Results of the "Survey on the Impact of COVID-19 on Enterprise Management"

(October 2020 Survey, First Aggregation)

While enterprises are continuing efforts to maintain employment, just under 20% of enterprises across all industries and over 40% of enterprises in the accommodations, eating and drinking services industry responded that difficulty maintaining existing levels of employment would arise within six months if the current business conditions should continue.

Enterprises' September figures for production, sales, etc. showed some improvement in comparison with May, but roughly 60% of enterprises saw a decline in comparison with the same month the previous year, indicating continuously harsh business conditions. (Figures 1, 2, and 3)

Comparison of enterprises' September figures for production, sales, etc. with those for May showed that while nearly half (46.5%) of all enterprises had seen increases, 22.3% of enterprises were still below their May levels (Figure 1). Comparison with the same month the previous year showed an increase for only 14.0% of enterprises, with 60.1% of enterprises still to return to the levels of the previous year (Figure 2). The leading factors behind this were "being subject to the voluntary restriction request due to the April-May state of emergency declaration, or its residual effect" (48.6%), followed by "clients being affected by COVID-19" (44.6%), and the "influence of decline in consumption and other forms of demand due to voluntary restrictions in public life" (43.8%) (Figure 3).

Figure 1. Changes in enterprises' production, sales, etc. (September compared to May 2020)

(%)

		n	Increased						Almost the same	Decreased					
				Around 10%	Around 20%	Around 30%	Around 40%	Around 50% or more			Around 10%	Around 20%	Around 30%	Around 40%	Around 50% or more
Total		1,591	46.5	13.3	9.7	8.0	2.6	11.2	31.1	22.3	7.5	5.8	3.6	0.5	3.7
Region	Hokkaido	65	46.7	8.2	8.1	10.1	6.0	14.2	30.7	22.7	6.1	10.3	4.2	0.1	0.0
	Tohoku and Kita-Kanto	217	51.1	14.8	12.1	8.1	2.0	11.4	32.1	16.8	6.0	3.4	3.4	0.0	4.0
	Minami-Kanto	483	43.0	12.4	7.1	8.0	2.3	11.9	32.5	24.6	8.3	6.0	2.7	1.6	5.3
	Hokuriku and Tokai	287	48.2	14.8	9.8	9.2	1.1	11.3	30.3	21.5	5.2	4.6	4.1	0.5	5.6
	Kinki	276	49.9	14.8	13.0	6.2	2.8	12.4	26.7	23.3	12.0	5.1	4.5	0.0	0.6
	Chugoku, Shikoku and Kyushu	263	43.2	12.0	8.8	8.1	3.8	8.8	33.1	23.7	6.2	8.1	3.8	0.0	3.1
Industry	Construction	235	46.6	10.6	11.4	9.2	2.9	11.2	31.9	21.5	6.1	3.4	4.0	0.9	5.2
	Manufacturing	473	47.2	13.0	10.4	8.5	3.5	9.6	29.6	23.2	7.6	7.4	4.0	0.4	3.4
	Transport	91	47.1	20.2	8.1	6.8	2.8	5.4	13.1	39.9	10.6	20.3	8.8	0.0	0.1
	Information and communications	76	31.4	11.0	7.9	4.1	2.0	6.4	58.6	10.0	2.2	4.6	0.0	0.0	3.2
	Wholesale trade	375	46.8	14.7	9.1	8.0	2.2	12.5	28.8	24.4	10.8	5.9	3.4	0.9	2.5
	Retail trade	58	64.4	14.0	9.5	12.8	2.9	20.8	12.4	23.2	0.2	3.1	4.5	0.3	6.5
	Services	150	43.5	15.4	6.9	7.4	2.0	11.9	33.2	23.3	5.1	5.9	2.5	0.0	6.7
	Accommodations, eating and drinking services	27	87.2	5.8	20.3	5.4	0.0	41.8	6.3	6.5	0.2	0.2	6.0	0.0	0.2
	Medical, health care and welfare	34	58.0	25.7	6.8	5.3	0.0	14.6	25.4	16.6	15.9	0.5	0.1	0.0	0.0
	Others	72	33.8	10.3	9.2	5.8	1.7	4.9	52.7	13.5	4.5	2.3	3.2	0.0	3.4
Size of enterprise	Less than 100 employees	1,030	46.5	13.3	9.7	8.0	2.6	11.3	31.2	22.3	7.5	5.8	3.6	0.5	3.7
	100 to 299 employees	395	49.0	16.5	11.3	7.6	2.5	10.3	28.2	22.7	8.1	7.0	3.7	1.3	2.2
	300 or more employees	166	47.9	16.4	11.4	8.5	1.5	9.6	29.9	22.2	7.7	6.1	3.6	0.5	2.5

Note: The approximate percentages by which production, sales etc. increased or decreased were optional responses. As some enterprises did not provide responses, the sums of these percentages do not equal the "increased" or "decreased" totals.

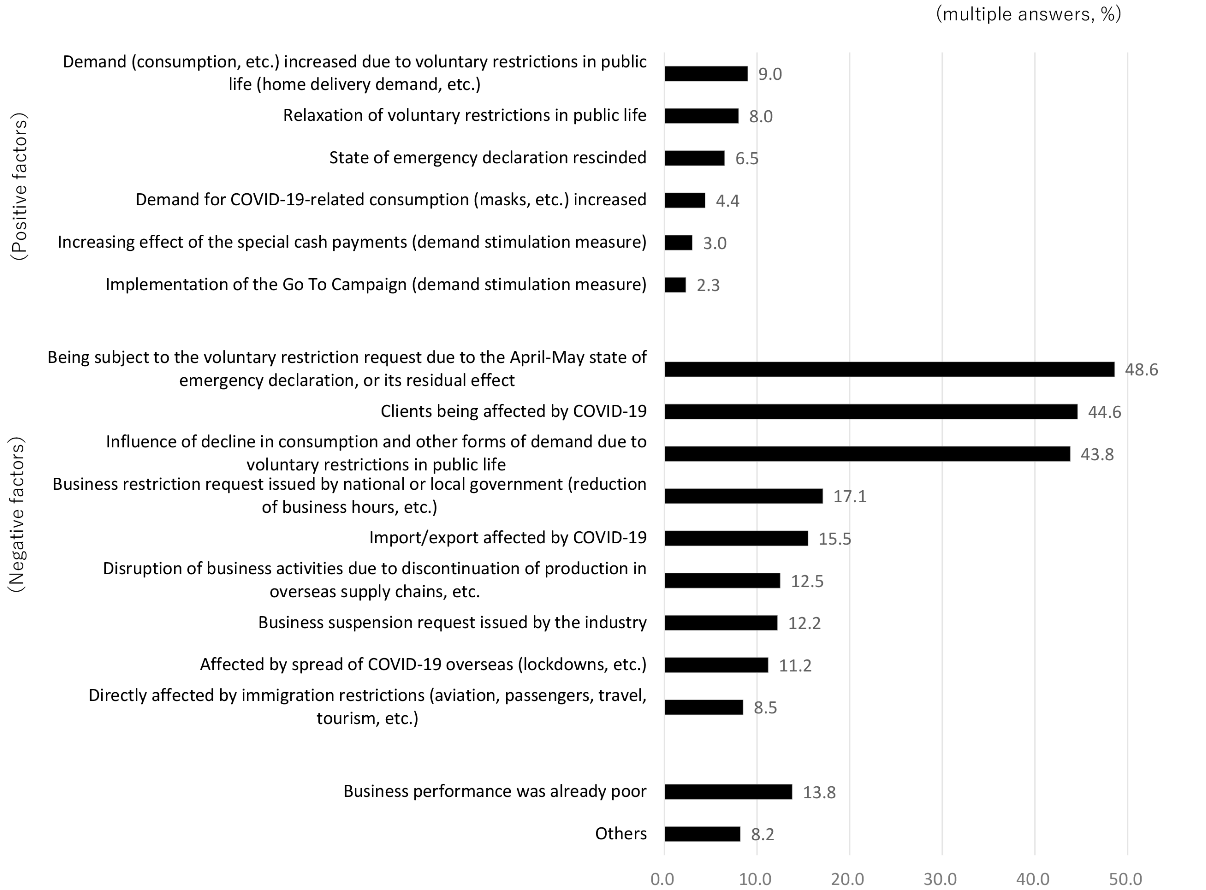
Figure 2. Changes in enterprises' production, sales, etc. (September 2020 compared to the same month the previous year)

