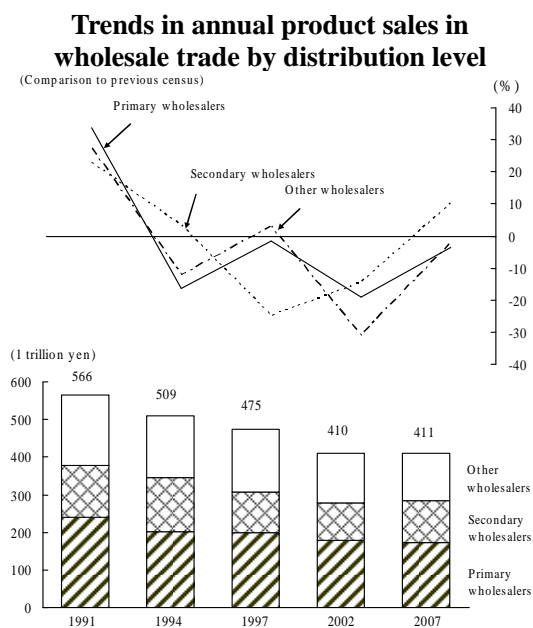
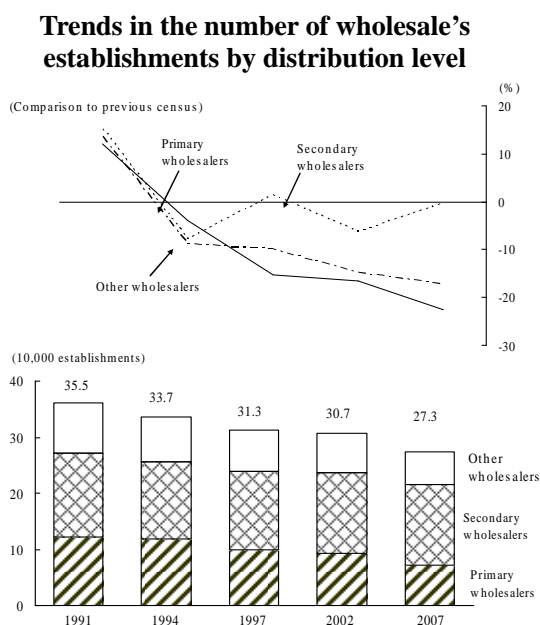


2007 Census of Commerce: Results by Distribution Channel (Wholesale Trade)

Annual product sales increase “Final wholesalers” of distribution levels and “Wholesalers selling goods to the main and branch offices within their own company” and the rest



(Note) Since the censuses in 1999 and 2004 were simple surveys, “Results by Distribution Channel” were not created in these years. Accordingly, the comparison to the previous survey for 2002 is the comparison in relation to 1997. Incidentally, the survey for 1999 had picked up establishments and added to in the number of establishments. Therefore, comparisons to previous figures were calculated in the light of the time series.

1. Conditions of wholesale trade (corporations)

- (1) The number of establishments was 273,406, representing 10.9% decline as compared to the previous census (2002) and decreased for the fourth consecutive census since the 1994 census. By distribution level, “Secondary wholesalers (main product sources are wholesalers)” made up 143,693 establishments. The percentage of establishments rated as “Secondary wholesalers” was 52.6% (accounting for the majority of the number of wholesale establishments) and the highest. “Primary wholesalers” (main product sources are producers or overseas) were 71,802 establishments and 26.3% of the total. “Other wholesalers (main product sources are the main and branch offices within company)” were 57,911 establishments and 21.2% of the total.
- (2) Annual product sales were 411.1744 trillion yen, 0.2% increase as compared to the previous census and increased for the first time in four censuses. By distribution channel, annual product sales of “Primary wholesalers” were 172.28 trillion yen, accounting for 41.9% of wholesale establishments. Annual product sales of “Secondary wholesalers” were 110.9469 trillion yen (27.0% in terms of the composition ratio) and “Those of other wholesalers” were 127.9475 trillion yen (31.1% in terms of the composition ratio).
- (3) The number of employees was 3,358,579 persons and decreased 11.4% as compared to the previous census and continued decreasing. By distribution level, the number of employees for “Primary wholesalers” was 1,050,753 persons and 31.3% of the total, “Secondary wholesalers” was 1,455,951 and 43.4% of the total, and “Other wholesalers” was 851,875 and 25.4% of the total.

In the Census of Commerce that was conducted on June 1, 2007, Results by Distribution Channel were recounted about establishments of incorporated organizations engaged in wholesale trade by distribution channel. Incidentally, in the total number of wholesale establishments (334,799 establishments), the ratio incorporated organizations accounted for 81.7% and 99.4% of total annual product sales.

