

SUMMARY

- Overall, members expect market conditions to return to pre-COVID levels by the end of 2020 or within the first two quarters of 2021.
- Members proceed with cautious optimism while embracing new-found ways of working

Our latest survey highlights how member companies plan to adjust following the news that Prime Minister Abe lifted the State of Emergency throughout Japan. Members expect a positive impact to business following this news, but plan to proceed with caution as they navigate next steps. Most member companies plan to alter when and how employees work and incorporate digital technologies to build on lessons learned over the last few months. Members do not expect business travel to resume immediately and will reduce their travel footprint.

KEY FINDINGS

- Overall, members expect market conditions to return to pre-COVID levels by the end of 2020 or within the first two quarters of 2021.
- Members expect a positive impact to business now that the State of Emergency has ended.
- Nearly one quarter of respondents applied for assistance from the Government of Japan; however, not all have received assistance to date.
- A majority of member companies have plans in place to resume business activities now that the State of Emergency has been lifted. Most will encourage off-peak transportation, stagger work hours, and return employees to the office gradually over time. Less than 40% will also resume external in-person meetings and in-person staff meetings.
- Just over a quarter of respondents said that they plan to bring employees back to the office in June 2020, while a few say immediately, and some say July 2020. A small number (6%) plan to pivot to a full remote work environment.
- A majority of respondents plan to offer combined telework and in-office work arrangements.
- A strong majority will require health safety measures (i.e., masks, gloves, hand sanitizer); a majority will require social distancing. Some will also implement mandatory temperature checks and will provide guidance for health safety such as cough etiquette or hand washing guidelines.
- Nearly half of the respondents say that they plan to adjust the physical workspace to allow for social distancing.
- Many members plan to wait approximately 3-6 months after the government lifts entry restrictions before resuming business travel. Nearly half of respondents said they expect their business travel to be very limited after governments open borders; another third said their travel will be somewhat limited. The top five countries they list as business destinations include: United States of America, Singapore, United Kingdom, Hong Kong, and China.
- Employers plan to continue many of the recent business and workplace practices they have made including the incorporation of telework and flexible work arrangements and a transition to greater reliance on digital options for service delivery and how to conduct day to day business. Key lessons learned center on the necessity for digital acumen, need for flexibility, adaptability, and a positive outlook, and the positive implementation of remote working.