(%)

		n	Increased						Almost the same	Decreased						Cannot compare to the same month the previous year
				Around 10%	Around 20%	Around 30%	Around 40%	Around 50% or more			Around 10%	Around 20%	Around 30%	Around 40%	Around 50% or more	
Total		1,591	14.0	6.5	2.7	2.0	0.5	2.0	24.8	60.1	17.7	13.3	8.6	4.6	14.9	1.0
Region	Hokkaido	65	16.3	4.2	6.1	4.0	2.0	0.0	36.4	47.2	14.2	12.3	2.4	6.1	12.2	0.0
	Tohoku and Kita-Kanto	217	18.1	6.7	6.0	2.7	0.7	2.0	23.4	55.9	14.8	14.9	11.4	2.7	11.5	2.7
	Minami-Kanto	483	12.9	5.7	1.7	2.0	0.7	2.6	24.3	62.1	17.4	13.3	7.6	5.3	17.5	0.7
	Hokuriku and Tokai	287	12.3	6.2	2.0	1.5	0.5	2.0	24.5	62.1	16.5	11.3	10.7	8.2	14.8	1.0
	Kinki	276	12.5	8.0	2.8	0.0	0.6	1.1	19.4	68.1	23.8	14.8	9.1	2.3	15.3	0.0
	Chugoku, Shikoku and Kyushu	263	14.4	6.9	1.3	3.1	0.0	2.5	28.7	55.6	16.9	12.6	6.9	3.8	14.9	1.3
Industry	Construction	235	13.7	3.5	4.2	3.2	1.0	1.8	29.9	54.0	14.2	9.4	6.1	6.3	16.7	2.4
	Manufacturing	473	16.1	7.7	2.4	3.2	0.3	2.5	22.1	60.1	17.0	14.9	9.0	5.4	13.1	1.6
	Transport	91	8.9	2.8	2.4	0.0	0.1	0.0	11.9	76.8	23.4	23.7	10.1	0.2	19.4	2.5
	Information and communications	76	18.7	7.1	5.0	2.5	0.0	4.0	42.2	39.1	11.9	14.9	2.6	0.1	9.6	0.1
	Wholesale trade	375	13.9	7.8	2.0	0.3	1.0	2.5	20.7	65.1	19.6	15.1	11.3	4.3	13.7	0.3
	Retail trade	58	12.2	7.7	0.1	0.0	0.0	4.4	14.2	73.5	23.0	12.6	7.2	0.2	27.5	0.1
	Services	150	12.2	5.5	2.2	3.4	0.0	1.0	26.0	61.9	12.6	11.8	11.3	8.5	15.2	0.0
	Accommodations, eating and drinking services	27	0.5	0.5	0.0	0.0	0.0	0.0	6.3	93.1	18.6	0.0	11.4	0.0	62.9	0.0
	Medical, health care and welfare	34	20.5	20.0	0.2	0.2	0.0	0.1	33.6	45.9	38.5	6.6	0.4	0.3	0.2	0.0
	Others	72	11.8	5.7	4.6	1.4	0.0	0.0	41.1	47.2	22.7	10.0	4.5	1.6	8.4	0.0
Size of enterprise	Less than 100 employees	1,030	14.0	6.5	2.7	2.0	0.5	2.1	24.8	60.1	17.6	13.2	8.6	4.6	15.0	1.0
	100 to 299 employees	395	13.1	8.2	2.6	0.5	0.7	1.1	22.4	62.9	22.7	15.5	7.9	4.3	12.3	1.6
	300 or more employees	166	14.0	10.9	0.7	0.7	0.0	1.2	22.9	62.4	19.2	19.2	9.1	5.6	9.3	0.7

Note: The approximate percentages by which production, sales etc. increased or decreased were optional responses. As some enterprises did not provide responses, the sums of these percentages do not equal the "increased" or "decreased" totals.

Figure 3. Factors behind changes in enterprises' production, sales, etc. (May-September 2020, compared to the same month the previous year)



Editor's note: The option "Demand (consumption, etc.) increased due to voluntary restrictions in public life (home delivery demand, etc.)" in the above is the same option translated as "Demand (consumption, etc.) increased due to people's refraining from social activities (home delivery demand, etc.) in June Survey. The option "Influence of decline in consumption and other forms of demand due to voluntary restrictions in public life" in the above is the same option translated as "Influence of the decline in consumption and other forms of demand due to people's refraining from social activities" in June Survey. The editor has made corrections in translation.

Over a quarter of enterprises saw a decrease in personnel expenses. While personnel expenses decreased by a smaller degree in comparison with production, sales, etc., the accommodations, eating and drinking services industry and other such industries also saw a substantial decrease in personnel expenses. (Figures 4)

Just over a quarter of enterprises (26.8%) saw a decrease in personnel expenses for September in comparison with the same month the previous year. The degree of decline is smaller than that for production, sales, etc., with over 80% of companies that saw a decrease recording a decrease of around 30% or less. There were significant differences from industry to industry, such as in the accommodations, eating and drinking services industry, where, of the enterprises that saw a decrease (67.2%), one third (22.4%) saw a decrease of around 50% or more (Figure 4).

Figure 4. Changes in enterprises' personnel expenses (September 2020 compared to the same month the previous year)

(%)

