

Directions

I Census of Manufacture

1. Purpose of the Census

The Census of Manufacture (hereafter referred to as the "Census") is intended to determine current developments of manufacturing industry in Japan.

2. Legal Framework

The Census represents designated statistics survey (Designated Statistics No. 10) based on the Statistics Law (Law No. 18 of 1947) and is implemented according to the Regulations for the Census of Manufacture (Ordinance No. 81 of the Ministry of International Trade and Industry of 1951).

3. Date of Survey

The date of survey of the 2006 Census is December 31, 2006.

4. Scope of the Census

The Census covers all establishments (excluding those belonging to the government) falling under [Division F - Manufacturing Industry] listed in the Standard Industrial Classification for Japan (2002 Announcement No. 139 of Ministry of Internal Affairs and Communications). The Census is conducted on all establishments in years ending with 0, 3, 5 and 8 of the Western calendar year. For other years, the Census covers establishments with 4 or more employees.

5. Method of Survey

For the purpose of the Census, the Census of Manufacture Form A applies to establishments with 30 or more employees (except head offices not directly engaged in manufacturing, processing or repair of industrial products), while Form B applies to those with 29 or fewer employees (except head offices not directly engaged in manufacturing, processing or repair of industrial products). The Census is based on entries in these forms filled by managers or administrators of applicable establishments.

6. Publication

The 2006 Census compiles its findings by "**industry**", "commodity", "city, town and village", "industrial district", "industrial site and water", and by "enterprise".

The Report by Industry classifies all establishments by the Standard Industrial Classification for Japan according to their major activities and tallies up major items surveyed by industry. The Report by Commodity tallies up goods manufactured and processed by all establishments by commodity. The Report by City, Town and Village tallies up findings on major items surveyed with regard to establishments with 4 or more employees by city, town and village. The Report by Industrial District tallies up findings on major items surveyed with regard to establishments with 4 or more employees by prefecture and by industrial district. The Report by Industrial Site and Water tallies up findings on survey items concerning industrial site and water, with regard to establishments with 30 or more employees, representing the status of the use of industrial site and industrial water. The Report by Enterprise tallies up findings of survey with regard to establishments with 4 or more employees by establishment after recompiling them by enterprise.

II Report by Industry of the 2006 Census

1. Tabulation of Report by Industry

The Report by Industry tallies up findings in the Census of Manufacture Form A and B of the 2006 Census of all establishments.

2. Industrial Classification for the Census

(1) The Industrial Classification for the Census conforms in principle to the Standard Industrial Classification for Japan. The exception is as follows.

Industrial classification for the Census of Manufacture	Standard industrial classification for Japan
1521 Paper and machine-made Japanese paper, integrating paper (1521) and machine-made Japanese paper (1523)	1521 Paper 1523 Machine-made Japanese paper

(2) Inside classification "19 plastic product manufacturing industry (except for mentioned elsewhere)." About mentioned elsewhere, it is as follows.

Product	Industry	Product	Industry
Furniture	1499	Musical instruments	3221-3229
Plastic plates	1621	Toys, gears for toys, and bearings for toys	3231
Photographic films, including dry plates	1795	Dolls	3232
Footwear and findings	2022	Sporting and athletic goods	3234
Luggage	2161	Office supplies	3241-3249
Small leather cases	2171	Costume jewelry and costume accessories	3251
Handbags	2172	Buttons	3253
Gears, except gears for watches, clocks and toys	2675	Wigs of human hair	3255
Bearings, except bearings for watches, clocks and toys, ball bearings and roller bearings	2675	Lacquer ware	3261
Bearings (ball and roller bearings)	2694	Straw-mats "tatami"	3272
Resistors for distribution boards	2713	Japanese-style fans	3273
Capacitors, except for telecommunication equipment	2719	Brooms and brushes	3274
Resistors and capacitors for telecommunication equipment	2914	Umbrellas, parasols and parts	3275
Ophthalmic goods	3161	Smoking accessories and supplies	3277
Gears and bearings for watches and clocks	3171	Thermos bottles	3278
Watch cases	3172	Signboards and signs	3292
		Pallets for transportation	3293
		Models and patterns	3294
		Pattern manufactured for industrial use	3295
		Records	3296

3. Criteria for Classification of Establishments

Establishments are classified by industry with the following criteria of classification.

(1) Common method

With respect to establishments manufacturing a single type of products, industry is classified based on upper four digits of the six-digits commodity number.

