

## SUMMARY

Our latest member survey reflects the challenge of balancing societal and business needs should the Government of Japan declare a state of emergency and impose a lockdown for local communities. Many member companies indicate that they would not be able to sustain operations. Members are looking for assistance in the form of cash subsidies to keep or hire new workers, social insurance contribution reductions or deferrals, unsecured government credit lines and tax rebates or holidays. Although the business environment is challenging, member companies also report that they have transitioned to remote work environments and are taking significant measures to protect employees and ensure business continuity.

## KEY FINDINGS

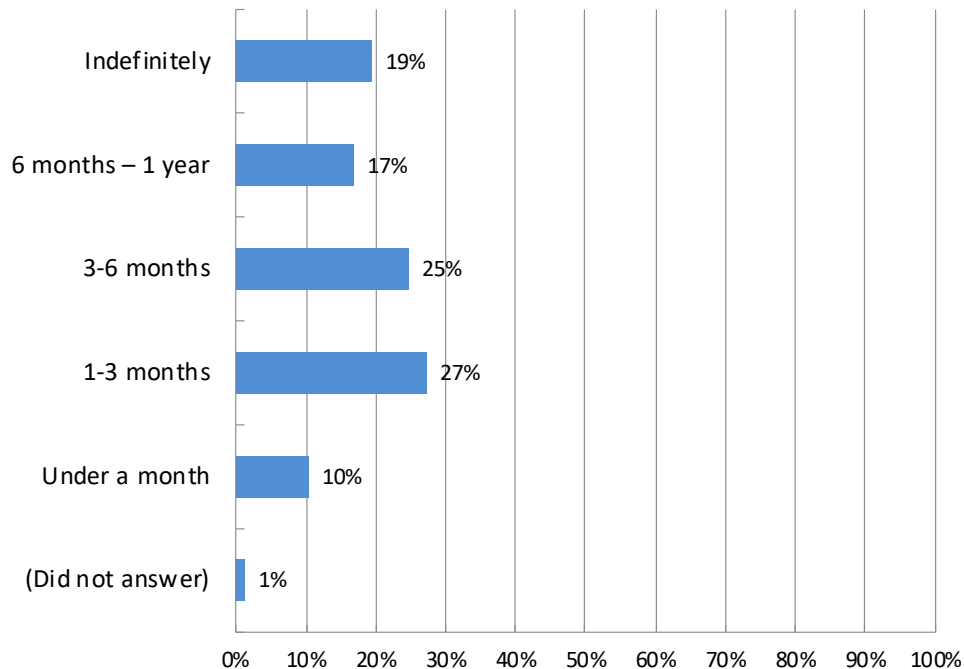
- Members are most concerned that a lockdown would reduce revenue, reduce potential customers or clients, lower demand, increase supply chain issues, or lead to bankruptcy or business closure. Slightly over a quarter of member companies report that they would only be able to sustain their business for up to 3 months, and another quarter would be able to sustain for 3-6 months.
- While delays in accounts receivable or supply chain issues have not had wide impact among member companies to date, member companies are taking actions to mitigate the impact of COVID-19. Many have updated budgets, cut expenses, implemented hiring freezes, and changed how they interact with clients.
- Overall the announced postponement of the Olympic Games has not had a direct impact on many member companies. For those that are impacted, they expect a drop in annual revenue or elimination of expected increased revenue and cancellation of contracts or events.
- Most member companies have more than 75% of employees working remotely. They are supporting remote efforts through the introduction of new tools for virtual meetings; and by providing equipment, training, and support for remote workers.
- Member companies are taking additional actions to help employees, including encouraging more frequent manager-team check-ins, increased communications on best practices, and providing new social collaboration platforms and tools. Some companies are also providing allowances to purchase necessary equipment and are holding virtual celebration gatherings.
- To date, only a few members have accessed assistance from the Government of Japan, but many have plans to do so. Over a quarter of respondents were not aware these programs existed.
- Members indicate that the following programs would have the most significant impact on their business:
  - Cash subsidies to keep employees
  - Social insurance contribution reduction or deferral
  - Unsecured government credit line
  - Consumption tax rebate or holiday
  - Subsidies to hire new workers
- Members would like the ACCJ to continue to provide leadership, financial advocacy, critical and timely information, and online networking opportunities.