Number of establishments, annual product sales, and number of employees in wholesale trade by distribution level

Distribution level	Number of establishments				Annual product sales (1 million yen)				Number of persons engaged (persons)			
	2002	2007	Composition ratio (%) 2007	Comparison (%) 2007/2002	2002	2007	Composition ratio (%) 2007	Comparison (%) 2007/2002	2002	2007	Composition ratio (%) 2007	Comparison (%) 2007/2002
	Total wholesale sector	306,904	273,406	100.0	-10.9	410,203,841	411,174,396	100.0	0.2	3,792,641	3,358,579	100.0
I. Total primary wholesalers	92,745	71,802	26.3	-22.6	178,461,186	172,280,009	41.9	-3.5	1,338,581	1,050,753	31.3	-21.5
Total direct trade wholesalers	62,311	47,630	17.4	-23.6	127,704,077	129,237,641	31.4	1.2	920,796	731,975	21.8	-20.5
Total source wholesalers	30,434	24,172	8.8	-20.6	50,757,109	43,042,367	10.5	-15.2	417,785	318,778	9.5	-23.7
II. Total secondary wholesalers	144,221	143,693	52.6	-0.4	100,758,257	110,946,851	27.0	10.1	1,451,654	1,455,951	43.4	0.3
Total intermediate wholesalers	43,468	43,174	15.8	-0.7	38,705,864	38,112,588	9.3	-1.5	446,784	440,715	13.1	-1.4
Total final wholesalers	100,753	100,519	36.8	-0.2	62,052,392	72,834,263	17.7	17.4	1,004,870	1,015,236	30.2	1.0
III. Other wholesalers	69,938	57,911	21.2	-17.2	130,984,398	127,947,537	31.1	-2.3	1,002,406	851,875	25.4	-15.0
Wholesalers selling goods to their own company	1,772	1,610	0.6	-9.1	9,539,361	18,912,117	4.6	98.3	55,245	84,823	2.5	53.5
Wholesalers purchasing goods from their own company	67,475	55,932	20.5	-17.1	121,312,802	108,968,127	26.5	-10.2	939,760	762,637	22.7	-18.8
Wholesalers selling goods manufactured in their own establishments	691	369	0.1	-46.6	132,235	67,293	0.0	-49.1	7,401	4,415	0.1	-40.3

2. Wholesale trade by distribution channel (corporations)

(1) Trends of primary wholesalers

- The number of establishments decreased by 22.6% as compared to the previous census, annual product sales decreased by 3.5% id. , the number of employees decreased by 21.5% id. . The all aspects decreased.

1) Number of establishments

- “Direct trade wholesalers”, which accounted for about 70% of “Primary wholesalers (purchasing goods from producers or overseas and selling them to consumers other than wholesale retailers)” decreased by 23.6% as compared to the previous census and “Source wholesalers (purchasing goods from producers and overseas and selling them to wholesalers)” decreased by 20.6% id.
- The largest contribution of decreasing was the channel of purchasing goods from producers and selling them to retailers and users for industry.
- When dividing suppliers based on domestic trade and overseas trade, “Wholesalers of domestic purchases (purchasing goods from producers)”, which accounted for 80% of “Primary wholesalers”, decreased by 26.0% as compared to the previous census. On the other hand, “Wholesalers purchasing goods from overseas (importing) increase by 4.4% and showed continuous doing as compared to the previous census, despite having a small number of establishments.

2) Annual product sales

- “Direct trade wholesalers”, which accounted for 70% of “Primary wholesalers”, increased by 1.2% as compared to the previous census, while Source wholesalers decreased by 15.2% id.
- The largest contribution of decreasing was the channel of purchasing goods from producers and selling them to users for industry.
- When dividing suppliers based on domestic trade and overseas trade, “Wholesalers of domestic purchases”, which accounted for 80% of “Primary wholesalers”, decreased by 11.9% as compared to the previous census, due to decreases in sales to hefty weight users for industry and all that. “Wholesalers purchasing from overseas” increased significantly by 86.1% id., due to increases in sales to “Users for industry” and “Retailers”.

3) Number of employees

- With regard to “Primary wholesalers”, both “Direct trade wholesalers” and “Source wholesalers” were continuous decreasing, as “Direct trade wholesalers” decreased by 20.5% as compared to the previous census, and “Source wholesalers” decreased by 23.7% id.
- As with the number of establishments the largest contribution of decreasing, the channels purchasing goods from producers and selling them to users of industry and overseas.

(2) Trends in secondary wholesalers

- The number of establishments decreased by 0.4% as compared to the previous census, annual product sales increased by 10.1% id. , and the number of employees increased by 0.3% id.

1) Number of establishments

- The number of establishments of “Final wholesalers (mainly purchasing goods from wholesalers and selling them to consumers except wholesalers)”, which are responsible for the last distribution level (accounted for 70.0% of secondary wholesalers) decreased by 0.2% as compared to the previous census and “Intermediate wholesalers (mainly purchasing goods from wholesalers and selling them to wholesalers) decreased by 0.7% id.

- The largest contribution of decreasing purchasing goods from wholesalers and selling them to retailers and users for industry.

2) Annual product sales

- Annual product sales of “ Final wholesalers ” , which accounted for 60% of “ Secondary wholesalers ” , increased by 17.4% as compared to the previous census and was the channel “ Intermediate wholesalers ” decreased by 1.5% id.
- The largest contribution of increasing purchasing goods from wholesalers and selling them to users for industry and retailers.