		n	Increased						Almost the same	Decreased						Cannot compare to the same month the previous year
				Around 10%	Around 20%	Around 30%	Around 40%	Around 50% or more			Around 10%	Around 20%	Around 30%	Around 40%	Around 50% or more	
Total		1,591	13.7	9.9	1.8	0.9	0.2	0.3	58.7	26.8	16.7	3.5	1.6	0.5	4.0	0.8
Region	Hokkaido	65	18.4	16.4	0.0	2.0	0.0	0.0	63.2	18.4	10.2	0.1	2.1	0.0	6.0	0.0
	Tohoku and Kita-Kanto	217	17.6	12.9	1.4	1.4	0.0	0.7	53.6	27.4	20.8	2.7	1.3	0.0	2.7	1.3
	Minami-Kanto	483	11.1	7.4	1.3	1.0	0.3	0.7	63.6	25.0	15.7	3.6	1.3	0.7	3.0	0.3
	Hokuriku and Tokai	287	11.9	9.3	1.5	1.0	0.0	0.0	58.3	28.3	17.1	6.1	1.5	0.5	3.1	1.5
	Kinki	276	13.1	11.4	0.6	0.6	0.0	0.0	57.9	28.4	15.9	4.5	1.2	0.6	4.5	0.6
	Chugoku, Shikoku and Kyushu	263	15.0	8.8	4.3	0.6	0.6	0.0	57.0	27.4	16.2	1.9	2.5	0.6	6.2	0.6
Industry	Construction	235	16.2	10.1	1.8	1.8	1.1	1.0	64.0	18.7	11.2	2.3	2.3	0.0	2.8	1.1
	Manufacturing	473	12.6	9.0	1.4	1.3	0.0	0.0	54.4	31.5	20.8	3.7	1.2	0.6	4.1	1.6
	Transport	91	9.6	5.7	0.1	0.1	0.0	0.0	54.9	33.0	19.6	10.4	0.3	0.0	0.1	2.5
	Information and communications	76	34.4	25.3	7.2	1.9	0.0	0.0	48.7	16.9	9.2	2.3	0.0	2.1	3.2	0.0
	Wholesale trade	375	13.9	11.0	1.5	0.7	0.0	0.3	63.4	22.7	14.3	3.0	2.9	0.3	2.2	0.0
	Retail trade	58	9.0	4.7	4.4	0.0	0.0	0.0	45.4	45.6	26.0	8.5	0.0	0.0	11.1	0.0
	Services	150	11.8	9.6	2.1	0.0	0.0	0.0	58.6	28.6	16.8	4.8	0.0	0.0	7.1	1.0
	Accommodations, eating and drinking services	27	0.7	0.6	0.0	0.0	0.0	0.0	32.1	67.2	31.0	0.0	5.3	8.6	22.4	0.0
	Medical, health care and welfare	34	17.2	11.4	5.9	0.0	0.0	0.0	45.3	37.5	24.2	0.0	0.0	0.0	8.2	0.0
	Others	72	4.8	4.8	0.0	0.0	0.0	0.0	65.7	29.5	21.0	3.5	0.0	0.0	5.0	0.0
Size of enterprise	Less than 100 employees	1,030	13.7	9.9	1.8	0.9	0.2	0.3	58.8	26.8	16.6	3.6	1.6	0.5	4.0	0.8
	100 to 299 employees	395	15.8	13.1	1.5	0.7	0.0	0.3	54.9	28.4	19.5	2.7	2.0	0.0	3.9	0.9
	300 or more employees	166	21.7	19.2	0.0	1.4	0.0	0.7	56.5	21.8	16.6	1.7	1.6	0.0	1.8	0.0

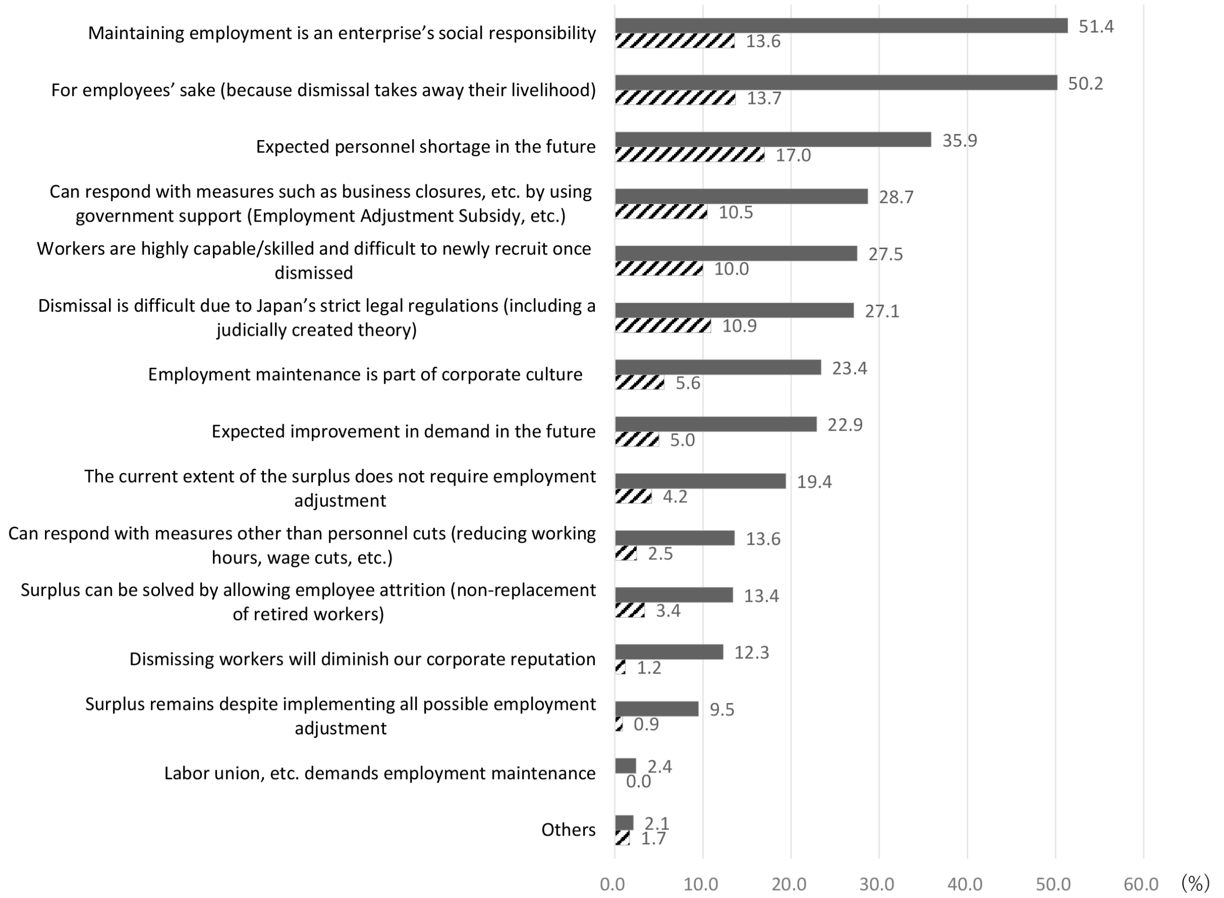
Note: The approximate percentages by which expenses increased or decreased were optional responses. As some enterprises did not provide responses, the sums of these percentages do not equal the "increased" or "decreased" totals.

While enterprises are highly aware of the need to maintain employment, just under 20% of enterprises across all industries and over 40% of enterprises in the accommodations, eating and drinking services industry responded that difficulty maintaining existing levels of employment would arise within six months if the present (September 2020) business conditions should continue. (Figures 5 and 6)

Enterprises that felt they had an excess of workers as of the end of September were asked to select reasons for retaining such surplus personnel. The most selected was "maintaining employment is an enterprise's social responsibility" (51.4%), followed by "for employees' sake (because dismissal takes away their livelihood)" (50.2%), and "expected personnel shortage in the future" (35.9%), among other reasons (Figure 5).

When asked how long they would be able to maintain existing levels of employment if the current (September 2020) figures for production, sales, etc. should continue, around 60% of enterprises responded either that "employment cuts are unnecessary" (31.2%) or that existing levels of employment could be maintained for "more than two years [no immediate plans for employment cuts]" (29.4%). On the other hand, 15.6% of enterprises responded that they would be able to maintain existing levels of employment for "around one year," and 11.9% of enterprises responded "around six months." Including those enterprises that responded "around two or three months" (4.3%) and "employment cuts already implemented" (1.8%), 18.0% of enterprises expect to be no longer able to maintain existing levels of employment within six months, and 33.6% expect to be no longer able to do so within one year. Conditions in the accommodations, eating and drinking services industry are particularly severe, with 43.0% of enterprises responding that they would be no longer able to maintain existing levels of employment within six months and 70.3% of enterprises responding that said problem would arise within one year (Figure 6).

