

## General Information

The Report by Enterprise of the Census of Manufacture 2007 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 intended to provide detailed figures on the current developments in Japan's manufacturing industry.

#### 2. Legal Framework

The Census represents a 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. Reference Period

The reference period of the 2007 Census is calendar year 2007 (as of December 31, 2007).

#### 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 the Ministry of Internal Affairs and Communications). The Census is conducted on all establishments in years ending with 0, 3, 5 and 8 of the calendar year. For other years the Census covers establishments with four or more employees.

#### 5. Forms

Questionnaires are distributed to establishments by enumerators, except for cases with enterprises with branches, of which questionnaires are sent to the enterprise headquarters by the Minister 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 not directly engaged 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 2007 Census compiles its findings by "industry," "commodity," "city, town and village," "industrial district," "industrial site and water," and by "**enterprise**."

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

The Report by Industry, with regard to establishments with four or more employees, classifies establishments by the Standard Industrial Classification for Japan according to their principal activities and tallies up major items surveyed by industry.

The Report by Commodity covers detailed figures on goods manufactured/processed by establishments with four or more employees on a commodity basis.

The Report by City, Town and Village shows findings with regard to establishments with 4 or more employees by city, town and village, whereas the Report by Industrial District shows findings by prefecture and by industrial district.

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

#### 7. Revision of the Data Items

For the purpose of figuring out the current status of the manufacturing industries more precisely, from the 2007

Census, the whole activities of the establishments were covered so that activities other than manufacturing could also be reported. Specifically, subset data items such as "other revenue," and "expenses related to outsourcing of support functions" and "purchases of goods for resale," were newly included in "value of manufactured goods shipments," and "cost of raw materials consumed" respectively. Subsequently, the calculation of the "value of production" was changed. As a consequence, the data on "value of manufactured good shipments," "cost of raw materials consumed," "value of production" and "value added" are inconsistent with those of the previous year's.

## 8. 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 Manufactures	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) The following is a list of products as mentioned elsewhere in Division 19 "plastic product manufacturing industry (except for mentioned elsewhere)"

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

## 9. Criteria for Classification of Establishments

Establishments are classified by industry with the following criteria.

### (1) Common method

- 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.
- 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 23 "Manufacture of

iron and steel" including "Iron industries, with blast furnaces," "Steel manufacture, 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," and "Miscellaneous steel materials, except made by smelting furnaces and steel works with rolling facilities, except coated steel."

## **II Report by Enterprise of the 2007 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, based on the following i. and ii..
  - i. Single-establishment enterprises.
  - ii. Multi-establishment enterprises.
- (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, a general partnership, and a limited 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, 2007.

### **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 2007 Census provides the number of establishments as of December 31, 2007.  
The establishment is 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 2007 Census provides the number of persons employed as a total number of "sole proprietors and unpaid family workers," and "regular workers" as of December 31, 2007. 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) Value of total cash wages and salaries

The value of 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 2007.

Other allowances include retirement allowances and discharge 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, subcontracting expenses for production outsourcing, expenses related to outsourcing of support functions and purchases of goods for resale during 2007, 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 production outsourcing" 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 2007 from manufactured goods shipments, receipts for production done to others, 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 2007, 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 2007).
- 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 2007.
  - iii. " Other revenue" refers to receipts other than i. and ii., 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 2007.

- 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, apparatus, fixtures and furniture with a durable life of a year or longer, etc.

In Census years ending with 0 or 5, subset data on new assets of tangible assets excluding land are available.

- ii. "The value of increase in the construction process account" represents the amount debited to this account and "The value of decrease" represents the 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 construction in process account (amount increased - amount decreased)

(7) Gross value added is calculated as follows:

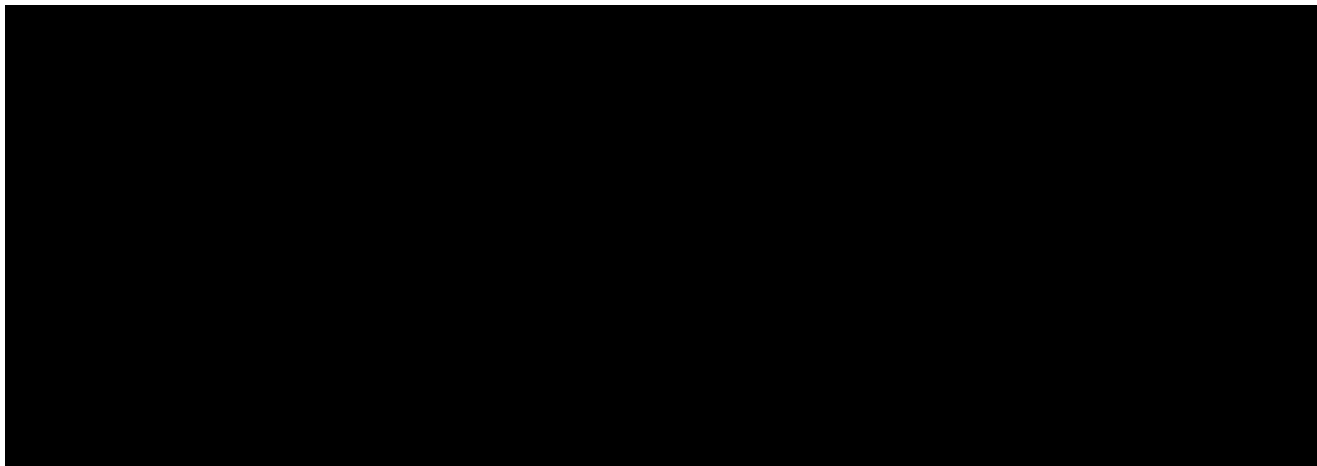
Formula: Gross value added = value of manufactured goods shipments - (internal tax on consumption + estimated consumption tax) - cost of raw materials, fuels and electricity consumed, and subcontracting expenses for production outsourcing

- \*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.

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

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



#### 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 [ ] 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 employees 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. In case of using the time-series data, it should be noted that the list of establishments for the 2007 Census was reviewed in comparison with the list of manufacturing establishments for the Establishment and Enterprise Census.
2. The 2004 Census did not cover three municipalities in Niigata Prefecture, namely, Tokamachi city, Yamakoshi village and Kawaguchi town due to the Mid Niigata Prefecture Earthquake in 2004.
3. There had been no target population in Miyake Island, Tokyo Prefecture, during the reference years from 2000 to 2004 due to the complete evacuation caused by volcanic eruption.
4. Any person who intends to release these figures in other publications should state the source of information as follows:

**The Census of Manufacture (2007 edition) compiled by the Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.**

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

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