

# General Information

The Report by Enterprise of the Census of Manufacture 2014 was compiled and published in response to the increasing importance in recent years of identifying the relations between enterprises and manufacturing establishments, and economic activities of enterprises. In this regard, the findings on the activities of establishments with 4 or more employees were consolidated by enterprise.

## I Census of Manufacture

### 1. Purpose of the Census

The Census of Manufacture (hereafter referred to as the Census) is to clarify the condition of current Japanese manufacturing.

### 2. Legal Framework

The Census represents a fundamental statistics under the Statistics Act (Law No. 53 of 2007) and is implemented according to the Regulations for the Census of Manufacture (Ministerial Ordinance No. 81 of the Ministry of International Trade and Industry of 1951).

### 3. Reference Period

The reference period of the 2014 Census is calendar year 2014 (as of December 31, 2014).

### 4. Scope of the Census

The Census covers all establishments located in Japan (excluding those located in the enumeration districts which includes the “restricted areas etc.”, those belonging to the government and establishments with three or less employees) and falling under [Division E - Manufacturing Industry] listed in the Japan Standard Industrial Classification (No.405 of the Ministry of Internal Affairs and Communications issued in 2013).

“restricted areas etc.” : the restricted areas under the provisions of Article 63, paragraph 1, of the Basic Act on Disaster Control Measures (Act No.223 of 1961) as applied mutatis mutandis by replacing the terms pursuant to Article 28, Paragraph 2, of the Act on Special Measures Concerning Nuclear Emergency Preparedness (Act No.156 of 1999) regarding the Great East Japan Earthquake (disaster caused by the Tohoku-Pacific Ocean Earthquake, which struck on March 11, 2011, and the subsequent nuclear power plant accident) and planned evacuation areas designated by the Nuclear Emergency Response Headquarters.

### 5. Forms

Questionnaires are distributed to establishments by enumerators, except establishments designated by the Minister of Economy, Trade and Industry, that are located in the areas in which the execution of the Census was affected by the Great East Japan Earthquake, and whose headquarters have two or more establishments. Designated establishments receive the questionnaires directly from the Ministry of Economy, Trade and Industry.

Form A covers establishments with 30 or more employees, while Form B is for those with 29 or fewer employees in both cases excluding head offices that have no involvement in the manufacturing processing or repair of industrial products. The Census is based on entries in these forms filled by managers or administrators of applicable establishments, or representatives of the enterprises as in the case of questionnaires being sent to the headquarters.

### 6. Publication

The results of the Census of Manufacture 2014 are compiled by "industry," "commodity," "city, town and village," "industrial district," "industrial site and water," and "**enterprise**".

The Report of Enterprise provides findings with regard to establishments with 4 or more employees after recompiling the data by the enterprise to which these establishments belong.

The Report by Industry focuses establishments with 4 or more employees to provide a portrait of the

manufacturing activities by industry. These establishments are classified pursuant to the Japan Standard Industrial Classification according to their principal activities so that their activities are to be tallied up by industry.

The Report by Commodity covers detailed figures on manufactured/processed goods by establishments with 4 or more employees on a commodity basis. The Report by City, Town and Village covers establishments with 4 or more employees, showing major survey items by city, town and village.

The Report of Industrial district covers establishments with 4 or more employees, showing major survey items by prefectural industrial district.

The Report of Industrial Site and Water covers establishments with 30 or more employees, showing the status of the utilization of industrial sites and industrial water.

## 7. Industrial Classification for the Census

The Industrial Classification for the Census was revised in 2014.

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

Industrial classification for the Census of Manufacture	Japan standard Industrial classification
1421 Paper and Machine-made Japanese style paper, integrating Paper (1421) and Machine-made Japanese style paper (1423)	1421 Paper 1423 Machine-made Japanese style paper

- (2) The following is a list of products as mentioned elsewhere in Division 18 "plastic product manufacturing industry (except for mentioned elsewhere)"

Product	Industry	Product	Industry
Furniture and fixtures	13	Pens, lead pencils, painting materials and stationery	326
Plastic plate making for printing	1521	Lacquer ware	3271
Photosensitive materials	1695	“Tatami” mats (straw-mats)	3282
Gloves and mittens	2051	Fans and lanterns (Japanese style)	3283
Refractories	215	Brooms and brushes	3284
Abrasive products	2179	Smoking accessories and supplies, except precious metals and jewelry	3285
Artificial pearls	2199	Umbrellas, parasols and parts	3289
Gears	2531	Thermos bottles	3289
Setsquares with scale	2739	Signboards and signs	3292
Injection cylinders	2741	Pallets for transportation	3293
Artificial tooth	2744	Models and patterns	3294
Costume jewelry, costume accessories, buttons and related products, except precious metals and jewelry	322	Patterns manufactured for industrial use	3295
Wigs and tresses	3229	Records	3296
Watchcases	3231	Ophthalmic goods	3297
Musical instruments	324		
Toys and sporting goods	325		

## 8. Criteria for Classification of Establishments

Establishments are classified by industry with the following criteria.