## **Impact of COVID-19 on Business in Japan**

*The 4th survey of ACCJ member companies (April 1, 2020)*

- This survey was conducted via email to representative members at ACCJ commercial member companies between March 30 and April 1, 2020.
  - **77** companies participated in this survey; a 15% response rate.
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**Some US cities have imposed lockdowns to limit the spread of the virus. How long could your business sustain operations during a lockdown of your city/community?**

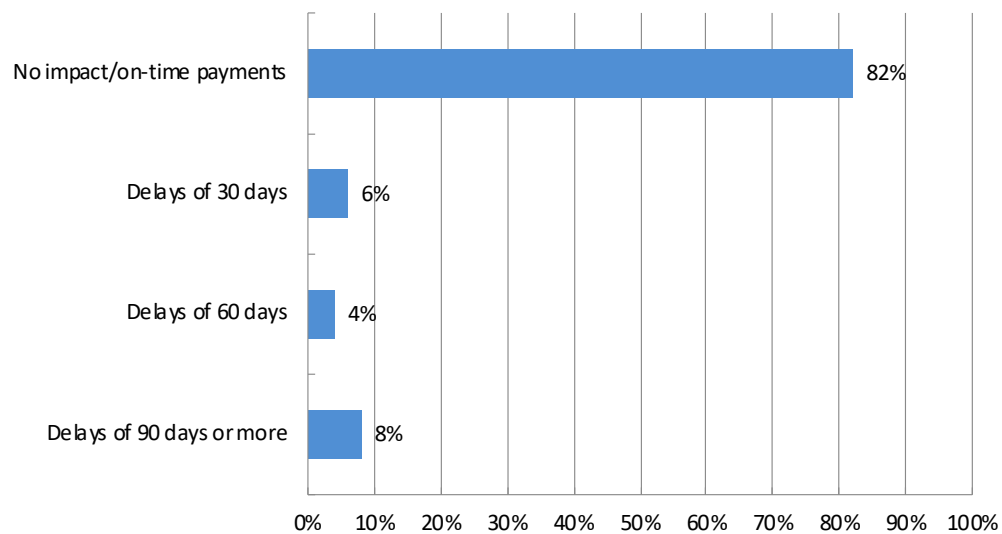


**How would a lockdown of your city/community in Japan impact your business?**

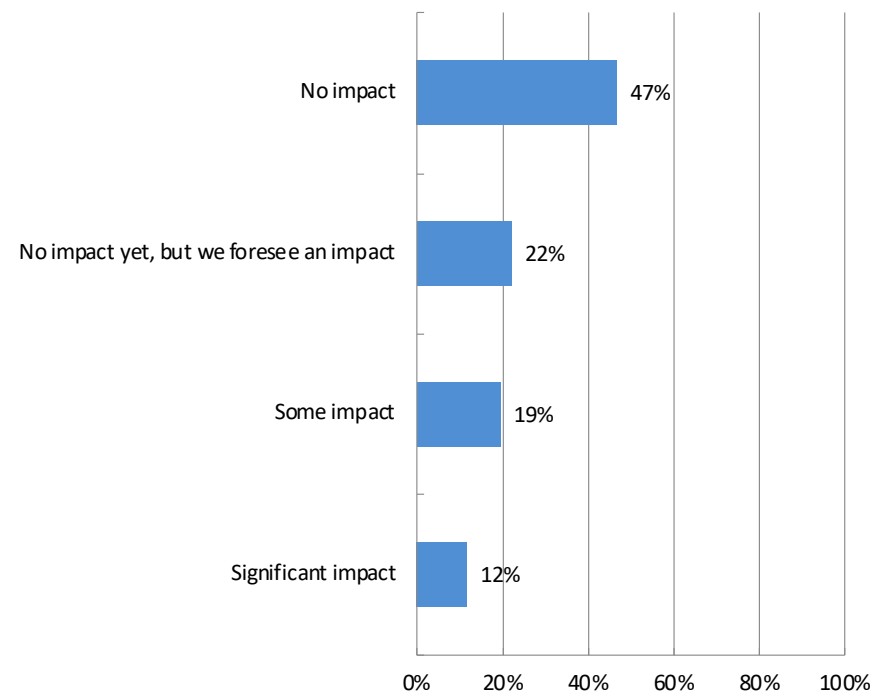
*Members answers clustered into these themes in order of number of responses:*

