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

(February 2021 Survey, First Aggregation)

The impact of COVID-19 pandemic varies widely depending on industry, with the accommodations, eating and drinking services, transport and other industries particularly severely affected. While implementation of working from home (teleworking) had some degree of positive effect, various practical challenges such as communication, ability to monitor the operation progress, and allocation of work duties also became evident. Conducted in February 2021, this survey tracks changes in production, sales and so forth in October, November, and December 2020 and January 2021. It is a panel survey that follows up on the 1st survey (June 2020 survey) and the 2nd survey (October 2020 survey).

I. Business Performance of Enterprises

1. As before, more than 50% of enterprises showed decreases in production, sales, etc. in January 2021 compared to the same month the previous year. Also, compared to May 2020, when the first state of emergency was in effect, the percentage of enterprises reporting decreases exceeds those reporting increases. (Figures 1-5)

Comparison of enterprises' January 2021 figures for production, sales, etc. with those for May 2020, during the first state of emergency, showed that 31.0% of all enterprises had seen increases while a larger percentage (36.6%) of enterprises were still below May 2020 levels (See Figure 1. Refer to Figure 2 for factors behind increases and decreases). Comparison with the same month the previous year showed an increase for only 16.8% of enterprises, while over half of enterprises (54.1%) had yet to return to the levels of the previous year (Figure 3). There were significant differences from industry to industry, with over 90% of enterprises reporting decreases in the accommodations, eating and drinking services industry (91.0%), and over 60% in such industries as the services (62.0%), transport (61.2%), and retail trade (60.5%). Factors behind changes in enterprises' production, sales, etc. (October 2020-January 2021 compared to the same month the previous year) are shown in Figure 5.

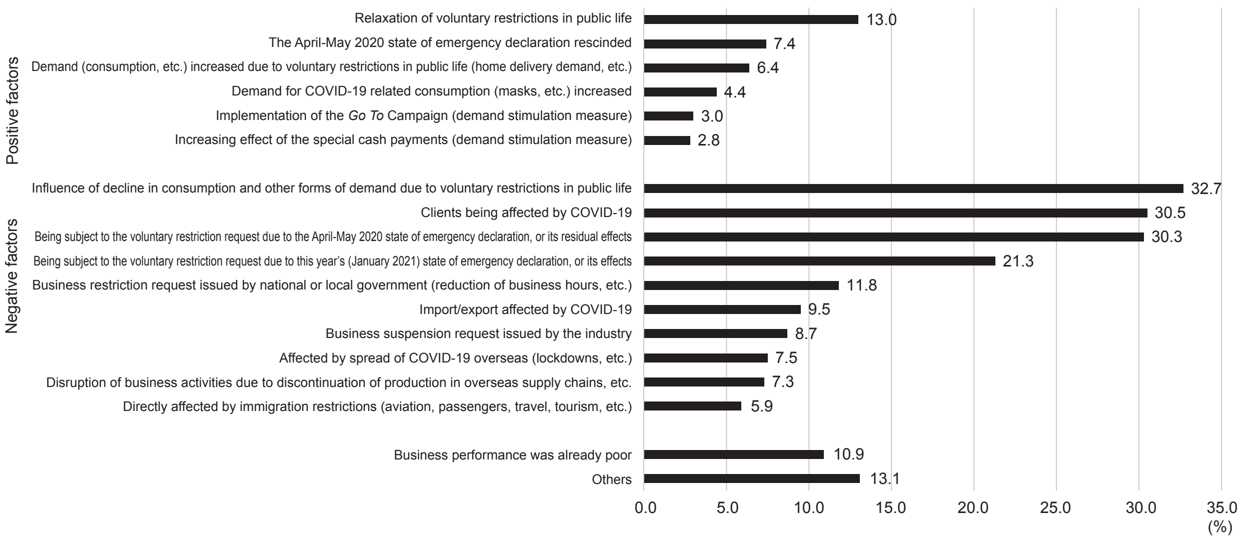
Figure 1. Changes in enterprises' production, sales, etc. (January 2021 compared to May 2020)

(%)

		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		3,265	31.0	8.6	7.7	4.8	2.2	7.7	32.4	36.6	11.7	10.0	7.2	2.3	6.3
Region	Hokkaido	185	25.4	5.4	6.7	4.8	1.2	7.3	32.5	42.2	10.8	13.2	5.7	3.2	14.8
	Tohoku and Kita-Kanto	502	33.1	9.0	8.4	5.3	2.1	8.2	33.9	33.0	11.9	8.8	5.2	1.9	5.1
	Minami-Kanto	997	34.4	10.1	9.0	5.0	1.8	8.5	31.1	34.5	9.6	8.1	6.9	2.4	7.3
	Hokuriku and Tokai	520	30.0	9.3	5.0	3.9	1.9	9.8	29.9	40.1	12.8	9.9	8.1	3.6	7.8
	Kinki	559	31.4	8.3	8.5	5.5	2.6	6.4	30.7	38.0	12.7	11.3	7.8	2.5	4.2
	Chugoku, Shikoku, and Kyushu	502	27.0	7.0	7.3	4.2	2.7	5.8	36.1	36.9	12.4	11.6	8.0	1.3	4.7
Industry	Construction	518	19.8	4.5	4.6	3.3	1.1	6.4	45.0	35.2	7.7	8.8	8.5	2.1	14.3
	Manufacturing	941	35.6	7.5	8.7	6.0	3.0	10.3	26.6	37.8	9.0	11.4	7.6	3.0	7.2
	Transport	154	35.4	14.9	8.6	4.3	3.6	4.0	27.7	36.8	24.1	9.0	1.1	0.6	2.1
	Information and communications	156	32.9	15.8	6.2	6.9	0.0	4.0	39.1	28.1	15.1	6.9	2.8	0.0	2.7
	Wholesale trade	872	31.6	9.8	8.3	4.5	2.5	6.5	28.4	40.0	13.2	11.8	8.5	2.5	5.0
	Retail trade	130	44.8	12.6	14.2	7.3	1.0	9.6	21.7	33.5	11.7	12.7	6.1	2.0	0.7
	Services	279	29.2	6.5	6.8	4.0	2.4	9.5	35.9	34.8	13.9	7.0	4.2	2.4	8.3
	Accommodations, eating and drinking services	33	49.9	8.8	10.8	9.1	3.5	17.8	11.1	38.9	10.3	4.2	10.3	10.9	2.4
	Medical, health care and welfare	38	21.1	14.4	6.4	0.0	0.0	0.3	48.4	30.5	27.1	3.4	0.0	0.0	0.0
	Others	144	26.2	10.5	5.4	2.6	1.4	6.5	43.7	30.1	13.0	4.9	8.6	1.5	2.3
Size of enterprise	Less than 100 employees	2,681	30.8	8.5	7.6	4.8	2.2	7.7	32.4	36.8	11.7	10.0	7.3	2.4	6.4
	100 to 299 employees	430	42.7	16.2	11.4	6.7	0.9	7.5	28.8	28.5	12.2	9.2	3.5	1.5	1.3
	300 or more employees	154	44.4	17.0	14.3	5.1	1.1	6.9	30.6	25.1	10.8	11.2	1.8	0.0	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 2. Factors behind changes in enterprises' production, sales, etc. (January 2021 compared to May 2020)



Note: Multiple answers allowed.

Figure 3. Changes in enterprises' production, sales, etc. (January 2021 compared to the same month the previous year)

(%)

		n	Increased	Increased: Around 10%	Increased: Around 20%	Increased: Around 30%	Increased: Around 40%	Increased: Around 50% or more	Almost the same	Decreased	Decreased: Around 10%	Decreased: Around 20%	Decreased: Around 30%	Decreased: Around 40%	Decreased: Around 50% or more	Cannot compare to the same month the previous year
Total		3,265	16.8	9.5	3.5	1.4	0.4	2.0	27.4	54.1	18.8	12.6	9.3	3.9	9.4	1.6
Region	Hokkaido	185	15.7	9.7	2.4	1.8	0.0	1.8	35.8	46.7	14.1	10.3	9.1	3.6	9.6	1.8
	Tohoku and Kita-Kanto	502	18.0	10.5	3.5	0.7	0.0	3.2	30.6	49.8	18.7	12.0	8.3	1.7	9.1	1.6
	Minami-Kanto	997	15.0	7.7	3.4	1.5	0.7	1.6	25.8	57.6	17.3	14.8	10.1	5.1	10.3	1.6
	Hokuriku and Tokai	520	15.0	8.0	2.6	1.7	0.0	2.6	27.1	55.8	21.6	12.1	8.5	4.4	9.3	2.1
	Kinki	559	16.9	8.3	4.7	1.8	0.5	1.6	25.4	57.0	20.9	12.2	10.4	5.7	7.7	0.7
	Chugoku, Shikoku, and Kyushu	502	19.7	12.9	3.6	1.1	0.5	1.6	27.3	51.1	17.7	11.7	8.9	2.5	10.2	2.0
Industry	Construction	518	11.8	4.6	3.1	0.9	0.3	2.8	38.6	46.7	12.5	10.1	10.3	3.4	10.4	3.0
	Manufacturing	941	19.1	9.9	5.1	2.0	0.0	2.1	26.3	53.8	18.0	13.2	9.4	4.2	9.1	0.7
	Transport	154	13.8	9.2	1.8	1.5	0.0	1.3	24.2	61.2	28.9	16.1	6.9	3.6	5.7	0.8
	Information and communications	156	20.7	12.7	3.2	1.0	0.0	3.7	40.6	36.6	17.1	9.3	2.3	4.0	3.9	2.1
	Wholesale trade	872	19.6	11.6	3.4	1.4	1.0	2.1	20.7	58.2	21.8	14.4	8.8	4.3	8.8	1.5
	Retail trade	130	19.0	15.3	2.3	0.1	0.0	1.3	18.2	60.5	21.9	13.4	13.1	4.4	7.7	2.3
	Services	279	11.4	5.7	1.8	2.0	0.4	1.4	24.6	62.0	21.7	11.6	11.6	3.2	13.9	2.0
	Accommodations, eating and drinking services	33	4.2	4.2	0.0	0.0	0.0	0.0	4.8	91.0	4.8	9.1	17.7	0.3	59.1	0.0
	Medical, health care and welfare	38	26.5	22.0	4.3	0.3	0.0	0.0	27.6	41.6	41.6	0.0	0.0	0.0	0.0	4.3
	Others	144	11.7	9.2	2.5	0.0	0.0	0.0	40.4	46.6	12.9	12.0	10.2	4.6	6.9	1.4
Size of enterprise	Less than 100 employees	2,681	16.8	9.4	3.5	1.4	0.4	2.1	27.5	54.1	18.7	12.6	9.3	4.0	9.5	1.6
	100 to 299 employees	430	16.2	10.2	3.1	1.4	0.7	0.7	29.1	54.2	26.8	12.4	6.1	2.7	6.2	0.4
	300 or more employees	154	19.7	15.7	2.7	1.3	0.0	0.0	22.8	54.7	31.5	9.8	6.1	2.0	5.4	2.9

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 4. Changes in enterprises' production, sales, etc. compared to the same month the previous year (panel data)

