

# Metropolitan Areas Office Demand Survey Autumn 2024

## <Detailed Report>

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Exploring ways to operate the office under the hybrid model; lack of meeting space a pressing issue

January 22, 2025

**Xymax Real Estate Institute**

# Survey Overview

The COVID-19 pandemic has changed the work styles at Japanese companies and has also affected the way offices are used. As the pandemic has more or less subsided and companies are exploring future work styles, new issues are emerging in offices that have been optimized for the COVID pandemic.

Since autumn 2016, Xymax Real Estate Institute (“Xymax REI”) has been conducting a semi-annual questionnaire survey of companies on office use and employee work styles to analyze their relationship to office demand continuously. This report covers the results of the 17th survey.

<b>Survey period</b>	November 14–24, 2024
<b>Target respondents</b>	55,699 companies in total that include the following: <ul style="list-style-type: none"> <li>• Tenants of office buildings managed by the Xymax Group</li> <li>• Companies subscribing to ZXY, a satellite office service for corporate customers</li> <li>• Client companies of XYMAX INFONISTA Corporation</li> </ul>
<b>Number of valid responses</b>	1,693 (Aggregated in office units; therefore, answers from different offices of the same company are treated as separate answers.)
<b>Geographical coverage</b>	Nationwide (Tokyo, Osaka, Aichi, Fukuoka, Kanagawa, Saitama and Chiba prefectures)
<b>Survey method</b>	Email

The percentage mix in the charts contained in this report is rounded to the first decimal place and, therefore, may not add up to 100%.

## Attributes of Respondent Companies

<b>Sector</b>	Agriculture and forestry	2 (0.1%)	<b>Type of office</b>	Head office	1,059 (62.6%)
	Fishery	1 (0.1%)		Branch office	411 (24.3%)
	Mining and quarrying of stone and gravel	1 (0.1%)		Sales office	150 (8.9%)
	Construction	98 (5.8%)		Sub-office	29 (1.7%)
	Manufacturing	282 (16.7%)		Call center	9 (0.5%)
	Electricity, gas, heat supply and water	10 (0.6%)		Computer room	1 (0.1%)
				Other	34 (2.0%)
	Information and communications	258 (15.2%)	<b>Location of office</b>	Tokyo 23 wards	960 (56.7%)
	Transport and postal services	21 (1.2%)		Osaka City	191 (11.3%)
	Wholesale and retail trade	238 (14.1%)		Nagoya City	135 (8.0%)
	Finance and insurance	54 (3.2%)		Fukuoka City	98 (5.8%)
	Real estate and goods rental and leasing	73 (4.3%)		Other	309 (18.3%)
	Scientific research, professional and technical services	140 (8.3%)	<b>Size of office under lease (1 tsubo=3.33 sqm)</b>	Less than 30 tsubo	336 (19.8%)
	Accommodations, eating and drinking services	18 (1.1%)		30–49 tsubo	211 (12.5%)
	Living-related and personal services and amusement services	19 (1.1%)		50–99 tsubo	279 (16.5%)
	Education, learning support	30 (1.8%)		100–199 tsubo	233 (13.8%)
	Medical, health care and welfare	24 (1.4%)		200 tsubo or more	299 (17.7%)
<b>Average employee age</b>	Compound services	16 (0.9%)	<b>Number of employees</b>	No answer	335 (19.8%)
	Services, n.e.c.	354 (20.9%)		20–29	32 (1.9%)
	Governments and agencies (Excl. those classified elsewhere)	5 (0.3%)		30–39	530 (31.3%)
	Unclassifiable	49 (2.9%)		40–49	900 (53.2%)
				50–59	182 (10.8%)
				60 or above	39 (2.3%)
				No answer	10 (0.6%)
			<b>Listed/ not listed</b>	Listed	296 (17.5%)
				Not listed	1,364 (80.6%)
				Don't know	33 (1.9%)
<b>Number of employees</b>	Less than 100	835 (49.3%)			
	100–999	559 (33.0%)			
	1,000 or more	293 (17.3%)			
	Unknown	6 (0.4%)			

# Main Findings

## 1. Outlook of office demand (from P. 4)

- The percentage of companies with an increase in office occupants over the past year (28.7%) exceeded the percentage of companies with a decrease (12.8%).
- In terms of changes in office size over the past year, “expansion (actual + potential)” (14.0%) outweighed “downsizing (actual + potential)” (7.1%). The DI grew in the positive direction to 6.9.
- In terms of future office size (up to 2–3 years ahead), the percentage of companies that “want to expand” (19.0%) outweighed the percentage of those that “want to downsize” (6.2%).

## 2. Factors affecting office demand (from P.15)

- The percentage of companies with a coming-to-office ratio of “100% (come to office full time)” was 22.8%, with the remaining 77.2% continuing to adopt telework. Since the Spring 2023 survey, there has been no significant change in how often employees came to the office, with the hybrid model taking hold.
- 34.4% of the companies felt their office was small, more than those that felt it was large (14.1%).

## 3. Work styles and the workplace (from P.22)

- In terms of spaces that companies want to add or introduce to their main office in the future, there was a strong need for “booths or private rooms for remote meetings” (22.9%), suggesting that office layouts for ABW with a variety of spaces will become increasingly available.
- The top problem or issue concerning the main office was “Lack of meeting rooms or space for remote meetings” (60.2%). Specifically, companies lack spaces of sizes for everyday meetings, such as for one person (booths or private rooms for remote meetings), 2–4 people, and 4–10 people. As for ways to address the lack of meeting space, the results indicate that there is a need to use outside services in addition to addressing the issue internally.
- The availability of a work-from-home policy increased slightly from the Autumn 2023 survey, while the availability of satellite offices decreased slightly. Companies may currently be at an exploratory phase in terms of the specific ways to operate telework.
- A large percentage of companies (37.6%) said they have no particular rules or restrictions on teleworking, indicating that they allow a high degree of flexibility in teleworking.
- As for companies’ level of interest in using the six types of flexible offices as a place to work, there was increased recognition and use of “rental meeting room services” and “telework support type” offices.
- In terms of implementing specific human capital management initiatives, 25.1% of companies said they were “already implementing.” Combined with the percentage of companies that “intend to implement in the future,” these companies made up the majority. In addition, companies that had implemented initiatives tended to have greater availability of teleworking locations.

# 1. Outlook of office demand

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1. Changes over the past year
2. Future intentions

# 1.1. Changes over the past year

## Percentage of both “increase” and “decrease” in office occupants largely unchanged

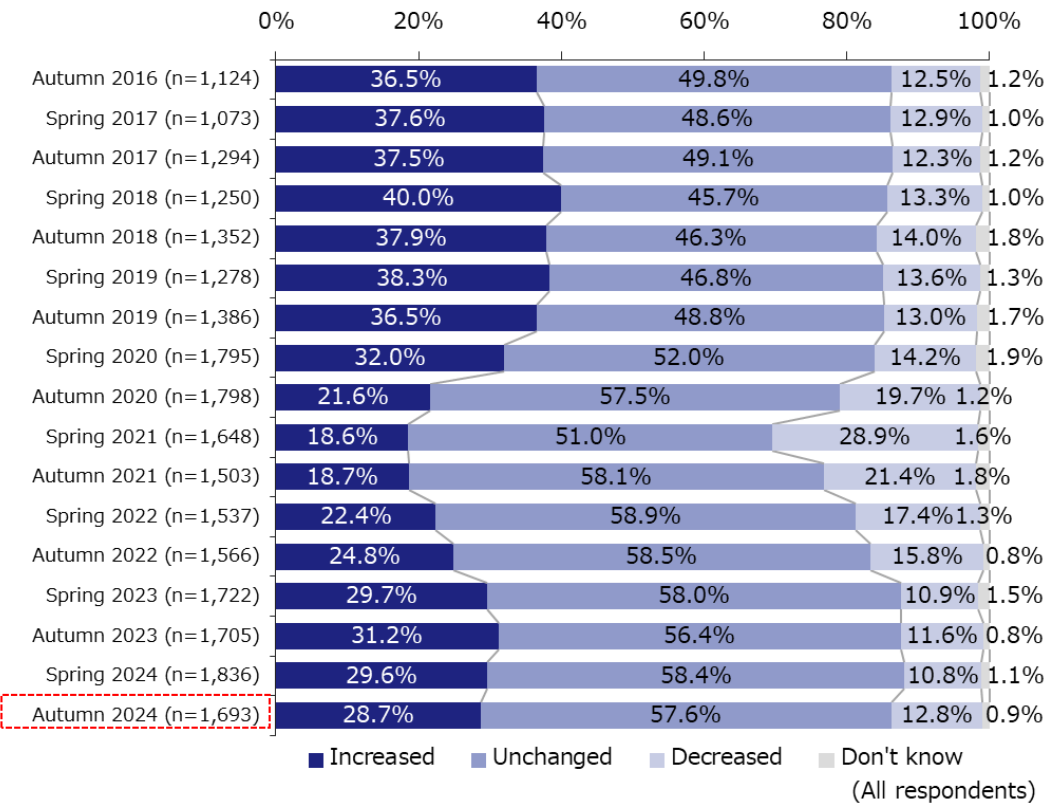
Figure 1 (red frame) indicates changes in the number of office occupants\* over the past year.