Figure 5. Reasons for retaining currently surplus personnel



Notes: 1. Enterprises that responded that they had a "surplus" or "slight surplus" of workers as of the end of September 2020 were asked to select reasons.
2. Upper bars of the graph show responses where enterprises were able to select multiple responses. Lower bars show reasons thought to be most applicable.

Figure 6. Possible length of employment maintenance if current production, sales, etc. levels continue

(%)

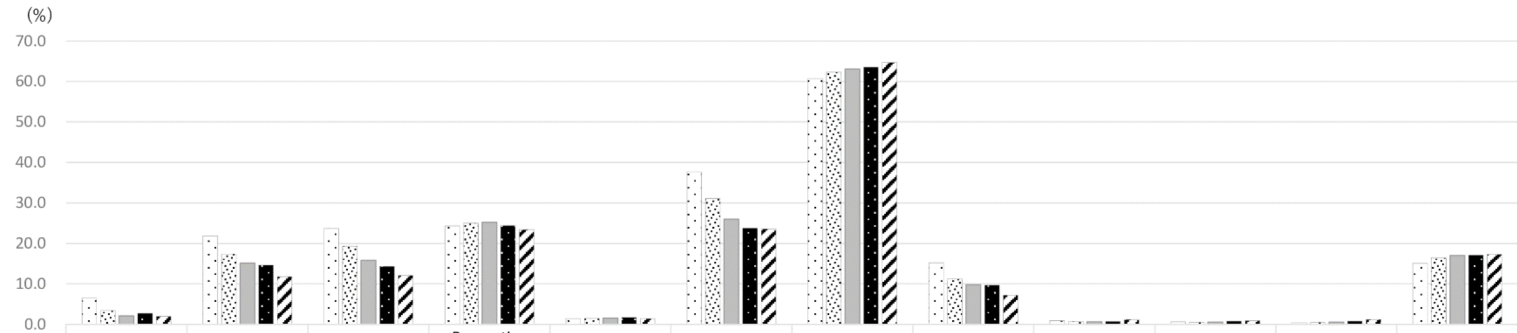
		n	Employment cuts already implemented	Around two or three months	Around six months	Around one year	Around two years	More than two years (no immediate plans for employment cuts)	Employment cuts are unnecessary
Total		1,506	1.8	4.3	11.9	15.6	5.8	29.4	31.2
Region	Hokkaido	62	2.3	4.5	8.7	12.9	2.1	26.1	43.3
	Tohoku and Kita-Kanto	209	0.7	5.0	14.8	14.2	4.2	28.3	32.7
	Minami-Kanto	451	1.8	3.5	12.7	14.4	8.4	30.1	29.1
	Hokuriku and Tokai	269	1.6	6.0	13.7	17.0	2.7	29.8	29.2
	Kinki	263	1.8	3.6	12.7	19.9	7.9	29.7	24.4
	Chugoku, Shikoku and Kyushu	252	2.5	3.8	7.7	14.0	5.7	29.4	36.9
Industry	Construction	225	2.3	2.6	7.4	13.8	6.9	30.3	36.7
	Manufacturing	447	1.8	4.9	17.0	16.9	5.0	29.3	25.1
	Transport	88	0.1	9.7	3.0	17.8	6.5	33.2	29.6
	Information and communications	70	0.0	3.4	9.9	15.0	4.4	27.7	39.6
	Wholesale trade	354	1.0	4.4	12.4	14.4	7.7	29.9	30.1
	Retail trade	55	4.9	3.8	6.6	14.2	0.0	34.2	36.3
	Services	139	3.1	3.2	13.3	19.4	4.2	24.9	31.9
	Accommodations, eating and drinking services	24	5.6	11.4	26.0	27.3	0.0	29.6	0.2
	Medical, health care and welfare	33	0.0	6.6	0.5	11.6	6.0	50.7	24.6
	Others	71	1.5	3.3	10.9	13.6	4.5	20.5	45.7
Size of enterprise	Less than 100 employees	974	1.8	4.3	12.0	15.6	5.9	29.3	31.1
	100 to 299 employees	378	1.9	3.5	9.8	13.3	4.4	32.2	34.9
	300 or more employees	154	3.2	3.0	11.9	12.5	3.1	32.6	33.8

Note: This was an optional question. Figures were gathered for n (1,506) excluding those enterprises that did not respond.

Enterprises are prioritizing infection prevention measures. The rate of implementation of working from home (teleworking) declined from June onward. (Figures 7)

Looking at the measures being implemented by enterprises regarding their business operations and employees' working environment, in September the most implemented measures were "employee infection prevention measures" (64.7%), followed by "implementation of working from home (teleworking)" (23.6%), and "preventive measures against COVID-19 (restricting entry or reducing customer numbers, etc.)" (23.4%). The implementation rates for measures such as "implementation of working from home (teleworking)," "granting special paid leave (excluding annual paid leave)," "shortening of business hours by reduction of days of operation" and "shortening of business hours by reduction of business hours per day" have been on the decline since June (Figure 7).

Figure 7. Enterprises' measures relating to business operations and employees' working environment



	Suspension of business operations	Shortening of business hours by reduction of days of operation	Shortening of business hours by reduction of business hours per day	Preventive measures against COVID-19 (restricting entry or reducing customer numbers, etc.)	Starting or increasing of outsourcing (increased activity in delivery, IT, etc.)	Implementation of working from home (teleworking)	Employee infection prevention measures	Granting special paid leave (excluding annual paid leave)	Dispatching of employees to other enterprises or industries	Increase in employees' working hours (increased activity in delivery, IT, etc.)	Increase in mid-career hiring (increased activity in delivery, IT, etc.)	None of these measures taken
May	6.5	21.9	23.7	24.3	1.4	37.7	60.7	15.2	0.9	0.6	0.4	15.1
June	3.4	17.4	19.3	25.0	1.5	31.1	62.3	11.2	0.7	0.5	0.5	16.4
July	2.1	15.1	15.8	25.2	1.5	26.0	63.1	9.8	0.6	0.5	0.5	17.0
August	2.7	14.6	14.3	24.4	1.7	23.8	63.6	9.7	0.7	0.8	0.8	17.1
September	2.0	11.8	12.1	23.4	1.4	23.6	64.7	7.2	1.2	0.9	1.2	17.3

Note: Enterprises were able to select multiple measures they were implementing.

While three quarters of enterprises had almost the same number of workers in September 2020 as recorded in the same month the previous year, the percentage of enterprises that saw a decline in worker numbers (15.1%) was greater than that of enterprises that saw an increase (10.1%). In the accommodations, eating and drinking services industry in particular, 40% of enterprises saw a decline in worker numbers. (Figures 8)

While numbers of workers in enterprises as of September in comparison with the same month the previous year were "almost the same" at around three quarters (74.8%) of enterprises, the percentage of enterprises that had seen a decrease in worker numbers (15.1%) was higher than the percentage that had seen an increase (10.1%). Particularly in the accommodations, eating and drinking services industry, worker numbers had decreased at 40.3% of enterprises (Figure 8). Looking at the trends in worker numbers for each form of employment, while "decreased" exceeded "increased" across all forms of employment, for part-time workers/contract workers and dispatched workers there were over 10 percentage point differences between "decreased" and "increased," exceeding the differences for workers overall and regular employees.