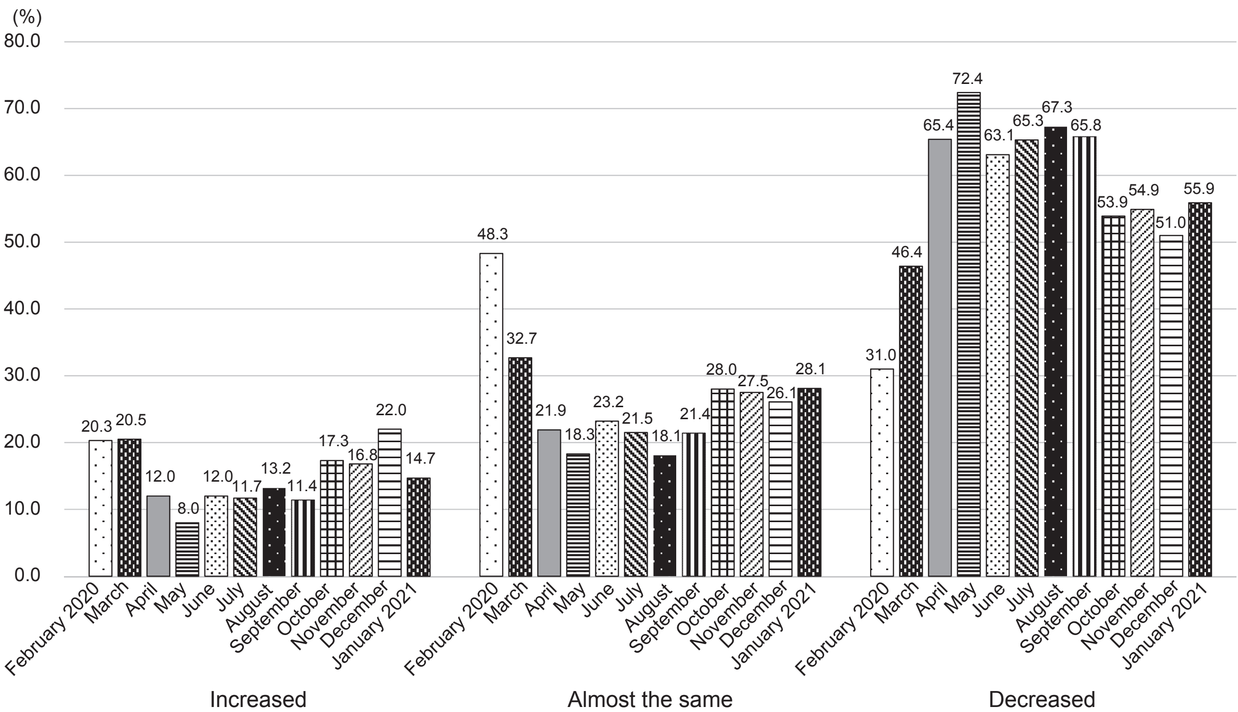
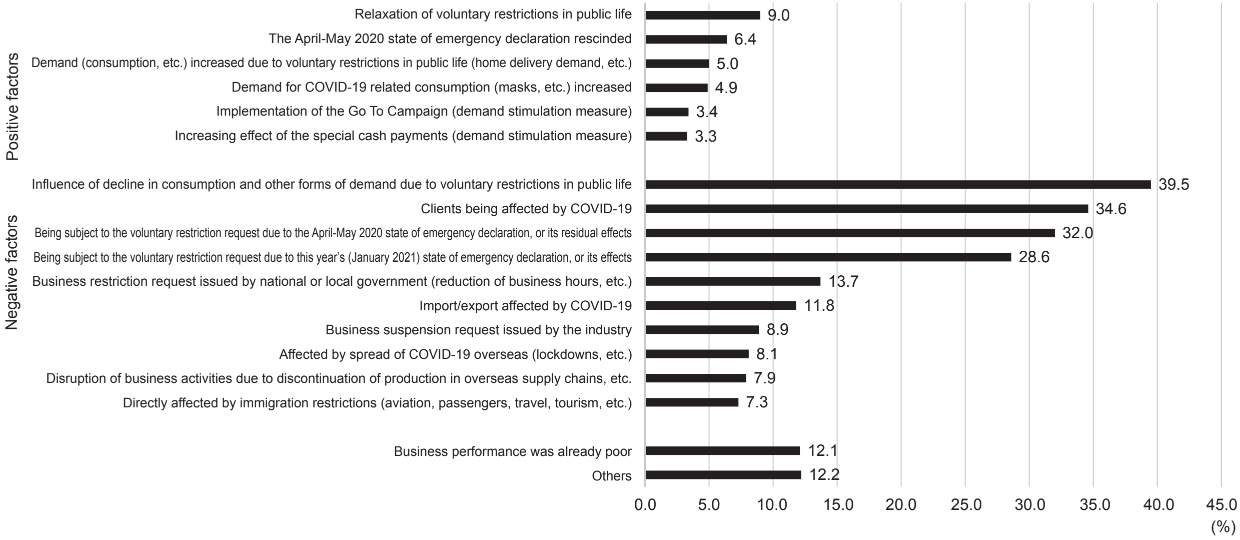


Figure 5. Factors behind changes in enterprises' production, sales, etc. (October 2020-January 2021 compared to the same month the previous year)



Note: Multiple answers allowed.

2. Over 20% of enterprises saw a decrease in personnel expenses, and in the accommodations, eating and drinking services industry more than 80% of enterprises saw personnel expenses decline. (Figures 6, 7)

More than 60% (61.1%) of enterprises reported personnel expenses in January 2021 that were almost the same as the same month the previous year, while more than 20% (22.5%) saw a decrease in personnel expenses. The degree of decline is smaller than that for production, sales, etc., but more than 80% (81.3%) of enterprises showed a decline in personnel expenses in the accommodations, eating and drinking services industry, and more than 40% (41.8%) of enterprises in the transport industry (Figure 6).

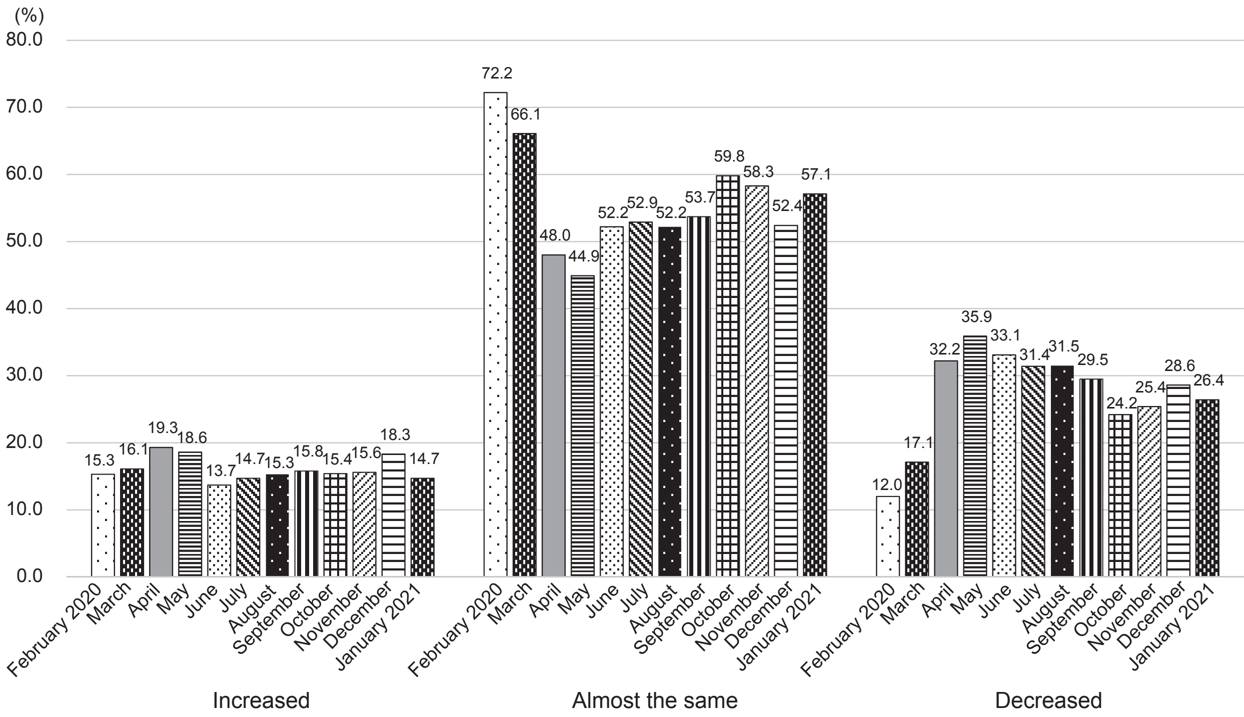
Figure 6. Changes in enterprises' personnel expenses (January 2021 compared to the same month the previous year)

(%)

		n	Increased	Increased: Around 10%	Increased: Around 20%	Increased: Around 30%	Increased: Around 40%	Increased: Around 50% or more	Almost the same	Decreased	Decreased: Around 10%	Decreased: Around 20%	Decreased: Around 30%	Decreased: Around 40%	Decreased: Around 50% or more	Cannot compare to the same month the previous year
Total		3,265	15.6	12.5	2.2	0.5	0.2	0.2	61.1	22.5	15.7	3.7	1.1	0.4	1.5	0.8
Region	Hokkaido	185	16.9	13.3	3.0	0.6	0.0	0.0	62.0	19.4	10.5	4.4	1.9	0.6	1.9	1.8
	Tohoku and Kita-Kanto	502	14.9	11.7	2.3	0.9	0.0	0.0	60.0	24.2	18.7	2.9	1.0	0.5	1.2	0.9
	Minami-Kanto	997	13.2	10.2	2.3	0.1	0.3	0.4	63.7	22.3	15.7	2.4	1.1	0.9	2.2	0.8
	Hokuriku and Tokai	520	17.1	14.0	1.7	0.7	0.5	0.2	57.2	24.5	17.2	3.9	1.2	0.5	1.7	1.2
	Kinki	559	18.0	14.3	2.9	0.7	0.0	0.2	59.5	22.5	16.0	3.7	1.3	0.0	1.5	0.0
	Chugoku, Shikoku, and Kyushu	502	15.6	12.9	1.7	0.2	0.5	0.3	63.4	20.3	13.2	5.3	0.8	0.3	0.8	0.7
Industry	Construction	518	16.1	11.3	2.6	1.3	0.7	0.2	68.7	15.0	9.4	2.8	0.8	0.5	1.5	0.2
	Manufacturing	941	16.1	13.4	2.2	0.3	0.2	0.0	56.8	26.6	19.6	4.3	0.8	0.2	1.7	0.5
	Transport	154	18.1	12.3	3.7	0.0	2.1	0.0	40.1	41.8	31.9	6.0	0.1	1.8	2.1	0.0
	Information and communications	156	31.9	30.3	1.6	0.0	0.0	0.0	54.4	12.7	8.4	3.2	0.0	0.0	1.1	1.0
	Wholesale trade	872	12.9	10.4	2.0	0.2	0.0	0.2	65.9	20.2	14.6	2.6	1.2	0.2	1.6	1.0
	Retail trade	130	14.7	12.5	1.3	0.9	0.0	0.0	59.1	23.4	18.7	1.1	3.6	0.0	0.1	2.7
	Services	279	14.6	10.8	1.7	0.7	0.0	1.5	55.8	28.3	18.2	5.8	2.0	0.7	1.6	1.2
	Accommodations, eating and drinking services	33	4.2	4.2	0.0	0.0	0.0	0.0	14.2	81.3	23.9	24.8	11.8	15.7	5.2	0.3
	Medical, health care and welfare	38	19.5	15.8	3.8	0.0	0.0	0.0	75.3	0.6	0.6	0.0	0.0	0.0	0.0	4.6
	Others	144	13.2	10.4	2.1	0.8	0.0	0.0	69.9	16.3	11.4	4.1	0.0	0.0	0.8	0.6
Size of enterprise	Less than 100 employees	2,681	15.6	12.4	2.2	0.5	0.3	0.2	61.3	22.4	15.6	3.7	1.1	0.5	1.5	0.8
	100 to 299 employees	430	17.1	15.5	0.9	0.4	0.0	0.2	51.8	29.4	21.9	4.9	1.2	0.0	1.4	1.6
	300 or more employees	154	14.0	13.3	0.7	0.0	0.0	0.0	51.1	32.5	28.3	3.5	0.0	0.0	0.6	2.4

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.