On the other hand, concerning establishments engaged in manufacturing of two or more types of products, total shipment values of products sharing the upper two-digits number (major group) are compared, and final two-digits major group classification is collectively represented by the product registering the largest shipment value. Then, three-digits group and four-digits industry classifications are determined in the same way as for two-digits major group classification to come up with the final industrial classification.

(2) Special method

Other than the above, in some cases, industrial classification is determined based on raw materials, work process, and mechanical installations involved.

Such industries are represented by 11 industries classified in "the major group 23 Manufacture of iron and steel " including "Iron industries, with blast furnaces", "Steel manufactured, including converters and electric furnaces and with rolling facilities", "Hot rolling", "Cold rolling, "Cold rolled steel shapes", "Steel pipes and tubes", "Re-rolled steel products", "Cold finished steel bars", "Pipes and tubes drawing", "Wire drawing", "Miscellaneous steel materials, except made by smelting furnaces and steel works with rolling facilities, except coated steel".

4. **Items of Statistical Tables**

(1) Number of establishments

The 2006 Census represents the number of establishments as of December 31, 2006.

These establishments cover factories, works, plants, etc. engaged in manufacture or processing of industrial products in individual sites.

(2) Number of employees

The 2006 Census represents a total number of "sole proprietors and unpaid family workers", "regular workers" and "temporary employees" as of December 31, 2006. However, in this table, the number of employees are excluding temporary employees.

"Sole proprietors and unpaid family workers" are defined as sole proprietors engaged in business and their families working full time for them without remuneration. Accordingly, proprietors not practically engaged in business and their dependents providing no more than casual help are not included in this definition.

"Regular workers" are classified into "full-timers", "part-timers" and "workers dispatched from other companies".

"Regular workers" refer to persons who:

- a. are employed on the indefinite or longer than-a-month labor contract,
- b. were employed for 18 days or longer during the previous and current months out of casual hires on a daily or less-than-monthly basis,
- c. are dispatched by temporary employment agencies, and are loaned workers from a parent company, to whom the same rules mentioned above (a,b) are applicable,
- d. work full time and receive monthly remuneration as directors, executives, etc., and
- e. are the family of a solo proprietor and work for him, earning monthly salaries or wages.
 - a) "Full-timers" means employed workers who are generally called "regular employees" or "regular officials" excluding those who are dispatched to other companies.
 - b) "Part-timers" in regular workers means those who are generally called "part-timers", "casual-employees", "temporary-employees" or the like.
 - c) "Workers dispatched from other companies" means those who are loaned or dispatched from other companies, and dispatched workers from temporary staff agencies.

"Temporary employees" refer to persons who are employed on the shorter than a month or daily labor contract.

(3) Annual monthly average number of regular workers (establishment with 30 or more employees)

Average number of regular workers at the end of each month during 2006.

(4) Value of total cash wages and salaries

Total amount of salaries (basic wages plus allowances), special allowances (year-end bonus, etc.) paid to regular workers and other allowances during 2006.

Other allowances include retirement allowances and severance pay on advance notice to regular employees, and wages paid to casual or daily hires.

(5) Value of raw materials, fuels and electricity consumed, and subcontracting expenses for consigned production

Payments for annual raw materials, fuels and electricity consumed, and subcontracting expenses for consigned production during 2006, including consumption tax.

"The value of raw materials consumed" represents total consumption on major raw materials, auxiliary supplies, purchased components and parts, containers, packing materials, plant maintenance materials, consumables, etc., including coal, petroleum, etc. used as raw materials, and the value of raw materials supplied to subcontractors on consigned production.

"The value of electricity consumed" represents total payments for power supply by vendors, excluding private

power generation.

"The subcontracting expenses for consigned production" represent payments made and accounts payable to subcontractors for consigned production and/or processing, supplying raw materials or semi-manufactured goods to them.

(6) Value of manufactured goods shipments

Total value of annual income in 2006 from manufactured goods shipment, Processing fees received, Repair fees received, Shipments for scraps and salable refuse from manufacturing process, etc., including internal tax on consumption and consumption tax.

"Manufactured goods shipment" refers to the case where products manufactured by an establishment using its own raw materials (including material-supplied subcontract processing) are delivered by the establishment in 2006, including the following.

- a. Products delivered to other establishments owned by the same enterprise,
- b. Private consumption (consumed by the establishment as end products), and
- c. Shipped on consigned sale (including those shipped but unsold, but excluding those returned in 2006).

"The value of processing fees received" represents payments received and / or receivable against manufacture of end products using client-owned raw materials or against processing or treatment of products or semi-manufactured products owned by the client, during 2006.

