Schedule L.—BALANCE SHEETS. (See Instructions)

ASSETS	Beginning of taxable year (A) Amount	Beginning of taxable year (B) Total	End of taxable year (C) Amount	End of taxable year (D) Total
1. Cash		2399024		205888.74
2. Notes and accounts receivable	96841.28		115362.99	
(a) Less: Reserve for bad debts	5860.00	90981.28	5860.00	112512.99
3. Inventories		94778.72		97964.00
4. Investments in Government obligations		115668.00		50000.00
5. Other current assets (attach schedule)				
6. Loans to stockholders				
7. Other investments (attach schedule)				
8. Buildings and other fixed depreciable assets	228238.62		457878.22	
(a) Less: Accumulated amortization and depreciation	64657.51	163581.11	119[illegible]	368180.72
9. Depletable assets				
(a) Less: Accumulated depletion				
10. Land (net of any amortization)				
11. Intangible assets (amortizable only)				
(a) Less: Accumulated amortization				
12. Other assets (attach schedule)		548.32		150.00
13. Total assets		698380.62		806[illegible]
LIABILITIES AND CAPITAL				
14. Accounts payable		113658.01		93595.24
15. Mortgages, notes, and bonds payable in less than 1 year				
16. Other current liabilities (attach schedule)		65146.61		79783.17
17. Loans from stockholders				
18. Mortgages, notes, and bonds payable in 1 year or more				
19. Other liabilities (attach schedule)				
20. Capital stock: (a) Preferred stock	150000.00		150000.00	
(b) Common stock	10000.00	160000.00	10000.00	160000.00
21. Paid-in or capital surplus (attach reconciliation)				
22. Surplus reserve (attach schedule)				
23. Earned surplus and undivided profits		376576.00		471318.04
24. Total liabilities and capital		698380.62		806[illegible]

ENTRIES MADE BELOW MUST BE IDENTIFIED BY ACCOUNT

Schedule M-1.—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1. Net income per books	114742.04	7. Income recorded on books this year not included in this return (itemize) JAPAN PREFERRED — SEE ATTACHED FORM 1118 TAX	8500.00
2. Federal income tax	64643.17	8. Deductions in this tax return not charged against book income this year (itemize)	
3. Excess of capital losses over capital gains			
4. Taxable income not recorded on books this year (itemize)			
5. Expenses recorded on books this year not deducted in this return (itemize)		9. Total of lines 7 and 8	8500.00
6. Total of lines 1 through 5	179385.21	10. Income (line 28, page 1)—line 6 less 9	170885.21

Schedule M-2.—ANALYSIS OF EARNED SURPLUS AND UNDIVIDED PROFITS PER BOOKS (line 23, page 4)

1. Balance at beginning of year	356576.00	5. Distributions: (a) Cash	—
2. Net income per books	114742.04	(b) Stock	
3. Other increases (itemize)		(c) Property	
		6. Other decreases (itemize)	
		7. Total of lines 5 and 6	—
4. Total of lines 1, 2, and 3	471318.04	8. Balance end of year (line 4 less 7)	471318.04

VPD-158-0000837