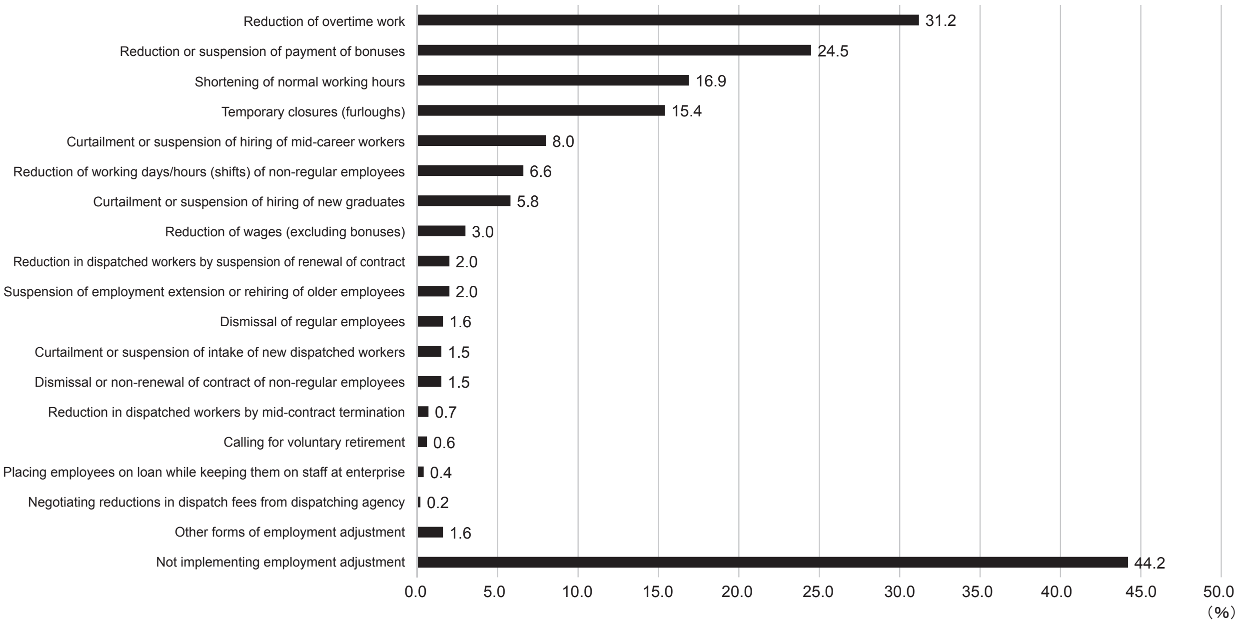
Figure 7. Changes in enterprises' personnel expenses compared to the same month the previous year (panel data)



3. More than 50% of enterprises have carried out employment adjustment since April-May 2020, but these mostly relate to working hours and wages, and the percentage of enterprises adjusting number of personnel remains low. (Figure 8)

Since April-May 2020, 55.8% of enterprises have conducted employment adjustment. Among these, a high percentage of measures relate to working hours and wages, such as "Reduction of overtime work" (31.2%), "Reduction or suspension of payment of bonuses" (24.5%), "Shortening of normal working hours" (16.9%), and "Temporary closures (furloughs)" (15.4%). Only a small percentage took measures relating to personnel such as "Dismissal of regular employees" (1.6%), "Dismissal or non-renewal of contract of non-regular employees" (1.5%), and "Calling for voluntary retirement" (0.6%) (Figure 8).

Figure 8. Status of implementation of employment adjustment between April-May 2020 and January 2021



Note: Multiple answers allowed when measures were implemented.

4. While three quarters of enterprises had almost the same number of workers in January 2021 as recorded in the same month the previous year, the percentage of enterprises that saw a decline in worker numbers (14.9%) was greater than that of enterprises that saw an increase. In the accommodations, eating and drinking services industry in particular, over 50% of enterprises saw a decline in worker numbers. (Figure 9)

While numbers of workers in enterprises as of January 2021 in comparison with the same month the previous year were “almost the same” at around three quarters (75.3%) of enterprises, the percentage of enterprises that had seen a decrease in worker numbers (14.9%) was higher than the percentage that had seen an increase (9.8%). Particularly in the accommodations, eating and drinking services industry, worker numbers had decreased at more than half (54.3%) of enterprises (Figure 9).

Figure 9. Changes in number of workers at enterprises by form of employment (January 2021 compared to the same month the previous year)

(%)

		n	Worker total			Regular employees				Part-time workers/ Contract workers				Dispatched workers			
			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		3,234	9.8	75.3	14.9	(7.1)	9.8	76.8	13.3	(37.4)	6.8	79.7	13.5	(80.0)	10.7	72.0	17.2
Region	Hokkaido	183	7.4	76.7	15.9	(10.3)	9.2	74.3	16.4	(37.6)	10.5	74.5	15.0	(86.6)	5.0	78.5	16.5
	Tohoku and Kita-Kanto	501	9.2	76.8	14.0	(7.6)	10.3	74.7	15.0	(38.1)	8.5	78.5	13.0	(83.2)	18.0	65.8	16.3
	Minami-Kanto	985	9.2	77.1	13.7	(7.8)	9.1	79.1	11.8	(40.0)	5.9	81.3	12.8	(77.9)	8.1	74.4	17.5
	Hokuriku and Tokai	515	11.9	71.1	17.0	(3.4)	11.8	74.4	13.8	(32.6)	5.7	79.5	14.9	(79.8)	11.5	73.5	15.0
	Kinki	550	12.2	71.0	16.8	(6.0)	10.0	76.3	13.7	(34.3)	7.4	78.1	14.6	(77.7)	10.0	75.7	14.3
	Chugoku, Shikoku, and Kyushu	500	7.8	78.8	13.4	(9.1)	8.6	78.8	12.6	(40.1)	6.5	81.3	12.2	(81.2)	10.5	67.1	22.4
Industry	Construction	512	9.9	80.0	10.1	(8.1)	11.0	80.1	8.9	(55.3)	5.5	84.4	10.0	(87.6)	14.4	72.8	12.9
	Manufacturing	933	9.8	73.6	16.6	(6.0)	9.0	76.8	14.2	(27.8)	6.2	79.8	14.0	(72.7)	13.7	66.8	19.5
	Transport	151	9.9	71.1	19.0	(6.2)	7.3	72.4	20.2	(30.9)	7.1	78.5	14.4	(71.2)	15.1	66.7	18.2
	Information and communications	154	20.1	70.4	9.5	(8.7)	21.4	69.1	9.5	(46.3)	4.1	86.6	9.4	(71.7)	7.6	79.0	13.4
	Wholesale trade	867	8.2	77.0	14.9	(6.3)	8.7	78.1	13.2	(40.8)	6.6	80.5	13.0	(85.0)	7.4	76.3	16.2
	Retail trade	127	6.4	72.3	21.4	(12.3)	5.7	76.1	18.2	(26.3)	12.3	70.3	17.3	(82.6)	19.8	68.8	11.4
	Services	276	11.1	71.3	17.6	(7.1)	10.9	70.7	18.3	(28.4)	7.7	76.6	15.8	(80.1)	2.5	81.6	16.0
	Accommodations, eating and drinking services	33	13.0	32.7	54.3	(0.2)	5.3	63.3	31.4	(0.2)	13.0	32.0	55.0	(84.0)	26.6	1.8	71.6
	Medical, health care and welfare	38	7.6	83.4	9.1	(9.2)	12.5	74.0	13.5	(22.8)	5.9	87.9	6.2	(80.7)	1.4	96.6	2.0
	Others	143	9.8	81.6	8.6	(9.6)	9.7	82.6	7.7	(38.7)	9.3	85.6	5.1	(77.9)	3.7	78.2	18.1
Size of enterprise	Less than 100 employees	2,660	9.8	75.4	14.8	(7.1)	9.8	76.9	13.3	(37.7)	6.9	79.7	13.4	(80.7)	10.9	72.1	17.0
	100 to 299 employees	422	14.2	69.2	16.6	(4.9)	15.3	67.9	16.8	(15.5)	6.6	76.9	16.5	(45.2)	10.7	67.7	21.5
	300 or more employees	152	6.8	71.7	21.5	(5.9)	6.2	78.0	15.9	(9.8)	2.7	78.8	18.5	(24.0)	3.8	75.1	21.1

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 (3,234) excludes those enterprises that did not respond.

5. Just under 20% of enterprises across all industries and over 50% 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 (January 2021) business conditions should continue. (Figure 10)

When asked how long they would be able to maintain existing levels of employment if the current (January 2021) figures for production, sales, etc. should continue, more than 60% of enterprises responded either that "employment cuts are unnecessary" (37.6%) or that existing levels of employment could be maintained for "more than two years [no immediate plans for employment cuts]" (25.7%). On the other hand, nearly 20% (18.9%) of enterprises responded that they would be able to maintain existing levels of employment for "around six months," while nearly one third (32.4%) of enterprises responded "around one year."

Conditions in the accommodations, eating and drinking services industry are particularly severe, with more than half (53.5%) of enterprises responding that they would be no longer able to maintain existing levels of employment within six months, and around 70% (69.4%) of enterprises responding that the said problem would arise within one year (Figure 10).

