

## Directions

### I Census of Manufactures

#### 1. Purpose of the Census

The Census of Manufactures (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 Manufactures (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 Manufactures 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.

### II Report by Respective Industry (4-digit industrial subclassification) of the 2006 Census

#### 1. Tabulation of Report by Respective Industry (4-digit industrial subclassification)

The Report by Respective Industry (4-digit industrial subclassification) tallies up findings in the Census of Manufactures Form A and B of the 2006 Census of establishments with 4 or more employees.

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

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

### 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 digit of the six-digit 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-digit number (major group) are compared, and final two-digit major group classification is collectively represented by the product registering the largest shipment value. Then, three-digit group and four-digit industry classifications are determined in the same way as for two-digit 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) Value of total cash wages and salaries

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

Other allowances include retirement allowances and severance pay on advance notice to employees in regular workers, and payments to workers dispatched from other companies, and wages paid to casual or daily hires, etc.

(4) 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.

(5) 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.

- (6) 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.
- (7) 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:

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

"The value of a increase in the Temporary construction accounts" represents amount debited to this account and "The value of a 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:

- 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.
- Increase or decrease during the year of Temporary construction accounts = Value of increase - Value of decrease
- Value of investment = Value of acquisition + Increase or decrease during the year of Temporary construction accounts

- (8) Value of production

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)

An establishment with 30 or more employees

The value of production is calculated based on the above formula.

An establishment with 29 or fewer employees

The value of production is not applicable to establishments employing 29 or fewer employees since they were not surveyed for inventories. Value of production substituted by value of manufactured goods shipments

- (9) 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 29 or fewer 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.

(10) Refer to the annexed Census of Manufactures Forms for details.

## 5. Regional Table

Regional Bureau of Economy, Trade and Industry, used in respective industrial edition follows next.

Hokkaido Bureau of Economy, Trade and Industry: Hokkaido

Tohoku Bureau of Economy, Trade and Industry: Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima Prefecture

Kanto Bureau of Economy, Trade and Industry: Ibaraki, Tochigi, Gunma, Saitama, and Chiba Prefecture, Tokyo Metropolis, Kanagawa, Niigata, Yamanashi, Nagano, and Shizuoka Prefecture

Chubu Bureau of Economy, Trade and Industry: Toyama, Ishikawa, Gifu, Aichi, and Mie Prefecture

Kansai Bureau of Economy, Trade and Industry: Fukui, Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama Prefecture

Chugoku Bureau of Economy, Trade and Industry: Tottori, Shimane, Okayama, Hiroshima, and Yamaguchi Prefecture

Shikoku Bureau of Economy, Trade and Industry: Tokushima, Kagawa, Ehime, and Kochi Prefecture

Kyusyu Bureau of Economy, Trade and Industry: Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, and Kagoshima Prefecture

Okinawa Department of Economy, Trade and Industry: Okinawa Prefecture

## 6. 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 excluding number of employees 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.
- (2) Values are represented in ten thousands of yen and fractions less than a unit were rounded off.

## III Special Instructions

1. The 2004 Census ruled out Tookamachi city, Yamakoshi village and Kawaguchi town by The Mid Niigata prefecture Earthquake in 2004.
2. 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.
3. Any person who intends to release these figures in other publications should state the source of information as follows:

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

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

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

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