

# Notes on Use

The Ministry of Economy, Trade and Industry (METI) conducted a METI Basic Survey of Japanese Business Structure and Activities on June 1, 2024, and compiled and published it as a preliminary report. An outline of the survey, and notes for use of its statistical tables, are as follows.

## I. Outline of the Survey

### 1. Purpose

The survey aims to clarify the business activities of Japanese companies so as to acquire basic data for enterprise-related policymaking.

### 2. Governing laws

This survey is a fundamental statistical survey based on the Statistics Act (Act No. 53 of 2007) and is conducted pursuant to the Rules of the METI Basic Survey of Japanese Business Structure and Activities (Order of the Ministry of International Trade and Industry No. 56 of 1992).

### 3. Survey method

It is a mail/online survey based on self-declaration survey forms given to parent companies.

### 4. Survey period and due date

The survey was conducted on the figures for the most recent accounting period as of June 1, 2024. With respect to the number of companies, the amount of capital or investment, business organizations, and the number of workers, this survey looked into their actual results as of June 1, 2024; the other items of the survey were based on the relevant actual results for the most recent accounting period (the most recent one-year accounting period or as of the end of the most recent accounting period).

### 5. Survey targets and scope

The targets of the survey are companies (hereinafter "Surveyed Companies") that have both a minimum capital of 30 million yen and 50 or more employees and that are engaged in any of the following categories based on the Japan Standard Industrial Classification:

#### [Target categories]

- [1] Division-C (Mining and Quarrying of Stone and Gravel);
- [2] Division-E (Manufacturing);
- [3] Division-F (Electricity, Gas, Heat Supply and Water) (excluding Subdivision-35 (Heat supply) and Subdivision-36 (Collection, Purification, and Distribution of Water, and Sewage Collection, Processing and Disposal));
- [4] Division-G (Information and Communications) (those listed in the appended table);
- [5] Division-I (Wholesale and Retail Trade);
- [6] Division-J (Finance and Insurance) (those listed in the appended table);
- [7] Division-K (Real Estate and Goods Rental and Leasing) (those listed in the appended table);
- [8] Division-L (Scientific Research, Professional and Technical Services) (those listed in the appended table);
- [9] Division-M (Accommodation, Eating and Drinking Services) (those listed in the appended table);
- [10] Division-N (Living-related and Personal Services and Amusement Services) (those listed in the appended table);
- [11] Division-O (Education, Learning Support) (those listed in the appended table); and
- [12] Division-R (Services, N.E.C. (not elsewhere classified)) (those listed in the appended table).

&lt;Appended table&gt;

G - Information and Communications	391- Computer programming and other software services; 392- Data processing and information services; 40- Internet-based services; 4111- Motion picture and video production, except television program and animation production; 4112- Television program production (Television production), except animation production; 4113- Animation production; 413- Newspaper publishers; 414- Publishers, except newspapers (based on the Japan Standard Industrial Classification)
J - Finance and Insurance	643- Credit card and installment finance businesses (based on the Japan Standard Industrial Classification)
K - Real Estate and Goods Rental and Leasing	70- Goods rental and leasing (704- Automobile rental; 7092- Audio and visual recordings rental, except otherwise classified (excluding those listed separately); 7099- Goods rental and leasing, N.E.C. (excluding rental)) (based on the Japan Standard Industrial Classification)
L - Scientific Research, Professional and Technical Services	71- Scientific and Development Research Institutes; 726- Design services; 73- Advertising; 74- Technical services, N.E.C. (only 743- Mechanical design services; 744- Commodity inspection and non-destructive testing services; 745- Surveyor certification; 746- Photographic studios; 749- Miscellaneous technical services) (based on the Japan Standard Industrial Classification)
M - Accommodations, Eating and Drinking Services	76- Eating and drinking places (excluding 7622- “Ryotei” (Special Japanese restaurants); 765- Drinking houses and beer halls; 766- Bars, cabarets and night clubs); 77- Food take-out and delivery services (based on the Japan Standard Industrial Classification)
N - Living-related and Personal Services and Amusement Services	78- Laundry, beauty and bath services (excluding 785- Miscellaneous public bathhouses); 79- Miscellaneous living-related and personal services (excluding 791- Travel agencies; 7999- Miscellaneous living-related and personal services, N.E.C.); 801- Cinemas; 804- Sports facilities (excluding 8041- Sports facilities, except otherwise classified (those listed separately)); 805- Public gardens and amusement parks (based on the Japan Standard Industrial Classification)
O - Education, Learning Support	8245- Foreign language instruction; 8249- Miscellaneous instruction services for arts, culture and technical skills (only general culture classes) (based on the Japan Standard Industrial Classification)
R - Services, N.E.C.	88- Waste disposal business; 90- Machine, etc., repair services, except otherwise classified (excluding those listed separately); 91- Employment and worker dispatching services; 92- Miscellaneous business services (excluding 922- Building operation and maintenance services; 923- Guard services; 9295- Pest control services) (based on the Japan Standard Industrial Classification)