The percentage of companies with an increase in office occupants was 28.7%, more than the percentage of companies with a decrease (12.8%).

The percentage of increases, which had been rising since bottoming out in the Spring 2021 survey, and that of decreases, which had been declining since peaking in the Spring 2021 survey, have remained largely unchanged.

\*The number of people belonging to the office, regardless of whether they come to the office or not

Figure 1: Change in Number of Office Occupants

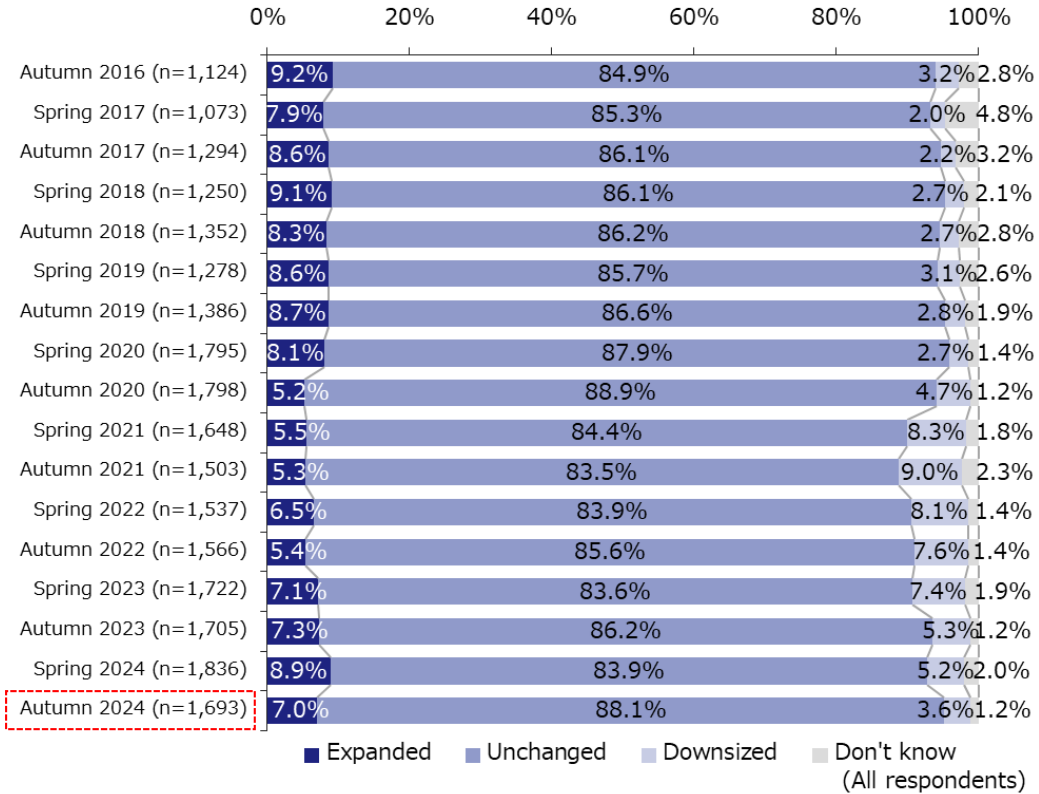


# Companies downsizing their office continue to decrease

In terms of changes in office size over the past year, the percentage of companies that “expanded” their office size was 7.0%, while the percentage of companies that “downsized” was 3.6% (Figure 2 (red frame)).

Continuing from the previous survey, “Expanded” outweighed “Downsized,” but the percentages declined slightly. “Downsized,” in particular, continued on a declining trend since peaking in the Autumn 2021 survey.

Figure 2: Change in Office Size



# Top reasons for office size expansion: “Increase in number of people,” “Not enough meeting rooms”

The most popular reason for office size expansion was “Increase in number of people” (58.8%), the same as in previous surveys (Figure 3).

”Not enough meeting rooms” (31.9%) rose in the ranking to second place.

On the other hand, “To accommodate personnel increase due to future intensified hiring” (28.6%) dropped to fourth place from second place in Autumn 2022.

**Figure 3: Reason for Office Size Expansion**

	Autumn 2022 (n=84)	Autumn 2023 (n=124)	Autumn 2024 (n=119)
1st	Increase in number of people 56.0%	Increase in number of people 64.5%	Increase in number of people 58.8%
2nd	To accommodate personnel increase due to future intensified hiring 40.5%	To improve comfort of office environment 45.2%	Not enough meeting rooms 31.9%
3rd	To improve comfort of office environment 39.3%	Not enough meeting rooms 40.3%	To improve comfort of office environment 31.1%
4th	Not enough meeting rooms 39.3%	To accommodate personnel increase due to future intensified hiring 33.1%	To accommodate personnel increase due to future intensified hiring 28.6%
5th	To motivate employees 26.2%	To motivate employees 21.8%	To motivate employees 16.0%
6th	For office space efficiency 15.5%	For office space efficiency 19.4%	For office space efficiency 13.4%

(Companies that expanded office size; MA; excerpt)

# “Less space needed due to telework” less reason for downsizing

The top reason for office downsizing was “To cut office costs” (52.5%) (Figure 4).

The declining trend in the percentage of “Less space needed due to telework,” the second most popular reason, suggests that the adjustment of office size to accommodate new work styles that emerged in response to the COVID pandemic has subsided.

**Figure 4: Reason for Office Downsizing**

	Autumn 2022 (n=119)	Autumn 2023 (n=90)	Autumn 2024 (n=61)
1st	Less space needed due to telework 61.3%	To cut office costs 47.8%	To cut office costs 52.5%
2nd	To cut office costs 47.1%	Less space needed due to telework 45.6%	Less space needed due to telework 37.7%
3rd	For office space efficiency 46.2%	For office space efficiency 36.7%	For office space efficiency 26.2%
4th	Decrease in personnel 15.1%	To relocate to a building with better location and quality* 15.6%	Decrease in personnel 19.7%
5th	Other 10.1%	Rebuilding or demolition of previous building 12.2%	To relocate to a building with better location and quality* 11.5%
6th	Rebuilding or demolition of previous building 5.0%	Decrease in personnel 11.1%	Rebuilding or demolition of previous building 11.5%

(Companies that downsized; MA; excerpt)  
 \*This choice did not exist in the Autumn 2022 survey.