Figure 10. Possible length of employment maintenance if current production, sales, etc. levels continue

(%)

		n	Employment cuts already implemented	Around one month	Around two months	Around 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		3,258	1.3	0.5	1.9	3.9	11.3	13.5	4.4	25.7	37.6
Region	Hokkaido	183	0.6	0.6	1.2	3.0	15.1	6.3	6.0	20.6	46.6
	Tohoku and Kita-Kanto	502	1.6	0.9	1.9	4.9	9.9	11.8	4.0	27.8	37.2
	Minami-Kanto	996	2.2	0.3	1.6	4.7	12.5	14.5	4.3	26.5	33.4
	Hokuriku and Tokai	519	1.4	0.5	2.6	3.1	11.6	13.3	2.9	26.0	38.6
	Kinki	558	0.7	0.4	1.1	3.7	11.3	14.9	7.4	25.6	34.8
	Chugoku, Shikoku, and Kyushu	500	0.3	0.5	2.5	2.9	9.8	13.8	3.5	24.2	42.6
Industry	Construction	517	0.9	0.6	1.5	2.2	8.8	12.1	5.7	27.6	40.7
	Manufacturing	940	0.7	0.7	2.3	4.5	12.5	14.3	4.1	27.0	34.0
	Transport	154	0.9	0.0	1.9	5.4	17.5	11.4	3.9	20.9	38.1
	Information and communications	156	0.7	0.0	0.0	5.8	11.8	9.8	2.9	21.6	47.5
	Wholesale trade	870	1.9	0.2	1.8	3.9	10.6	14.9	4.7	27.2	34.9
	Retail trade	129	1.7	1.3	1.2	3.5	12.3	13.6	3.6	19.3	43.5
	Services	278	2.2	0.7	4.4	3.4	12.7	15.1	4.9	20.7	36.0
	Accommodations, eating and drinking services	33	0.0	0.0	0.6	19.0	33.9	15.9	0.0	17.9	12.7
	Medical, health care and welfare	37	0.0	0.0	0.0	0.0	4.5	3.5	0.8	20.4	70.8
	Others	144	1.5	0.7	1.1	1.8	6.0	9.2	3.0	27.4	49.3
Size of enterprise	Less than 100 employees	2,676	1.2	0.5	1.9	3.9	11.4	13.5	4.4	25.6	37.6
	100 to 299 employees	429	1.4	0.2	1.0	3.5	7.5	11.2	3.3	34.3	37.6
	300 or more employees	153	2.6	0.0	2.4	3.4	1.1	10.6	5.3	37.9	36.7

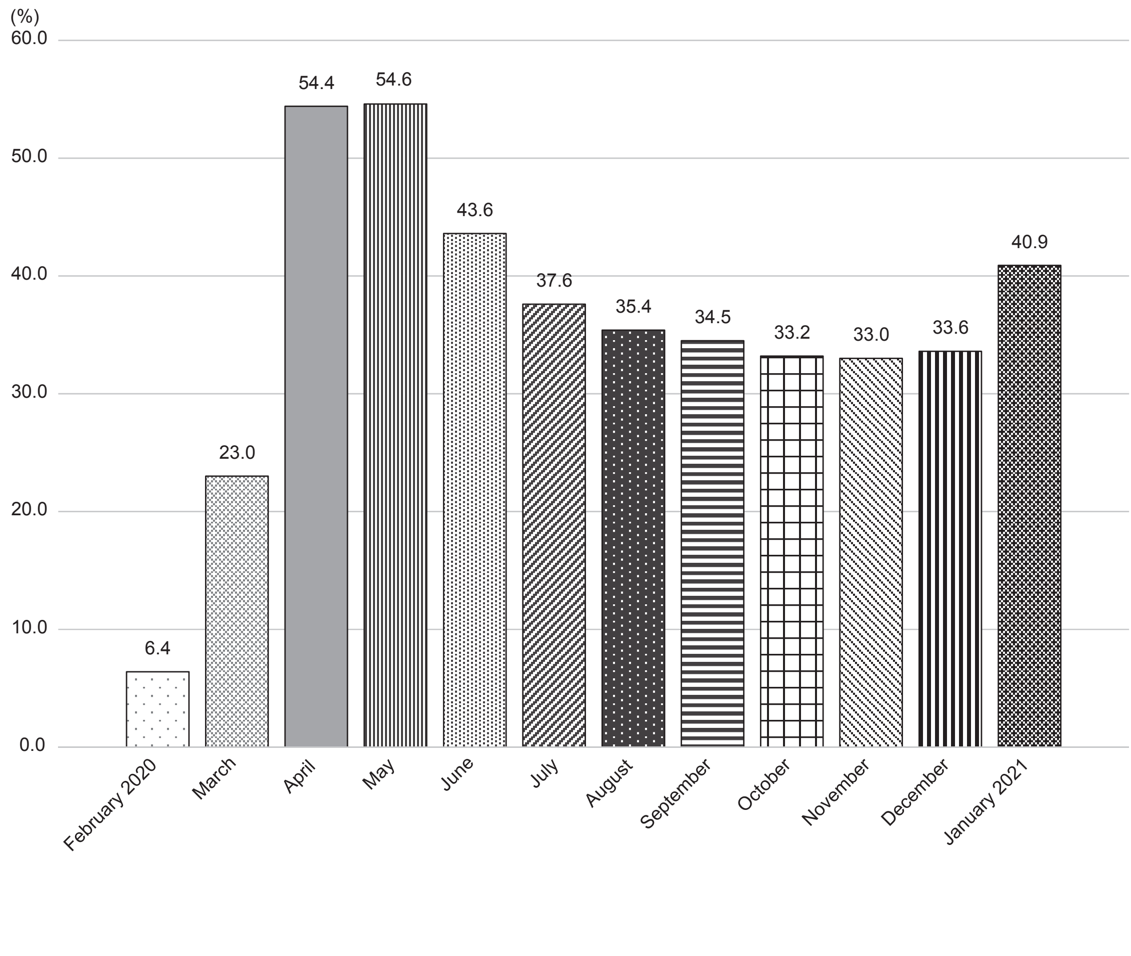
Note: This was an optional question. The sample size n (3,258) excludes those enterprises that did not respond.

II. Status of Implementation of Working from Home (Teleworking)

1. Around 40% of enterprises had implemented working from home (teleworking) at some point, and around 30% were still implementing as of the end of January 2021. Many enterprises had carried it out as a COVID-19 countermeasure, and some degree of positive effect was observed. However, various practical challenges such as communication, ability to monitor the progress of operations, and allocation of work duties also became evident. (Figures 11-21)

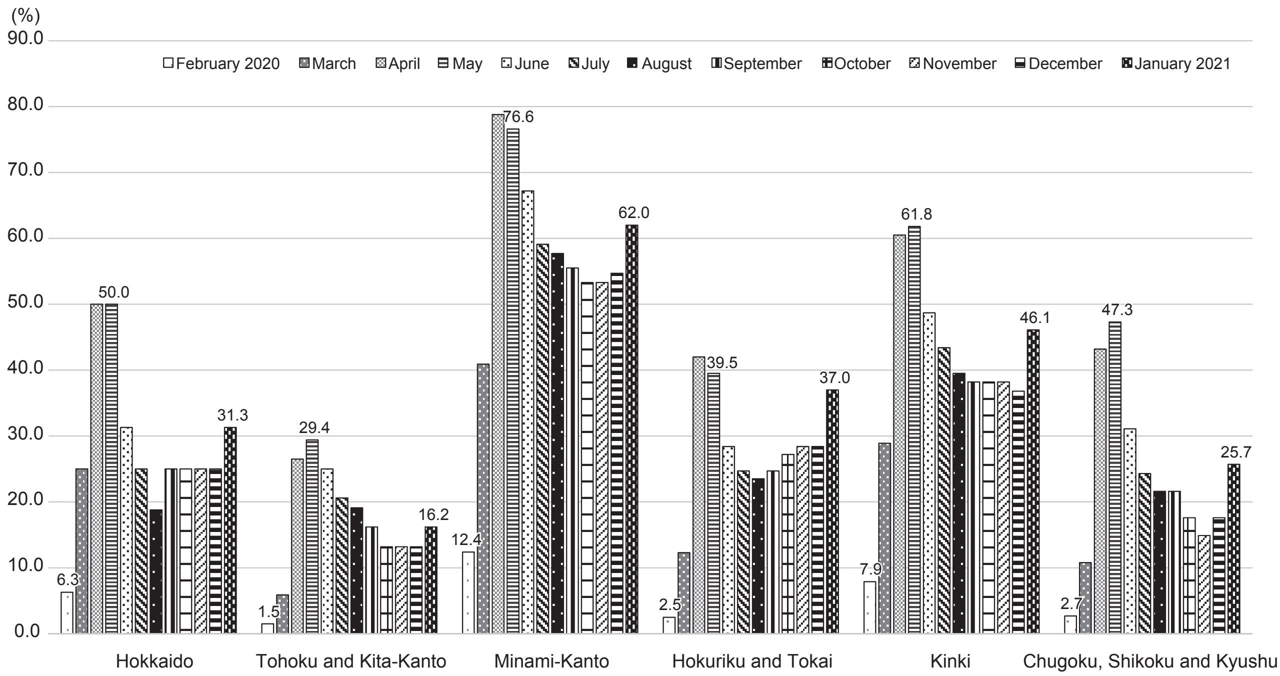
Examination of changes in the implementation rate of working from home (teleworking) shows that among enterprises that have been continuously responding to the surveys since the first Enterprise Survey (n = 452), the percentage surged from 6.4% in February 2020 to 54.6% in May 2020, and then trended downward after the first state of emergency was lifted, but it increased again to 40.9% in January 2021 (Figure 11).

Figure 11. Changes in rate of implementation of working from home (teleworking) (panel data)



While implementation rates varied depending on the region, with "Minami-Kanto" followed by "Kinki" having relatively high implementation rates, the rates trended downward from June 2020 onward in all regions, but rose again in all regions as of January 2021 (Figure 12).

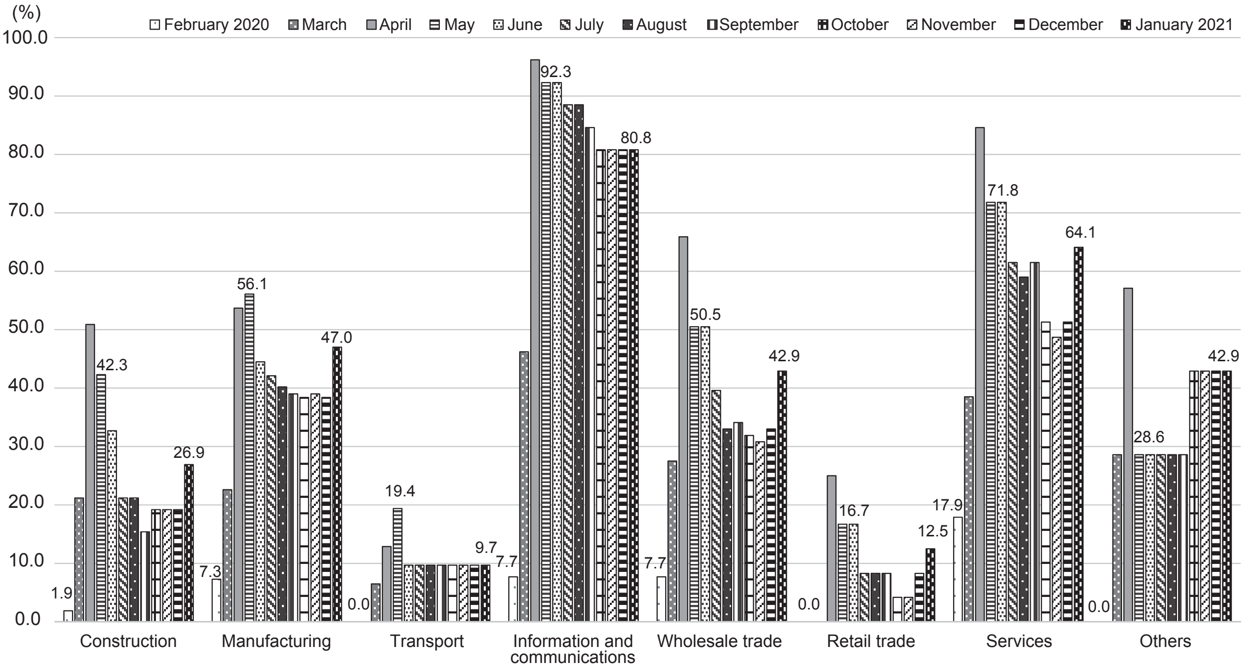
Figure 12. Changes in rates of implementation of working from home (teleworking) by region (panel data)



By industry, the data shows major differences between industries, with a particularly high rate in "Information and communications" and low rates in "Retail trade" and "Transport." In "Wholesale trade," "Construction," "Retail trade," there were significant drops in the implementation rates after the first state of emergency was lifted, but as of January 2021 the rates in all industries have either risen or stayed flat (Figure 13).