## II. Preparation of Statistical Tables and Notes for Use

### 1. Industrial classification and how companies are classified

#### (1) Industrial classification

This survey uses the Japan Standard Industrial Classification to classify companies. However, as the multiple operation rate is higher on a company basis than on a business establishment basis, the mechanical application of said classification may significantly increase companies classified into “Wholesale Trade, General Merchandise,” “Retail Trade, General Merchandise,” or “General Goods Rental and Leasing.” This may make it difficult to analyze business diversification, which is one of the major purposes of this survey.

Therefore, in this survey, instead of adopting these three subdivisions, companies’ major business activities are classified into smaller classification categories. As a result, general trading companies are classified into “Textile Products (except apparel, apparel accessories and notions),” “Petroleum and Minerals,” or “Industry Machinery and Equipment,” etc., department stores and supermarkets are classified into “non-store retailers (dry goods, apparel and apparel accessories)” or “non-store retailers (food and beverages),” etc., and general lease companies are classified into “industrial equipment and machinery rental” or “office machinery rental,” etc.

#### (2) How companies are classified into specific industries

1) In this survey, the sales of companies are divided into 13 categories: ((i) sales of mining products; (ii) sales

and income from processing of manufactured products; (iii) income from electricity and gas businesses; (iv) income from information and communication businesses; (v) sales from wholesale and retail trade; (vi) income from credit card and installment finance businesses; (vii) income from goods rental and leasing businesses; (viii) income from scientific research, professional and technical service businesses; (ix) sales from eating and drinking places; (x) income from living-related and personal service and amusement service businesses; (xi) income from private lesson businesses; (xii) income from service businesses; and (xiii) other business income). By adding up the sales under each category, each company is classified into the division that corresponds to its largest sales category (“Mining and Quarrying of Stone and Gravel,” “Manufacturing,” “Electricity and Gas,” “Information and Communications,” “Wholesale Trade,” “Retail Trade,” “Credit Card and Installment Finance Businesses,” “Goods Rental and Leasing,” “Scientific Research, Professional and Technical Services,” “Eating and Drinking Services,” “Living-related and Personal Services and Amusement Services,” “Private Lesson Businesses,” “Services (excluding Other Services),” “Services (Other Services),” or “Other Industries”).

- 2) Each company is classified into a subdivision under the division determined as mentioned above, in accordance with the item whose sales account for the largest portion of its sales (business income).

