

COVID-19: Impact on the Career Market in Japan and Future Outlook

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en world Japan K.K.

Speaker

Vijay Deol

President and Representative Director of en world Japan



Began career in professional talent recruitment in 2004 as part of Wall Street Associates K.K., the predecessor of en world Japan K.K. Departed in 2012 to establish the Japan base of operations for a British multinational recruitment firm. Returned in 2017 to serve as President and Representative Director after the rebranding to en world. Vijay holds a BSc from the University of Alberta and an MBA from McGill University in Canada.

en world Japan K.K.

Established: 1999

Headquarter: Tokyo, Japan

Main Business: Talent acquisition (permanent, contract staffing and RPO)



Mission: “enabling success”

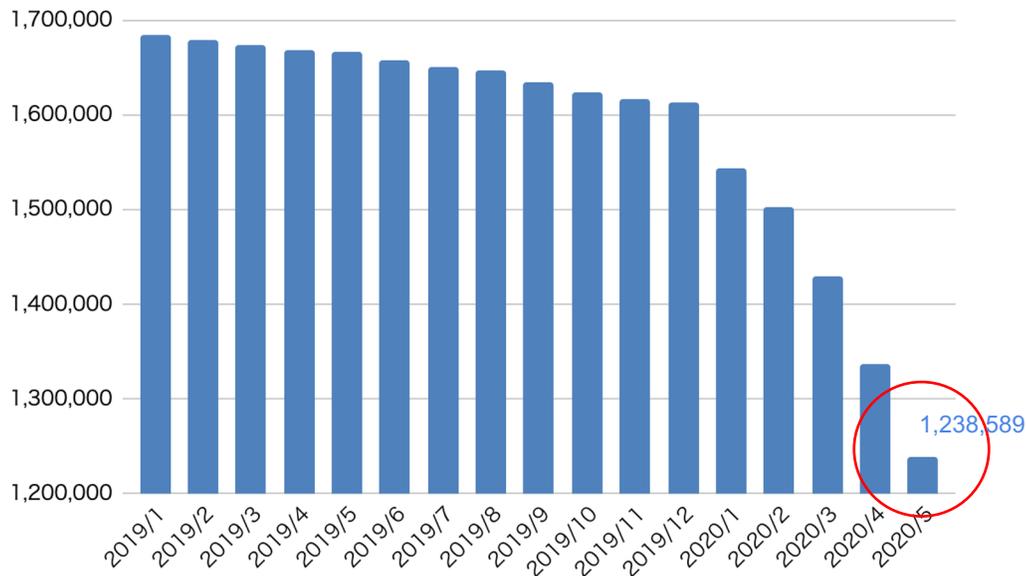
(Group Locations)



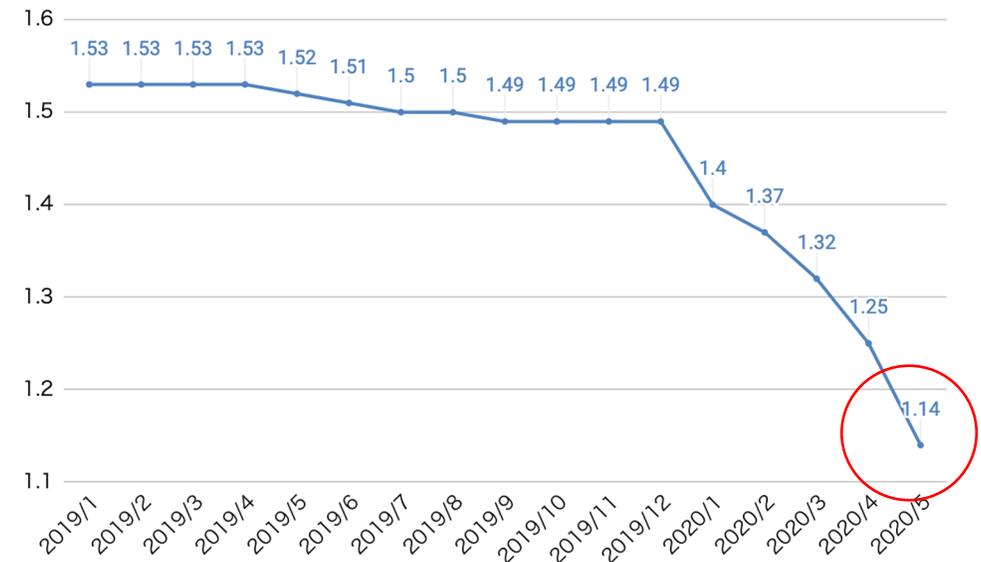
Impact on the Job Market (Macro Perspective)

The rate of effective job openings in Japan, which has been extremely high for several years remained high even after the government raised the sales tax last year, although it had started a soft trend downwards. The influence of COVID-19 led to significant sudden steps downward starting in January this year. Both the effective number of jobs and the job-to-applicants ratio show sharp declines from February this year. It has continued to decrease since our last report in April.