3) Number of employees

- The number of employees of “ Final wholesalers ” , which accounted for nearly 70% the number of employees of “ Secondary wholesalers ” , increased by 1.0% as compared to the previous census and intermediate wholesalers decreased by 1.4% id.
- The largest contribution of increasing was the channel purchasing goods from wholesalers and selling them to retailers and users for industry.

(3) Trends of other wholesalers

- The number of establishments decreased by 17.2% compared to the previous census, annual product sales decreased by 2.3% id. , the number of employees decreased by 15.0% id. . All the aspects were decreasing.

1) Number of establishments

- “ Wholesalers purchasing goods from the main and branch offices within their own company” accounted for 96% of the number of establishments of “Other wholesalers”.
- Compared to the previous census, the number of establishments of “Wholesalers purchasing goods from their own company” decreased by 17.1%, “Wholesalers selling goods to the main and branch offices within their own company” and “Wholesalers purchasing goods manufactured in their own establishments” decreased as well. All the aspects were decreasing.
- The largest contribution of decreasing was the channel which was purchasing goods from the main and branch offices within their own company and selling them to retailers and users for industry.

2) Annual product sales

- “ Wholesalers purchasing goods from the main and branch offices their own company” accounted for 85% of annual product sales of “Other wholesalers”.
- Compared to the previous census, annual product sales of “Wholesalers purchasing goods from the main and branch offices within their own company” decreased by 10.2% and “Wholesalers purchasing goods manufactured in their own establishments” decreased by 49.1% but annual product sales of “Wholesalers selling goods to the main and branch offices within their own company” increased.
- The largest contribution of decreasing was the channel purchasing goods from the main and branch offices within their own company and selling them to retailers and wholesalers.

3) Number of employees

- “ Wholesalers purchasing goods from the main and branch offices within their own company ” accounted for approximately 90% of the number of employees of other wholesalers.
- Compared to the previous census, “ Wholesalers purchasing goods from their own company ” decreased by 18.8%, “ Wholesalers selling goods manufactured in their own establishments ” also decreased, but “ Wholesalers selling goods to the main and branch offices within their own company ” increased.
- The channel largest contribution of decreasing was the channel purchasing goods from their own company and selling them to retailers and wholesalers.

3. Wholesaler trade by stratum of number of employees (corporations)

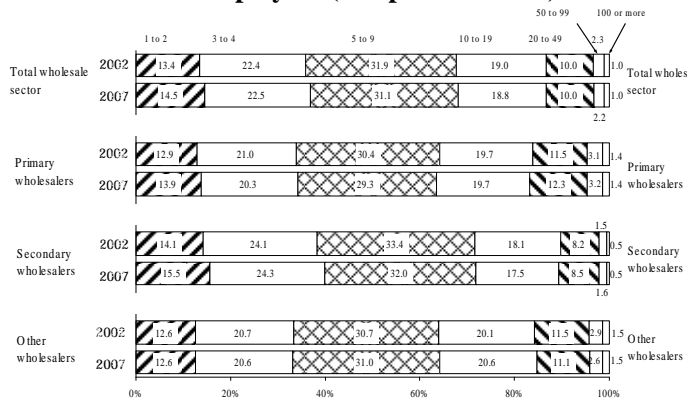
(1) Number of employees

- Looking at the number of establishments by stratum of number of employees according to the distribution level, there establishments where the stratum of number of employees was less than 10 people accounted for more than 60% of the total number of establishments for “ Primary wholesalers ” , “ Secondary wholesalers ” and “ Other wholesalers ” . In particular, there establishments where the stratum of number of employees was less than 10 people was 71.8% of the total number of establishments for “ Secondary wholesalers ” . The ratio was high.

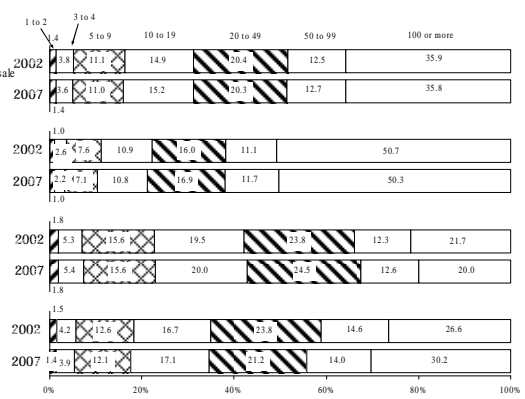
(2) Annual product sales

- Looking at annual product sales by stratum of number of employees according to the distribution level, annual product sales for establishments with more than 100 employees was 35.8% and accounted for more than one-third of the total . In particular, “ Primary wholesalers ” with more than 100 employees was 50.3% and accounted for more than 50% of the total. Annual product sales of establishments with less than 10 employees, which accounted for more than 60% of the total number of establishments, only accounted for 16.0% of the total.

Number of establishments by stratum of number employees (composition ratio)



Annual product sales by stratum of number of employees (composition ratio)



Reference: Relationships between distribution channels and distribution levels

