

Appendix 3

Explanation of Terms

Establishments

An establishment is defined as a single physical location where an economic activity is conducted and as a general rule, the following prerequisites are satisfied:

- (1) An economic activity is carried out, under a single entity of management, at a certain fixed place, occupying a demarcated area.
- (2) The production or supply of goods and services is done on a continuing basis with the help of people and equipment.

Sales (Income)

This is sales (income) for supply of services and sales (income) of articles (including indirect tax, consumption tax, etc.) in an establishment whose primary industry is service industry.

The sales (income) includes costs such as purchases and salary and total income from all operations of the establishment.

Ex) Commission, Sales fee, Rent

Persons Working at the Location of Establishment

Persons working at the location of establishment include all persons who are engaged in the business of the establishment at the end of business day of the month (excluding dispatched or subcontracted employees to separately operated establishment, but including those who work as dispatched or subcontracted employees from separately operated establishment.).

(1) Regular employees

Those who have been employed indefinitely or more than one month or those who were employed for 18 days or more in this month and the previous month.

(2) Full-time employees

Those who are generally called fulltime regular employees and staff.

(3) Other than full-time employees

Those who are generally called part time workers or temporary staff or so.

(4) Non-regular workers (Those workers other than regular employees)

Those who have been employed for a limited period of one month or less.

(5) Dispatched or subcontracted employees from separately operated establishments

They refer to those who are dispatched to work at the establishment concerned or come to the establishment concerned from separately operated establishments for

subcontracted work.

Sales (Income) per Establishment

The method of calculating “Sales (Income) per Establishment” is as follows.

Sales (Income) per establishment

= Sales (Income) / Estimated number of establishment

Sales (Income) per Persons Working at the Location of Establishment

The method of calculating “Sales (Income) per Persons Working at the Location of Establishment” is as follows.

Sales (Income) per persons working at the location of establishment

=Sales (Income) / Number of persons working at the location of establishment

Type of Legal Organization

(1) Individual proprietorship

This is an organizational state of an establishment owned and managed by an individual. It includes an establishment under the joint management of a number of individuals and which is not incorporated.

(2) Company

This includes stock companies (including limited companies), general partnership companies, limited partnership companies, limited liability companies, mutual companies but excluding foreign companies.

(3) Foreign company

A foreign company is a main branch office or a sales office of a company which was founded in a foreign country, and which was registered according to the prescription in the Companies Act (Act No.86 of 2005).

A company with capital participation by a foreign company is not regarded as a foreign company.

(4) The others

① Corporation excluding company

This is an organizational state of an incorporated establishment excluding any company.

Included in this category are incorporated administrative agencies, local incorporated administrative agencies, national university corporations, inter-university research institute corporations, special corporations, approved corporations, incorporated foundations, incorporated associations, social welfare juridical persons, medical juridical persons, juridical persons for offender rehabilitation, national health insurance societies, mutual aid associations, legal professional corporations, auditing firms, licensed tax accountant's corporations, etc.

② Organization other than corporation

This is an association that is not legally incorporated.

Included in this category are national government, local government, council, etc.

Capital

This is the amount of capital of a stock companies (including limited companies), the amount of investment of a general partnership companies, limited partnership companies and limited liability companies, or the amount of funds of a mutual companies.