"The value of other receipt" refers to proceeds from cold storage, sale of privately-generated surplus power.

(7) Value of manufactured goods inventory, Value of Semi-manufactured goods and work in progress, and Value of raw materials and fuels in inventory (establishment with 30 or more employees) represent the book values of each establishment, including material-supplied consigned production.

(8) The value of tangible fixed assets (establishment with 30 or more employees) is based on the book value effective in 2006.

"The value of acquisition of tangible fixed assets" is classified as follows:

- a. Land,
- b. Buildings and structures (including civil engineering and attached facilities),
- c. Machinery and equipment (including attachments), and
- d. Vessels, rolling stock, vehicles, tools, apparatuses, fixtures and furniture with a durable life of a year or longer, etc.

"The value of increase in the construction process accounts" represents amount debited to this account and "The value of decrease" represents amount transferred from this account to others.

"The value of elimination of tangible fixed assets" represents the Value of tangible fixed assets sold, removed, lost or transferred to other establishments which belong to the same enterprise.

Formulas relating to the Value of tangible fixed assets are as follows:

- a. Actual value of tangible fixed assets at end of the year = Actual value of tangible fixed assets at beginning of the year + Value of acquisition - Value of elimination - Value of depreciation.
- b. Increase or decrease during the year of Temporary construction accounts = Value of increase - Value of decrease
- c. Value of investment = Value of acquisition + Increase or decrease during the year of Temporary construction accounts

(9) Value of contracts and payments based on lease contracts (establishment with 30 or more employees)

"The lease" represents rental transactions in which users use items as longer than one year, and it is almost impossible to cancel or change the agreement during contracts.

"The value of lease contracts" represents value of lease items contracts with lease documents delivered concerning fresh lease in which such items were supplied, founded and completed examination from January

to December in 2006, including consumption tax.

"The value of lease payments" represents total amount of monthly payments as lease items use from January to December in 2006, including consumption tax. Accordingly those included lease payments paid in the year with contract for lease items before 2006.

(10) Value of production (establishment with 30 or more employees) is calculated as follows:

Formula:

Value of production = Value of manufactured goods shipments + (Value of manufactured goods inventory at end of the year - Value of manufactured goods inventory at beginning of the year) + (Value of semi-manufactured goods and work in progress at end of the year - Value of semi-manufactured goods and work in progress at beginning of the year)

(11) Value added (Gross value added) is calculated as follows:

Formula:

Value added = Value of production - (internal tax on consumption (*1) + estimated consumption tax (*2)) - Value of raw materials, fuels and electricity consumed, and subcontracting expenses for consigned production - Value of depreciation

An establishment with 30 or more employees

Calculating based on the above formula.

An establishment with less than 29 employees

Formula:

Gross value added = Value of manufactured goods shipments - (internal tax on consumption + estimated consumption tax) - Value of raw materials, fuels and electricity consumed, and subcontracting expenses for consigned production

*1: The value of internal tax on consumption is the total tax amount paid or payable as liquor tax, tobacco tax, gasoline tax and local road tax.

*2: Estimated consumption tax is calculated excluding the direct export, raw materials and investment of tangible fixed assets.

(12) Per-unit Value of Manufactured goods shipments, Value added, and Total cash wages and salaries

An establishment with 30 or more employees

- a. Value of Manufactured goods shipments per employees = {(Value of manufactured goods shipments) - (Internal tax on consumption + Estimated consumption tax)} / {(Annual monthly average number of regular workers) + (Number of solo proprietors and unpaid family workers)}
- b. Value added per employees = (Value added) / {(Annual monthly average number of regular workers) + (Number of solo proprietors and unpaid family workers)}
- c. Cash wages and salaries, per employees in regular workers = (Basic wages plus allowances and special allowances to employees in regular workers) / (Number of employees in regular workers)

An establishment with 4 to 29 employees

- a. Total cash wages and salaries, per employees = (Total cash wages and salaries) / {(Number of regular workers) + (Number of solo proprietors and unpaid family workers)}
- b. Value of Manufactured goods shipments per employees = {(Value of manufactured goods shipments) - (Internal tax on consumption + Estimated consumption tax)} / {(Number of regular workers) + (Number of solo proprietors and unpaid family workers)}
- c. Gross value added per employees = (Gross value added) / {(Number of regular workers) + (Number of solo proprietors and unpaid family workers)}

(13) Refer to the annexed Census of Manufacture Forms for details.

5. Representation

- (1) In case industry under the group covers a single classification, the group and the industry are collectively represented under the title of the applicable group.