Figure 8. Change in number of workers at enterprises by form of employment (September 2020, compared to the same month the previous year)

(%)

			Worker total			Regular employees				Part-time workers/ contract workers				Dispatched workers			
		n	Increased	Almost the same	Decreased	Do not employ workers in this form of employment	Increased	Almost the same	Decreased	Do not employ workers in this form of employment	Increased	Almost the same	Decreased	Do not employ workers in this form of employment	Increased	Almost the same	Decreased
Total		1,568	10.1	74.8	15.1	(6.4)	10.1	77.3	12.6	(36.7)	3.9	81.2	14.9	(84.2)	7.3	70.3	22.4
Region	Hokkaido	64	10.6	72.5	16.9	(6.2)	9.1	81.7	9.2	(31.0)	0.0	85.8	14.2	(90.3)	14.5	71.5	14.0
	Tohoku and Kita-Kanto	216	12.1	73.0	14.9	(7.0)	12.6	75.6	11.8	(37.9)	4.1	83.6	12.3	(84.5)	2.9	77.5	19.6
	Minami-Kanto	475	8.9	76.5	14.6	(6.8)	6.9	81.0	12.0	(35.2)	4.7	80.9	14.5	(82.9)	2.8	72.4	24.8
	Hokuriku and Tokai	283	9.4	73.3	17.3	(5.2)	10.9	74.2	14.9	(32.7)	2.4	82.9	14.7	(84.1)	2.3	68.0	29.7
	Kinki	273	8.8	79.1	12.2	(6.9)	11.0	77.5	11.5	(42.0)	7.3	76.4	16.3	(83.2)	6.9	68.2	24.9
	Chugoku, Shikoku and Kyushu	257	11.4	72.7	15.8	(6.4)	10.6	76.0	13.4	(38.8)	2.1	81.5	16.4	(86.3)	17.5	66.6	15.9
Industry	Construction	229	13.4	72.8	13.8	(8.5)	15.4	73.5	11.1	(50.9)	2.9	79.3	17.8	(89.9)	8.8	86.1	5.0
	Manufacturing	469	10.2	74.5	15.3	(3.5)	10.1	74.6	15.3	(27.4)	1.5	87.1	11.4	(78.8)	11.4	66.1	22.5
	Transport	90	9.2	77.3	13.5	(11.6)	14.5	67.2	18.3	(32.3)	11.1	75.0	13.9	(78.3)	0.6	42.5	56.9
	Information and	76	18.4	75.1	6.5	(2.5)	15.5	76.9	7.6	(42.2)	10.5	81.1	8.4	(82.0)	0.2	90.3	9.5
	Wholesale trade	366	7.8	78.2	14.0	(4.9)	7.7	80.4	11.8	(39.6)	1.7	82.9	15.5	(86.4)	6.4	68.8	24.8
	Retail trade	58	5.9	80.5	13.6	(7.0)	6.6	90.0	3.4	(15.3)	9.8	70.8	19.4	(83.8)	0.0	89.2	10.8
	Services	148	10.4	68.0	21.7	(9.0)	8.2	79.6	12.2	(29.9)	4.8	81.5	13.7	(82.3)	6.3	56.3	37.4
	Accommodations, eating and drinking services	27	0.4	59.3	40.3	(0.0)	0.4	77.0	22.7	(6.1)	16.0	47.9	36.0	(92.2)	0.0	8.3	91.7
	Medical, health care and welfare	34	11.3	70.2	18.6	(13.2)	13.2	65.0	21.7	(39.7)	18.4	75.1	6.5	(92.6)	0.0	81.2	18.8
	Others	71	8.1	78.6	13.2	(14.7)	3.9	87.3	8.9	(43.9)	7.6	74.7	17.7	(84.7)	6.5	73.2	20.3
Size of enterprise	Less than 100 employees	1,015	10.1	74.9	15.0	(6.4)	10.0	77.4	12.6	(36.8)	0.5	84.1	15.4	(84.5)	7.3	70.5	22.2
	100 to 299 employees	390	13.0	69.0	18.0	(3.6)	13.6	72.7	13.6	(13.8)	26.9	63.4	9.7	(42.1)	6.4	62.1	31.5
	300 or more employees	163	14.0	72.7	13.3	(3.6)	15.8	75.3	9.0	(9.7)	47.4	46.1	6.4	(16.4)	5.9	71.9	22.2

Notes: 1. Percentages for "Increased," "Almost the same," and "Decreased" for each form of employment were calculated by setting the totals minus "Do not employ workers in this form of employment" as 100%.
2. This was an optional question. The sample size n (1,568) excludes those enterprises that did not respond.

High percentages of enterprises have utilized the aid programs such as the "Japan Finance Corporation and private financial institutions' financial support through Special Coronavirus Loans and Safety Nets for Financing Guarantee," "Sustainability Subsidy (Subsidy Program for Sustaining Businesses)," and "Employment Adjustment Subsidy." (Figures 9 and 10)

The aid programs with the highest percentages of enterprises applying for assistance were the "Japan Finance Corporation and private financial institutions' financial support through Special Coronavirus Loans and Safety Nets for Financing Guarantee" (42.2%), "Sustainability Subsidy (Subsidy Program for Sustaining Businesses)" (36.4%), and "Employment Adjustment Subsidy" (34.2%) (Figure 9). There were also many cases of enterprises utilizing multiple aid programs. In the accommodations, eating and drinking services industry, enterprises were seen to be using as many aid programs as possible (Figure 10).

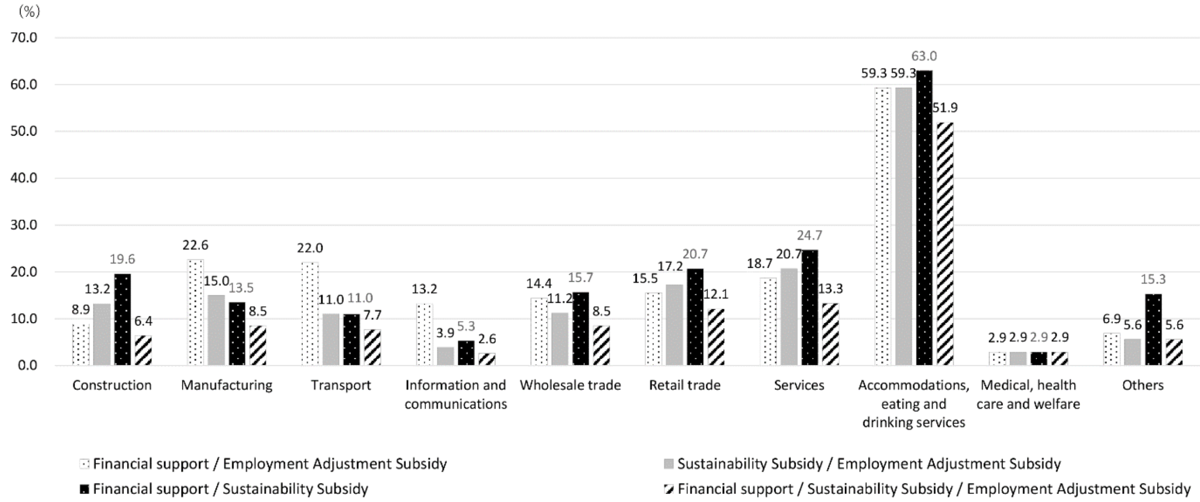
Figure 9. Enterprises' utilization of aid programs related to COVID-19