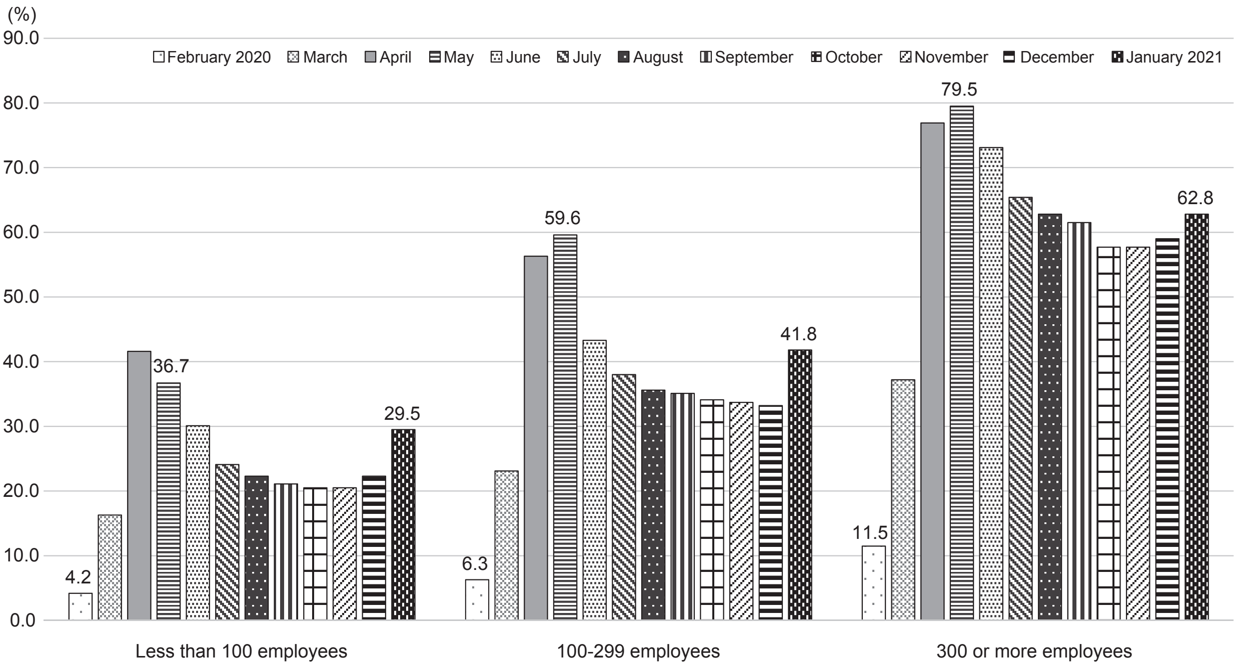
By size of enterprise, larger sizes were directly correlated with higher implementation rates. Implementation was on a downward trend at all sizes, but in January 2021 it rose at all sizes (Figure 14).

Figure 13. Changes in rates of implementation of working from home (teleworking) by industry (panel data)



Note: Accommodations, eating and drinking services industry and medical, health care and welfare industry were tabulated as parts of the "Services" data set so as to obtain a continuous sample from the first Enterprise Survey.

Figure 14. Changes in rates of implementation of working from home (teleworking) by size of enterprise (panel data)



As for the status of introduction of teleworking at enterprises, around 40% (40.4%) have implemented such a system at some point, with the percentages of enterprises that “Have been implementing telework continuously since introduction” at 23.4%, those that “Implemented telework in the past but are not currently doing so” at 10.3%, and those that “Implemented telework in the past, stopped doing so but have since resumed it” at 6.8%. Currently (as of the end of January 2021), around 30% (30.2%) of enterprises are implementing telework. Meanwhile, 59.6% of enterprises “Have never implemented telework” (Figure 15).

By region, Minami-Kanto (42.0%) stands out as having the highest percentage that “Have been implementing telework continuously since introduction,” followed by Kinki (22.6%) and Chugoku, Shikoku and Kyushu (18.2%).

By industry, information and communications (70.3%) has by far the highest percentage that “Have been implementing telework continuously since introduction,” while this figure is under 10% in the accommodations eating and drinking services (8.5%) and medical, health care and welfare (9.2%), with over 80% of enterprises in these industries responding that they “Have never implemented telework.”

By size of enterprise, there are major differences depending on enterprise size, with over 60% of enterprises with 300 or more employees responding that they “Have been implementing telework continuously since introduction” (62.0%), while 60.0% of those with less than 100 employees stating that they “Have never implemented telework.”

Figure 15. Status of implementation of teleworking

(%)

		n	Have been implementing telework continuously since introduction	Implemented telework in the past, but are not currently doing so	Implemented telework in the past, stopped doing so but have since resumed it	Have never implemented telework
Total		3,264	23.4	10.3	6.8	59.6
Region	Hokkaido	185	12.1	14.4	2.5	71.0
	Tohoku and Kita-Kanto	502	12.5	5.4	2.6	79.5
	Minami-Kanto	997	42.0	11.4	10.9	35.7
	Hokuriku and Tokai	520	16.7	11.5	6.1	65.8
	Kinki	558	22.6	11.6	7.9	57.9
	Chugoku, Shikoku, and Kyushu	502	18.2	9.6	5.8	66.4
Industry	Construction	518	15.0	11.0	6.4	67.6
	Manufacturing	940	20.8	7.9	5.0	66.3
	Transport	154	12.0	9.0	3.1	75.9
	Information and communications	156	70.3	9.2	12.1	8.3
	Wholesale trade	872	24.7	12.2	9.5	53.6
	Retail trade	130	13.1	8.2	4.0	74.8
	Services	279	30.1	14.6	6.3	49.0
	Accommodations, eating and drinking services	33	8.5	0.9	4.5	86.1
	Medical, health care and welfare	38	9.2	3.6	6.9	80.3
	Others	144	27.4	8.7	4.4	59.5
Size of enterprise	Less than 100 employees	2,680	23.0	10.2	6.7	60.0
	100 to 299 employees	430	41.3	12.1	11.7	34.8
	300 or more employees	154	62.0	9.7	12.8	15.5

Note: This was an optional question. The sample size n (3,264) excludes those enterprises that did not respond.

Among enterprises that are implementing teleworking, in response to the survey item regarding percentages of employees utilizing the system during specific periods, “During the first state of emergency (April-May 2020)” the percentage was 50% or higher at 34.6% of enterprises and 70% or higher at 18.7% of enterprises, while in December 2020 the percentage was 50% or higher at 26.4% of enterprises and 70% or higher at 13.6% of enterprises. In January 2021 the percentage was 50% or higher at 31.0% of enterprises and 70% or higher at 18.9% of enterprises, indicating that the rate bottomed out in December 2020 and was rising again somewhat as of January 2021 (Figure 16).

Figure 16. Percentage of employees engaging in teleworking at enterprises implementing teleworking

(%)

	n	Almost all employees (around 80-100%)	Around 70%	Around 50-60%	Around 30-40%	Around 10-20%	Less than 10%
During the first state of emergency (April-May 2020)	1,060	12.4	6.3	15.9	17.3	23.2	24.7
December 2020	238	7.6	6.0	12.8	19.1	27.1	27.5
January 2021	335	8.7	10.2	12.1	18.8	22.2	28.0

Notes: 1. Enterprises that were implementing teleworking at each point in time were asked about the percentage of employees engaging in it.
2. This was an optional question. The sample size n excludes those enterprises that did not respond.

When enterprises which are implementing teleworking or have done so at some point were asked about the operational status of teleworking, a total of 44.4% of enterprises said that it was going or had gone well, with “Operations have gone very smoothly” at 3.8% and “Operations have gone fairly smoothly” at 40.5%. Meanwhile, 24.1% responded that it was not going or had not gone well, with “Operations have not gone very smoothly” at 19.2% and “Operations have not gone smoothly at all” at 4.9%. Overall, the percentage of enterprises where things were going relatively smoothly exceeded that where they were not (Figure 17).

Figure 17. Status of teleworking operations

(%)

		n	Operations have gone smoothly			Cannot say either way	Operations have not gone smoothly		
				Operations have gone very smoothly	Operations have gone fairly smoothly			Operations have not gone very smoothly	Operations have not gone smoothly at all
Total		1,510	44.4	3.8	40.5	31.5	24.1	19.2	4.9
Region	Hokkaido	62	45.3	2.0	43.2	25.6	29.1	23.0	6.1
	Tohoku and Kita-Kanto	121	42.4	3.4	39.1	41.5	16.1	12.6	3.4
	Minami-Kanto	678	49.0	4.3	44.7	29.2	21.8	15.6	6.2
	Hokuriku and Tokai	207	38.8	3.5	35.3	30.3	30.9	25.9	5.0
	Kinki	255	41.8	3.7	38.1	30.1	28.1	24.4	3.7
	Chugoku, Shikoku and Kyushu	187	42.1	3.7	38.4	35.4	22.6	18.8	3.7
Industry	Construction	188	33.1	4.1	29.0	32.9	34.0	30.8	3.2
	Manufacturing	407	37.8	1.7	36.0	37.5	24.7	21.3	3.4
	Transport	44	32.2	0.3	32.0	22.7	45.0	37.4	7.7
	Information and communications	145	65.1	5.9	59.2	27.5	7.4	5.9	1.5
	Wholesale trade	448	44.1	4.1	40.0	30.7	25.2	18.1	7.1
	Retail trade	39	42.6	0.0	42.6	37.7	19.7	13.1	6.5
	Services	158	61.0	6.4	54.6	19.2	19.8	15.6	4.3
	(Ref.) Accommodations, eating and drinking services	10	32.3	0.0	32.3	31.3	36.4	34.4	2.0
	(Ref.) Medical, health care and welfare	9	62.5	1.8	60.6	21.6	15.9	15.9	0.0
	Others	62	36.8	5.4	31.3	40.8	22.4	12.7	9.7
Size of enterprise	Less than 100 employees	1,106	44.3	3.9	40.5	31.4	24.3	19.3	5.0
	100 to 299 employees	278	41.8	1.5	40.3	37.2	21.0	17.0	4.0
	300 or more employees	126	49.9	4.0	45.9	34.9	15.2	12.5	2.7

Notes: 1. This was an optional question. The sample size n (1,510) excludes those enterprises that did not respond.
2. Due to small sample sizes for “Accommodations, eating and drinking services” and “Medical, health care and welfare,” figures are given for reference only.

In terms of purposes of introduction of teleworking, by far the highest percentage of enterprises responded "As a COVID-19 countermeasure" (80.3%), followed by "To reduce the burden of commuting" (33.8%), "To promote balanced and healthy lifestyles for commuters" (16.9%), and "As a substitute for temporary leave" (14.6%) (Figure 18).