- (1) Common method
- i. With respect to establishments manufacturing a single type of products, the industry in which the establishments are classified is determined based on the upper four digits (class code) of the six-digit commodity number of the products.
  - ii. Concerning establishments engaged in manufacturing of several types of products, the "top-down method" is applied. Firstly, the appropriate classification division (two digits) is determined based on the largest total shipment values of products. Then, the three-digit group and the four-digit class classifications are determined in the same way.

(2) Special method

In some cases, the industrial classification of an establishment is determined based on its raw materials, work process, and mechanical installations involved.

Specifically, the special method is applied to the following 11 industries classified in Division 22 "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."

## **II Report by Enterprise of the 2014 Census**

### **1. Tabulation of Report by Enterprise**

(1) The Report by Enterprise tallies up findings on major items surveyed with regard to establishments with four or more employees, and consolidated data by enterprise.

(2) Number of enterprises

The number of enterprises represents the total number of enterprises obtained by grouping observed manufacturing establishments by the enterprise to which they belong.

(3) Industrial classification of enterprises

i. The industrial classification of a single-establishment enterprise is based on the value of manufactured goods shipments of the establishment, i.e., enterprise.

ii. The industrial classification of a multi-establishment enterprise is based on its major manufacturing activities identified by aggregating the value of manufactured goods shipments by commodity produced by comprising establishments.

(4) The legal status are grouped into "companies," "cooperatives and other incorporated entities," and "individual proprietorships. "

i. Companies refer to entities which operate businesses with the juridical person status pursuant to the provisions of laws - e.g. a joint-stock company (a limited company is included), a merger company, a limited partnership, and a general partnership.

ii. Cooperatives and entities other than "company" (hereafter, other corporations) refer to cooperatives pursuant to the provisions of laws, and incorporated companies except for those stated in i..

iii. Individual proprietorships refer to those who operate businesses as an unincorporated enterprise. Those who operate partnership businesses are also classified into individual proprietorships, if they are not juridical persons.

(5) Capital or investment refers to the amount of paid-up capital or investment as of December 31, 2014.

### **2. Notes for Data Users**

Users should note the following based on the fact that data in this Report were obtained by recompiling, by enterprise, findings on items surveyed for each establishment through the Census of Manufacture.

(1) Industrial classification of establishment belonging to non-manufacturing enterprises is determined based on the value of manufactured goods shipments to identify the manufacturing establishment as one enterprise.

(2) In the Report by Industry, data is compiled by industry of establishments, whose industrial classifications are determined according to their major manufacturing activities. Whereas, the Report by Enterprise provides the data by industry of enterprises, whose activities are shown by consolidating data of establishments under them. Then, the industrial classifications of these enterprises are determined based on the consolidated major activities. As a consequence, there are discrepancies in the data on the same industry between the Report by Enterprise and the Report by Industry.

### **3. Definition of Variables**

(1) Number of establishments

The 2014 Census provides the number of establishments as of December 31, 2014.

These establishments are defined as a factory, works or plant, etc., mainly engaged in the manufacture or processing of industrial products at a single location.

(2) Number of persons employed

The 2014 Census provides the number of persons employed as a total number of "sole proprietors and unpaid family workers," "regular workers" as of December 31, 2014. It excludes temporary workers.

- i. "Sole proprietors and unpaid family workers" are defined as working proprietors and their families working full time for them without remuneration. Accordingly, inactive proprietors and families providing no more than casual help are not included in this definition.
- ii. "Regular workers" are classified into "full-time workers," "part-time workers" and "workers supplied by other companies," and are those who fall either one of the following categories:
  - a. those who are employed for an indefinite-period or for longer than a month,
  - b. those who 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. those who are supplied by employment agencies, and are leased workers from a parent company, to whom the same rules as mentioned above a. and b. are applicable,
  - d. those who work full time and receive monthly remuneration as directors, executives, etc., and
  - e. those who are full-time family workers and receive monthly salaries or wages for work performed.
    - a) "Full-time workers" are employed workers who are generally called "regular employees" or "regular officials" excluding those who are dispatched to other companies.
    - b) "Part-time workers" are those who are generally called "part-time workers," or the like.
    - c) "Workers supplied by other companies" are those who are leased or supplied by other companies, or employment agencies.
- iii. "Temporary workers" refer to persons other than regular workers, and who are employed on agreements shorter than a month or on daily agreements.