## 2. Definitions

- (1) The term “total” is an aggregate total of figures for “Mining and Quarrying of Stone and Gravel,” “Manufacturing,” “Electricity and Gas,” “Information and Communications,” “Wholesale Trade,” “Retail Trade,” “Credit Card and Installment Finance Businesses,” “Goods Rental and Leasing,” “Scientific Research, Professional and Technical Services,” “Eating and Drinking Services,” “Living-related and Personal Services and Amusement Services,” “Private Instruction Sites,” and “Services (excluding Other Services),” and does not include those for “Services (Other Services)” and “Other Industries.”
- (2) Each figure for “Services (excluding Other Services)” is a total of the relevant figures for Waste Disposal Businesses; Machines, etc., Repair Services, Except Otherwise Classified; Employment and Worker Dispatching Services; Display Services; Telemarketing Services, and Other Business Services.
- (3) In the 2010 Survey, classification “418. Television program production” was separated from “411. Motion picture and video production (including animation production).” However, for counting purposes, it is classified as “Motion Picture and Video Production (\*)” or “411. Motion picture and video production (\*),” and represents the combined total of “411. Motion picture and video production (including animation production)” and “418. Television program production,” so that it can be compared with the previous year.
- (4) “Number of regular workers” is the total number of paid directors and regularly employed persons (persons, regardless of their titles as full-time, part-time, temporary or contract employees, employed under contract for a period longer than one month).
- (5) “Persons in indefinite-term employment” are persons regularly employed under contract without a specific period of employment (including the case where such persons are employed until the retirement age). Paid directors are not included in the category of indefinite-term workers.
- (6) “Persons in fixed-term employment (employed for at least one month)” are persons regularly employed for a period of at least one month.
- (7) “Workers transferred to other companies” are persons who are transferred to a company affiliated with a domestic or overseas parent company or subsidiary and are paid mainly by the transferring company (the transferring company mainly bears the cost of their wages).

- (8) “Temporary workers” are persons who are employed for a period of less than one month, or those who are brought in on a daily basis. They are not included in the category of regular workers.
- (9) “Dispatched workers” are persons who are employed by a worker-dispatching business operator and are engaged in an accepting company’s operations under its supervision and command, based on a contract between the accepting company and the worker dispatching business operator, under the aforementioned employment relationship. They are not included in the total number of workers.
- (10) A “subsidiary” is a company in which a certain company owns more than 50% of the voting rights. It includes a company in which the subsidiary, or the parent company and the subsidiary combined, own more than 50% of the voting rights (deemed a subsidiary) and a company practically controlled by the subsidiary or jointly by the parent company and the subsidiary, even in the case they own only 50% or less of the voting rights.
- (11) An “affiliated company” is a company in which a certain company directly owns no less than 20% but no more than 50% of the voting rights. It includes any company that may have a significant impact due to owning more than 15% of the voting rights.

### 3. Figures

- (1) The figures for the number of companies, capital, business organizations, and the number of workers are those as of June 1, 2024; the figures for other items are those for the most recent accounting period (the most recent one-year accounting period or as of the end of the most recent accounting period).
- (2) As the figure or distribution ratio of each item rounds off any digits less than the unit, an aggregated amount does not necessarily match the total. Furthermore, in principle, amounts of money are shown in millions of yen.
- (3) Breakdown data for the “number of regular workers” (“Persons in indefinite-term employment” + “Persons in fixed-term employment (employed for at least one month)”) do not match the total. Any number of regular workers that does not match the total includes paid directors, etc.
- (4) In the tables, the symbol group “\*\*\*\*” means that there is no counted figure, and “0” means that the figure is less than the unit. Furthermore, the symbol “x” means that the data are not disclosed since there is a risk of the reporting company being identified.
- (5) The following formulae are used in the preliminary report of this survey.
  - Operating profit = sales – operating costs (cost of sales + sales and general administrative expenses)
  - Net assets = capital + capital reserves + accumulated profit + own shares + other net assets
  - Total capital = liabilities + net assets
  - Value added = operating profit + depreciation expenses + total payroll + welfare expenses + real estate and movables property rental + taxes and public imposition
- (6) In order to organize details to be published by eliminating overlaps, the publication of accompanying tables has been discontinued from the 2022 Survey. For reference, the calculation methods and statistical tables used for the following items are outlined below.

Item	Calculation method	Statistical table used
Operating margin	Operating profit / Sales $\times$ 100	Preliminary report tables 1 and 6
Ratio of ordinary profit to sales	Ordinary profit / Sales $\times$ 100	Preliminary report tables 1 and 6
Capital adequacy ratio	Net assets / Total capital $\times$ 100	Preliminary report tables 1 and 4
Current return on equity	Current net profit / Net assets $\times$ 100	Preliminary report tables 4 and 6
Current profit ratio of total capital	Current net profit / Total capital $\times$ 100	Preliminary report tables 1 and 6
Ratio of value added	Value added / Sales $\times$ 100	Preliminary report table 1
Labor's share	Total payroll / Value added $\times$ 100	Preliminary report tables 1 and 6
Labor productivity	Value added / Number of regular workers * Please note that from the 2022 Survey onward, the time of survey associated with the numerator is different from that associated with the denominator.	Preliminary report table 1

