

**TAKAHASHI IMPORTS INC.**

**FINANCIAL REPORT**

**FOR THE PERIOD ENDING AUGUST 31, 2003**

- 1) BALANCE SHEET**
- 2) INCOME STATEMENT**
- 3) SALES ANALYSIS**
- 4) COST OF SALES ANALYSIS**
- 5) MONTHLY SALES FOR 2003**
- 6) BANK RECONCILIATIONS**

TAKAHASHI IMPORTS INC  
BALANCE SHEET  
FOR THE PERIOD ENDING AUGUST 31, 2003

	<u>A S S E T S</u>	<u>AUG. 2003</u>	<u>DEC. 31, 2002</u>
<u>CURRENT ASSETS</u>			
Cash on hand and in banks			
Petty cash and change funds		600	600
Cash in bank - checking Account		20,805	-710
Cash in bank - MMMPA		24,083	10,981
Cash in bank - CD			111,770
Cash in bank - Schwab Money Market Fund		45,051	61,499
Cash in bank - Securities/Treasury		500,000	400,000
Total On Hand And In Banks		590,539	584,140
Accounts Receivable - Trade			
Interest Receivable		9,222	6,257
Inventories		25,609	46,187
Prepaid Expenses:			
Prepaid Insurance			
Prepaid Taxes - Others		1,034	441
Prepaid Taxes - Franchise		1,540	1,540
Prepaid Taxes - Federal		3,903	3,903
Other Prepayments			
Total Prepaid Expenses		6,477	5,884
Other Current Assets			
<b>TOTAL CURRENT ASSETS</b>		<b>631,847</b>	<b>642,468</b>
<u>FIXED ASSETS</u>			
Furnitures and Equipments		10,959	10,959
Less: Accumulated Depreciation		-10,591	-10,591
Furnitures and Equipments - Net		368	368
Leasehold Improvements		92,302	92,302
Less: Accumulated Depreciation		-73,841	-73,841
Leasehold Improvements - Net		18,461	18,461
<b>TOTAL FIXED ASSETS - NET</b>		<b>18,829</b>	<b>18,829</b>
<u>OTHER ASSETS</u>			
Other Receivables			
Deposits			
Total Other Assets			
<b>TOTAL ASSETS</b>		<b>650,676</b>	<b>661,297</b>

TAKAHASHI IMPORTS INC  
BALANCE SHEET  
FOR THE PERIOD ENDING AUGUST 31, 2003

LIABILITIES, CAPITAL STOCK AND RETAINED EARNINGS	AUG. 2003	DEC. 31, 2002
<b>CURRENT LIABILITIES</b>		
Accounts Payable - Trade	3,193	2,887
Accrued Expenses Payable	877	1,790
Accrued Taxes, Payroll and Others	1,521	2,156
Taxes Payable - Federal Income Taxes		
Taxes Payable - Franchise Taxes		
Due To IRS		
Loans Payable - Affiliates		
Accrued Bonus Payable - Officers		
Profit Sharing Contribution Payable	1,931	2,523
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,522</b>	<b>9,356</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
Total Paid-In-Capital	<b>14,000</b>	<b>14,000</b>
<b>RETAINED EARNINGS ACCOUNT</b>		
Beginning of the year - January 1,	637,941	654,016
Add/Deduct: Net Profit (Loss) Current Year	-8,787	-16,075
Total	<b>629,154</b>	<b>637,941</b>
Less: Dividends Paid		
Total Retained Earnings - Net	<b>629,154</b>	<b>637,941</b>
<b>TOTAL CAPITAL STOCK AND RETAINED EARNINGS</b>	<b>643,154</b>	<b>651,941</b>
<b>TOTAL LIABILITIES, CAPITAL STOCK &amp; RETAINED EARNINGS</b>	<b>650,676</b>	<b>661,297</b>

**TAKAHASHI IMPORTS INC**  
**COMPARATIVE STATEMENT OF OPERATION**  
**FOR THE MONTH OF AUGUST 31, 2003**

	CURRENT MONTH JULY, 2003	YEAR TO DATE THIS YEAR 2003
Sales	11,680	102,930
Cost of Sales	-4,854	-46,968
Gross Profit From Sales	6,826	55,962
Operating Expenses:		
Salaries - Selling	3,586	28,047
Salaries - Officers		
Salaries - Warehouse	981	8,024
Salaries - Contractual	250	2,000
Commissions	99	549
Travel and Entertainment		
Advertising and Promotions	72	72
Merchant Fees	287	2,295
Rent	435	3,480
Insurance	1,850	13,923
Taxes and Licenses	376	4,023
Depreciation		
Transportation and Delivery		138
Repairs and Maintenance	275	1,965
Legal and Accounting	919	1,244
Store and Office Supplies	200	1,389
Telephone and Telegraph	67	542
Utilities	1,163	7,759
Miscellaneous	25	217
Total Operating Expenses	10,585	75,667
Operating Profit (Loss)	-3,759	-19,705
Other Income (Charges)	1,695	12,849
Gross Profit (Loss) After Other Income	-2,064	-6,856
Profit Sharing Expenses	-333	-1,931
Net Profit (Loss) Before Taxes	-2,397	-8,787
Corporate Taxes		
Net Profit (Loss) After Tax	-2,397	-8,787

TAKAHASHI IMPORTS INC  
 MONTHLY SALES WITH YEAR-TO-DATE  
 SHOWCASE STORE  
 FOR THE PERIOD ENDING JANUARY TO DECEMBER 31, 2003