(Enterprises were able to select multiple programs they were utilizing, %)

		n	Already applied for program															Not considering applying for any programs	Have not yet decided/not sure
				Sustainability Subsidy (2 million yen for business operators whose sales have decreased, etc.)	Grant for businesses cooperating with prefectures' requests for temporary closures or shortening of business hours	Benefits, subsidies, loans, etc. from prefectures, etc. other than those listed in the left	Japan Finance Corporation and private financial institutions' financial support through Special Coronavirus Loans and Safety Nets for Financing Guarantee	Employment Adjustment Subsidy (allowances, etc. for maintaining employment of workers during closures)	Allowances in response to elementary school closures, etc. (support for business operators who give paid leave to parents)	Subsidy to support promotion of work style reforms (support for introduction of teleworking, etc.)	Deferment of payment of national and local taxes, employees' pension and insurance premiums, etc.	Reduction of or exemption from property taxes and other taxes	Corporate tax refunds by carry-back of losses	Deferment of utility payments (water, electricity, gas, telephone, etc.)	Rent support benefits	Others		
Total		1,458	75.1	36.4	5.9	26.6	42.2	34.2	9.7	7.1	3.9	0.8	1.5	0.2	11.8	0.7	18.9	6.0
Region	Hokkaido	57	61.5	38.5	4.6	22.7	40.8	27.6	4.7	2.4	4.5	0.0	0.0	0.0	7.0	0.1	27.3	11.2
	Tohoku and Kita-Kanto	198	74.0	33.5	3.7	23.9	40.3	30.8	9.0	9.7	5.2	2.2	2.2	0.8	8.3	0.7	17.8	8.2
	Minami-Kanto	450	77.2	40.3	7.5	23.7	45.0	36.7	10.5	10.1	3.9	0.4	1.8	0.0	17.8	0.4	18.0	4.7
	Hokuriku and Tokai	262	79.9	38.7	6.9	26.9	45.0	42.9	8.7	4.6	2.9	1.2	2.3	0.6	10.9	1.7	13.8	6.3
	Kinki	247	75.8	36.2	6.2	33.1	41.1	35.3	10.7	6.2	4.3	0.0	1.2	0.0	12.3	1.2	17.9	6.3
	Chugoku, Shikoku and Kyushu	244	71.5	32.0	4.7	27.4	39.3	27.5	10.2	5.4	3.4	0.7	0.7	0.0	8.7	0.0	23.9	4.7
Industry	Construction	212	70.9	47.9	4.4	27.9	36.3	23.8	5.1	3.7	0.8	1.3	1.5	0.0	6.9	0.5	21.0	8.1
	Manufacturing	450	77.9	33.9	5.6	29.0	46.1	41.2	11.3	6.1	5.0	0.9	0.9	0.0	12.5	0.0	17.6	4.5
	Transport	88	72.1	14.9	4.2	31.3	43.0	38.9	10.4	0.4	3.9	0.1	0.1	0.0	6.9	0.1	20.9	7.0
	Information and communications	70	72.1	21.8	2.5	22.3	33.3	25.7	12.9	24.7	2.5	0.0	0.0	0.1	8.3	0.0	21.8	6.1
	Wholesale trade	327	77.3	34.3	3.8	24.1	41.9	37.1	8.9	7.3	2.9	0.4	2.0	0.4	13.0	1.1	16.8	5.9
	Retail trade	56	81.0	39.3	13.4	50.0	47.1	37.0	5.0	6.9	12.3	0.0	3.8	3.8	19.6	6.4	15.3	3.7
	Services	139	76.4	42.5	8.4	17.1	46.2	33.0	13.1	8.5	4.7	1.1	2.0	0.0	14.3	0.0	18.0	5.6
	Accommodations, eating and drinking services	27	92.7	80.3	43.1	64.0	74.5	58.7	23.3	18.5	13.2	0.0	12.3	0.0	31.9	0.2	7.1	0.2
	Medical, health care and welfare	30	56.5	0.9	0.3	26.4	32.4	16.8	16.1	12.5	0.0	0.0	0.0	0.0	0.7	7.5	30.7	12.8
	Others	59	63.4	28.4	8.0	13.2	34.8	24.2	9.9	7.6	7.7	1.7	0.0	0.0	14.3	0.0	28.4	8.2
Size of enterprise	Less than 100 employees	945	75.1	36.6	5.9	26.7	42.4	34.1	9.6	7.1	3.9	0.8	1.5	0.2	11.8	0.7	18.9	6.0
	100 to 299 employees	360	76.3	26.4	7.5	24.2	34.2	44.2	18.9	10.6	3.9	1.7	2.2	1.7	12.4	1.4	15.9	7.8
	300 or more employees	153	69.8	19.6	9.0	25.2	24.7	37.3	14.3	8.7	3.7	0.6	0.8	0.8	7.9	1.3	22.5	7.7

Note: This was an optional question. The sample size n (1,458) excludes those enterprises that did not respond.

Figure 10. Enterprises' use of multiple major COVID-19-related aid programs by industry



Note: Percentages of enterprises that used multiple aid programs (two or three of the following: "financial support," "Sustainability Subsidy," "Employment Adjustment Subsidy") among the enterprises that provided a response to the question regarding use of aid programs (n = 1,458). (Percentages for enterprises using two programs include enterprises using three programs.)

21.6% of enterprises predict business performance recovery will take "between six months and one year" and 18.6% of enterprises predict it will take "between one and two years." (Figure 11)

Looking at enterprises' responses regarding their prospects for recovery of business performance, the highest percentage responded that recovery to the previous level would take "between six months and one year" (21.6%), followed by "between one and two years" (18.6%) and "not sure" (16.2%). Only 7.7% of enterprises responded that business performance had "already recovered and returned to the previous level." In the accommodations, eating and drinking services industry and retail industry, prospects were particularly poor, with high percentages of enterprises responding that returning to the previous levels would take "more than two years" or that they did "not expect to recover" (Figure 11).

Figure 11. Enterprises' prospects for their business performance

(%)