Figure 18. Purposes of introduction of teleworking

(Multiple answers allowed, %)

		n	To boost productivity	To reduce the burden of commuting	To promote balanced and healthy lifestyles for commuters	To improve work/life balance	To secure and retain personnel	To boost enterprise's business performance	As a COVID-19 countermeasure	As a substitute for temporary leave	As a business continuity plan (BCP) measure	To reduce office costs	Others
Total		1,518	8.4	33.8	16.9	12.4	8.4	2.8	80.3	14.6	9.5	4.5	1.8
Region	Hokkaido	62	8.4	33.8	17.2	6.8	8.4	0.2	83.2	11.3	8.8	2.5	2.0
	Tohoku and Kita-Kanto	122	13.4	25.0	14.9	16.9	7.8	6.8	73.9	15.1	12.8	6.7	1.1
	Minami-Kanto	682	6.8	43.9	21.0	11.3	7.9	2.1	81.9	15.5	9.1	4.4	1.3
	Hokuriku and Tokai	207	6.3	24.6	13.3	11.4	7.1	3.5	82.0	10.0	8.5	4.2	2.1
	Kinki	257	10.0	34.1	12.9	9.8	7.9	2.1	81.1	17.9	10.7	3.1	1.6
	Chugoku, Shikoku and Kyushu	188	9.7	22.6	15.6	17.2	11.2	3.0	77.0	13.5	8.3	5.8	3.0
Industry	Construction	188	9.9	30.0	16.1	16.7	10.8	4.6	78.2	22.4	8.3	4.1	1.6
	Manufacturing	409	3.9	30.9	13.9	11.4	5.1	2.7	81.3	13.1	7.4	5.9	2.6
	Transport	44	5.4	46.5	19.9	14.0	7.9	0.3	69.8	13.7	7.2	3.1	5.4
	Information and communications	145	9.5	38.9	26.2	19.5	11.9	1.7	85.6	6.7	11.9	0.9	2.3
	Wholesale trade	452	7.2	35.0	14.5	9.5	7.4	2.2	79.5	16.8	11.4	4.2	1.5
	Retail trade	40	20.9	29.2	13.0	6.0	18.2	8.1	69.1	13.5	5.0	0.0	0.0
	Services	159	15.2	40.7	22.6	16.0	9.1	3.8	83.2	11.2	9.9	8.4	0.1
	(Ref.) Accommodations, eating and drinking services	10	30.3	25.1	30.5	0.0	55.3	0.0	37.5	5.7	0.0	0.0	2.0
	(Ref.) Medical, health care and welfare	9	27.5	18.6	15.9	0.0	1.3	0.0	55.3	0.0	0.0	0.0	17.2
	Others	62	7.6	22.7	18.0	6.4	7.1	1.5	85.5	11.3	7.9	5.6	0.1
Size of enterprise	Less than 100 employees	1,110	8.4	33.7	16.8	12.2	8.4	2.7	80.1	14.6	9.4	4.6	1.7
	100 to 299 employees	279	6.6	36.2	16.9	16.4	7.3	3.7	88.4	12.3	8.3	1.1	3.0
	300 or more employees	129	10.6	31.0	22.1	22.8	10.2	5.6	90.4	17.7	16.6	2.8	2.4

Notes: 1. This was an optional question. The sample size n (1,518) excludes those enterprises that did not respond. 2. Due to small sample sizes for "Accommodations, eating and drinking services" and "Medical, health care and welfare," figures are given for reference only.

When asked about the effectiveness of teleworking as pertains to specific purposes of introducing it, the total of “Highly effective” and “Effective” was highest for “To reduce the burden of commuting,” (81.9%) followed by “To promote balanced and healthy lifestyles for commuters” (81.4%), “To improve work / life balance” (72.0%), “To secure and retain personnel” (59.6%), and “As a COVID-19 countermeasure” (58.8%). Overall, the percentage of enterprises reporting that it was effective was higher than the percentage of enterprises reporting that it was ineffective (Figure 19).

Figure 19. Effectiveness of teleworking as pertains to specific purposes of introducing it

(%)

	n	Effective (Total)			Cannot say either way	Ineffective (Total)		
			Highly effective	Effective			Not very effective	Not effective at all
To boost productivity	121	54.3	6.5	47.8	39.6	6.0	5.1	0.9
To reduce the burden of commuting	531	81.9	20.9	61.0	13.6	4.6	3.4	1.2
To promote balanced and healthy lifestyles for commuters	265	81.4	16.4	65.0	15.6	2.9	2.9	0.0
To improve work/life balance	203	72.0	17.6	54.4	23.8	4.3	2.7	1.6
To secure and retain personnel	122	59.6	15.6	44.1	38.3	2.0	2.0	0.0
To boost enterprise’s business performance	46	40.1	0.2	39.9	53.3	6.6	6.4	0.2
As a COVID-19 countermeasure	1,251	58.8	10.0	48.8	32.5	8.7	7.2	1.5
As a substitute for temporary leave	217	49.3	4.1	45.2	35.9	14.8	12.4	2.4
As a business continuity plan (BCP) measure	151	64.6	9.3	55.3	27.5	7.8	7.8	0.0
To reduce office costs	57	69.6	20.9	48.7	28.7	1.6	1.6	0.0
Others	29	52.3	6.2	46.1	35.4	12.4	7.3	5.1

Note: This was an optional question relating to items selected as purposes of introduction of teleworking. The sample size n excludes those enterprises that did not respond.

When asked about challenges concerning teleworking, the top responses were “Communication with co-workers more difficult than in the workplace” (75.5%), “Difficult to track the progress and results of individual employees” (59.9%), and “Due to the content of work duties, difficult to allocate work that can be done remotely” (53.4%), conveying a clear picture of the challenges involved (Figure 20).

Figure 20. Challenges concerning teleworking

(Multiple answers allowed, %)

		n	Communication and HRD-related		Work management-related			IT skills and equipment-related		Work content-related				
			Communication with co-workers more difficult than in the workplace	Difficult to train personnel through OJT as it is not face-to-face	Difficult to track the progress and results of individual employees	Difficult to manage working hours (teleworking causes overwork)	Difficult to manage employee health (including mental health) during teleworking	Difficult to provide environment for teleworking (securing computers, Internet networks, security issues, etc.)	Difficult to support employees during teleworking (computer setup, etc.)	Due to the content of work duties, difficult to allocate work that can be done remotely	Supervisor unable to clearly allocate duties to subordinates during teleworking	Difficult to delegate duties when working as a team	Workplace attendance required for face-to-face communication with other enterprises or dealing with paper documents	Others
Total		1,485	75.5	42.0	59.9	31.6	26.8	43.1	26.4	53.4	19.1	21.5	34.4	3.2
Region	Hokkaido	60	75.9	25.6	49.6	39.3	28.8	44.9	21.8	56.2	10.9	22.0	30.1	4.3
	Tohoku and Kita-Kanto	115	77.0	41.9	57.5	34.2	24.8	45.1	24.5	50.7	17.3	20.9	28.0	2.4
	Minami-Kanto	670	75.3	42.5	62.9	29.9	28.6	43.4	25.9	50.9	19.4	19.6	36.5	2.6
	Hokuriku and Tokai	202	76.1	42.0	60.6	29.6	24.7	47.6	30.2	58.3	18.2	23.9	34.7	4.2
	Kinki	254	77.6	44.7	65.4	36.3	25.6	40.1	24.0	56.8	20.9	24.7	33.5	5.8
	Chugoku, Shikoku and Kyushu	184	72.8	41.0	49.8	30.2	26.4	40.7	28.4	52.0	19.5	21.1	33.8	1.5
Industry	Construction	185	73.1	33.6	60.0	31.6	21.2	44.6	22.1	62.5	18.8	19.1	34.3	2.5
	Manufacturing	397	77.4	42.9	62.1	32.3	24.2	44.9	29.4	56.6	20.0	21.2	31.1	3.6
	Transport	43	81.5	30.8	75.2	42.7	18.9	56.0	38.7	68.2	39.0	21.7	34.8	0.0
	Information and communications	140	81.0	66.9	56.6	24.2	51.0	25.7	18.0	34.4	14.8	29.4	40.7	1.8
	Wholesale trade	443	74.6	38.2	61.3	33.1	24.5	46.4	28.5	56.0	19.5	19.5	34.4	4.3
	Retail trade	39	59.5	44.6	40.8	16.6	26.5	27.8	36.0	43.4	10.3	12.5	24.2	4.1
	Services	159	73.8	40.4	54.7	32.7	27.2	42.7	20.9	40.3	17.6	26.1	34.0	3.1
	(Ref.) Accommodations, eating and drinking services	10	98.3	40.7	73.3	59.6	4.2	68.8	5.9	33.4	34.5	4.2	34.7	0.0
	(Ref.) Medical, health care and welfare	9	70.7	63.7	39.3	19.2	17.0	2.4	17.0	34.5	1.1	19.2	3.2	15.9
	Others	60	77.1	40.3	61.3	33.6	25.1	51.0	32.0	62.9	21.1	23.9	45.1	0.1
Size of enterprise	Less than 100 employees	1,084	75.5	41.7	59.7	31.6	26.5	43.1	26.5	53.3	19.0	21.5	34.3	3.3
	100 to 299 employees	275	78.0	51.0	64.5	32.2	35.4	44.4	24.8	55.2	21.2	23.8	35.0	1.8
	300 or more employees	126	76.0	61.4	65.4	37.0	40.5	49.4	24.4	55.9	24.9	25.1	43.5	1.4

Notes: 1. This was an optional question. The sample size n (1,485) excludes those enterprises that did not respond. 2. Due to small sample sizes for “Accommodations, eating and drinking services” and “Medical, health care and welfare,” figures are given for reference only.

In response to questions about whether enterprises were able to handle challenges relating to teleworking, with regard to “Communication with co-workers more difficult than in the workplace,” while the total percentage of “Able (or was able) to address challenge” (1.1%) and “More or less able (or was able) to address challenge” (19.1%) was 20.2%, the total percentage of “Unable (or was unable) to address challenge” (8.4%) and “More or less unable (or was unable) to address challenge” (33.0%) was 21.2 percentage points higher at 41.4% (Figure 21). With regard to “Difficult to track the progress and results of individual employees,” the “able to” percentage was 12.6% while the “unable to” percentage was 35.5 percentage points higher at 48.1%, and with regard to “Due to the content of work duties, difficult to allocate work that can be done remotely,” the “able to” percentage was 10.0% while the “unable to” percentage was 50.4 percentage points higher at 60.4%. For all items, the percentages of “unable” enterprises was higher than those of “able” enterprises.

