

**TAKAHASHI IMPORTS INC.**

**FINANCIAL REPORT**

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

- 1) BALANCE SHEET**
- 2) INCOME STATEMENT**
- 3) SALES ANALYSIS**
- 4) COST OF SALES ANALYSIS**
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TAKAHASHI IMPORTS INC  
BALANCE SHEET  
FOR THE PERIOD ENDING OCTOBER 31, 2003

	<u>A S S E T S</u>	<u>OCT. 2003</u>	<u>DEC. 31, 2002</u>
<b>CURRENT ASSETS</b>			
Cash on hand and in banks			
Petty cash and change funds		600	600
Cash in bank - checking Account		18,969	-710
Cash in bank - MMMPA		24,099	10,981
Cash in bank - CD			111,770
Cash in bank - Schwab Money Market Fund		47,459	61,499
Cash in bank - Securities/Treasury		500,000	400,000
Total On Hand And In Banks		591,127	584,140
Accounts Receivable - Trade		_____	_____
Interest Receivable		10,093	6,257
Inventories		21,882	46,187
Prepaid Expenses:			
Prepaid Insurance			
Prepaid Taxes - Others		676	441
Prepaid Taxes - Franchise		1,540	1,540
Prepaid Taxes - Federal		3,903	3,903
Other Prepayments			
Total Prepaid Expenses		6,119	5,884
Other Current Assets		_____	_____
<b>TOTAL CURRENT ASSETS</b>		629,221	642,468
<b>FIXED ASSETS</b>			
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>		18,829	18,829
<b>OTHER ASSETS</b>			
Other Receivables		_____	_____
Deposits		_____	_____
Total Other Assets		_____	_____
<b>TOTAL ASSETS</b>		648,050	661,297

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

LIABILITIES, CAPITAL STOCK AND RETAINED EARNINGS	OCT. 2003	DEC. 31, 2002
<b>CURRENT LIABILITIES</b>		
Accounts Payable - Trade	3,398	2,887
Accrued Expenses Payable	173	1,790
Accrued Taxes, Payroll and Others	1,076	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	2,355	2,523
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,002</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
<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,	637,941	654,016
Add/Deduct: Net Profit (Loss) Current Year	-10,893	-16,075
<b>Total</b>	<b>627,048</b>	<b>637,941</b>
Less: Dividends Paid		
<b>Total Retained Earnings - Net</b>	<b>627,048</b>	<b>637,941</b>
<b>TOTAL CAPITAL STOCK AND RETAINED EARNINGS</b>	<b>641,048</b>	<b>651,941</b>
<b>TOTAL LIABILITIES, CAPITAL STOCK &amp; RETAINED EARNINGS</b>	<b>648,050</b>	<b>661,297</b>

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

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE THIS YEAR</u>
	<u>OCTOBER, 2003</u>	<u>2003</u>
Sales	17,082	132,281
Cost of Sales	-7,334	-60,336
Gross Profit From Sales	<u>9,748</u>	<u>71,945</u>
Operating Expenses:		
Salaries - Selling	2,424	33,753
Salaries - Officers		
Salaries - Warehouse	1,061	10,125
Salaries - Contractual	250	2,500
Commissions	108	727
Travel and Entertainment		
Advertising and Promotions		592
Merchant Fees	295	2,862
Rent	435	4,350
Insurance	1,950	17,722
Taxes and Licenses	413	5,031
Depreciation		
Transportation and Delivery	117	596
Repairs and Maintenance	291	2,740
Legal and Accounting	5	2,674
Store and Office Supplies	409	1,972
Telephone and Telegraph	74	690
Utilities	1,161	10,027
Miscellaneous	21	266
Total Operating Expenses	<u>9,014</u>	<u>96,627</u>
Operating Profit (Loss)	734	-24,682
Other Income (Charges)	<u>1,647</u>	<u>16,144</u>
Gross Profit (Loss) After Other Income	2,381	-8,538
Profit Sharing Expenses	<u>-192</u>	<u>-2,355</u>
Net Profit (Loss) Before Taxes	2,189	-10,893
Corporate Taxes	<u>          </u>	<u>          </u>
Net Profit (Loss) After Tax	<u><u>2,189</u></u>	<u><u>-10,893</u></u>