SALES FROM/TO	NET SALES	TTCO WHITE	OUTSIDE BLUE	T.I. YELLOW	TTCO OTHERS
JANUARY, 2003	7,452	2,366	2,867	663	1,556
FEBRUARY, 2003	11,746	2,270	5,920	2,354	1,202
MARCH, 2003	14,659	2,155	9,474	956	2,074
APRIL, 2003	15,301	2,588	9,903	787	2,023
MAY, 2003	12,541	3,007	5,462	1,814	2,258
JUNE, 2003	14,403	2,810	8,111	1,944	1,538
JULY, 2003	15,148	3,170	8,140	1,772	2,066
AUGUST, 2003	11,678	4,413	4,072	828	2,365
SEPTEMBER, 2003					
OCTOBER, 2003					
NOVEMBER, 2003					
DECEMBER, 2003					
Y-T-D SALES - CURRENT YEAR - 2003	102,928	22,779	53,949	11,118	15,082
Y-T-D SALES - PREVIOUS YEAR - 2002	112,699	23,174	67,837	14,932	6,756
INCREASE(-DECREASE)	-9,771	-395	-13,888	-3,814	8,326

TAKAHASHI IMPORTS INC  
PURCHASES AND INVENTORY ANALYSIS  
AT COST TO RETAIL VALUES  
ENDING AUGUST 31, 2003

	COST TO RETAIL RATIOS	AT COST VALUES		AT RETAIL VALUES	
		MONTHLY	YEAR-TO-DATE	MONTHLY	YEAR-TO-DATE
BEGINNING INVENTORY:					
OUTSIDE - BLUE	53.82%		20,918		38,868
TTCO - WHITE	50.94%		21,463		42,134
TI IMPORTS - YELLOW	33.31%		3,806		11,427
TTCO - OTHERS	0.00%				5,487
TOTAL			<u>46,187</u>		<u>97,916</u>
BEGINNING OF MONTH:					
PURCHASES:					
OUTSIDE - BLUE			22,771		34,753
TTCO - WHITE		506	3,619	1,124	8,654
TI IMPORTS - YELLOW					
TTCO - OTHERS				3,000	11,000
TOTAL PURCHASES		506	26,390	4,124	54,407
TOTAL AVAILABLE FOR SALES		30,463	72,577	61,073	152,323
LESS: COST OF GOODS SOLD:					
OUTSIDE - BLUE	59.34%	2,416	32,015	4,072	53,949
TTCO - WHITE	49.39%	2,162	11,250	4,413	22,779
TI IMPORTS - YELLOW	33.31%	276	3,703	828	11,118
TTCO - OTHERS			0	2,365	15,082
TOTAL COST OF SALES		4,854	46,968	11,678	102,928
ENDING INVENTORY:					
AUG. 31, 2003		25,609	25,609	49,395	49,395
BREAKDOWN OF ENDING INVENTORY:					
OUTSIDE - BLUE	59.34%		11,674		19,672
TTCO - WHITE	49.39%		13,832		28,009
TI IMPORTS - YELLOW	33.31%		103		309
TTCO - OTHERS	0.00%				1,405
TOTAL ENDING INVENTORY:	51.85%		<u>25,609</u>		<u>49,395</u>

COSTOFSALES.XLS(A)



BANK RECONCILIATION- BANK OF AMERICA # 23317-01316(MERCHANTS)  
 (CONVERTED TO BUSINESS MONEY MARKET ACCOUNT STARTING 09/01/2000)  
 FOR THE MONTH OF AUGUST 31, 2003

BALANCE PER BOOKS, PREVIOUS MONTH	<u>JULY 31, 2003</u>		<u>24,074.96</u>
ADD: RECEIPTS DURING THE MONTH:			
<u>SR0010</u> SALES REGISTER		7.65	
<u>          </u> ADMINISTRATIVE RECEIPTS		<u>0.00</u>	
<u>          </u> OTHER ADJUSTMENTS			
TOTAL RECEIPTS DURING THE MONTH			<u>7.65</u>
TOTAL			<u>24,082.61</u>
LESS: CASH DISBURSEMENTS:			
<u>SR0010</u> CDR REGISTER		0.00	
<u>SR003</u> ADMISTRATIVE DISBURSEMENTS		<u>0.00</u>	
<u>          </u> OTHER DISBURSEMENTS			
TOTAL CASH DISBURSEMENTS DURING THE MONTH			<u>0.00</u>
ADJUSTED BALANCE PER BOOKS,	<u>AUGUST 31, 2003</u>		<u>24,082.61</u>
BALANCE PER BANK - CURRENT MONTH,	<u>AUGUST 31, 2003</u>		<u>24,082.61</u>
ADD: DEPOSIT IN TRANSIT:			
	<u>DATE</u>	<u>AMOUNT</u>	
	_____	_____	
	_____	_____	
	_____	_____	
	_____	_____	
TOTAL DEPOSIT IN TRANSIT			<u>0.00</u>
TOTAL			<u>24,082.61</u>
LESS: OUTSTANDING CHECKS			
	<u>DATE</u>	<u>CHECK NO.</u>	<u>AMOUNT</u>
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
TOTAL OUTSTANDING CHECKS FOR THE MONTH			<u>0.00</u>
ADJUSTED BALANCE PER BANK,	<u>AUGUST 31, 2003</u>		<u>24,082.61</u>