- Loss of revenue or business/business development
- Loss of current or potential customers or clients
- Loss of demand
- It will create supply chain issues affecting business
- Substantial effect to business that could lead to business loss or even bankruptcy

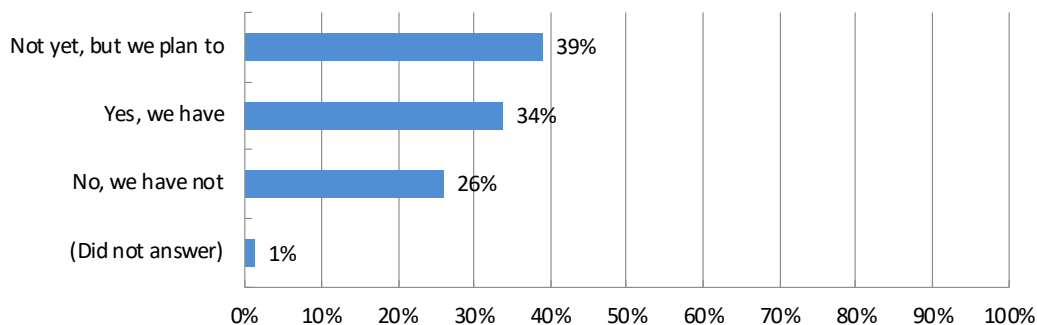
## What impact has COVID-19 had on your company's accounts receivable?



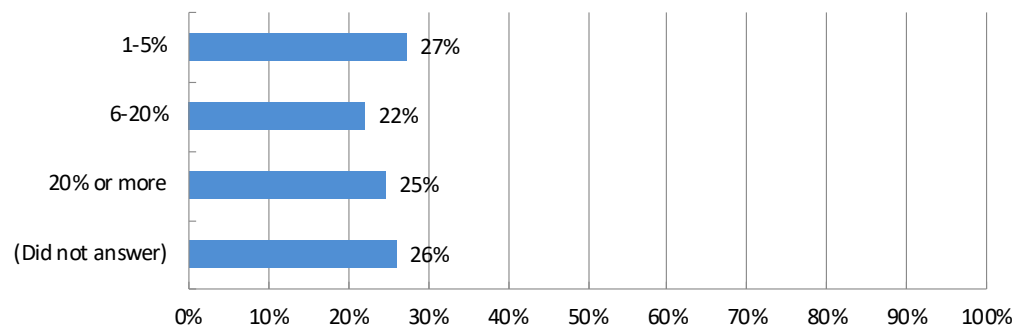
## Have supply chain issues had an impact on your ability to deliver your products?



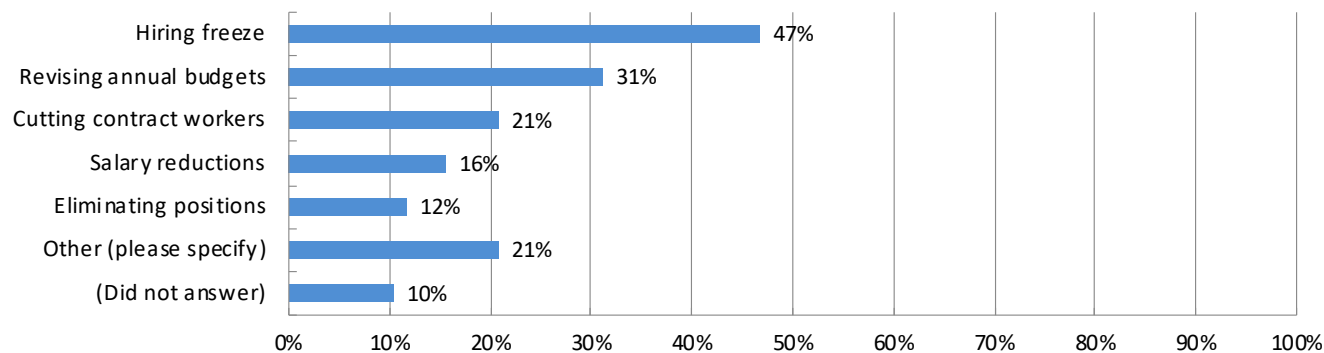
## Has your company updated your annual budget to cut expenses, or do you plan to?



