

Appendix 4

Explanation of Terms

1 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:

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

2 Enterprises, etc.

An "enterprise" is defined as a corporation (excluding foreign companies) conducting business activities or an establishment of individual proprietorship (if the enterprise is managed under individual proprietorship and the same manager manages multiple establishments, the establishments become collectively a single enterprise).

"Enterprise, etc." refers to entities, including some public enterprises, etc., operated by an enterprise and the national government or a local government.

3 Sales

This is sales for supply of services and sales of article (including indirect tax, consumption tax, etc.) in an establishment, enterprise, etc. The sales include costs such as purchase amount, salaries and total income from all operations of the establishment, enterprise, etc.

[Included in sales]

- Consignment sale --- Sales commission income
- Consignment sale --- Actual sales amount sold by a consignee
- Real estate agents/intermediary service providers --- Agent fee income, intermediary commission income, etc.
- Brokerage service provider --- Brokerage commission income (e.g. commission for cleaning or for photo development, printing or enlargement)
- Own consumption/donations --- When consuming goods or products on one's own or donating them, the amount obtained by converting them into money
- Medical and other health services/care services --- Insurance premiums received for medical insurance/nursing care insurance, and self-pay of the user
- "Corporations excluding companies" and "organization other than corporations" --- Income gained by business activities

[Those not included in sales]

- Nonbusiness interest and dividend income, such as those accrued from deposits and securities
- Nonbusiness income gained from the sale of securities or properties such as land and buildings
- Borrowing and balance brought forward
- Expenses provided from headquarters and head offices for operating branch offices
- Working income that a proprietor or its family member of the establishment under individual proprietorship gains outside the working place

[Time of posting sales]

- For sales, those at the time of providing services, etc. are posted, rather than at the time of receiving payments.

Examples:

- For installment sale, sales are posted at the time of providing services, etc.
- In case of supplementary tutorial schools, etc. tuitions for three months are received in a lump sum, they are divided and posted equally at each month of the period (three months) of giving classes.
- For a long-term project for software development, etc., they are posted depending on the status of progress.
- Sales are posted for one month from the beginning to the end of the month.

4 Demand Situation

“Demand situation” refers to changes in demand (number of users, contracts, services provided, etc.) for major services compared with the same month a year earlier for each business activity of an establishment or enterprise, etc. The composition ratio is prepared for four answers: "Increased," "Decreased," "Not particularly changed," and "Not sure." The number obtained by deducting "Decreased" from "Increased" is treated as demand situation DI.

5 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 or enterprise, etc. on the business day nearest the end of the month (excluding dispatched or temporarily transferred employees to other enterprises, but including those who work as dispatched or temporarily transferred employees from other enterprises).

Salaried directors

Those who receive a salary as an executive at a corporation or an organization other than an individual proprietorship.

Individual proprietors

Business owners of individual proprietorships. An establishment of an individual proprietorship must have only one individual proprietor.

Unpaid family workers

Those who are members of the family of an individual proprietors and help with the establishment's work but receive no wages or salaries.

Regular employees

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

Full-time employees

Those who are generally called fulltime regular employees and staff.

Other than full-time employees

Those who are generally called contract employees, entrusted employees, part time workers, temporary staff or so on.

Non-regular workers

Those who have been employed for a limited period of one month or less or employed on a day-to-day basis.

Persons Temporarily Transferred or Dispatched from Separately-managed Establishment or Enterprise, etc.

Those who come from other enterprises, etc. and work at an establishment or enterprise, etc. remaining members of the transferring company, including cases of temporary transfer with enrollment in the transferring company, in addition to dispatched workers set forth in the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (Act No. 88 of 1985).

6 Industry of Business Activity

This is an industry classification by unit of business activities conducted by an establishment and enterprise, etc. An establishment is deemed to conduct only a single business activity.

7 Industry of Establishment and Enterprises, etc.

This is an industry classification by unit of establishment and enterprises, etc., where establishments are classified according to business activities of the establishment, and enterprises, etc. are classified according to the entire major business activities including establishments under the control of the enterprises, etc.

8 Type of Legal Organization

Individual proprietorships

These are businesses run by individuals. Partnerships are also included in this category, unless they are a company or corporation.

Corporations

These are businesses managed by entities granted with corporate status based on legal provisions. The following companies and corporations other than companies fall under this category.

Companies

They are stock companies, general partnership companies, limited partnership companies, limited liability companies, mutual companies and foreign companies.

Foreign companies are main branch offices or sales offices of companies which have been founded in a foreign country, and which have been registered in Japan under the provisions of the Companies Act (Act No.86 of 2005). Companies managed by foreigners, or companies for which foreign capitals participate in their management, are not regarded as foreign companies.

Corporations other than companies

They are organizations with corporate status other than the status of a company. Included in this category are national and local governments, 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.

Organizations other than corporations

They are organizations without corporate status.

Included in this category are establishments of councils, etc.

9 Capital

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