		n	Already recovered and returned to the previous level	Expect to recover and return to the previous level within three months	Expect to recover and return to the previous level within six months	Expect it will take between six months and one year to recover and return to the previous level	Expect it will take between one and two years to recover and return to the previous level	Expect it will take more than two years to recover and return to the previous level	Do not expect to recover (will not return to the previous level, cannot see path to recovery)	Not sure	Business performance has not declined
Total		1,563	7.7	3.5	5.9	21.6	18.6	5.8	6.6	16.2	14.1
Region	Hokkaido	65	12.1	2.0	4.1	16.2	10.4	10.2	8.3	18.3	18.3
	Tohoku and Kita-Kanto	216	8.7	3.4	7.5	18.8	18.8	2.7	5.4	17.4	17.4
	Minami-Kanto	473	9.1	4.1	6.5	24.3	15.7	4.8	7.2	17.9	10.6
	Hokuriku and Tokai	281	4.8	6.3	4.7	21.6	22.1	4.3	9.4	14.2	12.7
	Kinki	269	6.4	2.3	6.9	20.8	22.1	9.3	5.2	18.1	8.9
	Chugoku, Shikoku and Kyushu	259	7.7	1.9	4.5	22.4	18.0	7.1	5.1	12.9	20.4
Industry	Construction	230	11.4	3.5	7.3	19.5	12.3	7.0	4.3	17.2	17.6
	Manufacturing	464	6.7	5.2	7.5	24.1	19.5	3.0	5.4	15.5	13.1
	Transport	90	2.6	2.9	0.2	30.1	18.4	7.8	6.0	23.1	9.0
	Information and communications	76	11.0	2.0	4.2	20.5	12.5	1.9	3.2	17.2	27.4
	Wholesale trade	370	5.9	2.7	5.2	20.7	18.6	8.9	9.4	15.5	13.1
	Retail trade	57	12.5	0.1	0.2	16.5	34.3	7.8	9.1	10.6	9.0
	Services	147	6.9	3.1	6.1	25.1	22.4	3.8	8.4	14.6	9.5
	Accommodations, eating and drinking services	27	6.3	0.0	0.0	31.5	36.2	0.2	11.4	14.2	0.2
	Medical, health care and welfare	34	8.6	15.8	5.7	13.4	19.8	0.3	0.0	17.2	19.3
	Others	68	7.0	1.5	7.1	14.4	21.9	6.0	4.7	19.7	17.5
Size of enterprise	Less than 100 employees	1,014	7.7	3.5	5.9	21.7	18.6	5.8	6.6	16.2	14.1
	100 to 299 employees	387	6.1	3.6	7.2	17.4	21.0	8.5	6.2	16.3	13.7
	300 or more employees	162	6.5	2.0	8.4	18.5	19.4	5.0	9.0	16.9	14.4

Note: This was an optional question. The sample size n (1,563) excludes those enterprises that did not respond.

Regarding future business continuity, 55.5% of enterprises say they will "continue business operations at the current level," and 23.7% of enterprises say they will "continue business operations at an expanded scale." (Figures 12)

Regarding their plans for the continuation of business operations in the future, more than half of enterprises responded that they intended to "continue business operations at the current level" (55.5%), followed by 23.7% of enterprises that intended to "continue business operations at an expanded scale." 7.1% of enterprises intended to "continue business operations at a smaller scale" and 0.4% intended to "discontinue business operations." Looking at the figures by industry, the percentages of enterprises that intended to "continue business operations at an expanded scale" were high in the accommodations, eating and drinking services (43.8%), information and communications (37.2%), services (37.0%), and medical, health care and welfare (35.9%) industries. On the other hand, the percentages of enterprises intending to “continue business operations at a smaller scale” were relatively high in the accommodations, eating and drinking services (17.6%) and medical, health care and welfare (13.3%) industries (Figure 12).

Figure 12. Enterprises’ outlook on continuation of their business activities

(%)

		n	Intend to continue business operations at an expanded scale	Intend to continue business operations at the current level	Intend to continue business operations at a smaller scale	Intend to launch new business and continue business operations	Intend to discontinue business operations	Not sure
Total		1,518	23.7	55.5	7.1	5.5	0.4	7.7
Region	Hokkaido	61	13.1	65.0	4.5	6.6	0.0	10.8
	Tohoku and Kita-Kanto	210	21.7	55.5	6.9	4.2	0.0	11.7
	Minami-Kanto	458	23.0	53.3	8.7	4.5	0.4	10.1
	Hokuriku and Tokai	272	20.5	58.1	7.1	8.2	0.0	6.0
	Kinki	265	26.9	54.1	6.5	4.8	1.2	6.6
	Chugoku, Shikoku and Kyushu	252	28.3	55.3	6.5	5.9	0.6	3.3
Industry	Construction	222	27.6	53.7	4.3	4.0	0.7	9.6
	Manufacturing	456	20.7	57.6	7.4	6.7	0.8	6.9
	Transport	84	12.6	67.9	6.5	8.0	0.0	5.1
	Information and communications	73	37.2	47.8	3.2	0.1	0.0	11.7
	Wholesale trade	357	19.1	59.8	9.0	4.0	0.3	7.8
	Retail trade	58	22.4	56.5	7.2	10.3	0.0	3.6
	Services	145	37.0	37.7	6.9	12.3	0.0	6.1
	Accommodations, eating and drinking services	25	43.8	25.9	17.6	5.6	0.0	7.1
	Medical, health care and welfare	32	35.9	50.4	13.3	0.2	0.0	0.2
	Others	66	14.4	66.5	5.6	3.6	0.0	9.7
Size of enterprise	Less than 100 employees	982	23.7	55.5	7.2	5.5	0.4	7.7
	100 to 299 employees	377	28.2	56.7	5.0	3.9	0.5	5.7
	300 or more employees	159	26.6	50.8	6.4	6.0	0.7	9.5

Note: This was an optional question. The sample size n (1,518) excludes those enterprises that did not respond.

Regarding future business management approaches, 28.5% of enterprises responded that they intended to pursue the “new development and expansion of sales channels (other than online sales channels).” (Figure 13)

Regarding the future business management approaches to be pursued in continuing business, the most common response was the “new development and expansion of sales channels (other than online sales channels)” (28.5%), followed by “expansion of domestic sales structure” (18.2%), “expansion of online sales” (13.7%), and “launching online sales” (10.5%). Enterprises appear to be investing efforts in expanding sales channels and sales structures (Figure 13).

Figure 13. Future management approaches to be pursued in continuing business activities

(Enterprises were able to select multiple approaches they were pursuing, %)