### 1.1. Changes over the past year

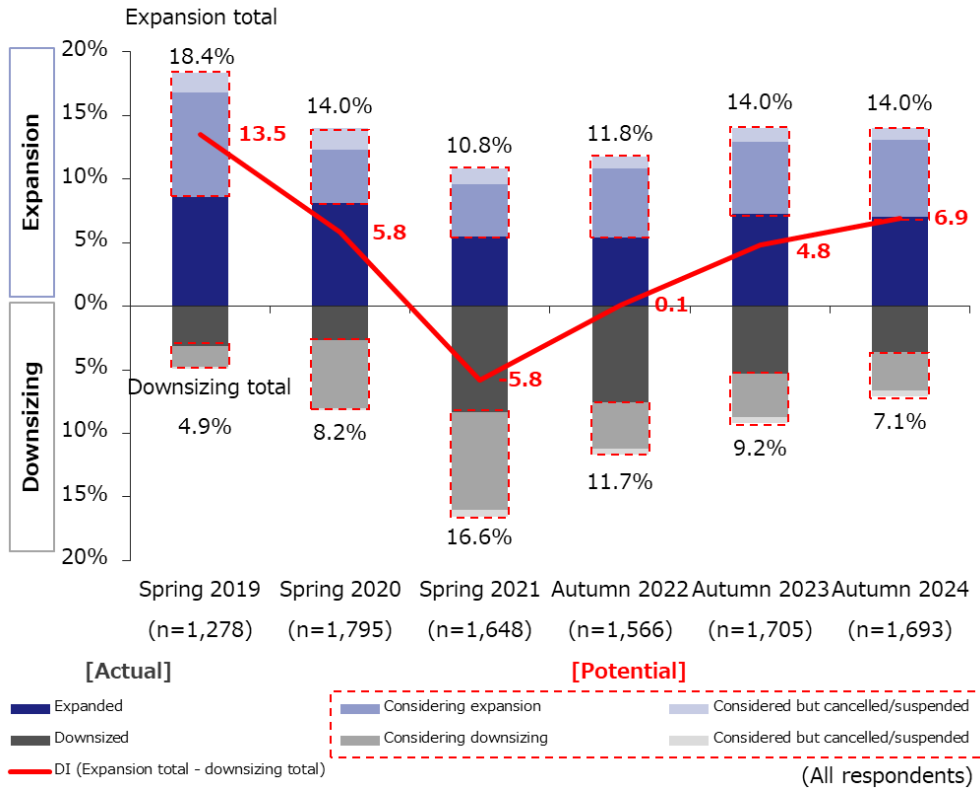
## Actual (and potential) changes in office size: Expansion significantly exceeds downsizing; DI grew in positive direction

Even if office size had remained unchanged over the past year, when we add the percentage of “considering expansion” and the percentage of “considered but cancelled or suspended” as the percentage of “potential expansion,” the total “expansion (actual + potential),” which had been on a rising trend after bottoming out in the Spring 2021 survey, remained unchanged from the Autumn 2023 survey at 14.0% (Figure 5).

Similarly, the percentage of “downsizing (actual + potential)” (7.1%) continued to decline after peaking in the Spring 2021 survey.

Expansion also outweighed downsizing in actual performance, as shown in Figure 2. When potential expansion is added, the gap widens further, as shown by the DI increasing in the positive direction to 6.9. The downsizing trend following the outbreak of the COVID pandemic has reversed, and the expansion trend is strengthening.

Figure 5: Actual + Potential Change in Office Size over Past Year

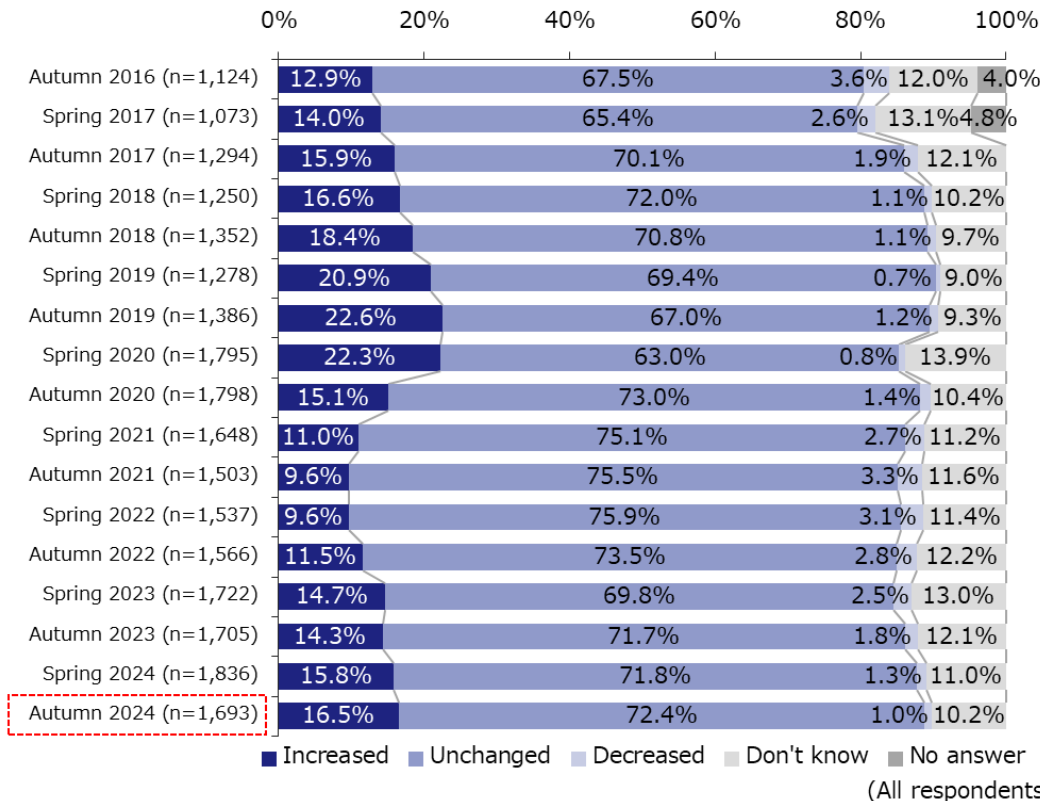


# 1.1. Changes over the past year

## 16.5% of companies experienced an increase in rent per tsubo, significantly outnumbering those that experienced a decrease

In terms of changes in rent per tsubo, 16.5% of companies experienced an increase, outnumbering companies that experienced a decrease (1.0%), indicating that the upward trend continues (Figure 6 (red frame)).

Figure 6: Change in Rent per Tsubo

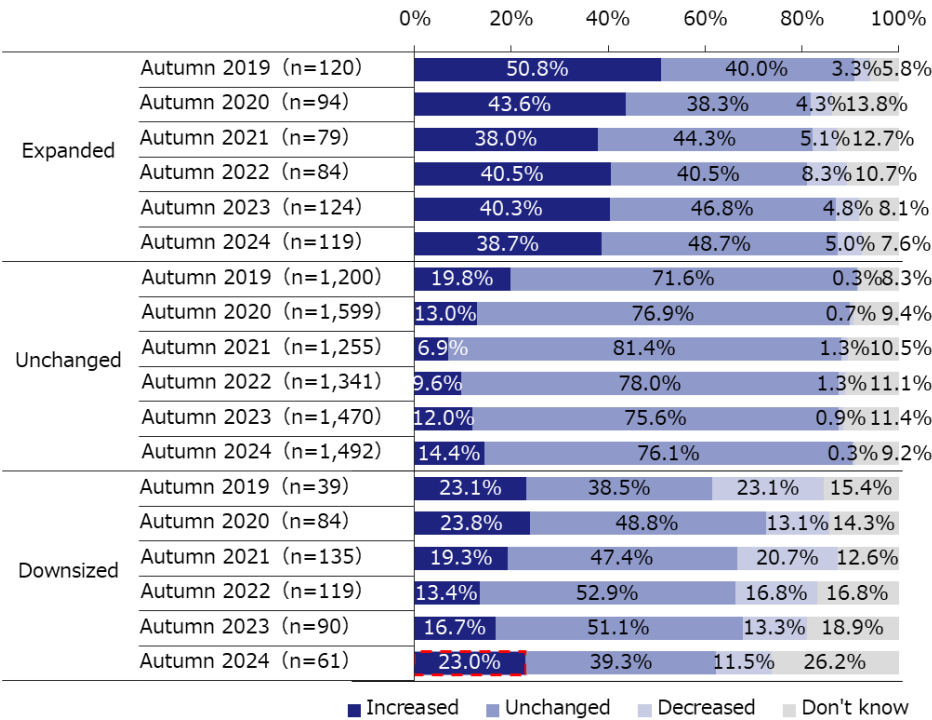


# 23.0% of companies that downsized their office experienced increase in rent per tsubo

When examining changes in rent per tsubo by changes in office size, 23.0% of companies that downsized said they experienced an increase in rent per tsubo (Figure 7).