(2) In the Outline of this Report, the names of industries are sometimes represented by abbreviation.

Formal name of manufacture	Abbreviation	Formal name of manufacture	Abbreviation
09 Manufacture of food	Food	24 Manufacture of non-ferrous metals and products	Non-ferrous metals
10 Manufacture of beverages, tobacco and feed	Beverages	25 Manufacture of fabricated metal products	Fabricated metal
11 Manufacture of textile mill products	Textile	26 Manufacture of general machinery	General machinery
12 Manufacture of apparel and other finished products made from fabrics and similar materials	Apparel	27 Manufacture of electrical machinery, equipment and supplies	Electrical machinery
13 Manufacture of lumber and wood products	Lumber	28 Manufacture of information and communication electronics equipment	Information machinery
14 Manufacture of furniture and fixtures	Furniture	29 Manufacture of electronic parts and device	Electronic parts
15 Manufacture of pulp, paper and paper products	Paper & pulp	30 Manufacture of transportation equipment	Transportation equipment
16 Publishing, printing and allied industries	Printing	31 Manufacture of precision instruments and machinery	Precision instruments
17 Manufacture of chemical and allied products	Chemical	32 Miscellaneous manufacturing industries	Miscellaneous
18 Manufacture of petroleum and coal products	Petroleum		
19 Manufacture of plastic products	Plastic		
20 Manufacture of rubber products	Rubber		
21 Manufacture of leather tanning leather products and fur skins	Leather		
22 Manufacture of ceramic, stone and clay products	Ceramic		
23 Manufacture of iron and steel	Iron & steel		

6. Response rate to questionnaires

The response rate is the following.

Coverage	Collection of questionnaires	Response rate
a) 266,935	b) 258,543	c) 96.9%

Notes 1. Coverage and collection of questionnaires are excluding closed-down establishments, change of business of establishments, dormant establishments, development stage establishments and establishments with no shipping record after foundation.

Notes 2. Response rate: $c = b / a \times 100$

7. Symbols and Notes

- (1) In this statistical table, the symbol [-] is used where there is no relevant value, and the numerical symbol [0] represents fractions of a unit rounded off, and the symbol [], negative figures. The symbol [] represents figures relating to one or two establishments. Relevant figures are intentionally represented by this symbol to keep individual applicants business secrets confidential to the public. With respect to establishments of three or more, too, numerals relating to three or more factories are represented by this symbol are treated in the same way. However, publishing the number of employees was released from making public in August, 2006.
- (2) Values are represented in millions of yen and fractions less than a unit were rounded off, and in thousands of yen with regard to figures in [5. Statistical Table per Establishment and per Employees].

III Special Instructions

1. The Figures of Establishments with 3 or fewer Employees

The Census is conducted on establishments with 4 or more employees in years ending with other than 0, 3, 5 and 8. As establishments with 3 or fewer employees were not surveyed, they are estimated as follows and represented in Reference Tables.

(1) Items of estimation

Such items are represented by 5 items of Number of establishments, Number of employees, Total cash wages and salaries, Value of raw materials, fuels and electricity consumed, and subcontracting expenses for consigned production, and Value of manufactured goods shipments.

(2) Method of estimation

Number of establishments and Number of employees

The items are estimated by the Preparatory Survey Directory.

Total cash wages and salaries, Value of raw materials, fuels and electricity consumed, and subcontracting expenses for consigned production, and Value of manufactured goods shipments

The figures are estimated by multiplying increase or decrease rate during the year of findings of items with regard to establishments with 4 to 9 employees by value of establishments with 3 or fewer employees, by prefecture and by industry (four-digits) over last year. Then, these figures add for three-digits group and two-digits major group, afterward come up amount of Whole Country.

2. The 2004 Census ruled out Tookamachi city, Yamakoshi village and Kawaguchi town by The Mid Niigata prefecture Earthquake in 2004.
3. In the disaster area resulting from the volcanic eruption of Miyake Island, Tokyo, there is no objective establishment from the 2000 Census to the 2004 Census.
4. As a part of the past numerical value is corrected, the mark of "r" added the corrections of the part of numerical value in from 2003 to 2005.
5. Any person who intends to release these figures in other publications should state the source of information as follows:

The Census of Manufacture (2006 edition) compiled by the Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

6. Address your questions or inquiries on this statistics table to:

Industrial Statistics Office, Research and Statistics Department,

Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

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URL access for statistical information: <http://www.meti.go.jp/english/statistics/>

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