Impact of Lifting the COVID-19 State of Emergency on Business in Japan

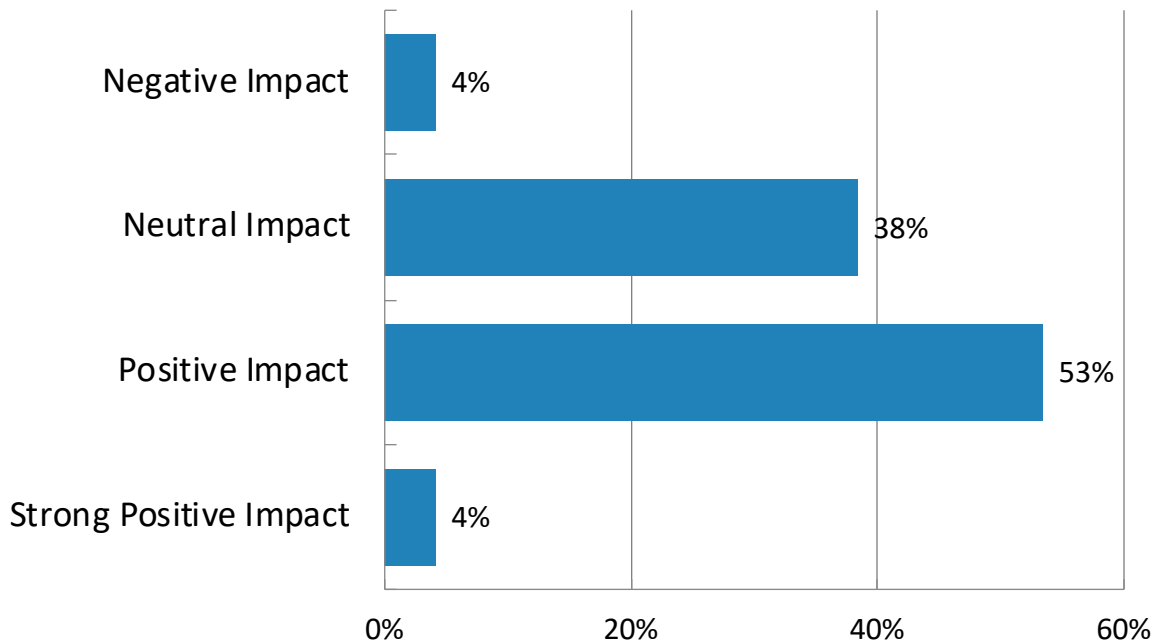
The 6th survey of ACCJ member companies

- This survey was conducted via email to representative members of commercial member companies between May 28 and June 2, 2020.
- 74 companies participated in this survey; a 14% response rate.

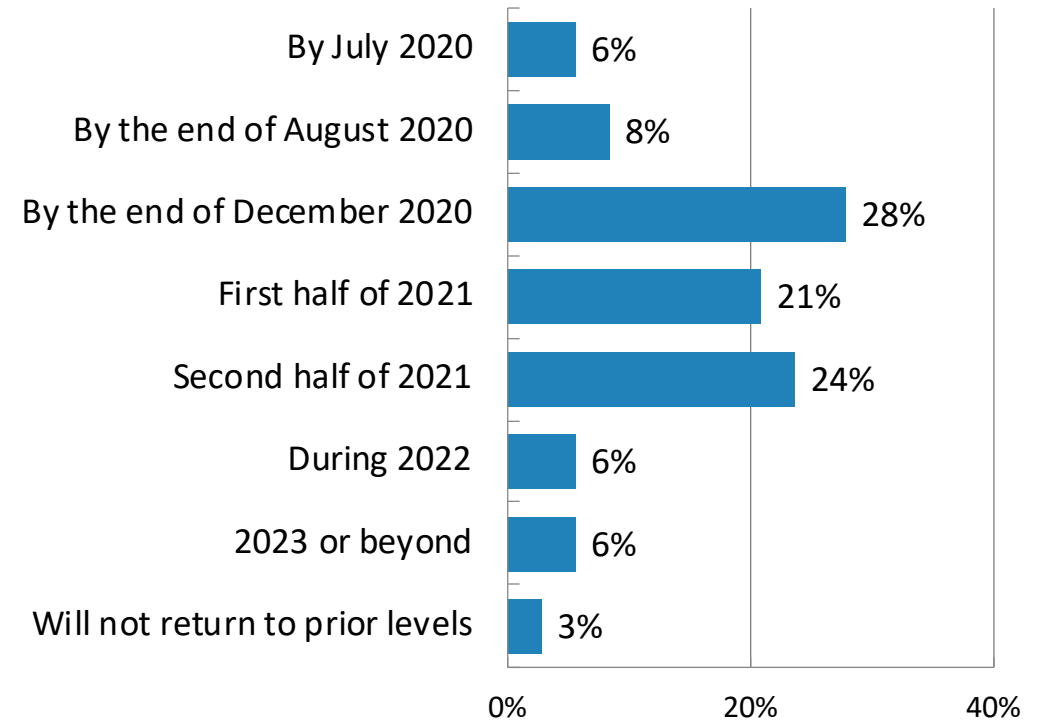


Economic Impact

What immediate economic impact do you expect the lifting of the State of Emergency to have on your business?