Figure 21. Ability to address teleworking challenges

(%)

		n	Able to address challenge (Total)	Able (or was able) to address challenge	More or less able (or was able) to address challenge	Cannot say either way	Unable to address challenge (Total)	More or less unable (or was unable) to address challenge	Unable (or was unable) to address challenge	Able to address challenge (Total) — Unable to address challenge (Total)
Communication and HRD-related	Communication with co-workers more difficult than in the workplace	1,123	20.2	1.1	19.1	38.4	41.4	33.0	8.4	−21.2
	Difficult to train personnel through OJT as it is not face-to-face	662	10.7	0.2	10.5	32.6	56.7	41.2	15.5	−46.0
Work management-related	Difficult to track the progress and results of individual employees	898	12.6	0.4	12.2	39.4	48.1	38.0	10.0	−35.5
	Difficult to manage working hours (teleworking causes overwork)	470	19.8	1.3	18.5	40.2	40.0	28.2	11.8	−20.2
	Difficult to manage employee health (including mental health) during teleworking	434	10.6	0.0	10.6	45.6	43.8	31.7	12.1	−33.3
IT skills and equipment-related	Difficult to provide environment for teleworking (securing computers, Internet networks, security issues, etc.)	645	22.2	4.3	17.8	31.4	46.5	32.4	14.0	−24.3
	Difficult to support employees during teleworking (computer setup, etc.)	379	19.6	2.1	17.5	32.4	47.9	32.3	15.6	−28.3
Work content-related	Due to the content of work duties, difficult to allocate work that can be done remotely	795	10.0	1.1	8.9	29.6	60.4	36.3	24.1	−50.4
	Supervisor unable to clearly allocate duties to subordinates during teleworking	295	8.2	1.3	6.9	30.2	61.7	46.7	15.0	−53.5
	Difficult to delegate duties when working as a team	324	14.9	1.9	13.0	34.3	50.8	38.3	12.5	−35.9
	Workplace attendance required for face-to-face communication with other enterprises or dealing with paper documents	520	15.9	1.9	14.0	30.4	53.7	32.3	21.4	−37.8
Others		42	21.3	8.7	12.7	14.7	64.0	12.0	52.0	−42.7

Note: This was an optional question relating to items selected as challenges in implementing telework. The sample size n excludes those enterprises that did not respond.

III. Utilization of Support Measures such as Employment Adjustment Subsidy, Sustainability Subsidy, Financial Support from Financial Institutions, etc.

1. Approximately 40% of enterprises utilize the Employment Adjustment Subsidy (EAS), and regarding those that do not, responses to inquiries on reasons for not applying indicate that it is being utilized by nearly all enterprises that have need of it. With regard to major support measures other than the EAS, a high percentage of enterprises are making use of 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 "Support measures by prefectures, etc." (Figures 22-25)

Around 40% of enterprises are utilizing the EAS, with 37.3% having "applied for and received" the subsidy and 2.3% "currently in the process of applying" (Figure 22). When asked about reasons for not applying for the EAS, 47.9% responded that they "knew about the subsidy program, but did not meet the requirements to receive it (did not meet the production index conditions, etc.)," 43.2% "did not need to apply for the subsidy (business performance was good, enterprise was understaffed, etc.)" Only small percentages "did not know about the subsidy program" (1.3%) or "Found the application procedure too difficult" (5.0%). Based on these results, it seems valid to say that the EAS is reaching nearly all the enterprises that require it. However, there are issues regarding its utilization by small-scale enterprises (Figure 24). As for support measures other than the EAS for which enterprises applied, the utilization rates are 46.8% for the "Japan Finance Corporation and private financial institutions' financial support through Special Coronavirus Loans and Safety Nets for Financing Guarantee," 41.3% for the "Sustainability Subsidy (Subsidy Program for Sustaining Businesses)," and 33.9% for "Support measures by prefectures, etc." (Figure 25).

Figure 22. Application for and Utilization of the Employment Adjustment Subsidy

(%)

		n	Applied for and received	Currently in the process of applying	Did not apply
Total		3,196	37.3	2.3	60.4
Region	Hokkaido	183	26.3	3.0	70.7
	Tohoku and Kita-Kanto	493	36.5	1.0	62.5
	Minami-Kanto	977	37.8	2.9	59.3
	Hokuriku and Tokai	506	44.2	3.4	52.4
	Kinki	548	41.4	2.7	56.0
	Chugoku, Shikoku and Kyushu	489	30.7	1.3	68.0
Industry	Construction	510	24.7	1.5	73.9
	Manufacturing	923	49.9	3.0	47.2
	Transport	150	49.7	1.4	48.9
	Information and communications	154	23.5	1.4	75.1
	Wholesale trade	850	36.2	2.6	61.2
	Retail trade	124	39.2	1.0	59.9
	Services	273	33.8	2.5	63.8
	Accommodations, eating and drinking services	33	73.2	0.0	26.8
	Medical, health care and welfare	37	6.5	0.0	93.5
	Others	142	26.8	3.0	70.3
Size of enterprise	Less than 100 employees	2,625	37.2	2.3	60.5
	100 to 299 employees	421	47.4	2.4	50.2
	300 or more employees	150	40.6	0.5	58.9

Note: This was an optional question. The sample size n (3,196) excludes those enterprises that did not respond.

Figure 23. Month(s) the Employment Adjustment Subsidy was received

(%)

		n	2020									2021
			April	May	June	July	August	September	October	November	December	January
Total		1,217	48.2	67.3	58.9	53.8	51.6	48.0	46.3	43.8	40.7	37.8
Region	Hokkaido	49	59.8	60.0	47.3	42.2	30.5	30.5	30.2	20.5	25.1	27.8
	Tohoku and Kita-Kanto	172	36.0	61.7	60.3	54.3	58.9	50.2	46.9	46.9	39.6	37.6
	Minami-Kanto	381	56.9	75.2	60.0	50.7	48.5	45.4	45.2	42.4	36.7	35.1
	Hokuriku and Tokai	226	44.1	60.5	60.9	59.7	55.7	52.7	49.4	46.0	46.0	39.2
	Kinki	230	46.3	68.6	55.4	53.2	49.2	47.6	48.1	48.0	48.6	45.7
	Chugoku, Shikoku and Kyushu	159	51.5	69.0	59.6	53.4	50.9	47.5	44.0	39.8	35.4	33.5
Industry	Construction	114	41.0	57.5	38.5	25.8	20.7	21.4	25.7	21.0	16.9	14.5
	Manufacturing	476	39.0	61.7	63.4	65.7	64.6	59.5	56.3	53.2	48.5	43.0
	Transport	70	45.8	76.1	72.2	65.6	50.4	42.1	39.1	31.3	24.2	26.8
	Information and communications	37	48.4	65.3	55.5	45.0	44.2	39.1	39.1	46.3	43.1	30.6
	Wholesale trade	306	49.1	70.4	62.0	52.5	53.4	50.1	49.5	48.2	46.6	45.9
	Retail trade	54	71.6	82.5	39.5	31.7	29.5	26.5	27.9	25.4	24.1	20.9
	Services	92	67.5	73.8	56.9	53.4	50.3	47.7	42.9	42.1	42.4	39.9
	Accommodations, eating and drinking services	27	88.0	88.4	74.6	48.2	44.9	50.7	38.2	38.2	43.9	58.8
	Medical, health care and welfare	5	4.3	8.4	96.2	92.1	92.1	8.3	4.0	4.0	7.8	4.0
	Others	36	78.7	81.1	46.9	37.2	28.8	31.4	26.2	23.1	20.5	15.3
Size of enterprise	Less than 100 employees	957	48.2	67.2	58.7	53.7	51.5	47.9	46.2	43.8	40.7	37.8
	100 to 299 employees	197	42.4	73.5	71.9	62.4	59.4	53.9	50.7	46.1	44.2	38.6
	300 or more employees	63	53.3	77.5	69.1	58.7	50.2	51.0	44.4	41.9	36.7	35.4

Notes: 1. This was an optional question for enterprises that applied for and received the Employment Adjustment Subsidy. The sample size n (1,217) excludes those enterprises that did not respond.
2. For this item, respondents were supposed to select all the months in which they received the subsidy.

Figure 24. Reasons for not applying for the Employment Adjustment Subsidy

(Multiple answers allowed, %)

		n	Did not know about the subsidy program	Knew about the subsidy program, but did not meet the requirements to receive it (did not meet the production index conditions, etc.)	Found the application procedure too difficult	Did not understand application procedure or lacked know-how	Was too busy carrying out day-to-day tasks	Did not have the wherewithal to request assistance from a certified social insurance and labor consultant, etc.	Others	Did not need to apply for the subsidy (business performance was good, enterprise was understaffed, etc.)
Total		1,874	1.3	47.9	5.0	2.8	3.5	1.4	2.3	43.2
Region	Hokkaido	125	1.7	42.2	2.6	0.9	0.0	0.0	1.7	50.9
	Tohoku and Kita-Kanto	311	1.1	44.5	3.8	2.3	1.5	1.1	1.5	49.1
	Minami-Kanto	563	1.7	50.0	9.1	5.9	5.1	1.7	2.0	37.0
	Hokuriku and Tokai	260	0.5	48.3	2.8	0.5	1.8	0.9	4.6	44.3
	Kinki	299	1.2	51.2	5.2	3.6	6.4	1.2	2.4	39.2
	Chugoku, Shikoku and Kyushu	316	1.5	46.7	3.3	1.5	3.3	1.9	1.9	45.8
Industry	Construction	374	1.8	39.5	6.3	3.7	4.4	0.5	1.6	50.3
	Manufacturing	418	0.7	42.1	4.2	1.6	4.5	0.7	3.3	49.1
	Transport	78	1.3	67.1	1.8	0.0	4.0	3.9	2.3	25.3
	Information and communications	114	0.1	45.0	4.3	4.2	3.1	0.9	1.5	47.1
	Wholesale trade	516	1.5	54.6	4.7	3.9	3.3	1.6	2.5	36.1
	Retail trade	66	3.6	50.5	9.9	2.9	6.1	4.6	0.0	39.9
	Services	171	0.0	55.9	5.4	2.0	1.4	2.5	1.3	38.5
	Accommodations, eating and drinking services	6	0.0	60.6	0.0	0.0	0.0	0.0	1.1	38.3
	Medical, health care and welfare	32	0.0	27.8	9.9	0.0	0.0	0.0	16.2	51.9
	Others	99	2.3	48.8	2.0	1.1	1.2	1.2	1.1	44.7
Size of enterprise	Less than 100 employees	1,578	1.3	48.0	5.0	2.9	3.6	1.4	2.3	43.1
	100 to 299 employees	211	0.5	35.9	1.8	0.9	0.9	0.5	4.0	57.3
	300 or more employees	85	0.0	42.4	0.0	0.0	2.2	0.0	3.3	52.0

Note: This was an optional question for enterprises that did not apply for the Employment Adjustment Subsidy. The sample size n (1,874) excludes those enterprises that did not respond.