Possible cases include companies that downsized to reduce costs following a rise in market rent levels and cases where rent increased due to improved location, etc.

**Figure 7: Change in Rent per Tsubo – By Change in Office Size**



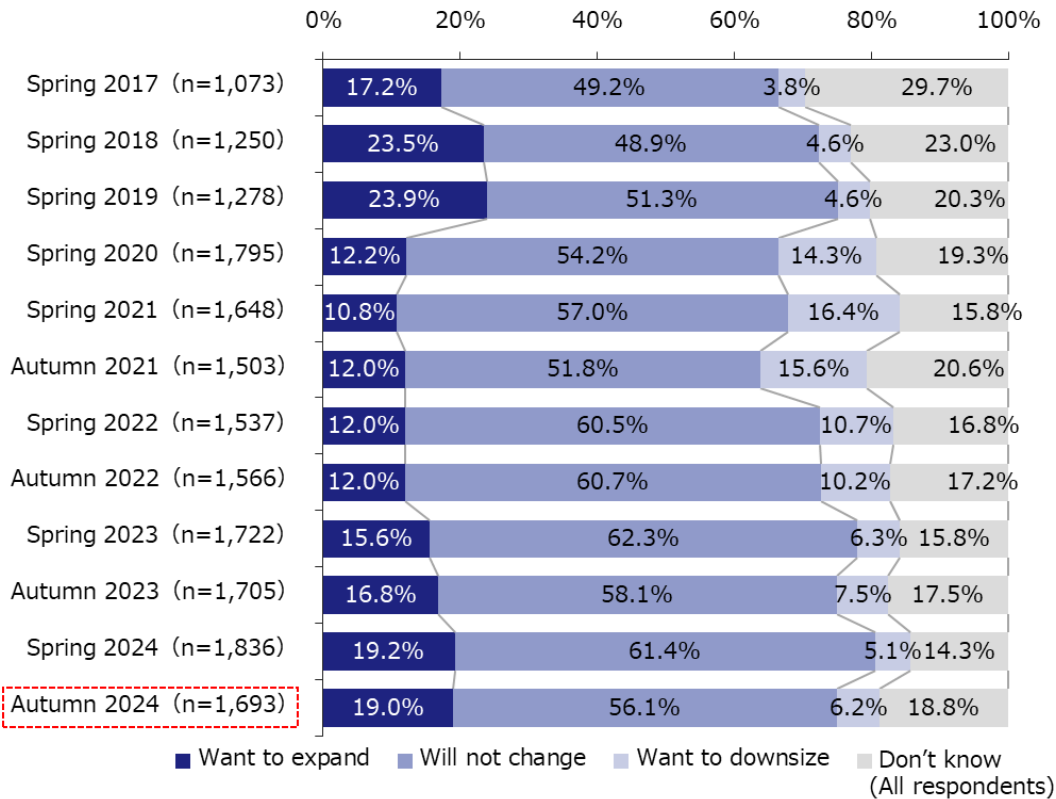
(All respondents; excerpt)

# Intentions to expand unchanged after continued rise since Spring 2021

In terms of future office size (up to 2–3 years ahead), 19.0% of the companies said they “want to expand,” more than those who said they “want to downsize” (6.2%) (Figure 8 (red frame)).

When compared over time, the percentage of companies that “want to expand,” which had been increasing since bottoming out in the Spring 2021 survey, has not changed and has not returned to pre-pandemic levels (i.e., prior to the Spring 2019 survey).

**Figure 8: Future Change in Office Size**



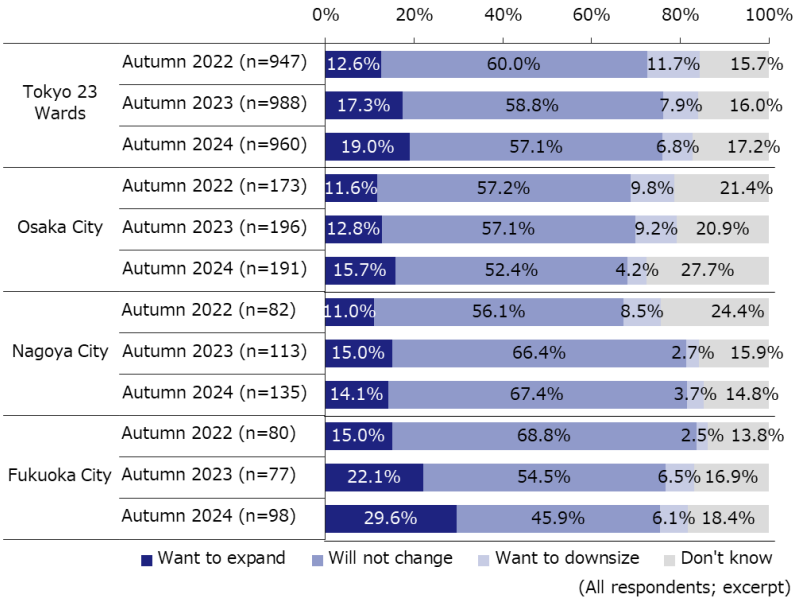
### 1.2. Future intentions

## Intentions to expand significantly outweigh intentions to downsize, regardless of office location or number of employees

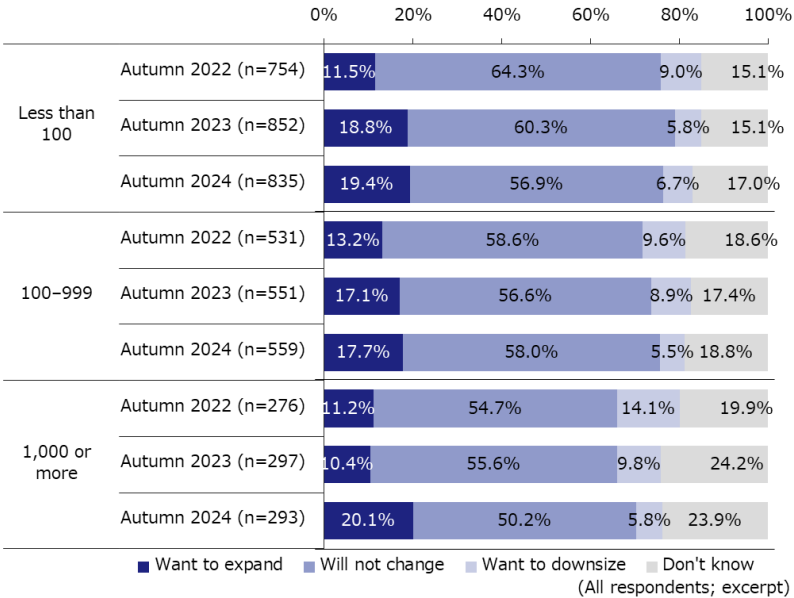
Here we compare companies' intentions to change their office size in the future with company attributes. By office location, the percentage of "Want to expand" significantly exceeded that of "Want to downsize" in all groups. When comparing over time, the percentage of "Want to expand" has been on a rising trend except for in Nagoya City (Figure 9).

The percentage of "Want to expand" also exceeded that of "Want to downsize" in all number of employee groups (Figure 10). The change from the Autumn 2023 survey was especially significant among large companies with 1,000 employees or more, with the percentage of "Want to expand" nearly doubling to 20.1%.