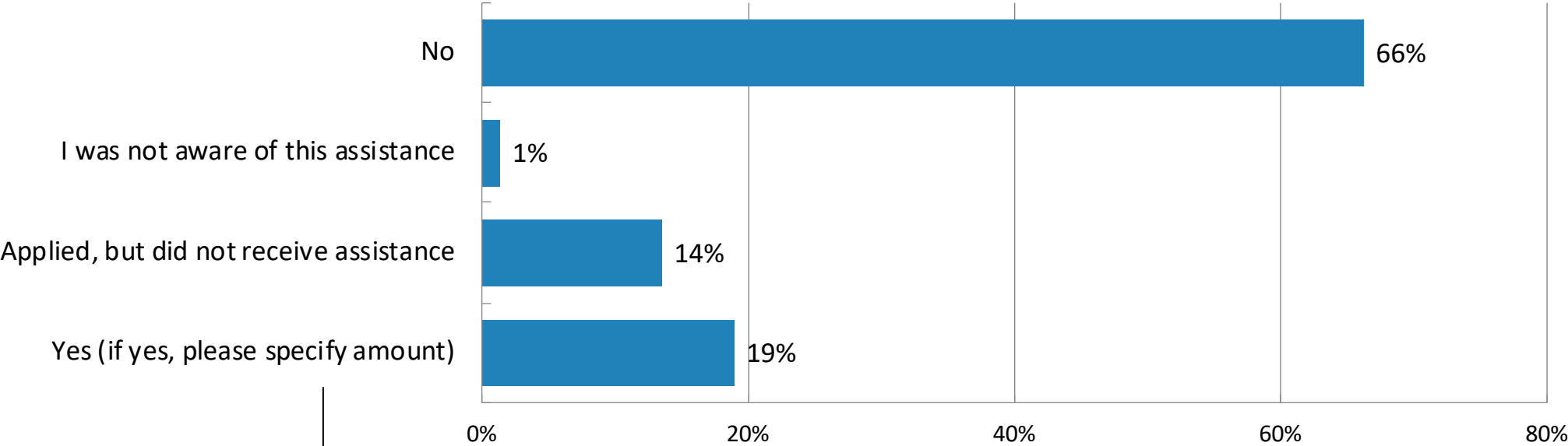
By when do you forecast market conditions for your business to return to the level they were immediately prior to the Covid-19 pandemic?





Economic Assistance from the Government of Japan

Did you apply for and receive assistance as part of the Government of Japan’s COVID-19 economic support package?

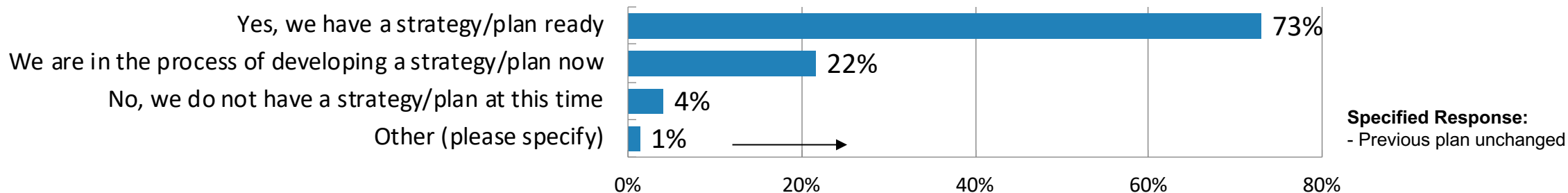


Specified Responses for Yes:

