

## Appendix 1 Outline of the Unincorporated Enterprise Survey

### 1. Purpose of the survey

The Unincorporated Enterprise Survey, which is a fundamental statistical survey based on the Statistical Act, aims to clarify the actual conditions of business management at unincorporated establishments engaged in manufacturing, wholesale and retail trade, accommodations and food services or providing services in Japan, as well as obtain basic data on trends in business and for the promotion of small and medium-sized enterprises.

### 2. History of the survey

The survey has its origins in the "Unincorporated Enterprise Survey" introduced by the Economic Stabilization Agency (the present Cabinet Office) in 1947 to obtain an estimate of national income.

In April 1952, a decision was made by the Prime Minister's Office, Statistics Bureau (the present Statistics Bureau of the Ministry of Internal Affairs and Communications) to survey manufacturing industries and commerce separately. Subsequently in October of the same year, the survey was renamed to the "Unincorporated Commercial and Manufacturing Enterprise Survey".

The survey was renamed to the "Unincorporated Enterprise Survey" in July 1961, and some service industries were included in addition to the conventional manufacturing, wholesale and retail trade categories. In July 1964, the survey was expanded to include the Assets and Liabilities for Businesses.

In July 1966, the coverage of the survey was increased substantially, and the areas to be surveyed were also expanded to include some towns and villages not surveyed previously.

In addition, in order to obtain a more accurate picture of trends in unincorporated establishments, as well as structural changes such as moves toward chain affiliations among unincorporated establishments and the aging of business proprietors, in 2002 a substantial review of survey methods was completed, via a process of sorting and consolidating conventional questionnaires, etc. New items such as business sentiment and the age of the business proprietors were also added, and to enhance the accuracy of the survey results, the number of surveyed establishments was increased from around 3,000 to 4,000 establishments.

### 3. Coverage

The survey covers approximately 4,000 unincorporated establishments throughout Japan in the following industries, based on the Japan Standard Industrial Classification (revised in October 2013).

Major Groups of Industries to be used for Unincorporated Enterprise Survey	Japan Standard Industrial Classification (Rev.13,October 2013)
Manufacturing	E Manufacturing
Wholesale and retail trade	I Wholesale and retail trade
Accommodations, eating and drinking services	M Accommodations, eating and drinking services (excl. "765" drinking houses and beer hall and "766" bars, cabarets and night clubs)
Services	K Real estate and goods rental and leasing 70 Goods rental and leasing L Scientific research, professional and technical services 73 Advertising 74 Technical services, n.e.c. (limited to "744" commodity inspection and non-destructive testing services and "745" surveyor certification) N Living-related and personal services and amusement services 78 Laundry, beauty and bath services 79 Miscellaneous living-related and personal services (excl. "792" domestic services).

Services	R Services, n.e.c 89 Automobile maintenance services 90 Machine, etc. repair services, except otherwise classified 91 Employment and worker dispatching services 92 Miscellaneous business services
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#### 4. Types of questionnaire and survey period

##### (1) Types of questionnaire

There are two types of questionnaire: the Unincorporated Enterprise Survey - Trend Survey Questionnaire (hereinafter referred to as the "Trend Survey Questionnaire"), which aims to grasp business trends in unincorporated establishments, and the Unincorporated Enterprise Survey - Structural Survey Questionnaire (hereinafter referred to as the "Structural Survey Questionnaire"), which aims to grasp the structural characteristics of unincorporated establishments.

##### (2) Survey period

The survey based on the Trend Survey Questionnaire is quarterly, i.e. April to June (first quarter), July to September (second), October to December (third), and January to March (fourth). The survey period is one year. The survey commences in April, July, October, and January depending on the municipalities where it is conducted.

The survey based on the Structural Survey Questionnaire is conducted on unincorporated establishments, for which a survey based on the Trend Survey Questionnaire (January to March) is conducted in March every year, of status as of the last day of December of the previous year.