**Figure 9: Future Change in Office Size – By Office Location**



**Figure 10: Future Change in Office Size – By Number of Employees**

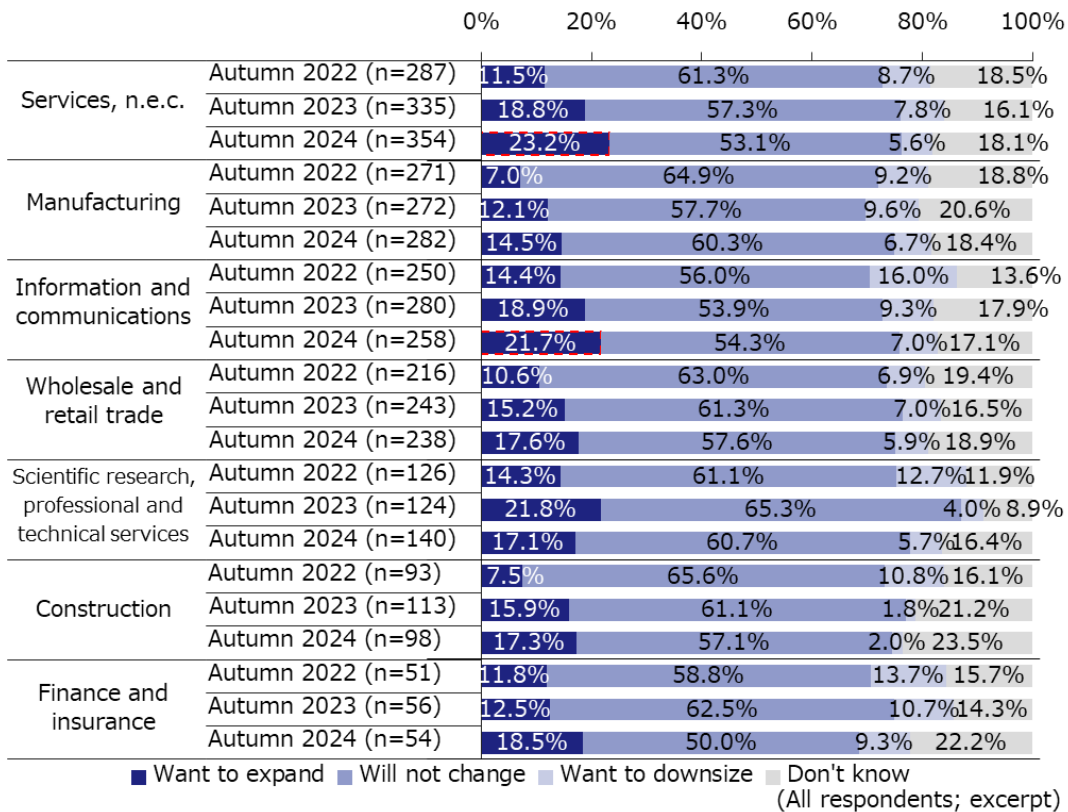


# Rising trend of “Want to expand” office size in many sectors

When looking at future intentions by sector, “Want to expand” also outweighed “Want to downsize” in all sectors (Figure 11).

In particular, the percentage of “Want to expand” was more than 20% among the service and information & communications sectors. The percentage in these sectors has also been on a rising trend over time.

**Figure 11: Future Change in Office Size – By Sector**



## 2. Factors affecting office demand

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1. Coming-to-office ratio
2. Percentage of desks, perception of office size, business sentiment

# Around 80% of companies continue to implement telework

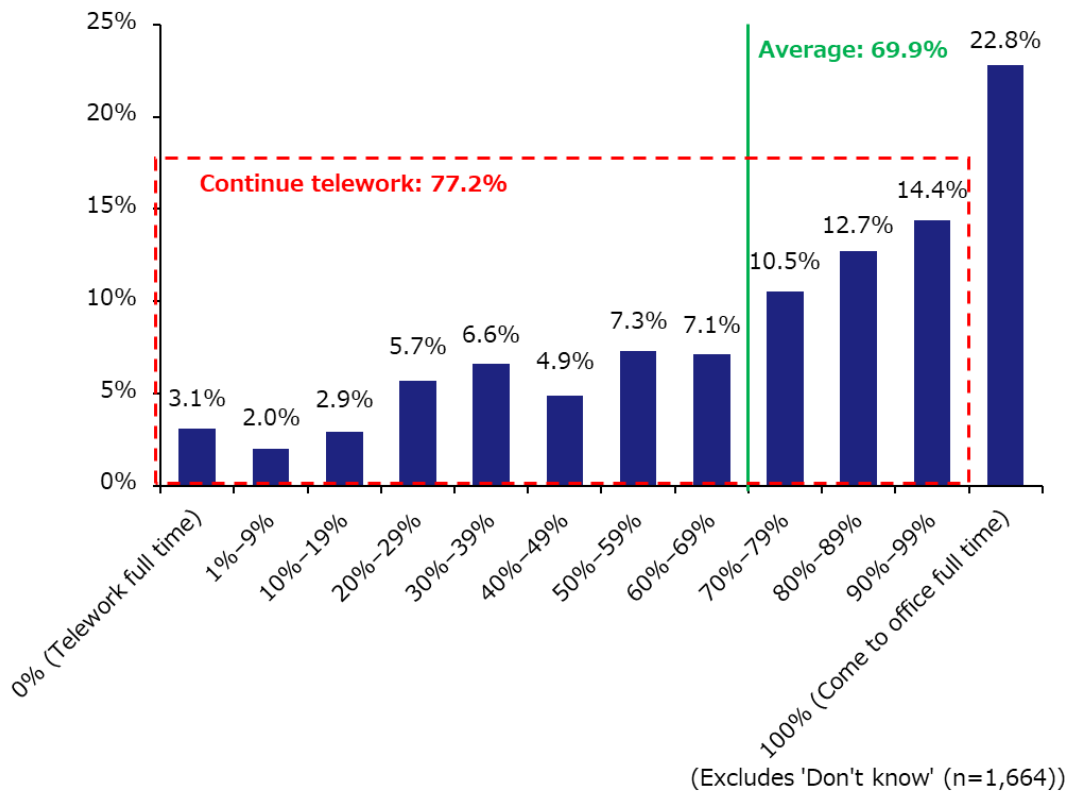
With a coming-to-office ratio of 100% meaning all employees came to the office, we asked companies' current average coming-to-office ratio (Figure 12).

At the time of the survey, 22.8% of the companies replied "100% (come to office full time)," indicating that the remaining 77.2% continued to adopt telework more or less.

The average value\* was 69.9%.

\*The average value was calculated from the median figure of the range of each choice: 5% for "1%–9%," 14.5% for "10%–19%," 24.5% for "20%–29%," etc.

Figure 12: Actual Coming-to-Office Ratio





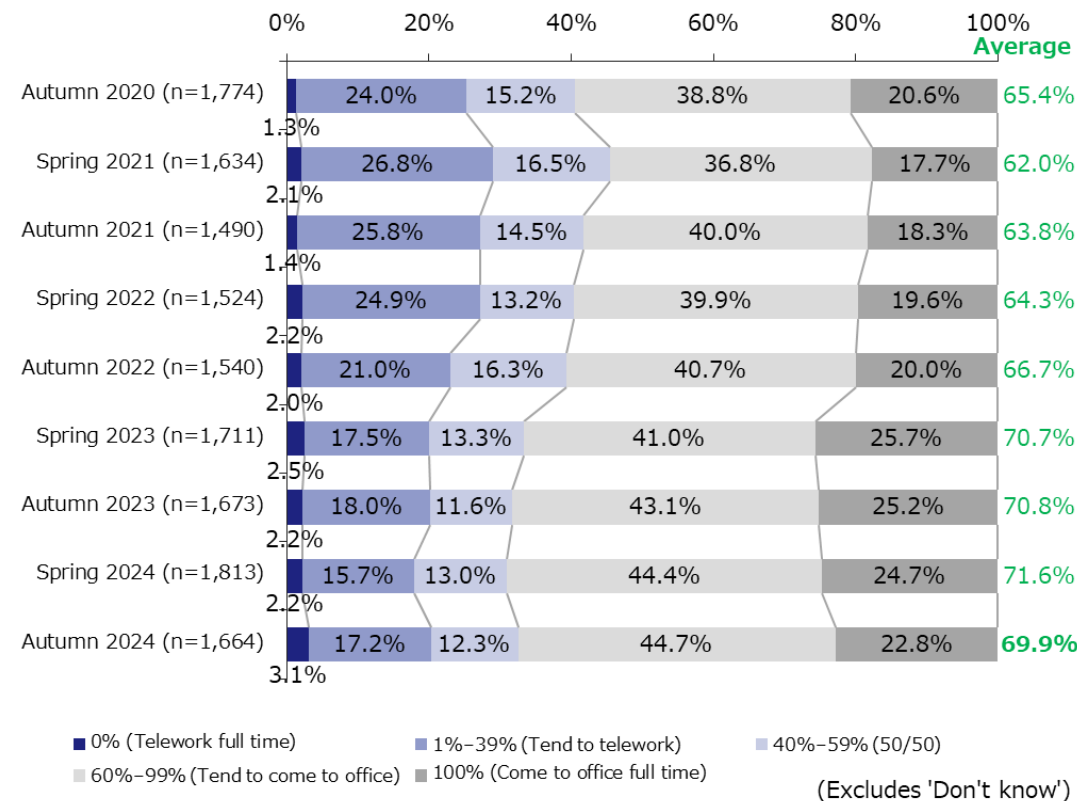
# Unchanged since Spring 2023, with hybrid model taking hold