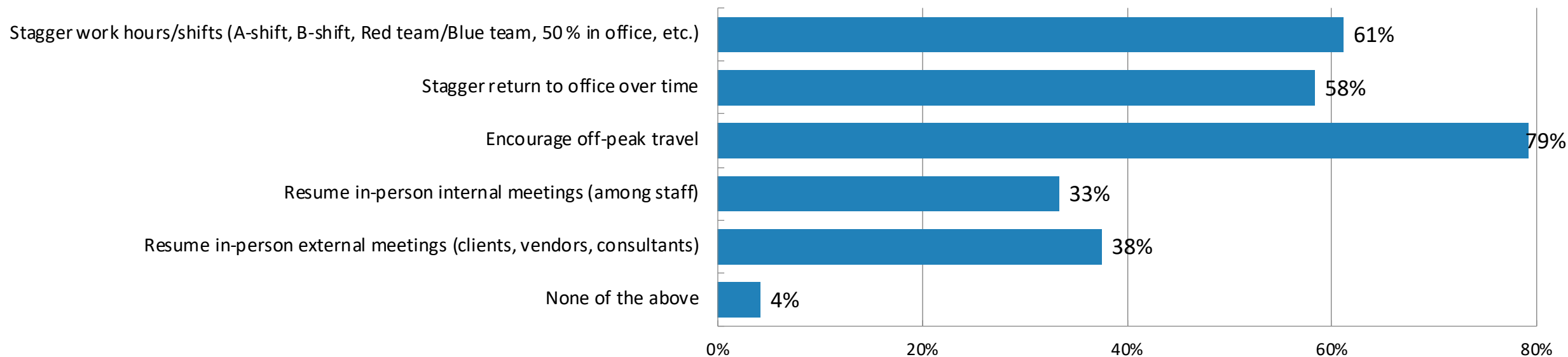
- Wide range of amounts mentioned: 100,000 (1); ¥2,000,000 (3); ¥160,000,000 (1)
- Two members mentioned delayed tax payments.

Strategy and Plans to Respond to end of State of Emergency

Does your company have a strategy or plan to respond to the recent news that the Government of Japan has lifted the State of Emergency? (select only one)