TAKAHASHI IMPORTS INC  
PURCHASES AND INVENTORY ANALYSIS  
AT COST TO RETAIL VALUES  
ENDING OCTOBER 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					
TTCO - WHITE					
TI IMPORTS - YELLOW					
TTCO - OTHERS					
TOTAL PURCHASES					
TOTAL AVAILABLE FOR SALES					
LESS: COST OF GOODS SOLD:					
OUTSIDE - BLUE	59.70%				
TTCO - WHITE	43.69%				
TI IMPORTS - YELLOW	47.18%				
TTCO - OTHERS					
TOTAL COST OF SALES					
ENDING INVENTORY:					
BREAKDOWN OF ENDING INVENTORY:					
OUTSIDE - BLUE	59.70%				
TTCO - WHITE	43.69%				
TI IMPORTS - YELLOW	47.18%				
TTCO - OTHERS	0.00%				
TOTAL ENDING INVENTORY:	45.30%				
			<u>21,881</u>	<u>48,300</u>	<u>48,300</u>

COSTOFSALES.XLS(A)

**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	12,268	2,677	7,031	679	1,881
OCTOBER, 2003	17,082	6,866	5,721	1,761	2,734
NOVEMBER, 2003					
DECEMBER, 2003					
Y-T-D SALES - CURRENT YEAR - 2003	132,278	32,322	66,701	13,558	19,697
Y-T-D SALES - PREVIOUS YEAR - 2002	<u>132,929</u>	<u>26,963</u>	<u>82,521</u>	<u>15,539</u>	<u>7,906</u>
INCREASE(-DECREASE)	<u>-651</u>	<u>5,359</u>	<u>-15,820</u>	<u>-1,981</u>	<u>11,791</u>

2002SALESANALYSIS.XLS

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

BALANCE PER BOOKS, PREVIOUS MONTH	<u>SEPTEMBER 30, 2003</u>		<u>24,091.06</u>
ADD: RECEIPTS DURING THE MONTH:			
<u>SR0010</u> SALES REGISTER		<u>8.19</u>	
<u>          </u> ADMINISTRATIVE RECEIPTS		<u>0.00</u>	
<u>          </u> OTHER ADJUSTMENTS			
TOTAL RECEIPTS DURING THE MONTH			<u>8.19</u>
TOTAL			<u>24,099.25</u>
LESS: CASH DISBURSEMENTS:			
<u>SR0010</u> CDR REGISTER		<u>0.00</u>	
<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>OCTOBER 31, 2003</u>		<u><u>24,099.25</u></u>
BALANCE PER BANK - CURRENT MONTH,	<u>OCTOBER 31, 2003</u>		<u>24,099.25</u>
ADD: DEPOSIT IN TRANSIT:			
	<u>DATE</u>	<u>AMOUNT</u>	
	_____	_____	
	_____	_____	
	_____	_____	
TOTAL DEPOSIT IN TRANSIT			<u>0.00</u>
TOTAL			<u>24,099.25</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>OCTOBER 31, 2003</u>		<u><u>24,099.25</u></u>

TAKAHASHI IMPORTS INC  
 BANK RECONCILIATION- BANK OF AMERICA # 23316-03783 (CHECKING)  
 FOR THE MONTH OF OCTOBER 31, 2003

BALANCE PER BOOKS, PREVIOUS MONTH	<u>SEPTEMBER 30, 2003</u>		<u>13,960.17</u>
ADD: RECEIPTS DURING THE MONTH:			
SR12 SALES REGISTER		18,227.43	
TRF ADMINISTRATIVE RECEIPTS		0.00	
OTHER ADJUSTMENTS			
TOTAL RECEIPTS DURING THE MONTH			<u>18,227.43</u>
TOTAL			<u>32,187.60</u>
LESS: CASH DISBURSEMENTS:			
CDR 12 CDR REGISTER		12,686.48	
SR12 OTHER DISBURSEMENTS		531.63	
ADJ			
TOTAL CASH DISBURSEMENTS DURING THE MONTH			<u>13,218.11</u>
ADJUSTED BALANCE PER BOOKS,	<u>OCTOBER 31, 2003</u>		<u>18,969.49</u>
BALANCE PER BANK,	<u>OCTOBER 31, 2003</u>		<u>26,755.52</u>
ADD: DEPOSIT IN TRANSIT:			
	CASH	<u>DATE</u>	<u>AMOUNT</u>
		10/31/03	30.20
	CHECKS/VISA	10/01/03	48.96
		10/31/03	237.81
			201.69
TOTAL DEPOSIT IN TRANSIT			<u>518.66</u>
TOTAL			<u>27,274.18</u>
LESS: OUTSTANDING CHECKS			
	<u>DATE</u>	<u>CHECK NO.</u>	<u>AMOUNT</u>
	10/31/03	3997	63.39
	10/31/03	3998	10.45
	10/31/03	3999	3,169.22
	09/30/03	3983	5,055.83
	09/30/03	3984	
	09/30/03	DM	5.80
TOTAL OUTSTANDING CHECKS FOR THE MONTH			<u>8,304.69</u>
ADJUSTED BALANCE PER BANK,	<u>OCTOBER 31, 2003</u>		<u>18,969.49</u>