We divided the coming-to-office ratio of Figure 12 into five levels: 0% (Telework full time), 1%–39% (Tend to telework), 40%–59% (50/50), 60%–99% (Tend to come to office), and 100% (Come to office full time), and compared the results with previous surveys (Figure 13).

The coming-to-office ratio has remained largely unchanged, although there have been changes since the Spring 2023 survey, including a slight decrease in “100% (Come to office full time)” and a slight increase in “60–99% (Tend to come to office).” The results indicate that the changes in the ratio have subsided after a trend of returning to the office following the reclassification of COVID-19 as a Class 5 disease in May 2023.

\*The average value was calculated from the median figure of the range of each choice: 5% for “1%–9%,” 14.5% for “10%–19%,” 24.5% for “20%–29%,” etc.

**Figure 13: Actual Coming-to-Office Ratio (Comparison over Time)**



### 2.1. Coming-to-office ratio

## Percentage of “Come to office full time” less than 20% in Tokyo 23 Wards: Teleworking has taken hold more than in other areas

When looking at the coming-to-office ratio by office location, the percentage of “100% (Come to office full time)” was less than 20% in Tokyo 23 Wards, indicating that teleworking has taken root more than in other areas (Figure 14).

By number of employees, only around 10% of large companies with 1,000 employees or more embraced a coming-to-office ratio of “100% (Come to office full time),” suggesting that telework has taken root. On the other hand, while “100% (Come to office full time)” was more than 20% among small companies with less than 100 employees, the average figure was not significantly different from large companies (Figure 15).

Figure 14: Actual Coming-to-Office Ratio – By Office Location

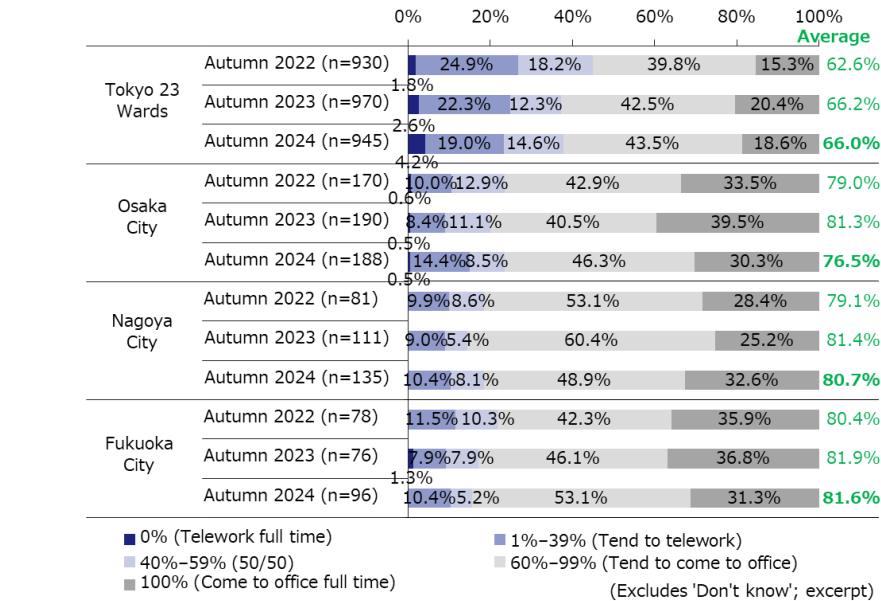
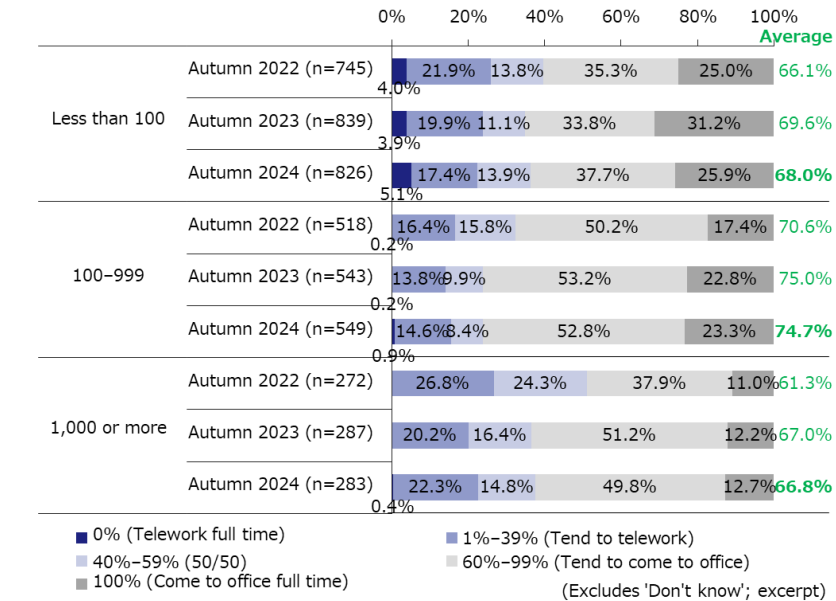


Figure 15: Actual Coming-to-Office Ratio – By Number of Employees



# New work styles are taking hold in each sector

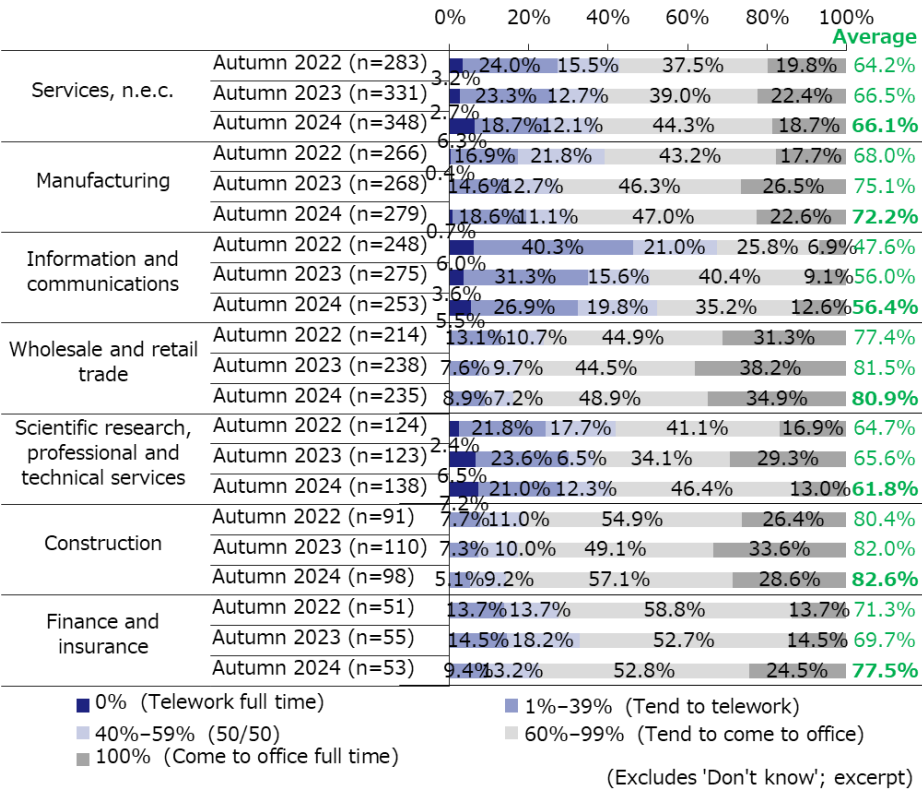
Figure 16 shows the coming-to-office ratios by sector.