## If your company updated your annual budget to cut expenses (or plans to), how much did you (or do you) plan to cut?



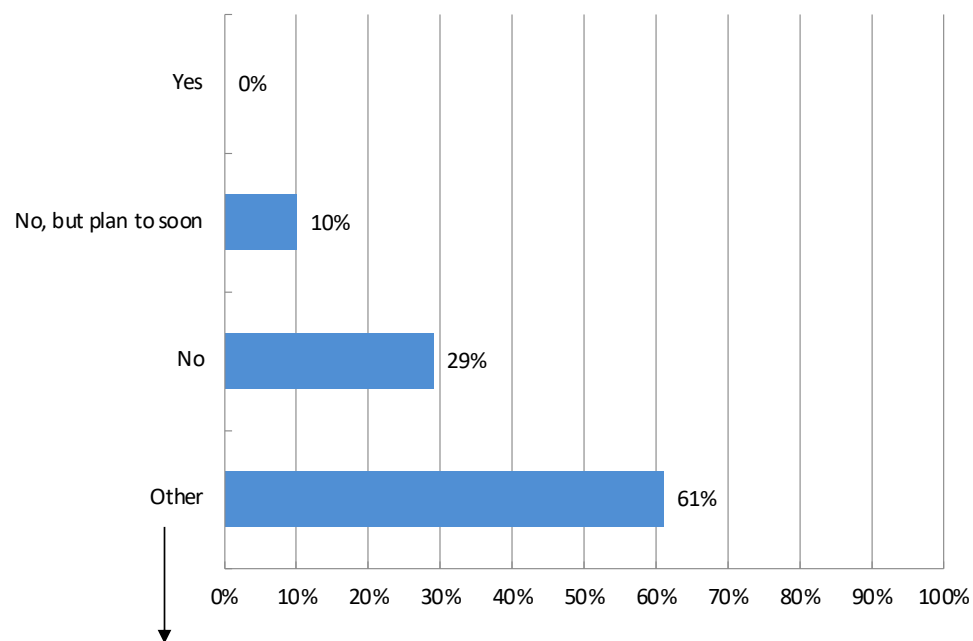
## How is your company handling personnel costs at this time? (select any that apply)



### Other Responses:

- 4 respondents mentioned reduction on stoppage hiring new full time or contract employees
- 4 respondents say there is no change
- 2 respondents say not renewing contract employees after contract expiration

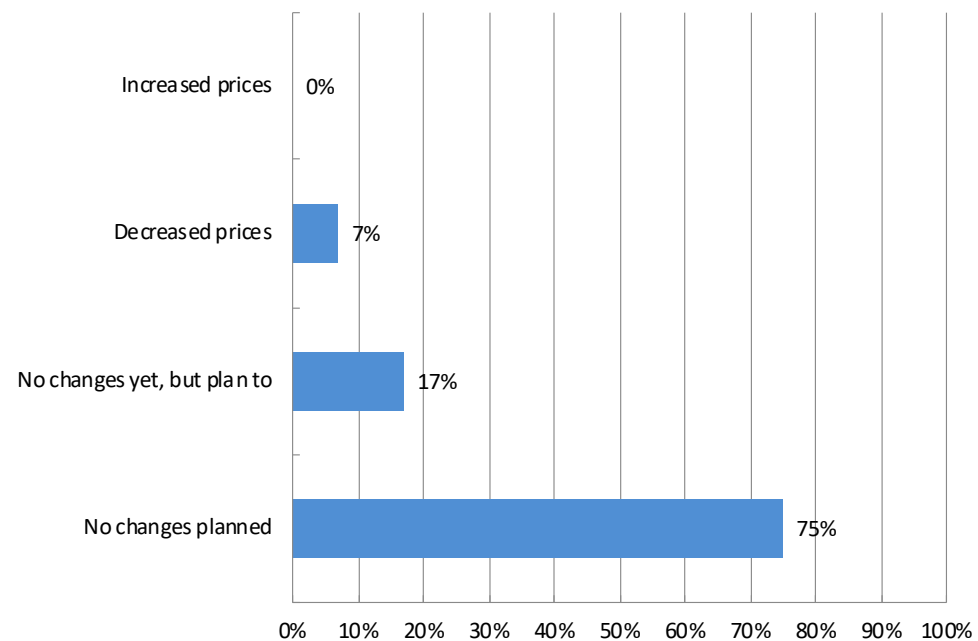
## Has your company made strategic shifts in engaging clients and customers as a result of COVID-19?