		n	Launching online sales	Expansion of online sales	New development and expansion of sales channels (other than online channels)	Development/sales of products in line with government demand stimulation measures (*Go To* campaign, etc.)	Development/sales of products useful for COVID-19 preventive measures	Development/sales of products in response to rising demand due to increased time spent at home	Reviewing overseas supply chains (switching to domestic production, etc.)	Expansion of domestic production structure	Reduction of domestic production structure	Expansion of domestic sales structure	Reduction of domestic sales structure	Expansion of overseas production structure	Reduction of overseas production structure	Expansion of overseas sales structure	Reduction of overseas sales structure	Others	No special approaches for business continuation (business as usual)
Total		1,076	10.5	13.7	28.5	2.9	8.2	9.8	1.8	10.0	3.0	18.2	2.2	2.4	0.7	5.8	0.3	1.9	37.3
Region	Hokkaido	41	6.1	15.2	18.5	3.0	9.0	18.3	0.0	12.0	3.0	6.0	0.2	3.0	0.0	3.1	0.0	3.0	42.4
	Tohoku and Kita-Kanto	146	11.1	15.2	22.3	1.0	3.1	6.1	0.0	10.1	4.0	16.2	3.0	2.1	0.0	3.1	0.0	0.0	44.4
	Minami-Kanto	332	11.3	11.9	25.6	1.6	9.9	8.5	3.9	11.4	2.5	19.7	2.0	3.0	1.5	7.7	0.5	2.4	35.5
	Hokuriku and Tokai	188	12.3	12.4	25.0	5.0	12.4	9.2	0.1	9.9	5.8	12.5	2.5	0.9	0.8	5.1	0.8	1.6	39.4
	Kinki	190	12.4	14.3	47.8	4.4	9.9	9.8	1.0	8.2	0.9	23.2	1.8	3.6	0.9	8.1	0.0	0.0	29.7
	Chugoku, Shikoku and Kyushu	179	7.0	15.2	26.3	3.0	5.2	13.0	3.0	9.2	2.0	21.2	2.0	2.1	0.0	5.0	0.0	4.0	37.3
Industry	Construction	152	4.7	10.1	19.4	0.8	2.2	4.1	0.8	9.7	0.7	16.1	1.1	0.0	0.0	4.0	0.7	1.8	51.2
	Manufacturing	331	9.5	12.7	29.7	1.6	6.9	11.4	1.1	13.5	5.9	17.2	1.7	3.4	0.9	9.1	0.0	1.2	38.9
	Transport	59	0.4	11.8	8.9	6.9	4.4	18.4	0.3	11.2	0.3	13.9	0.3	0.0	0.0	0.4	0.0	0.1	50.7
	Information and communications	55	11.2	16.6	32.2	0.1	4.4	9.8	6.8	21.5	3.5	17.2	0.1	4.3	0.1	4.4	0.0	5.2	35.5
	Wholesale trade	242	16.1	16.4	33.0	4.0	15.9	10.0	2.4	6.0	2.2	21.0	3.2	2.6	0.5	6.8	0.5	2.3	28.5
	Retail trade	47	13.7	37.3	33.2	9.5	8.0	30.9	5.6	25.4	0.1	24.8	0.3	5.9	0.0	0.1	0.0	0.0	17.8
	Services	101	14.3	10.4	34.9	0.0	4.1	3.3	2.5	5.3	3.1	18.0	5.2	0.1	0.0	0.1	0.0	1.5	33.6
	Accommodations, eating and drinking services	17	9.5	34.5	64.0	35.5	9.2	34.7	0.5	0.5	8.4	32.2	0.0	0.0	0.0	9.1	0.0	0.0	9.2
	Medical, health care and welfare	22	0.0	0.0	26.6	0.0	18.0	0.0	0.0	0.0	0.0	0.0	0.0	8.4	0.0	0.0	0.0	0.0	55.9
	Others	50	9.4	5.0	17.1	2.3	6.6	6.4	0.0	4.7	2.1	18.0	3.5	4.2	4.6	9.1	0.0	3.5	39.1
Size of enterprise	Less than 100 employees	667	10.6	13.7	28.5	2.9	8.1	9.7	1.8	9.9	3.0	18.2	2.1	2.4	0.7	5.8	0.3	1.9	37.3
	100 to 299 employees	281	8.3	17.3	29.9	5.0	11.0	9.6	5.3	16.0	2.8	18.9	3.6	6.3	0.7	7.6	0.0	2.1	31.7
	300 or more employees	128	8.1	10.2	23.8	0.9	13.5	12.1	4.0	7.2	3.0	20.1	4.0	4.7	0.0	4.2	0.0	0.9	41.3

Note: This was an optional question. The sample size n (1,076) excludes those enterprises that did not respond.

Outline of the Survey

"Survey on the Impact of COVID-19 on Enterprise Management"

1. Object

COVID-19 cases in Japan were first confirmed in mid-January 2020 and increased rapidly thereafter. As part of its countermeasures, the Japanese government established the Novel Coronavirus Response Headquarters on January 30 and formulated the Emergency Economic Measures to Cope with COVID-19 in April. On April 7, the government declared a state of emergency for seven prefectures on the basis of Article 32 (1) of the amended Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response, by which citizens were requested to adopt such restrictions as refraining from going outside and suspending business. On April 17, the declaration was expanded to all prefectures, exerting a major impact on public life and economic activity until the declaration was completely rescinded on May 26. Since then, the number of cases has continued to repeatedly rise and fall, and there are still no prospects for the situation to come under control. With continuing difficulty in seeking to achieve the balance between infection control measures and the pursuit of economic activity, the effects on public life and economic activity are significant.

In light of such developments, the JILPT has sought to understand the effects on enterprise management of the spread of COVID-19 and the preventive measures against it by following up an initial survey conducted in June with a second web survey of enterprises in October to survey the changes in production, sales, etc. in May, June, July, August and September. This document is a preliminary report on the main findings of the tabulation of responses. Reflecting the increased understanding and awareness of the virus and the disease, the name of the survey is changed from the "Survey on Impact of **Novel Coronavirus (COVID-19)** on Enterprise Management" to the "Survey on the Impact of **COVID-19** on Enterprise Management" in a translation process.

2. Surveyed enterprises (sample)

A total of 4,283 enterprises, comprising of 1,283 enterprises from among the 1,293 enterprises that had responded to the Survey on Impact of COVID-19 on Enterprise Management (hereafter, "the June 2020 Survey"; First Aggregation published on July 16, 2020) that were able to continue to participate in the survey, and an additional 3,000 enterprises selected from those registered as respondents with an internet survey firm (excluding those with no employees)

3. **Survey period**
October 5-15, 2020

4. **Survey method**
Internet survey (write-in responses on a web browser screen)
Responses were gathered according to a stratified random allocation with enterprises classified into strata by region (10 blocs: Hokkaido, Tohoku, Kita-Kanto, Minami-Kanto, Hokuriku, Tokai, Kinki, Chugoku, Shikoku, Kyushu) and by size of enterprise (three categories: Less than 100 employees, 100 to 299 employees, 300 or more employees) (total of 30 cells).

5. **Tabulation procedure**
Based on the numbers of enterprises responding to the Ministry of Internal Affairs and Communications' *2014 Economic Census for Business Frame*, weights were calculated for each region (six blocs: Hokkaido, Tohoku / Kita-Kanto, Minami-Kanto, Hokuriku / Tokai, Kinki, Chugoku / Shikoku / Kyushu), and each size of enterprises (two categories: 299 or less employees and 300 or more employees). The results tabulated using the weights were used to calculate composition ratios, etc. (except Figure 10, in which panel tabulation and cross tabulation were performed using simple tabulation).
In the tabulation by industry, based on the Japan Standard Industry Classification, industries such as professional and technical services were grouped into the category of "Services." Likewise, "Agriculture, forestry and fisheries," "Mining", "Finance and insurance," and "Real estate," for which there were very few samples, were grouped as "Others."
Moreover, the responses from the accommodations, eating and drinking services industry and medical, health care and welfare industry—which were tabulated as part of the "Services" category in the June 2020 Survey due to the low sample numbers—have been tabulated separately for this survey.
In tabulating panel data for the enterprises that also responded to the June 2020 Survey, the results have been tabulated for February to May (June 2020 Survey) and June to September (October 2020 Survey). (Individual sample sizes (n) are given in the main body.)

6. **Number of valid responses**
1,591 (response rate 37.1%)

Attributes of enterprises giving valid responses

		n	Composition ratio
Total		1,591	100.0
Region	Hokkaido	65	4.1
	Tohoku and Kita-Kanto	217	13.6
	Minami-Kanto	483	30.4
	Hokuriku and Tokai	287	18.0
	Kinki	276	17.3
	Chugoku, Shikoku and Kyushu	263	16.5
Industry	Construction	235	14.8
	Manufacturing	473	29.7
	Transport	91	5.7
	Information and communications	76	4.8
	Wholesale trade	375	23.6
	Retail trade	58	3.6
	Services	150	9.4
	Accommodations, eating and drinking services	27	1.7
	Medical, health care and welfare	34	2.1
	Others	72	4.5
Size of enterprise	Less than 100 employees	1,030	64.7
	100 to 299 employees	395	24.8
	300 or more employees	166	10.4