While the average value exceeded 80% in the wholesale and retail trade and construction sectors, the lowest average value was 56.4% in the information and communications sector, indicating differences in trends between sectors.

In the scientific research, professional and technical services sector, the percentage of “100% (Come to office full time)” decreased from the previous survey, while “60%–99% (Tend to come to office)” increased, suggesting a transient period for coming-to-office ratio policies.

Meanwhile, many sectors, such as the manufacturing and information and communications sectors where the percentages of “60%–99% (Tend to come to office)” increased between the Autumn 2022 survey and the Autumn 2023 survey, showed little change from the Autumn 2023 survey, suggesting that new work styles are taking hold in each sector.

**Figure 16: Actual Coming-to-Office Ratio – By Sector**



# 34.4% feel current office is “(Very/somewhat) small”

We calculated the percentage of desks that companies provided their office occupants based on the number of office occupants and desks at the time of the survey and grouped the results into “less than 100%,” “100%,” and “more than 100%” (Figure 17).

Companies with desks for “more than 100%” of office occupants accounted for the most (53.6%), while companies with desks for “less than 100%” of office occupants accounted for 21.7%.

As for how companies felt about the size of their current office, 34.4% replied they felt their office was either “very small” or “somewhat small,” while 14.1% felt it was “very large” or “somewhat large” (Figure 18).

Since the Spring 2021 survey, “(Very/somewhat) small” had been on an upward trend, while “(Very/somewhat) large” had been on a downward trend. This time, however, both were flat. As changes in the coming-to-office ratio have leveled off, changes in perceptions of office size also appear to have stabilized.

Figure 17: Percentage of Desks to Number of Office Occupants

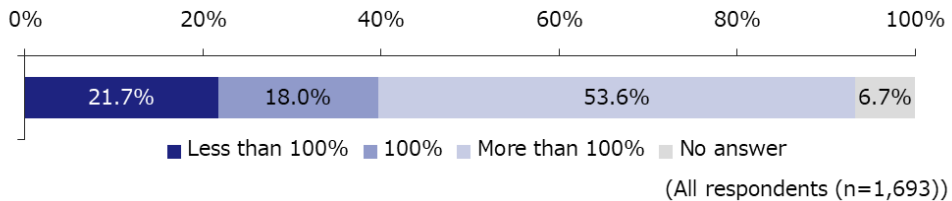
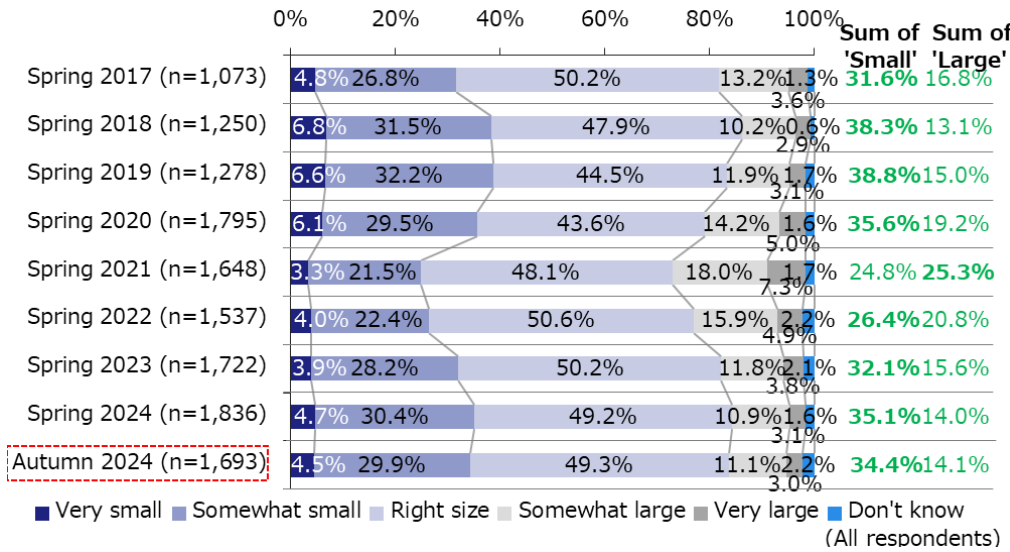


Figure 18: Perception of Office Size



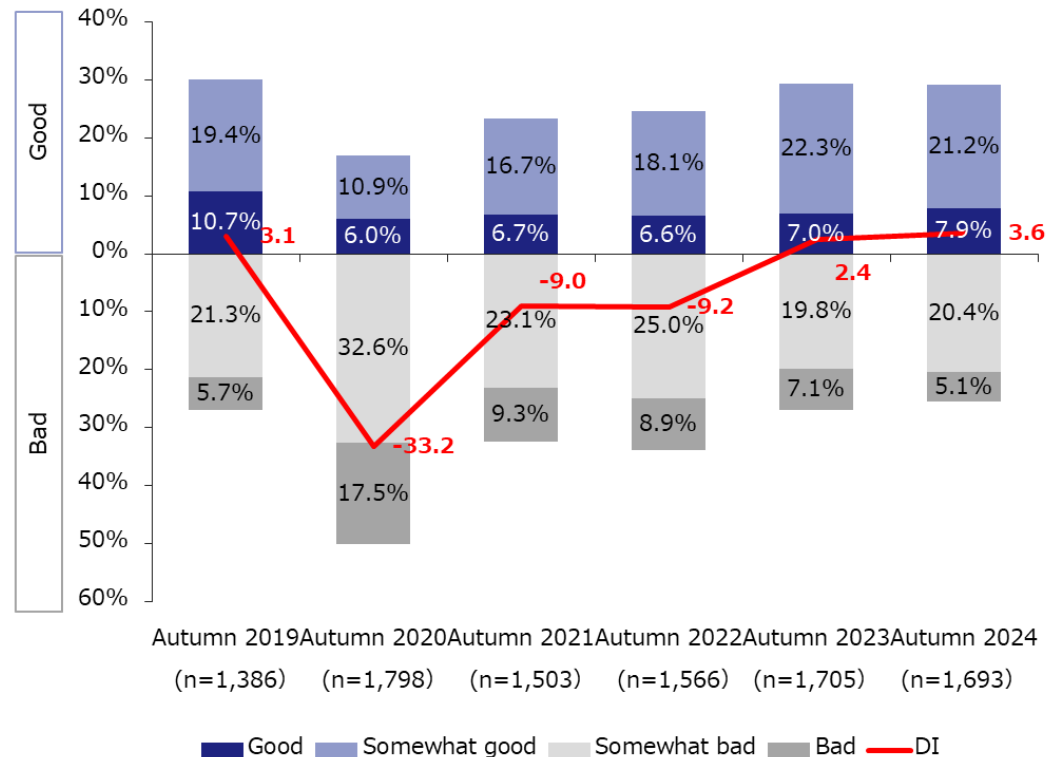
# Business sentiment DI remained positive but flat

Figure 19 shows the business sentiment DI, which is the sum of the percentages of “good” and “somewhat good” business sentiments (for own company) minus the sum of the percentages of “bad” and “somewhat bad” sentiments based on a five-scale rating of “good,” “somewhat good,” “neither good nor bad,” “somewhat bad,” and “bad.”

In this survey, the sum of “good” and “somewhat good” was 29.1%, and that of “bad” and “somewhat bad” was 25.5%.

The DI was 3.6, remaining in positive territory since the Autumn 2023 survey.

