

Explanation of Terms

1. Establishments

Establishments refer to a unit of the place where economic activities are performed and fulfill the following conditions in principle:

- ① An establishment is a unit of place which occupies a certain space (1 plot) and in which economic activities are performed under a single management agency.
- ② An establishment has persons engaged as well as equipment and manufactures, and sells objects and provides services on a continual basis.

Establishments not having reported their industry, etc.

Establishments not having reported their industry, etc. refer to establishments whose business type, etc. is unknown because of insufficient information by respondents, etc., even if they exist as establishments.

Establishments consisting of only dispatched employees

Establishments consisting of only dispatched employees refer to establishments whose business is run only by persons registered as employees of different establishments but working at the establishments concerned, along with dispatched workers defined pursuant to the so-called Worker Dispatch Law.

2. Establishments by changing trend

Existing establishments

Existing establishments refer to establishments, which were surveyed in the 2006 Establishment and Enterprise Census of Japan and which actually existed as of the day when the 2009 Economic Census for Business Frame was conducted.

Also, establishments founded before 2006 are considered existing establishments, among those which were newly recognized with administrative records such as commercial registration.

Newly-organized establishments

Newly-organized establishments refer to establishments founded after the 2006 Establishment and Enterprise Census of Japan, among those which actually existed as of the day when the 2009 Economic Census for Business Frame was conducted.

Abolished establishments

Abolished establishments refer to establishments not recognized in the 2009 Economic Census for Business Frame, among those surveyed in the 2006 Establishment and Enterprise Census of Japan.

3. Legal organization

National and local governments

National and local governments include the national government, prefectures, municipalities, special local public organizations (unions of local public

organizations and property wards, etc.).

Privately owned

Privately owned entities include entities other than national and local governments.

Individual proprietorships

Individual proprietorships refer to businesses run by individuals.

Partnerships are also included in this category, unless they are a company or corporation.

Corporations

Corporations refer to businesses run under what has been granted corporate status pursuant to legal stipulations.

Companies

Companies refer to stock companies (including limited company), unlimited partnership companies, limited partnership companies, limited liability companies, mutual insurance companies and foreign companies.

Here, foreign companies mean corporations founded overseas or other kinds of foreign organizations which are the same as or similar to companies and the branch or sales offices of which, etc., in Japan have registered their location, in accordance with the stipulations of the Companies Act (Law No. 86 of 2005).

Conversely, so-called foreign-capitalized companies, which are run by companies owned by foreigners or funded by foreign capital, are not considered foreign companies.

Corporations other than companies

Corporations other than companies refer to corporations which are not included in the category of companies among organizations with corporate status.

For example, the following are regarded as corporations other than companies; independent administrative legal entities, special public corporations, authorized corporations, foundations, incorporated associations, educational corporations, social welfare corporations, religious corporations, healthcare corporations, labor organizations (with corporate status), agricultural cooperatives (fishery and fishery processing cooperatives), cooperative associations, national health insurance societies, mutual aid associations, credit associations and related, etc.

Organizations other than corporations

Organizations other than corporations refer to organizations without corporate status.

For example, this category includes

councils, supporting groups, alumni associations, labor organizations (without corporate status), etc.

4. Industrial classification of establishments

Industry has been classified based on the kinds of business in which the establishments are mainly engaged (basically, businesses having accomplished higher income or sales in the past year). In principle, the industrial classification is based on the "Japan Standard Industrial Classification." Some of the industries are further divided into smaller groups and shown as industry (minor groups).

5. Persons engaged

Persons engaged refer to all those who belong to the establishments and work there as of the day when the survey was conducted. Therefore, persons engaged include employees dispatched to the separately operated establishments. Conversely, dispatched employees from the separately operated establishments, who do not receive their wage/salary (including wages in kind) from the establishments concerned, are not included in persons engaged, even if they work at the establishments.

However, family workers working at establishments of individual proprietorships are regarded as persons engaged, even if they do not receive any wage/salary.

Paid directors

Paid directors refer to those who receive salary as an executive at a corporation or an organization (regardless of whether full-time or part-time).

Executives or commissioners are included in "regular employees," provided they engage in a certain assignment, while playing a role as a worker at the office or site, and their salary is paid in accordance with the same salary regulations that are applied to other general employees.

Regular employees

Regular employees refer to those who are employed on a regular basis.

Also, this category includes those who are employees for an unspecified period, those who are employed for over one month of a specified period or those who were employed for 18 days or over in May and June, 2009 respectively.

Full-time employees or full-time staff

This category includes those who are generally referred to as full-time employees or staff among regular employees.

Other than full-time employees or full-time staff

This category includes those who are called non-regular staff, part-timers, fringe workers and similar, excluding workers generally referred to as full-time employees or staff among regular employees.

Temporary employees

Temporary employees refer to those who are employed for less than a month of a specified period on a daily basis.

Dispatched employees (employees dispatched to the separately operated establishments)

Dispatched employees refer to persons working at establishments different from the original ones to which they belong, even if they are registered as employees of said original establishments, along with dispatched workers defined pursuant to the so-called Worker Dispatch Law.

6. Dispatched employees from the separately operated establishments

Dispatched employees from the separately operated establishments refer to persons working at establishments different from the original ones to which they belong, even if they are registered as employees of said original establishments, along with dispatched workers defined pursuant to the so-called Worker Dispatch Law.

7. Persons working at the location

Persons working at the location refer to persons actually working at the establishments concerned.

The number is calculated as follows: the "number of persons engaged" – the "number of employees dispatched to the separately operated establishments" + the "number of dispatched employees from the separately operated establishments."

8. Startup date of establishments

The startup date of establishments refers not to the time a company or enterprise was founded but to the time the establishment concerned started its business at the present location.

