

Division J – WHOLESALE AND RETAIL TRADE

Overview of the Division

This Division comprises, in principle, establishments engaged in purchasing and selling tangible goods.

A simple processing (such as simple packing, washing, selecting, etc.) and fixing and/or repairs incidental to sales operations are included in this Division.

WHOLESALE TRADE

1. “WHOLESALE TRADE” includes the establishments primarily engaged in the following operations.

- (1) Sales of goods to “Retail Trade” or other “Wholesale Trade.”
- (2) Sales of goods in bulk or in a large amount to industrial users in “CONSTRUCTION,” “MANUFACTURING,” “TRANSPORT,” “EATING AND DRINKING PLACES,” “ACCOMMODATIONS,” hospitals, schools, government and public organizations.
- (3) Sales of goods primarily for business use – the goods such as office machines and equipment, facilities used in hospitals, beauty salons, restaurants and hotels, and industrial machinery (excluding agricultural machines or equipment), as well as construction materials (lumber, cement, sheet glasses, roofing tiles, etc.)
- (4) Wholesale of own goods that a company in “MANUFACTURING” has produced at a separate place under its own management. (Establishments primarily engaged in overall control of management affairs are excluded.)
- (5) Sales of goods on behalf of other establishments, or acting as an intermediary for sales of goods

2. Classification of establishments by business status

Business status of establishments as referred to in this Division is as follows.

- (1) Wholesale Trade (wholesalers, large-lot suppliers for industrial users, trading companies primarily engaged in wholesale trade, hedging traders, brokers, agricultural products collecting agencies, sales offices of manufacturing companies, foreign trade companies, etc.)
- (2) Manufacturing-wholesale Trade (where the establishment does not manufacture, but furnishes a subcontracted factory or the like with materials that it owns, has the goods manufactured by the factory and sells them in its own name.)
- (3) Agents, brokers, commission merchants

Wholesalers falling under Major groups 49 to 54 are the establishments primarily engaged in the purchase and sales of goods.

The agents and brokers falling under Industry item 5497 are primarily engaged in the purchase and sales of goods for other establishments in proxy or as brokers for a

commission. This type of establishments have no right of ownership to goods, and are generally not engaged in fixing prices, safekeeping nor transporting of goods.

3. Classification of establishments by type of operations

Wholesalers falling under Major groups 49 to 54 are classified by type of business according to the main goods they sell.

(Note): The term, "Manufacturing-wholesale trade" is generally used in contrast to "Manufacturing-retail trade." (See RETAIL TRADE 2. (2)). This means the wholesaling is conducted by manufacturers, therefore it should be distinctly separated from the "Purchasing-wholesale trade" referred to herein.)

RETAIL TRADE

1. "Retail Trade" includes the establishments primarily engaged in the following operations.

(1) Sales of goods to individuals or for household consumption.

(2) Sales of goods in small quantities or small amounts to industrial users.

"Retail trade" is usually classified by the main goods handled, or by a general designation such as haberdashery store, accessory and notions store, "Aramono" (kitchenware) store.

2. It should be noted that the following are classified under "Retail Trade."

(1) Establishments engaged in the sales of goods and the repair of the same type of goods are classified in the Division J – WHOLESALE AND RETAIL TRADE.

Establishments engaged exclusively in repairing are classified in the Division Q – SERVICES, N.E.C. [86, 87]. Changing parts for repair is not considered as sales.

(2) Manufacturing-retail trade

So-called manufacturing-retail trade where an establishment manufactures products and sells them on the spot to individuals or household consumers (often seen at confectioneries, bakeries, etc.) are not classified under "MANUFACTURING," but are classified in "Retail Trade."

(3) Gasoline service stations are classified in "Retail Trade."

(4) Peddling, traveling sales, street vendors, etc.

Many of these traders have no fixed or permanent establishment, but by the nature of transactions, they are classified in "Retail Trade."

(5) Stalls located in government and public organs, corporations, factories, organizations, theaters, amusement parks, etc. that are managed by these establishments are included in each of these establishments. However, if parties other than these establishments manage the stalls, they are classified under "Retail Trade" as separate and independent establishments.