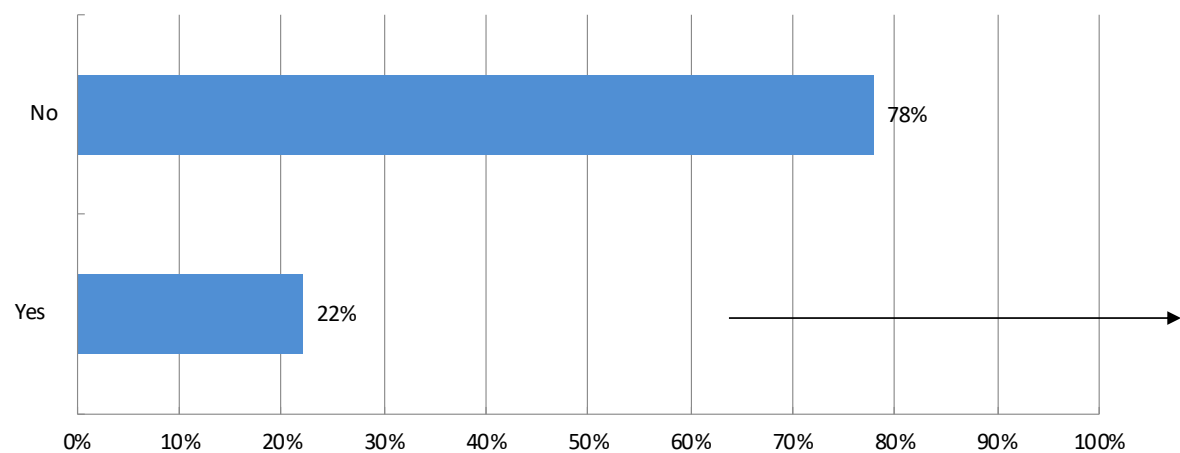
**Other:**

- Many mentioned eliminating all in-person meetings and client interactions; and moving internal and external meetings or events online
- Some mentioned adoption of new technology

## Has your company shifted its pricing strategy as a result of COVID-19?



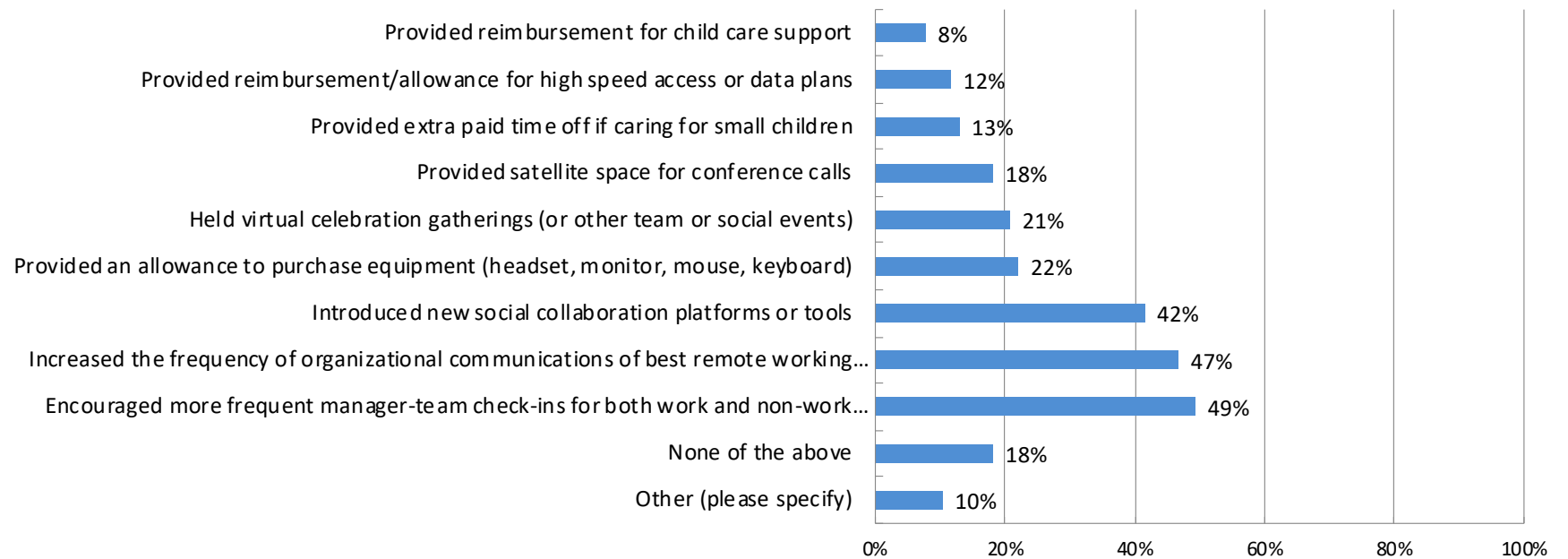
**Does the recently announced postponement of the Tokyo Olympic Games have a direct impact on your business?**