Effective Job Openings in Japan
(excluding part-time, new graduates and part-time employees)



Jobs-to-Applicants Ratio



Source: Ministry of Health, Labour and Welfare (Japanese) https://www.mhlw.go.jp/stf/houdou/0000212893_00032.html

Jobs-to-Applicants Ratio Decreased to 1.25

Job Openings Trend for Global Companies (Micro Perspective)

(Job openings trend by employment type)

	Comparison	March	April	May	June
Permanent	YoY	96%	95%	92%	102%
	Month-to-Month	99%	104%	96%	130%
Contract	YoY	98%	63%	39%	89%
	Month-to-Month	81%	61%	80%	167%

Source: en world Japan

- The number of Job openings for Permanent positions has gradually been decreasing month by month until May. Then it seems to start recovering from June.
- Only a slight decrease was seen for permanent positions despite 40% of foreign capital companies going on hiring-freeze*. Some less-affected companies have regarded this situation as an opportunity to hire good talent and have increased hiring activity. (*Source: en world Japan survey)
- A significant decrease was seen in the job openings for contract positions until May then it started to recover.

Job Openings Trend of Global Companies (Micro Perspective)

(By Industry - YoY)

	March	April	May
Banking & Financial Services	90%	88%	78%
Business Services / Consulting / Education	78%	164%	90%
Consumer Goods / Retail	95%	91%	109%
Health Care & Life Science	144%	108%	128%
Hospitality & Leisure	52%	30%	18%
IT & Telecommunications	73%	118%	72%
Manufacturing & Industrial	96%	74%	91%
Media & Advertising	67%	44%	14%
Transportation Services	180%	100%	57%
Other	75%	300%	50%
Grand Total	96%	95%	92%

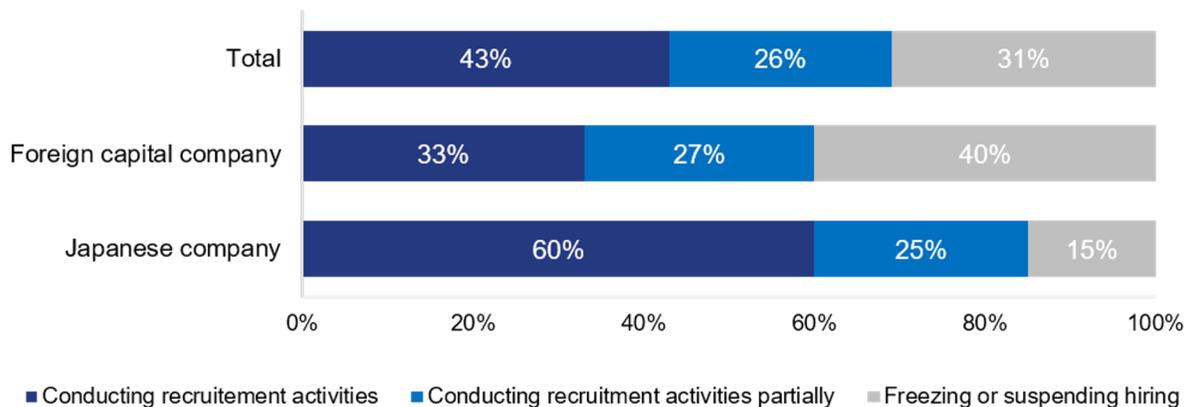
- The number of Job openings in Health Care & Life Sciences has remained over 100% YoY even after the COVID-19 outbreak.
- Hospitality & Leisure have seen the largest negative impact YoY followed closely by media and advertising.
- Across industries the most stable demand for functionally specialized roles has been for computer engineers, accounting & finance professionals and supply chain and procurement professionals. Demands for sales, marketing and other engineering specialists has varied with the impact to their specific industries. Demand for HR, GA and administration professionals as well as legal and compliance specialists has been down across industries.

source: en world Japan

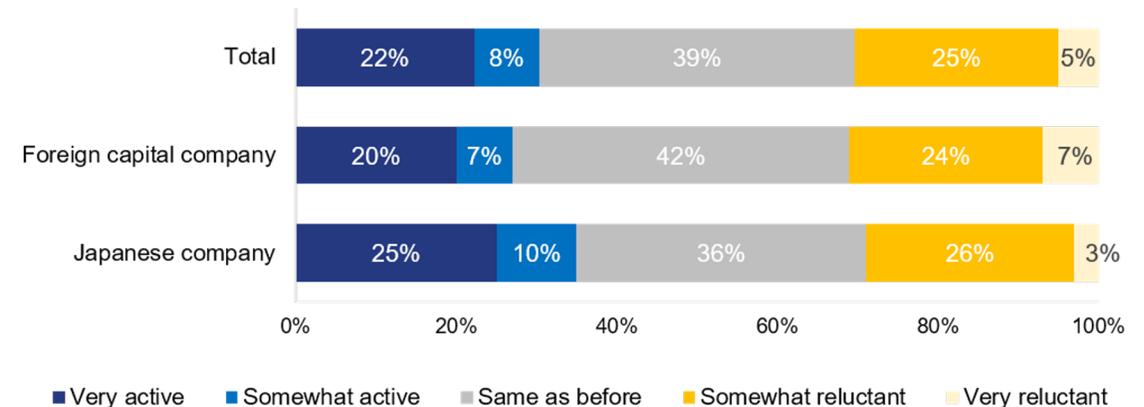
Measures for Avoiding Infection (en world Survey on Clients)

