

## 2024 Economic Census for Business Frame (Privately Owned)

### Explanation of Terms

#### 1. Establishments

“Establishments” refers to a unit of the place where business 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 business activities are performed under a single management agency.
- (2) An establishment has persons engaged and equipment, manufactures and sells goods, and provides services on an ongoing basis.

##### a. Privately owned establishments

Establishments which are not national and local governments.

##### b. Establishments not reporting their industry, etc.

“Establishments not reporting their industries, etc.” refers to establishments which exist as establishments, but whose business activities are unclear for such reasons as inadequate replies.

#### 2. Persons engaged

“Persons engaged” refers to all those who belong to the establishments and work. Therefore, persons engaged include employees loaned or dispatched to the separately operated establishments such as other companies. Conversely, loaned or dispatched employees from the separately operated establishments such as other companies, 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.

##### • Regular employees

“Regular employees” refers to those who are employed on a regular basis.

Also, this category includes those who are employed for an unspecified period, and those who are employed for over one month of a specified period. Therefore, those who are employed for less than a month of a specified period, or on a daily basis (Temporary employees) are not included.

#### 3. Industrial classification of establishments

Industries have been classified based on Japan Standard Industrial Classification (14th revision) by the amount of sales (income) and the kinds of main business of establishments (in principle, business having accomplished the highest income or sales in 2023).

#### 4. Legal organization

##### a. Privately owned

Establishments which are not national or local public entities.

##### I. Corporations

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

The following companies and corporations other than companies fall under this category:

##### II. Companies

“Companies” refers to stock companies, limited companies, mutual companies, general partnerships, limited partnerships, limited liability companies, and foreign companies.

Here, “foreign companies” means branch or sales offices of corporations founded overseas, which are registered in Japan pursuant to the stipulations of the Companies Act (Act No. 86 of 2005).

Conversely, foreign-capitalized companies, which are run by companies owned by foreigners or founded by foreign capital, are not considered as foreign companies.

##### III. Corporations other than companies

“Corporations other than companies” refers to corporations which are not included in the category of companies among organizations with legal personality.

For example, the following are regarded as corporations other than companies: incorporated administrative agencies, general incorporated associations, general incorporated foundations, public interest incorporated associations, public interest incorporated foundations, social welfare corporations, incorporated educational institutions, healthcare corporations, religious corporations, agricultural cooperatives (fishery and fishery processing cooperatives), business cooperatives, labor unions (with legal personality), mutual aid associations, national health insurance societies, credit unions, and legal professional corporations.

##### IV. Individual proprietorships

“Individual proprietorships” refers to businesses run by individuals.

Partnerships are also included in this category, unless they are legal entities.

##### V. Organizations other than corporations

“Organizations other than corporations” refers to organizations without legal personality.

For example, this category includes support groups, alumni associations, crime prevention associations, academic societies, and labor unions (without legal personality).

##### b. National and local governments

Establishments operated by the national government, prefectures, municipalities, and special local governments (cooperatives of local governments, property wards, etc.).

## 5. Enterprises

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

Specifically, enterprises are legal organizations which exist as stock companies, limited companies, mutual companies, general partnerships, limited partnerships, limited liability companies, corporations other than companies, and individual proprietorships. The whole consisting of a main office and branch offices is regarded as an enterprise. Single-unit establishments are considered as enterprises in their own right.

## 6. Companies

“Companies” refers to legal organizations, which exist as stock companies, limited companies, mutual companies, general partnerships, limited partnerships, and limited liability companies. The whole consisting of a main office and branch offices is regarded as a company. Single-unit establishments are considered as companies in their own right.

## 7. Industrial classification of enterprises

Industries have been classified at the level of single enterprises in accordance, based on the amount of sales (income) and the kinds of main business of the whole enterprises including their branch offices (in principle, the businesses having accomplished the highest gross income or gross sales of the whole enterprises in 2023).

## 8. Capital amounts

For stock companies and limited companies, “capital amounts” means the amount of capital. For unlimited partnership, limited partnership, and limited liability companies, it means the amount of contribution. For mutual insurance companies, it means the amount of fund.

## 9. Classification by single or multi-unit enterprises

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

### a. Single-unit enterprises

“Single-unit enterprises” refers to enterprises that exist as a single unit in a dependent establishment.

### b. Multi-unit enterprises

“Multi-unit enterprises” refers to enterprises that consist of a main office in Japan and branch offices within or outside Japan (including those that consist of a main office in Japan and branch offices only outside Japan).

## 10. Classification by single-unit, head office or branch office

### a. Single-unit establishments

“Single-unit establishments” refers to establishments with no head offices (headquarters/main offices) or branch offices (branch shops/branch houses) at different locations run by the same management agency.

### b. Head offices (Headquarters/Main offices)

“Head offices (Headquarters/Main offices)” refers to establishments which hold branch offices (branch shops/branch houses) at different locations run by the same management agency and which control all of them. When each department belonging to a head offices is located in a number of separate locations, an establishment where a representative like a president works is regarded as the head offices and other establishments are regarded as branch offices.

### c. Branch offices (Branch shops/Branch houses)

“Branch offices (Branch shops/Branch houses)” refers to establishments controlled by a head offices (headquarters/main offices) at another location. Intermediary establishments, which control subordinate establishments while being controlled by establishments in upper positions, are also considered branch offices. Branch shops/branch houses also include sales offices, satellite offices, factories, warehouses with persons engaged, and dormitories with supervisors. Legal organizations which exist as foreign companies are regarded as branch offices.

## 11. Amounts of sales (income)

“Amounts of sales (income)” refers to sales of commodities, or sales, operating revenues, and amounts of completed work resulting from providing services, as a general rule, during the solar year of 2023. Income from selling properties, including tangible fixed assets such as securities, land and buildings, and machines and instruments, is not included in the amounts. Ordinary revenues are regarded as amounts of sales (income) for enterprises in “Finance and insurance” corporations other than companies, and organizations other than corporations.

## 12. Network-type industries and Non-network-type industries

“Network-type industries” refers to Industrial categories which cannot obtain the amount of sales (income) per establishment. In the tabulation of establishments, amount of sales (income) are not shown except for single-unit establishments.

“Non-network-type industries” refer to industries that do not fall under the category of “Network-type industries”.

### \* Network-type industries:

Industry divisions are "D" Construction, "F" Electricity, gas, heat supply and water, "H" Transport and postal activities and "J" Finance and insurance

Industry major groups are "37" Communications, "38" Broadcasting, "41" Video picture information, sound information, character information production and distribution, "81" School education, "86" Postal services, "93" Political, business and cultural organizations and "94" Religion