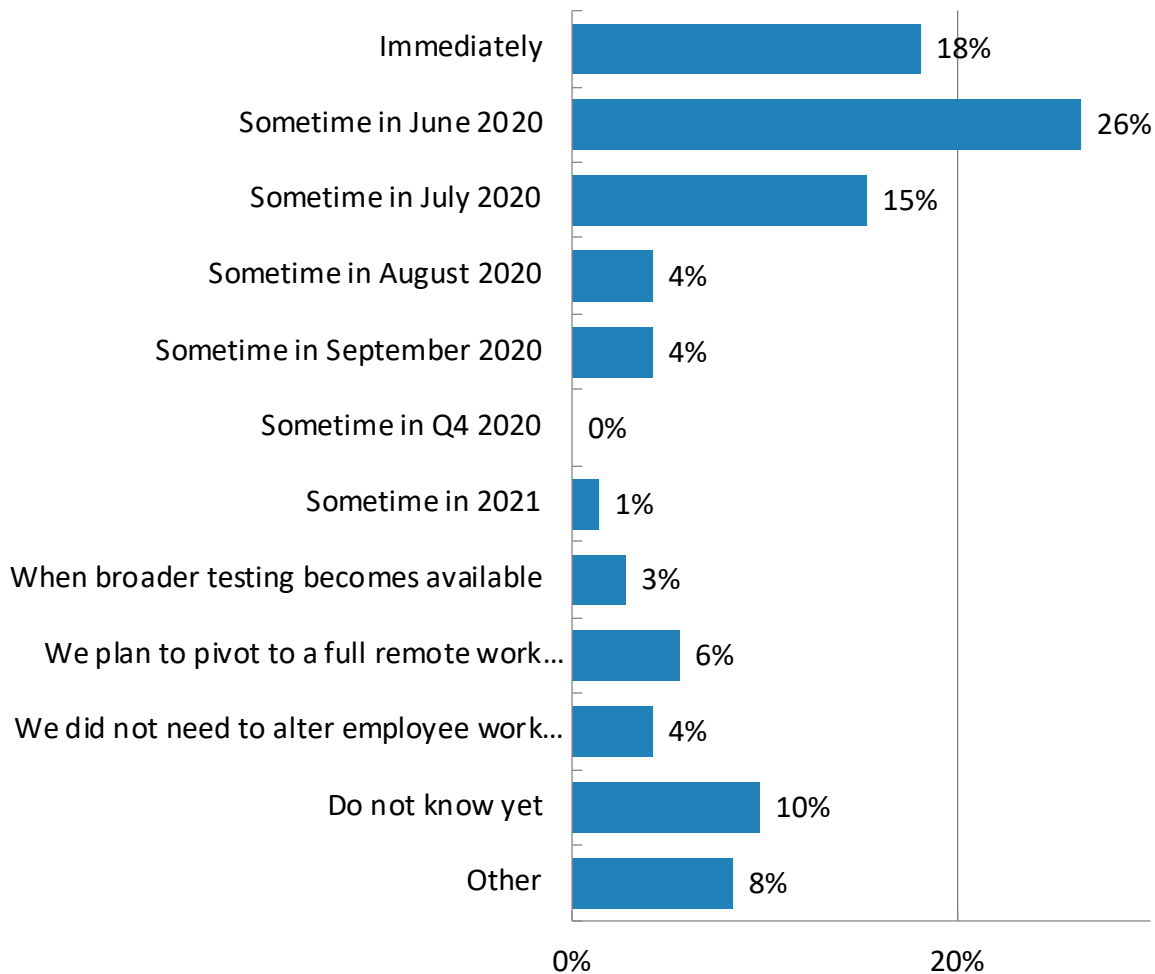


Does your company have a plan to implement any of the following? (select any that apply)

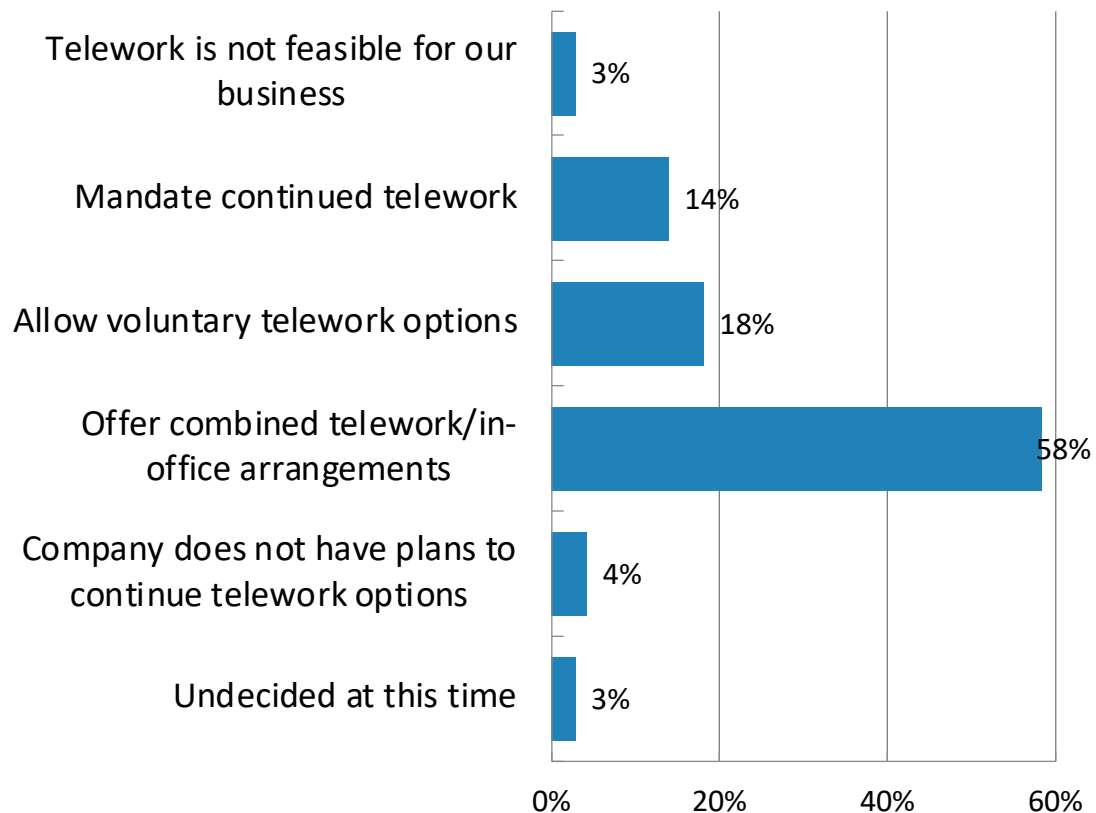


Employee Work Locations and Telework

When does your company plan to bring employees back to the office? (select only one)