#### 4. Collection

	2024 Survey (preliminary report)	2023 Survey (definite report)
Number of target companies	41,991	40,302
Number of companies that submitted a response	37,675	36,025
Response rate	89.7%	89.4%
Number of companies that gave a valid response	34,569	33,751

#### 5. Points concerning survey results

- (1) As only valid responses were counted, the number of companies that submitted a response varied by item.
- (2) Please note that with the following changes made for the 2022 survey and subsequent surveys, the results of this survey cannot easily be compared with the results of past surveys.
  - (i) The population register used has been changed from the “register containing target companies selected on the basis of the results of the previous Basic Survey of Japanese Business Structure and Activities” to the “Statistical Business Register.”
  - (ii) The base date of the survey has been changed from “as of March 31 each year” to “as of June 1 each year.” Furthermore, the details to be entered have been changed from “the figures for the accounting period of the immediately previous fiscal year (e.g.: for the 2021 Survey, FY2020) (if it is difficult to obtain such figures, the figures for the closest accounting period in the past)” to “the figures for the most recent accounting period (the most recent one-year accounting period or as of the end of the most recent accounting period).” Accordingly, with respect to the number of companies, capital or amounts of investment, business organizations, and the number of workers, this survey looked into their actual results as of June 1 of the year concerned; the other items of the survey were based on the relevant actual results for the most recent accounting period (the most recent one-year accounting period or as of the end of the most recent accounting period).
  - (iii) The handling of consumption tax has been changed from “in principle, a response inclusive of consumption tax (if it is difficult to provide a tax-included response due to reasons related to accounting treatment, a response exclusive of consumption tax)” to “a response based on each responding company’s accounting treatment.” Accordingly, aggregated figures consist of both consumption tax-included amounts and those excluding it. For reference, sales are presented as estimates exclusive of consumption tax.
- (3) For companies with capital of 5 hundred million yen or more that had submitted questionnaires for the annual survey for the “Financial Statements Statistics of Corporations by Industry” conducted by the Ministry of Finance, some of the data for this survey’s “Assets, Liabilities and Capital” and “Sales and Expenses” are based on said data collated by the Ministry of Finance.
- (4) The following revisions were made to the names of survey items associated with regular workers in

FY2018 and FY2023 in accordance with the revised Guidelines for Categories, etc., of Workers in Statistical Surveys. Therefore, care should be taken when making a time-series comparison.

	2017 Survey or earlier	2018–2022 Surveys	2023 Survey and subsequent surveys
Name of survey item	“Full-time workers and staff”		“Persons in indefinite-term employment”
	“Part-timers”	“Workers (such as part-timers) other than full-time workers and staff”	“Persons in fixed-term employment (employed for at least one month)”

- (5) In line with the revision of the Japan Standard Industrial Classification, the classification items for electricity retail trade and gas retail trade in the breakdown data for sales have been changed to 331 for all electricity retail trade and 341 for all gas retail trade since the 2024 Survey.

2023 Survey or earlier			2024 Survey and subsequent surveys	
Sales from electricity retail trade by electricity generation utilities and electricity transmission/distribution utilities		331	Sales from electricity retail trade	331
Sales from electricity retail trade by companies other than electricity generation utilities and electricity transmission/distribution utilities	For companies	559		
	For households	609		
Sales from gas retail trade by gas manufacturers and gas pipeline service providers		341	Sales from gas retail trade	341
Sales from gas retail trade by companies other than gas manufacturers and gas pipeline service providers	For companies	559		
	For households	609		

6. When using figures listed in the statistical tables of this survey, please make sure to indicate the data source (the Preliminary Report on the 2024 Basic Survey of Japanese Business Structure and Activities).

#### 7. Contact point

If you have any queries, please direct correspondence to:

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(Please replace the square (■) with an at sign (@))

Reference materials are available at <https://www.meti.go.jp/statistics/tyo/kikatu/index.html>