

## Directions

The Census of Commerce (hereafter referred to as the Census ) represents “designated statistical survey” (Designated Statistics No.23) based on the Statistics Law (Law No.18 of 1947) and is implemented according to the Regulations for the Census of Commerce (Ordinance No.60 of the Ministry of International Trade and Industry of 1952). The Census has been conducted every 5 years since 1997, and intermediate simplified surveys (2 years after the Census) have also been conducted.

This Report by Distribution Route is constructed from the results of the Census conducted on June 1, 2007, by re-totaling the establishments of wholesale incorporated bodies ( Establishments did not ship "annual sales of goods" will be except the commercial survey as who is classified "Agent and Brokers").

The percentage among the overall wholesale establishments (334,799 establishments) was 81.7% in terms of the number of establishments and 99.4% in terms of annual sales of goods.

### 1. Classifying of distribution routes and distribution levels

The distribution routes of individual establishments are classified based on the supplier and the purchaser accounting for the largest percentages in the “Proportion of annual purchase of goods by supplier” and the “Proportion of wholesale sales (included in the annual sales of goods) by purchaser.”

The relations between distribution routes and distribution levels are as shown in Annex 1.

### 2. Aggregation method

#### (1) Aggregate number of establishments

When a single establishment has multiple suppliers and/or purchasers, the total number of establishments by supplier and that by purchaser will be the cumulative total (i.e., such an establishment is counted for the respective suppliers and purchasers).

#### (2) Annual purchase and sales of goods

##### 1) Annual purchase of goods by supplier

Since the annual purchase of goods by supplier is not surveyed for each establishment, the amount is obtained by multiplying the survey item “7(1) Annual sales of goods (consumption tax included)” by “16. Proportion of annual purchase of goods by supplier”.

$$\begin{aligned} & \text{Annual purchase of goods by supplier} \\ & = \text{Proportion of annual purchase of goods by supplier} * \text{Annual sales of goods} \\ & \hspace{15em} (\text{consumption tax included}) \end{aligned}$$

##### 2) Annual sales of goods by purchaser

Since the annual sales of goods by purchaser is not surveyed for each establishment, the amount is obtained by multiplying the value of total wholesale sales included in the survey item “7(1) Annual sales of goods

(consumption tax included)” by “17. Proportion of total annual wholesales by purchaser”.

Annual sales of goods by purchaser

= Proportion of total annual wholesales by purchaser \* Total wholesale sales included in annual sales of goods

Annual sales of goods by purchaser (to consumers)

= Total retail sales included in annual sales of goods of wholesale establishments

### **3. Explanation of terms**

#### **(1) Establishments (commercial establishment)**

“Establishments” are establishments that purchase and sell tangible goods at a fixed location (occupying a single lot), generally called wholesalers and retailers.

#### **(2) Wholesale trade**

Establishments engaged in the following are classified as wholesalers:

- 1) Selling commodities to retailer or other wholesalers.
- 2) Selling a massive amount or large sum of commodities for business use to industrial users (construction, manufacturer, transport, eating and drinking places, hotels, hospitals, schools, government and public service corporations etc.).
- 3) Selling commodities mainly used for business use (office machinery, apparatus and furniture, equipment for hospitals/beauty shops/restaurants/hotels, industrial machinery (except agricultural equipment), construction material (lumber, cement, plate glass, tile etc.)).
- 4) Establishments belonging to companies engaged in manufacturing for selling their own products (except those establishments mainly engaged in management).

For example, when a company which manufactures electrical household appliances, and has a branch in other places than the manufacturing factory for selling its own products to wholesalers and retailers, this branch is classified as “Wholesaler.”

- 5) Establishments engaged in wholesales of commodities as well as repairing commodities of the same kind. Even in cases where the income from repair fees exceeds that of sales of the same kind, these establishments will be classified as “Wholesale trade” instead of “Repair Service Shop.”

#### **(3) Employees**

Number of employees who are engaged in the establishments as of June 1, 2007. The number of employees is the total of “sole proprietors,” “unpaid family workers,” “paid officers,” and “regular employees.”

- 1) “Sole proprietor” is the proprietor of a private business who is engaged in the actual operations of his/her establishment.
- 2) “Unpaid family workers” are those who are regularly involved in the business without being paid for.
- 3) “Paid officers” are those executives of enterprises being paid for regardless of providing full-time or part-time service.

