# Definition of companies, SMEs in Aichi prefecture, and startups

### O Companies in Aichi Prefecture

A company that has a head office, R&D center, or manufacturing works in Aichi Prefecture.

### O Medium-sized companies

Under the Industrial Competitiveness Enhancement Act, companies and individuals with 2,000 or fewer employees, excluding SMEs.

## O SMEs

It is an organization of small and medium-sized enterprises (SMEs) as stipulated in Article 2 of the Basic Act on Small and Medium-sized Enterprises (Act No. 154 of 1963) (see the table below) or SMEs with legal personality. However, this excludes deemed large companies<sup>\*</sup>.

<Criteria applicable to SMEs>

Industries in which company operate as our main business	[Capital Standard] The amount of capital or Total amount of investment	[Employee Standards] Always use Number of Employees (Note)
Manufacturing, construction, transportation and other industries (other than those listed below)	300 million yen or less	Less than 300 people
Manufacture of rubber products (excluding automobile or aircraft tires and tubes, and industrial belts) )	300 million yen or less	Less than 900 people
Retail	50 million yen or less	50 people or less
Service industry (excluding the following three industries) )	50 million yen or less	Less than 100 people
Software and information processing services	300 million yen or less	Less than 300 people
Hotel business	50 million yen or less	Less than 200 people
Wholesale trade	100 million yen or less	Less than 100 people

Note: The number of full-time employees does not include employers, corporate officers, and temporary employees.

✗ Deemed large companies

A A legal entity in which more than one-half of the total number of outstanding shares or the amount of contributions belongs to the same large company

B A legal entity in which more than two-thirds of the total number of outstanding shares or contribution amount belongs to more than one large company

C A corporation in which one-half or more of the total number of directors is also an officer or employee of a large company.

D A corporation whose total number of issued shares or the total amount of the investment price is owned by a corporation that falls under any of the above (A) to (C) E A corporation in which a person who is also an officer or employee of a corporation that falls under (A) to (C) above accounts for all of the total number of directors.

The above "large company" refers to a person who operates a business other than SMEs as stipulated in the Basic Act on Small and Medium Enterprises.

#### O Startup

SMEs or sole proprietors who have been in business for less than 10 years, aiming for rapid growth through the use of cutting-edge technologies and new business models. However, only those that are certified as startups based on the business of public institutions are considered "startups" even if they are more than 10 years old.