**If yes, describe how:**

- expected drop in expected annual revenue/expected revenue increase gone
  - cancellation or postponement of contracts or events
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## Which of the following actions, if any, has your organization taken to help employees during the COVID-19 pandemic? (select any that apply)

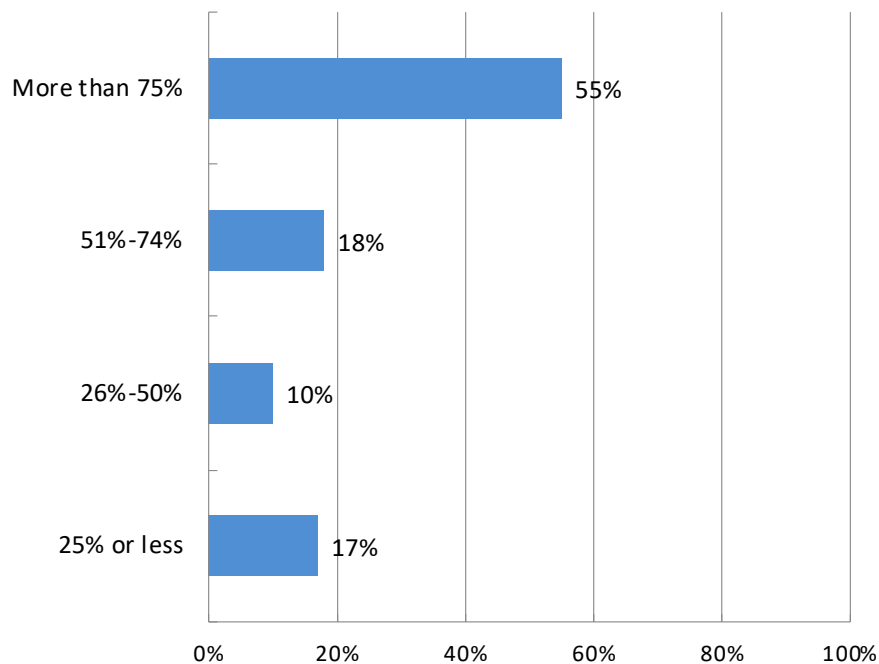


### Other Responses:

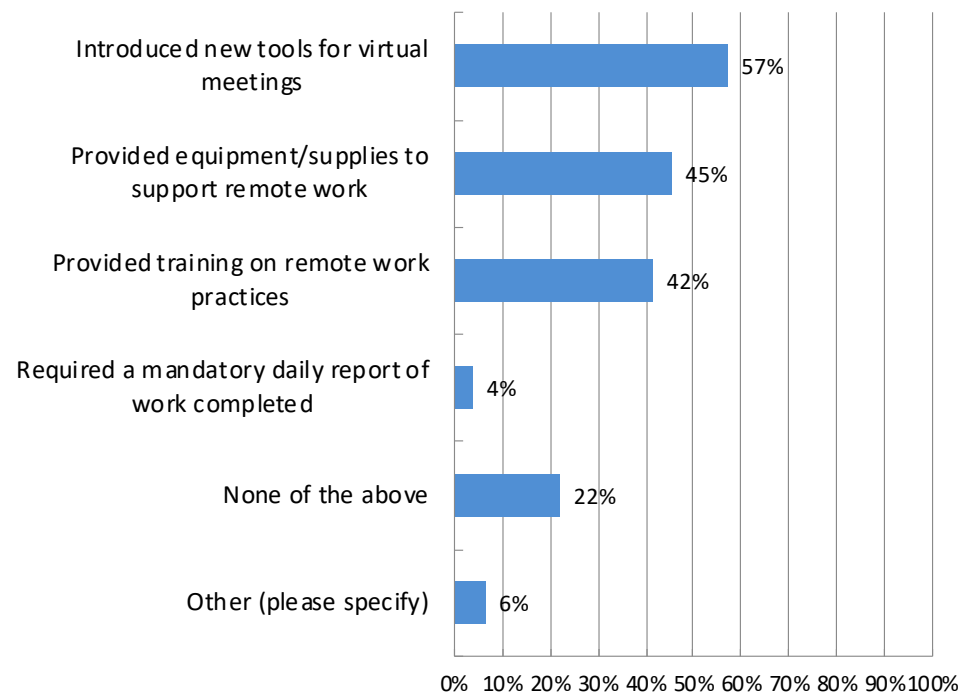
- 3 respondents mention flexibility in physically coming into office – adjusted hours and having remote work as option
- 2 respondents mention changes in transportation policy – private transportation reimbursement