- The percentage of foreign capital companies that have stopped hiring is 2.7 times more than that of Japanese companies. (40% for foreign capital companies, 15% for Japanese companies)
- About 30% of the companies that are continuing their recruitment activities are "very active" or "somewhat active" in their recruitment activities. (27% for foreign capital companies, 35% for Japanese companies)
- 61% of companies (56% of foreign capital companies and 70% of Japanese companies) that have implemented countermeasures against COVID-19 in their recruitment activities for mid-career employees say that they are "Conducting recruitment interviews online". About 30% of these companies (30% for foreign capital companies and 36% for Japanese companies) also conduct final interviews online.

[Fig.1] Do you currently recruit mid-career workers?



[Fig.2] How active are you in recruiting mid-career workers?

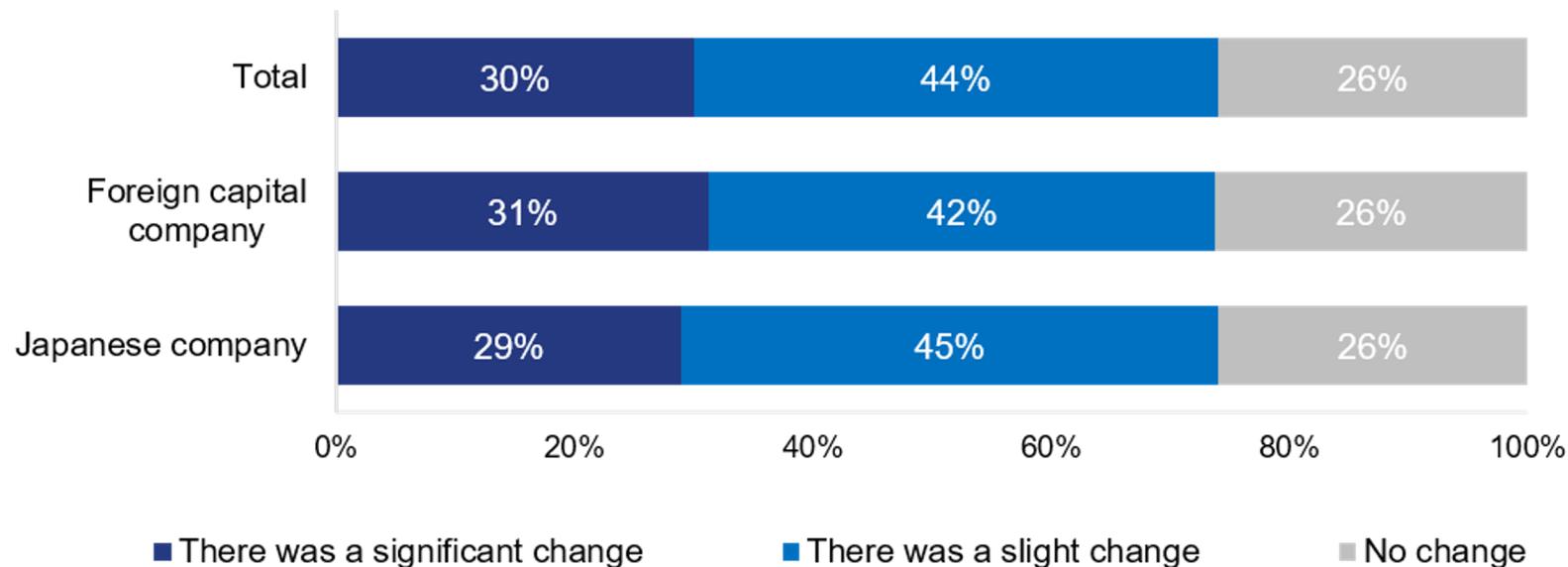


*The total may not be 100% because the figures are rounded to the nearest whole number.

Change in Attitude towards Job-change (en world Survey on Job-seekers)

- 70% of respondents changed their attitude for future career and job-change.
- 40% of respondents are currently looking for a new job. Other 30% are considering to start looking for a new job.
- 70% of respondents who are looking for a new job or considering to start job searching would like to change their workplace within 6 months.

[Fig. 1] Was there any change in your attitude toward future career or job changes due to the COVID-19 outbreak? (By company's capital type)



*The total may not be 100% because the figures are rounded to the nearest whole number.