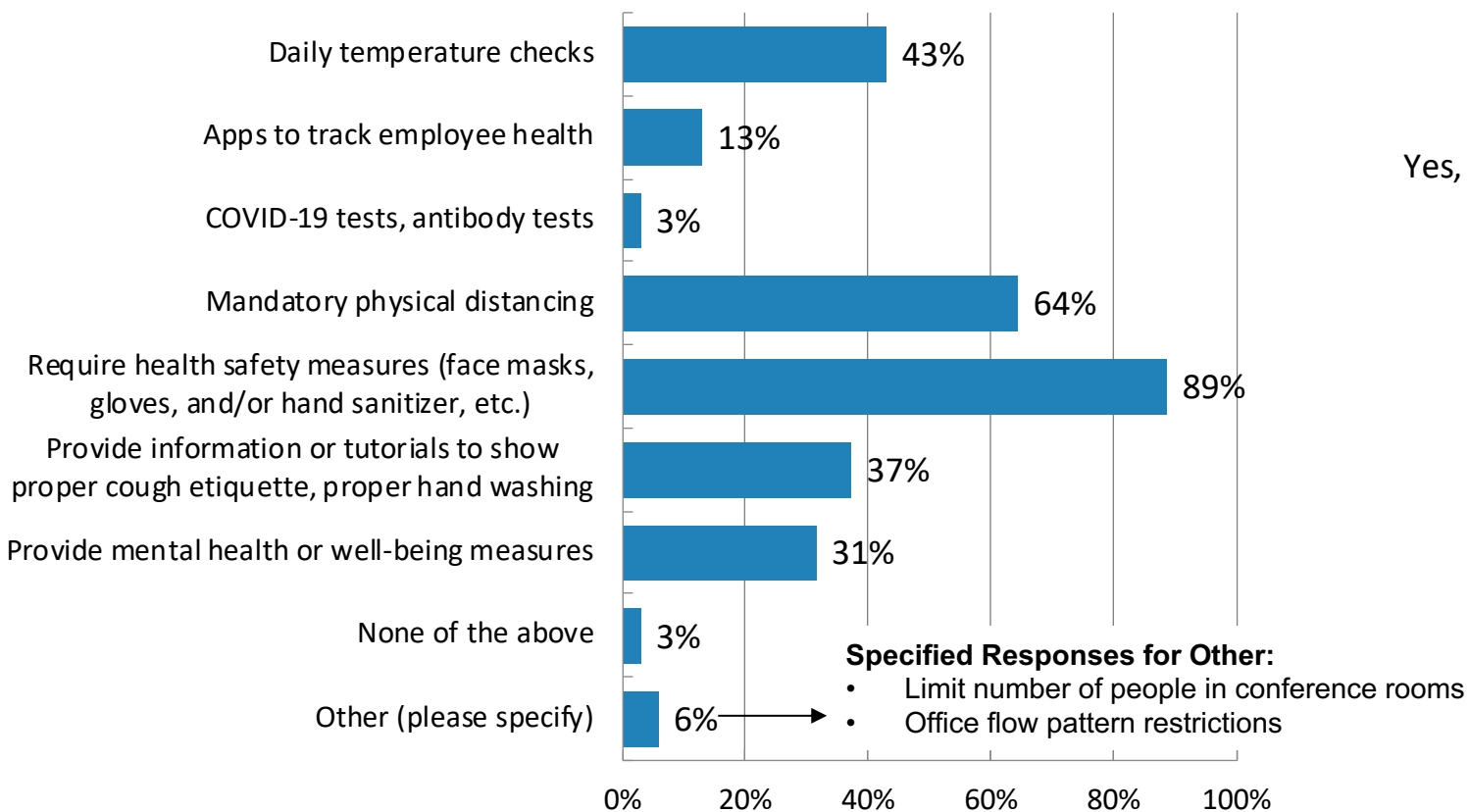


What plans does your company have related to telework now that the State of Emergency has been lifted? (select only one)