9. Head or branch offices

Single unit establishments

Single unit establishments refer to establishments with no head offices or branch offices at different locations run by the same management agency.

Head offices

Head offices refer to establishments which hold branch offices at different locations run by the same management agency and which control all of them. When each department belonging to a head office is located in a number of separate locations, an establishment where a representative like a president works is regarded as the head office and other establishments are regarded as branch offices.

Branch offices

Branch offices refer to establishments controlled by a head office at another location. Intermediary establishments, which control subordinate establishments while being controlled by establishments in upper positions, are also considered branch offices.

Branch offices also include sales offices, local offices, factories, warehouses with persons

engaged and dormitories with supervisors, etc.

10. Enterprises, etc.

Enterprises, etc. refer to corporations engaging in businesses/activities (excluding foreign companies) and establishments of individual proprietorships. When the same management agency runs multiple establishments of individual proprietorships, all those establishments are regarded as a single enterprise, etc.

Specifically, enterprises, etc. include the enterprises themselves, corporations other than companies and the whole consisting of a head office and branch offices of individual proprietorships. Single unit establishments are considered establishments, etc. in their own right.

Enterprises

Enterprises are legal organizations, which exist as stock companies (including limited company), unlimited partnership companies, limited partnership companies and limited liability companies. The whole consisting of a head office and branch offices are regarded as enterprises. Single unit establishments are considered establishments in their own right.

11. Types of enterprise

Enterprises are divided into the following two types, according to the establishments comprising an enterprise.

Single-unit enterprises

Single-unit enterprises refer to enterprises that exist as a single in a dependent establishment.

Multi-unit enterprises

Multi-unit enterprises refer to enterprises that consist of a head office in Japan and branch offices within or outside Japan.

Single-industry enterprises (major groups)

Single-industry enterprises (major groups) refer to enterprises where the number of persons engaged belonging to a industry (major groups) ^(Note) is 70% or more of that entire enterprise.

Multi-industry enterprises (major groups)

Multi-industry enterprises (major groups) refer to enterprises where the number of persons engaged belonging to any of the industry (major groups) ^(Note) is less than 70% of that entire enterprise.

(Refer to page 59 [Example of type of enterprises])

(Note) The sum of the numbers of persons engaged and of dispatched employees from the separately operated establishments

12. Classification of industry of enterprises

Industries of enterprises have been classified based on the kinds of business in which enterprises are mainly engaged (business which earned the highest total income or total sales in the past year).

Classification of industry of enterprises is performed the same way as industrial classification.

13. Capital amount

For stock companies (including limited company), capital amount means the amount of capital, and the amount of stake for unlimited partnership companies, limited partnership companies and limited liability companies. For mutual insurance companies, it means the amount of funds.

14. Settlement month

Settlement month refers to all the settlement months in which an establishment's full-year business results are closed. However, it does not include provisional or midterm settlements of accounts.

15. Holding company

A holding company refers to a company, which acquires over 50% of stocks of its subsidiaries into the total assets of the company.

Pure holding company

A pure holding company refers to a company, which does not engage in any business in its own right and is solely responsible for controlling its subsidiaries by holding their stocks. A financial holding company is also included in pure holding companies.

Business holding company

A business holding company refers to a company, which engages in its own business and is responsible for controlling its subsidiaries by holding their stocks.

16. A parent company or subsidiaries

A parent company

A parent company refers to companies that directly carry over 50% of the voting rights of the companies concerned.

Even if they carry 50% or less of voting rights of the companies concerned, however, they are still considered a parent company, provided they produce consolidated financial statements in which they treat the companies concerned as their subsidiaries and are placed in a nearest position superior to those of the companies concerned.

Subsidiaries

Subsidiaries refer to companies over 50% of which voting rights are carried by the companies concerned.

When over 50% of the voting rights of those companies are carried by subsidiaries or both the companies concerned and subsidiaries, the companies are also included in subsidiaries.

Even if 50% or less of their voting rights are carried, however, they are still considered subsidiaries, provided their figures are included in the consolidated financial statements of the companies concerned.

17. Area classification

14 major metropolitan areas

Major metropolitan areas and major cities are an area classification, which is meant to demarcate broader urban areas beyond administrative districts. They are composed of the “central cities” and the “surrounding municipalities,” in accordance with the following demarcation standard; 14 major metropolitan areas consisting of 11 major metropolitan areas (Sapporo, Sendai, Kanto, Niigata, Shizuoka, Hamamatsu, Chukyo, Kinki, Okayama, Hiroshima and Kitakyushu-Fukuoka) and 3 major cities (Matsuyama, Kumamoto and Kagoshima).

① Central cities

Central cities in major metropolitan areas have been defined as special wards of Tokyo and government ordinance cities. In regions such as Kanto, Kinki and Kitakyushu-Fukuoka, central cities are adjacent, meaning we define each of them as central cities and set surrounding municipalities around them, consolidating central cities and surrounding municipalities into a single major metropolitan area. Central cities in major cities are regarded as cities with populations of 500 thousand and over that are not included in major metropolitan areas.

② Surrounding municipalities

Surrounding municipalities refer to municipalities in which the number of workers/students commuting to central cities aged 15 and over accounts for 1.5% and over of the de jour population. In addition, surrounding municipalities are adjacent to central cities. Municipalities to which this standard does not apply, however, are considered surrounding municipalities, provided they are surrounded by central cities or municipalities fulfilling this standard.

Blocks of prefectures

Blocks of prefectures refer to municipalities in prefectures, which are incorporated into several regions in terms of economy, society and administration, etc.

These blocks are defined and demarcated by prefectures.