Figure 25. Application for major support measures other than the Employment Adjustment Subsidy

(Multiple answers allowed when measures were utilized, %)

		n	Have already applied							Not planning to apply for any aid
				Sustainability Subsidy (2 million yen for business operators whose sales declined, etc.)	Grant for cooperation with requests from prefectures, etc. for temporary closures or shortened business hours triggered by the state of emergency in April and May 2020	Grant for cooperation with requests from prefectures, etc. for temporary closures or shortened business hours triggered by the state of emergency in January 2021 (including enterprises planning to apply)	Benefits, subsidies, loans, etc. from prefectures, etc., other than those at left	Financial support from the Japan Finance Corporation or private-sector financial institutions in the form of Special Coronavirus Loans, Safety Nets for Financing Guarantees, etc.	Others	
Total		3,009	71.8	41.3	6.4	2.0	33.9	46.8	2.3	28.2
Region	Hokkaido	178	69.8	37.3	4.0	2.6	26.3	52.9	1.9	30.2
	Tohoku and Kita-Kanto	470	73.9	39.7	5.7	1.2	31.6	45.9	2.5	26.1
	Minami-Kanto	913	70.1	41.6	7.6	2.3	35.5	44.8	1.9	29.9
	Hokuriku and Tokai	485	70.0	44.7	3.4	1.3	31.5	45.3	3.6	30.0
	Kinki	510	74.0	39.5	7.8	2.1	33.1	46.7	3.1	26.0
	Chugoku, Shikoku and Kyushu	453	72.3	41.7	7.3	2.7	38.0	50.1	0.9	27.7
Industry	Construction	483	74.6	55.8	2.6	1.1	31.6	41.4	1.3	25.4
	Manufacturing	871	73.6	39.8	4.2	1.5	35.8	49.8	2.1	26.4
	Transport	146	67.5	19.2	4.6	0.8	34.3	55.2	2.1	32.5
	Information and communications	140	65.9	35.3	2.2	0.9	25.5	34.6	2.5	34.1
	Wholesale trade	797	73.3	38.8	6.7	2.0	33.8	49.5	2.9	26.7
	Retail trade	118	73.8	43.5	19.6	6.5	38.0	51.0	4.1	26.2
	Services	255	72.3	43.0	11.6	1.5	37.6	48.2	1.9	27.7
	Accommodations, eating and drinking services	33	99.7	86.8	50.4	34.7	83.1	79.8	0.0	0.3
	Medical, health care and welfare	33	52.6	10.9	0.0	0.0	15.1	26.4	4.7	47.4
	Others	133	47.4	29.6	8.8	1.6	23.5	30.3	1.9	52.6
Size of enterprise	Less than 100 employees	2,482	72.2	41.7	6.4	2.0	34.0	47.1	2.3	27.8
	100 to 299 employees	390	49.9	18.8	7.0	1.8	25.1	29.2	2.6	50.1
	300 or more employees	137	35.6	12.3	7.6	2.0	17.4	17.2	1.6	64.4

Note: This was an optional question. The sample size n (3,009) excludes those enterprises that did not respond.

IV. Future Outlook for Enterprises' Business Performance and Plans for Future Business Continuity

1. Regarding outlook for the recovery of enterprises' business performance, the most common response, from around 20% of enterprises, was that they are "Not sure," followed by "Expect it will take between six months and one year" and "Expect it will take between one and two years." (Figure 26)

Looking at enterprises' responses regarding their prospects for recovery of business performance, the highest percentage, around 20%, responded that they are "Not sure" (19.4%), followed by "Expect it will take between six months and one year to recover and return to the previous level" (18.5%) and "between one and two years" (16.1%). Only 8.7% of enterprises responded that business performance had "already recovered and returned to the previous level." In the accommodations, eating and drinking services industry, prospects were particularly poor, with high percentages of enterprises responding that returning to the previous levels would take "more than two years" (Figure 26).

Figure 26. Future outlook for enterprises' 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		3,227	8.7	1.9	5.7	18.5	16.1	7.0	5.6	19.4	17.1
Region	Hokkaido	182	7.3	3.2	4.8	13.1	16.0	12.1	4.4	18.5	20.6
	Tohoku and Kita-Kanto	494	9.2	2.1	5.7	16.2	14.3	6.2	7.3	19.4	19.6
	Minami-Kanto	984	9.1	2.6	7.0	19.6	15.5	6.0	5.8	19.7	14.7
	Hokuriku and Tokai	515	9.8	1.5	4.6	18.7	16.7	7.2	6.9	19.6	15.0
	Kinki	555	6.9	1.8	5.7	18.8	17.4	10.0	5.9	19.9	13.5
	Chugoku, Shikoku and Kyushu	497	8.5	1.0	5.2	19.6	16.5	5.4	3.0	18.8	21.9
Industry	Construction	510	6.7	1.8	4.6	15.4	12.0	6.9	3.1	24.0	25.3
	Manufacturing	931	11.3	2.7	7.4	20.9	14.8	7.2	4.2	17.5	13.8
	Transport	154	10.4	2.7	3.6	16.5	20.7	8.8	8.6	20.4	8.5
	Information and communications	154	14.3	1.5	5.9	17.7	14.4	1.8	1.8	15.1	27.5
	Wholesale trade	860	7.6	1.7	5.8	18.4	17.3	8.2	7.9	19.4	13.7
	Retail trade	127	11.1	0.8	3.4	21.0	17.8	1.0	8.2	22.4	14.3
	Services	276	5.2	0.8	4.2	19.4	23.8	6.0	7.9	16.2	16.5
	Accommodations, eating and drinking services	33	0.0	0.3	6.0	18.6	29.9	19.8	7.9	13.2	4.2
	Medical, health care and welfare	38	8.5	0.0	3.1	16.0	14.1	0.0	4.8	20.3	33.2
	Others	144	5.9	1.7	5.2	16.2	11.9	8.8	3.5	21.1	25.7
Size of enterprise	Less than 100 employees	2,649	8.7	1.9	5.7	18.5	16.1	7.0	5.6	19.4	17.1
	100 to 299 employees	428	9.7	3.2	5.9	18.6	14.6	7.1	5.4	20.5	14.9
	300 or more employees	150	7.6	3.2	8.0	19.3	21.2	7.6	1.8	14.1	17.2

Note: This was an optional question. The sample size n (3,227) excludes those enterprises that did not respond.

2. Regarding future business continuity, over 50% of enterprises say they will "continue business operations at the current level," more than 20% of enterprises say they will "continue business operations at an expanded scale." (Figure 27)

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" (50.4%), followed by 22.8% of enterprises that intended to "continue business operations at an expanded scale" and 6.4% of enterprises that intended to "continue business operations at a smaller scale." Looking at the figures by industry, the percentages of enterprises that intended to "continue business operations at an expanded scale" were high in the transport (40.2%), medical, health care and welfare (38.6%), and information and communications (37.4%) 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 (24.1%) and retail trade (15.2%) industries (Figure 27).

Figure 27. Enterprises' plans for future business continuity

(%)

		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		2,951	22.8	50.4	6.4	7.0	0.5	12.9
Region	Hokkaido	173	17.9	52.0	8.3	5.2	0.6	15.9
	Tohoku and Kita-Kanto	455	23.3	51.8	6.7	4.1	0.0	14.0
	Minami-Kanto	877	22.0	49.9	7.3	6.9	0.3	13.6
	Hokuriku and Tokai	482	21.9	48.1	8.5	7.7	0.8	13.1
	Kinki	508	21.8	51.9	5.8	9.7	1.0	9.7
	Chugoku, Shikoku and Kyushu	456	26.0	50.4	3.5	6.8	0.5	12.8
Industry	Construction	455	19.9	56.7	3.8	4.8	0.9	13.9
	Manufacturing	859	22.0	51.3	6.4	8.1	0.2	12.0
	Transport	148	40.2	35.4	6.2	6.7	0.0	11.5
	Information and communications	144	37.4	47.1	3.3	2.4	0.0	9.7
	Wholesale trade	779	19.9	51.7	7.1	8.1	0.8	12.3
	Retail trade	120	25.7	41.7	15.2	9.8	0.0	7.5
	Services	250	25.1	45.4	7.5	7.2	0.3	14.4
	Accommodations, eating and drinking services	29	16.8	27.2	24.1	16.0	0.0	15.9
	Medical, health care and welfare	37	38.6	50.8	0.8	0.0	0.0	9.9
	Others	130	17.2	51.3	3.3	3.2	0.9	24.0
Size of enterprise	Less than 100 employees	2,411	22.7	50.4	6.4	7.0	0.5	12.9
	100 to 299 employees	396	28.0	53.2	5.3	5.5	0.0	8.0
	300 or more employees	144	40.2	43.6	3.6	2.6	0.0	9.9

Note: This was an optional question. The sample size n (2,951) excludes those enterprises that did not respond.

Outline of the Survey

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

1. Object

Since January 2020, Japan's economy and society have been severely affected by the COVID-19. The government declared a state of emergency that took effect in April and May 2020, and has taken measures to support individuals and enterprises and to balance curtailment of the pandemic with economic activity. As a result, declines in employment can be seen as relatively limited in spite of the severe economic situation. However, a third wave of infections occurred in autumn and winter 2020, and on January 8, 2021 the second state of emergency was declared in Tokyo and three neighboring prefectures (Saitama, Chiba, Kanagawa). It was expanded to seven other prefectures (Osaka, Kyoto, Tochigi, Aichi, Gifu, Hyogo, Fukuoka) on January 11. Based on subsequent infection data, the state of emergency was lifted in stages (in Tochigi on February 7 and in Osaka, Hyogo, Kyoto, Aichi, Gifu, Fukuoka on March 1) and then completely lifted on March 22. However, the situation remains unpredictable.

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 the initial surveys conducted in June and October 2020 with an internet panel survey of enterprises in February 2021. This document is a preliminary report on the main findings of the tabulation of responses.

2. Surveyed enterprises (sample)

A total of 11,070 enterprises, all of which are registered as respondents (excluding those with no employees) with the internet survey firm that was utilized in the first Survey on Impact of COVID-19 on Enterprise Management (June 2020 Survey, First Aggregation published on July 16, 2020) and the second Survey on the Impact of COVID-19 on Enterprise Management (October 2020 Survey, First Aggregation published on December 16, 2020).

3. Survey period

February 1-9, 2021 (survey covering changes in production, sales, etc. in October, November, December 2020, and January 2021)

4. Survey method

Internet survey (write-in responses on a web browser screen)

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 enterprise (two categories: 299 or fewer employees and 300 or more employees). The results tabulated using the weights were used to calculate composition ratios, etc. (except those shown in figures such as Figures 4, 7, and 11-17, in which panel tabulation was 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.” Note that 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.

In tabulating panel data for the enterprises that have been continuously responding to the surveys, the results have been tabulated for February to May 2020 (June 2020 Survey), June to September 2020 (October 2020 Survey), and October 2020 to January 2021 (February 2021 Survey) (Individual sample sizes (n) are given in the main body). Note that 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.

6. Number of valid responses

3,265 (response rate 29.6%)

See attached table for attributes of enterprises giving valid responses

7. Survey results

June 2020 Survey

https://www.jil.go.jp/english/special/covid-19/survey/documents/20200716.pdf

October 2020 Survey

https://www.jil.go.jp/english/special/covid-19/survey/documents/20201216.pdf

Attributes of enterprises giving valid responses

		n	Composition ratio
Total		3,265	100.0
Region	Hokkaido	185	5.7
	Tohoku and Kita-Kanto	502	15.4
	Minami-Kanto	997	30.5
	Hokuriku and Tokai	520	15.9
	Kinki	559	17.1
	Chugoku, Shikoku and Kyushu	502	15.4
Industry	Construction	518	15.9
	Manufacturing	941	28.8
	Transport	154	4.7
	Information and communications	156	4.8
	Wholesale trade	872	26.7
	Retail trade	130	4.0
	Services	279	8.5
	Accommodations, eating and drinking services	33	1.0
	Medical, health care and welfare	38	1.2
	Others	144	4.4
Size of enterprise	Less than 100 employees	2,681	82.1
	100 to 299 employees	430	13.2
	300 or more employees	154	4.7