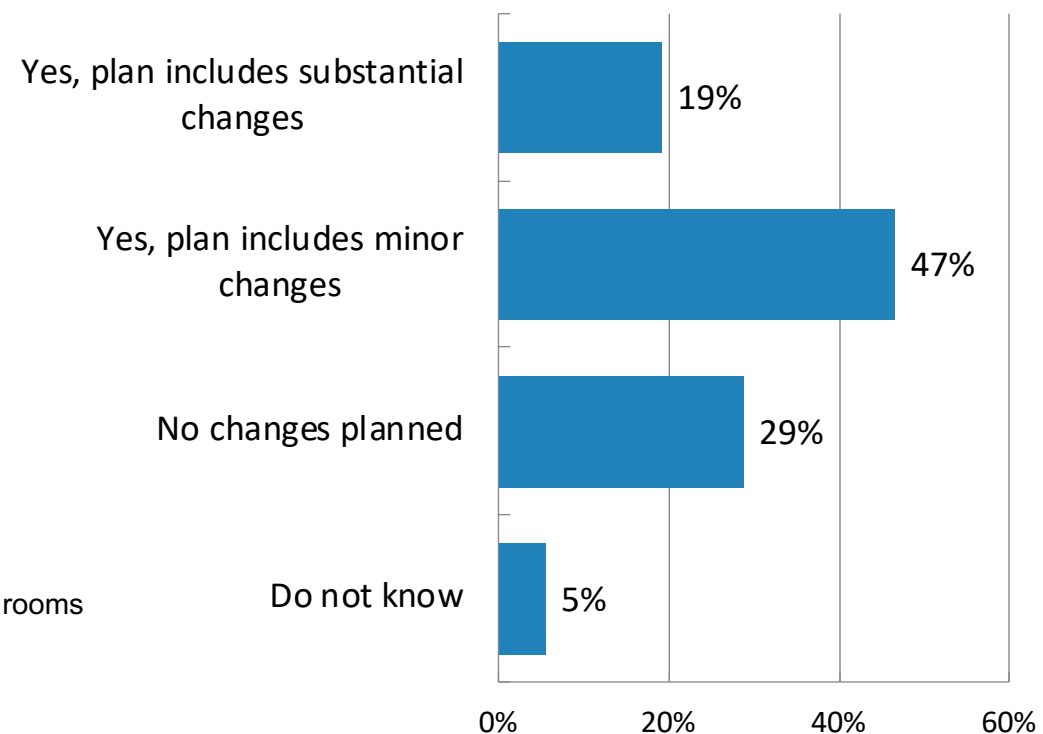


Office Facilities and Employee Health Safety

When your company re-opens office facilities, will you implement any of the following? (select any that apply)



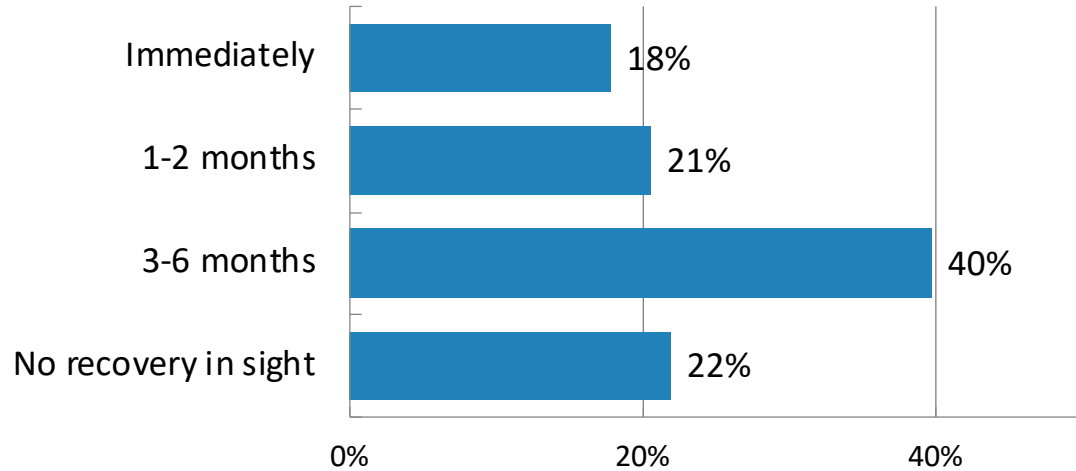
Does your company plan to adjust the physical work environment/reconfigure workspace to allow for social distancing?