4) “Regular employees” are those usually called “full-timers,” or “part-timers” which come under either of the following:

- (a) Persons employed on the indefinite labor contract
- (b) Persons employed on the longer than-a-month labor contract
- (c) Persons other than (a) or (b) who have been employed for 18 days or longer per month for both April and May 2007

**(4) Annual sales of goods**

Annual sales of goods means the annual sales amount of tangible goods (consumption tax included) for the period of April 1, 2006 to March 31, 2007

**(5) Value of goods in stock**

Value of goods in stock is the total value (cost of purchase) of all the inventory held for sales purposes as of March 31, 2007.

**(6) Annual purchase of goods (Incorporated establishments only)**

Annual purchase of goods means the amount of goods purchased by all commercial establishments of the enterprise during the period between April 1, 2006 to March 31, 2007, therefore, omitting the amount of transfers between the head office and branches. However, the amount imported from overseas branches has been included.

**(7) Suppliers**

1) Transfer between head office and branches

Transfers between own head and branch offices, transfers among branches, or book transfers of goods between own factories in different locations.

2) Manufacturing in own establishment

When goods are manufactured at the place where the establishment intends to retail goods.

3) Producers

(a) Parent company

When an establishment directly purchases goods from a manufacturer, which holds over 50% of its own stocks, or the equity participation rates to capital are over 50%.

(b) Other producers

An establishment directly purchases goods from manufacturers except (a).

4) Wholesalers and others

When an establishment purchases goods from wholesalers or retailers of another companies and from sales establishments such as branch offices of manufacturers. Purchase of used goods and scraps is included.

5) Overseas (Direct import)

When an establishment clears customs using its own names and directly imports goods from abroad.

**(8) Purchasers**

1) Transfers between head office and branches

Transfers between own head and branch offices, transfers among branches or book transfers of goods between own factories in different locations.

2) Wholesalers

When an establishment sells goods to other wholesalers.

3) Retailers

When an establishment sells goods to retailers.

4) Users for industry and others

When an establishment sells goods to industrial users (construction, manufacturing, transportation, drinking and eating places, hotels, hospitals, schools and public services etc.)

5) Overseas (Direct export)

When an establishment clears customs using its own names and directly exports goods abroad.

**4. Industrial classification**

The industrial classification in the statistical tables conforms to that for wholesale trade under the Japan Standard Industrial Classification (See Annex 2 “Industrial Classification of Wholesale Trade”).

**5. Collection**

The response rates are as follows.

Number of surveyed establishments	Number of establishments that submitted responses	Response rate ( % )	Number of establishments that gave valid responses	Wholesale and Retail establishments
1,550,196	1,494,535	96.4	1,478,259	1,472,658

Note1: The number of surveyed establishments, the number of establishments that submitted responses and the number of establishments that gave valid responses do not include the number of establishments that have closed, altered or suspended their business.

Note2: The response rate = Number of establishment that submitted responses / Number of surveyed establishments

Note 3: The difference between the number of establishments that submitted responses and the number of establishments that gave valid responses is the number of establishments whose responses were invalid.

Note4: Number of establishments that gave valid responses includes head offices or headquarters only involved in managerial services.

## 6. Others

- (1) Since the 2004 Census was a simplified survey, Report by Distribution Route was not created for that year. Accordingly, the comparisons with the previous data in the 2007 version are comparisons with the data for 2002.
- (2) The “ - “ figure in the table indicates that there is no relevant figure, “0” and “0.0” that the figures are less than the minimum unit of description, “▲” indicates negative figures. “x” indicates that the figures gained for the item are for 1 or 2 establishments, and that the reporter determines that confidentiality may be obstructed by the announcement of the figures, however, even when the figures are gained for more than 3 establishments, when it is apparent that confidentiality will be obstructed by the announcement of the figures, they may be restricted.
- (3) The totals may not necessarily agree with those obtained by adding up the actual figures due to rounding.
- (4) The 2002 Census has not been implemented for Miyake village Tokyo due to volcanic activities, therefore, the figures (number of establishments, number of employees, total sales during the year) of 2002 do not include the figures for this area.
- (5) When reprinting the figures given in this Report, the source must be clarified as “Report by Distribution Route (Wholesalers), 2007 Census of Commerce, Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.”

## 7. Reference

Contact below for any inquiries in respect of the Census.

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The major contents of this text may also be found in the homepage of the Ministry of Economy, Trade and Industry.

**URL for access to statistics** <http://www.meti.go.jp/english/statistics/>