(3) Total cash wages and salaries

Total cash wages and salaries is defined as the total amount of basic wages, basic allowances, special allowances (year-end bonus, etc.) paid to employees among regular workers, i.e. full-time workers and part-time workers, and other allowances during 2014.

Other allowances include retirement allowances and discharged allowances for employees, payments to workers dispatched from other companies, wages for temporary workers, and payments to workers dispatched to other companies, etc.

(4) Cost 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, expenses related to outsourcing of support functions and purchases of goods for resale during 2014, including consumption tax.

- i. "The cost of raw materials consumed" represents the total consumption of 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.
- ii. "The cost of electricity consumed" represents total payments for power supply by vendors, excluding private power generation.
- iii. "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.
- iv. "The expenses related to outsourcing of support functions" include payment regarding services such as repair/inspection/maintenance of production equipment, operation of machinery/equipment, and development of software that will be embedded in the products.
- v. "The purchases of goods for resale" are the amounts of purchases of goods which the establishment resold in the same condition as received during the reference period.

(5) Value of manufactured goods shipments

The value of manufactured goods shipments is defined as the total value of annual income in 2014 from manufactured goods shipments, receipts for production done to others, shipments for scraps and salable refuse, and other revenue, including internal tax on consumption and consumption tax.

- i. "Manufactured goods shipments" refers to the case where products manufactured by an establishment using its own raw materials (including products transformed by others on material-supplied subcontract) are shipped by the establishment in 2014, including the following:
  - a. Products transferred to other establishments of the same enterprise,
  - b. Consumption of own production (consumed as final products by the establishment itself), and
  - c. Shipped on consigned sales (including those shipped but unsold, but excluding those returned in 2014).
- ii. "Receipts for production done for others" represents payments received and/or receivable against production activities such as processing, transforming, assembling or fabricating of principal-owned materials as ordered during 2014.
- iii. "Other revenue" refers to receipts other than i., ii. And shipments for scraps and salable refuse, including the value of sale of goods purchased/received for resale in the same condition as received, receipt for maintenance service, receipt for cold storage, and sale of privately-generated surplus power.

(6) The value of tangible fixed assets (establishments with 30 or more employees) is based on the book value effective in 2014.

- i. "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.
- ii. "The value of increase in the construction process accounts" represents the amount debited to this account and "The value of decrease" represents amount transferred from this account to others.
- iii. "The value of disposal of tangible fixed assets" represents the value of tangible fixed assets sold, removed, lost or transferred to other establishments that belong to the same enterprise.
- iv. Value of investment of tangible fixed assets = Value of acquisition + Increase or decrease during the year of temporary construction account (amount increased - amount decreased)

(7) Gross value added is calculated as follows:

Formula:

Gross value added =

Value of manufactured goods shipments - (Internal tax on consumption + Estimated general consumption tax)  
- Cost of raw materials, fuels and electricity consumed, and subcontracting expenses for consigned production

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

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

#### **4. Representation**

- (1) The statistical table, [1. (7) Number of Manufacturing Establishments by Enterprise], shows the number of enterprises and their affiliated establishments by industry.

#### **5. Symbols and notes**

- (1) Symbols used in this report are as follows:

[-]: no relevant value

[0]: fractions of a unit rounded off

[▲]: negative figures

The symbol [X] represents confidential. When the number of respondent establishment(s) is either one or two, the data are suppressed. Some other data may be suppressed even the number of respondents is three or more, when

there is a risk of the disclosure of individual information. However, the number of persons employed was no longer suppressed after August, 2005.

- (2) The unit of value is millions of yen, and fractions less than unit are rounded off.  
Component ratios are cut off to the nearest thousandth.

### **III Special instructions**

1. **Any person who intends to release these figures in other publications should state the source of information as follows:**

**The Census of Manufacture (2014 edition) compiled by the Research and Statistics Department, Minister's Secretariat, Ministry of Economy, Trade and Industry.**

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

**Structural Statistics Office, Research and Statistics Department,  
Minister's Secretariat, Ministry of Economy, Trade and Industry.**

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