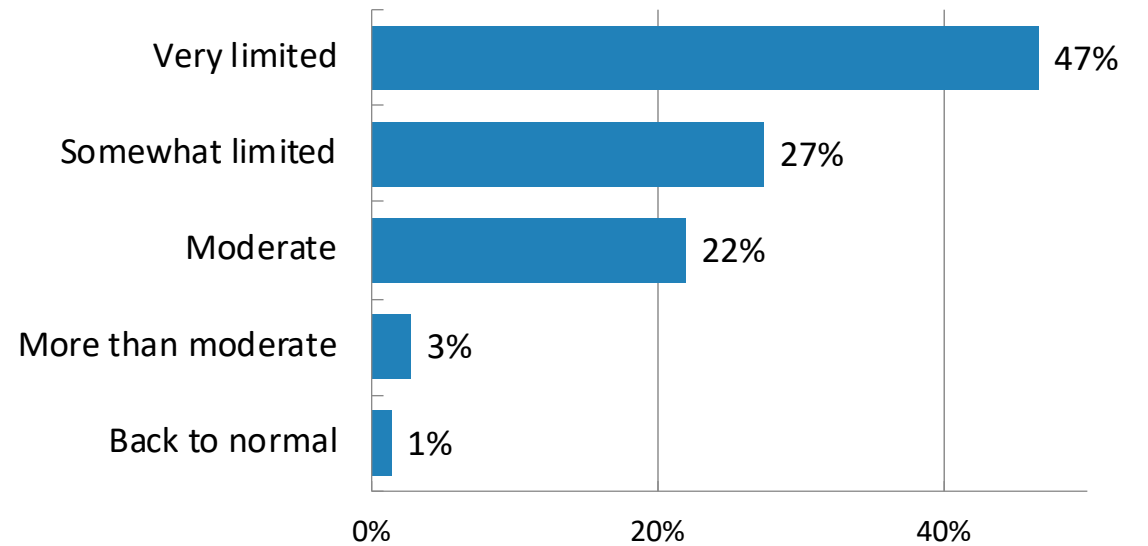


Business Travel Plans

How long after the lifting of government-imposed entry restrictions will you/your employees travel for business again?



At what level do you expect your business travel to be after governments re-open borders?



If you plan business travel, to which countries do you need to travel most urgently for business?

Top five mentions: United States of America, Singapore, United Kingdom, Hong Kong, and China.

Other destinations mentioned more than once: Australia, Korea, Europe, Germany, Malaysia, Philippines



Lessons Learned and Embracing Change

**What is the most important lesson your company learned from recent shifts in how you work that will enable you to operate even better as you move forward?
(open ended)**

- IT/digital skills/acumen necessary for employees
- Need for better tech tools and resources
- Need for flexibility and adaptability
- Powerful “proof of concept” for remote working, and client meetings virtually
- Value of a positive attitude

**What change imposed by this situation do you believe your company will embrace permanently?
(open ended)**

- New ways of working - specifically telework and flexible work arrangements; providing options; also mentioned reevaluating how office space is used.
- Transition to digital procedures, online options for service delivery, greater reliance on video conferencing, digital as a viable option, providing alternatives



Challenges

**What do you see as the greatest challenge(s) to overcome in the next few months?
(select any that apply)**