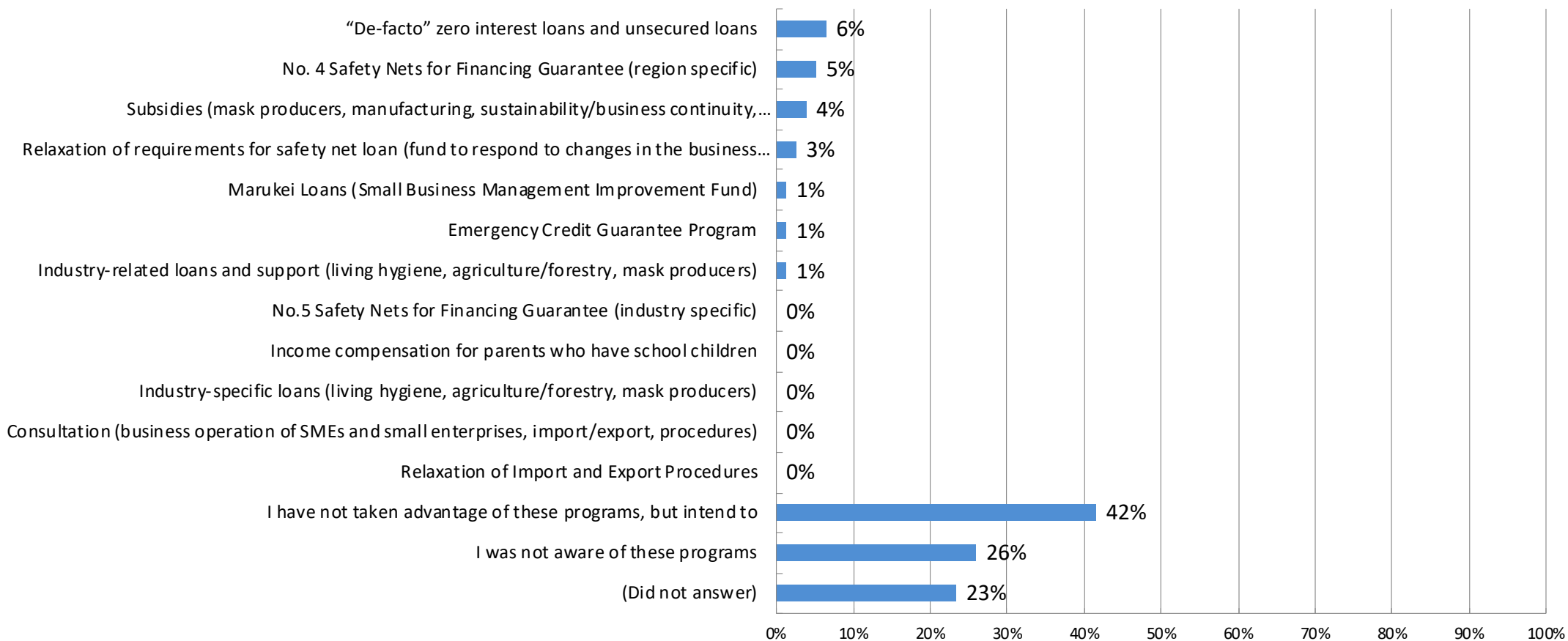
**Approximately what percentage of employees at your company are currently working remotely as a result of COVID-19?**



**Which of the following actions, if any, has your organization taken to support remote/flexible work related to the COVID-19 pandemic? Select all that apply.**



## Has your company taken advantage of any Government of Japan assistance programs? (select any that apply)



## What impact would the following have on your business?

