OUTSIDE - BLUE	47.38%		84,844		179,074
TTCO - WHITE	47.07%		78,094		165,923
TI IMPORTS - YELLOW	30.02%		6,960		23,183
ANTIQUES - B/W/Y	11.95%		5,548		46,431
TTCO - OTHERS					2,711
TOTAL ENDING INVENTORY:	42.04%		<u>175,446</u>		<u>417,322</u>

TAKAHASHI IMPORTS INC
 QUARTERLY SALES ANALYSIS
 SHOWCASE STORE
 FOR THE PERIOD ENDING JUNE 30, 1997

SALES FROM/TO	NET SALES	TTCO WHITE	OUTSIDE BLUE	T.I. YELLOW	ANTIQUES B/W/Y	TTCO OTHERS
APRIL, 1997	9,930	2,619	3,296	2,879		1,136
MAY, 1997	9,539	3,510	3,159	1,584		1,286
JUNE, 1997	<u>13,590</u>	<u>4,137</u>	<u>7,091</u>	<u>1,011</u>		<u>1,351</u>
QUARTERLY SALES - CURRENT MONTHS	33,059	10,266	13,546	5,474		3,773
Y-T-D SALES - PREVIOUS MONTHS	<u>44,910</u>	<u>9,881</u>	<u>18,707</u>	<u>12,808</u>		<u>3,514</u>
Y-T-D SALES - CURRENT YEAR - 1997	77,969	20,147	32,253	18,282		7,287
Y-T-D SALES - PREVIOUS YEAR - 1996	<u>94,823</u>	<u>29,487</u>	<u>35,930</u>	<u>19,552</u>		<u>9,854</u>
INCREASE(-DECREASE)	<u>-16,854</u>	<u>-9,340</u>	<u>-3,677</u>	<u>-1,270</u>		<u>-2,567</u>