#### 5. Survey items

##### A Trend Survey Questionnaire

##### (1) Business sentiment of business proprietor

- 1) Operational status
- 2) Sales
- 3) Net operating profit
- 4) Inventories of products, commodities and primary materials
- 5) Cash-flow
- 6) Workforce in the current period

##### (2) Persons engaged

- 1) Number of persons engaged
- 2) Salaries and wages

##### (3) Operating income and expense, etc.

- 1) Total of sales and purchases
- 2) Inventories
- 3) Operating expenses
- 4) Investment in plant and machinery

##### B Structural Survey Questionnaire

##### (1) Type of operation

- 1) Commencement of business
- 2) Operating days and hours
- 3) Form of land and building ownership by business
- 4) Affiliation with chain organizations
- 5) Tax return type

##### (2) Business proprietor

- 1) Ages of business proprietor
- 2) Whether or not a successor has been found to take over the business

- (3) Operating income and expense, etc.
  - 1) Sales and purchases
  - 2) Inventories
  - 3) Operating expenses
  - 4) Investment in plant and machinery
- (4) Persons engaged
  - 1) Number of persons engaged, and salaries and wages
  - 2) Hiring and employment separation
- (5) Use of personal computers
- (6) Problems in managing business
- (7) Management policy
  - 1) Developing your business in the future
  - 2) Plans for incorporating enterprise
- (8) Assets and liabilities for business

## 6. Survey method

In terms of the actual survey method, a statistical enumerator (enumerator) distributes a questionnaire to each unincorporated establishment selected by the Statistics Bureau, and subsequently collects these questionnaires when completed by the business proprietor or a representative of the business proprietor.

## 7. Survey organization

The survey is conducted through the following channel:  
 Minister for Internal Affairs and Communications (Director - General of the Statistics Bureau) – Prefectural Governors (Statistical Superintendence Section) – Supervisors – Enumerators – Establishments

## 8. Sampling method

The method of sampling is based on a stratified three-stage sampling method (first stage: Municipalities, second stage: Unit districts combining the enumeration districts of the Economic Census, hereinafter referred to as "Unit districts", third stage: Establishments).

### (1) First stage

Municipalities are stratified on the basis city groups and districts. A total of 190 sample unit districts are selected on the basis of the proportion of employees at establishments covered by the Unincorporated Enterprise Survey.

### (2) Second stage

Unit districts are set up in each municipality selected, then one unit district selected at random in each municipality (190 unit districts).

### (3) Third stage

20 establishments in cities and 15 in towns and villages are selected on the basis of the proportion of employees at individual establishments covered by the Unincorporated Enterprise Survey in the selected unit districts.

## 9. Formula for estimating results

○ Formula for estimating distribution of establishments;

$$M(\alpha) = \frac{\sum_{i=1}^p \sum_{j=1}^{m_i} \beta_i(\alpha) \cdot \frac{1}{n_{ij}(\alpha)} \cdot 100}{\sum_{(\alpha)} \sum_{i=1}^p \sum_{j=1}^{m_i} \beta_i(\alpha) \cdot \frac{1}{n_{ij}(\alpha)}}$$

○ Estimating formula for amount of sales and others per establishment, or average number of persons per establishment;

$$\bar{x} = \frac{\sum_{i=1}^p \sum_{j=1}^{m_i} \frac{1}{m_i} \cdot \frac{N_i}{n_{ij}} \cdot x_{ij}}{\sum_{i=1}^p \sum_{j=1}^{m_i} \frac{1}{m_i} \cdot \frac{N_i}{n_{ij}}}$$

$P$  = Total number of districts (all Japan, districts, city groups)

$i$  = Stratum (districts  $\times$  city groups)

$j$  = Surveyed Establishments

$x_{ij}$  = Sales of establishment  $j$  in stratum  $i$

$m_i$  = Number of surveyed Establishments in stratum  $i$

$N_i$  = Number of employees in population establishments in stratum  $i$

$n_{ij}$  = Number of employees of establishment  $j$  in stratum  $i$

$\beta_i(\alpha)$  = Multiplier for establishments in  $\alpha$  - class in stratum  $i$

$n_{ij}(\alpha)$  = Number of employees engaged by establishment  $j$  in  $\alpha$  - class in stratum  $i$

$\alpha$  = Class

## 10. Tabulation and publication of survey results

The collected questionnaires are tabulated by the Incorporated Administrative Agency National Statistics Center and the results are compiled by the Statistics Bureau. The results of the Trend Survey Questionnaire are then officially announced at the end of the two months after completion of each survey period, while results of the Structural Survey Questionnaire are released as soon as possible after tabulation is completed. The Statistics Bureau then publishes the relevant reports.