Figure 19: Business Sentiment



(All respondents; excerpt)

# 3. Work styles and the workplace

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1. Usage and issues of the main office
2. Work styles and telework
3. Evaluation indicators, human capital management

### 3.1. Usage and issues of the main office

## Companies want to add/introduce “booths/private rooms for remote meetings” in their office in the future

We asked the companies about the various spaces currently available in their main office\* and those they want to add or introduce in the future (Figure 20).

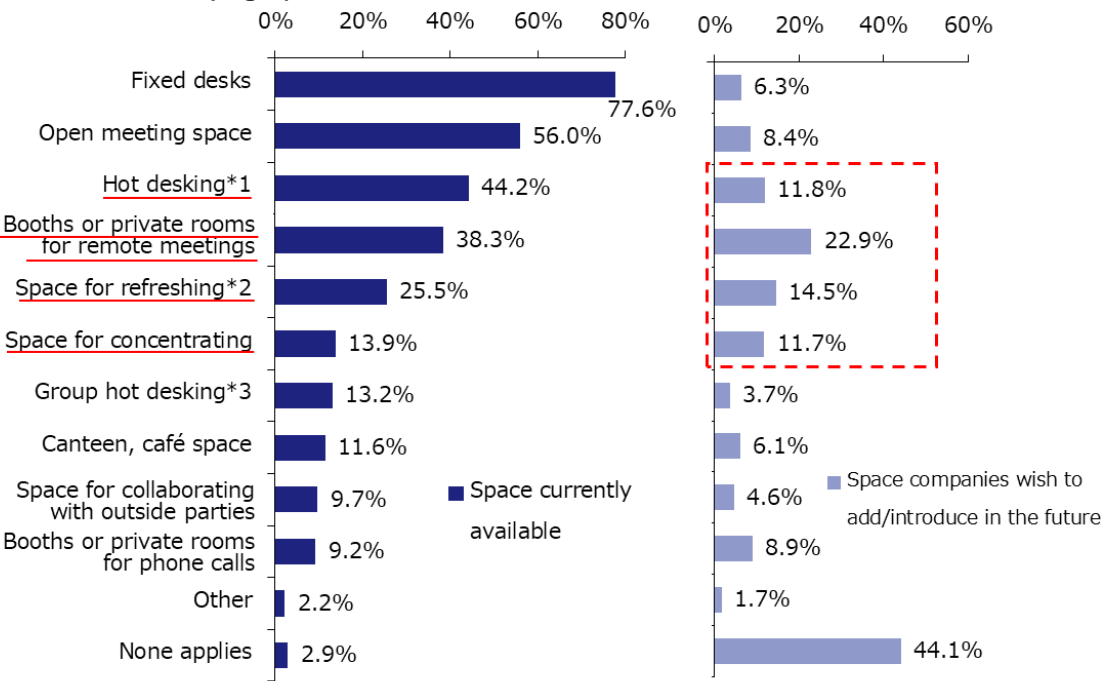
In terms of spaces currently available (left chart), the top answer was “Fixed desks” (77.6%) followed by “Open meeting space (56.0%) and “Hot desking” (44.2%).

In terms of spaces that companies want to add or introduce in the future (right chart), the percentage of “None applies” (44.1%) was high, indicating that many companies felt their current layout was sufficient.

However, some spaces were selected by more than 10% of companies, such as “Booths or private rooms for remote meetings” (22.9%). The result suggests that as the hybrid model takes hold, office layouts for ABW with a variety of spaces, including booths and private rooms for remote meetings, hot desking, and space for refreshing, will become increasingly available.

\*Main office: Refers not to decentralized offices (e.g., satellite offices) for teleworking, but to the traditional office where employees congregate.

**Figure 20: Space Currently Available in the Office (Left) and Space Companies Want to Add or Introduce in the Future (Right)**



(All respondents (n=1,693); MA)

\*1 Hot desking: Desks that can be chosen by individuals freely

\*2 Space for refreshing: A space to refresh the mind and body. It is not only used for resting, but also for improving health or activating communication among employees.

\*3 Group hot desking: Desks within a designated area of the department, team, etc. that can be chosen by individuals freely

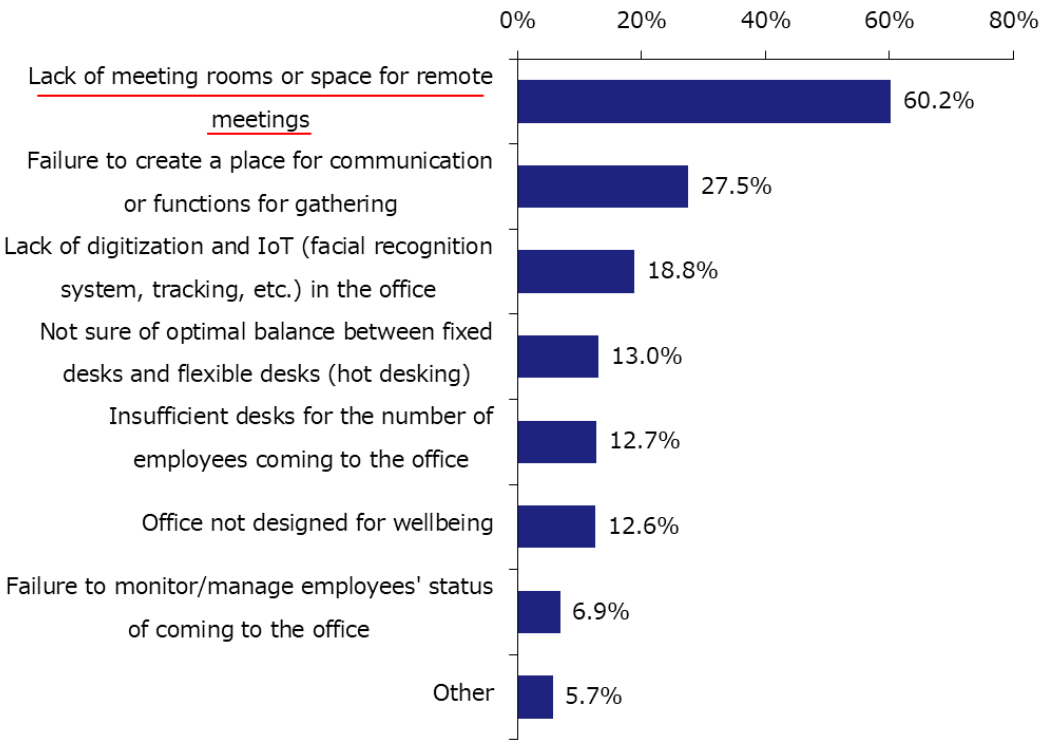
# Top issue of main office: “Lack of meeting rooms or space for remote meetings”

Figure 21 shows the specific problems and issues companies are facing in their main office.

By far the top problem was “Lack of meeting rooms or space for remote meetings” (60.2%). Since meeting rooms and space for remote meetings are essential to work, their lack seems to be recognized as a pressing issue.

This was followed by “Failure to create a place for communication or functions for gathering” (27.5%) and “Lack of digitization and IoT (facial recognition system, tracking, etc.) in the office” (18.8%). The results suggest that the roles and functions required of the office are becoming more sophisticated.

**Figure 21: Problems and Issues Concerning the Main Office**



(Companies with issues concerning the main office (n=990); MA)

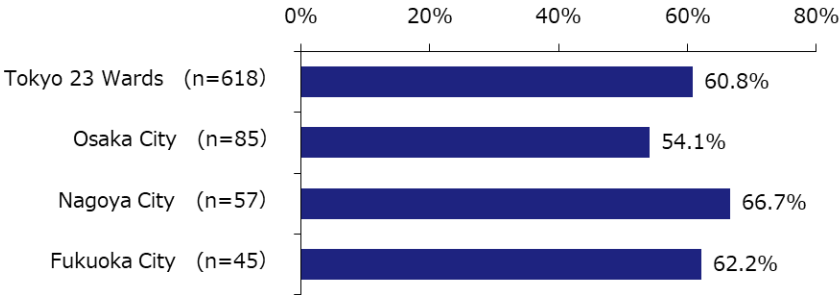


# Companies face “lack of meeting rooms or space for remote meetings” regardless of office location or number of employees

We looked at the “lack of meeting rooms or space for remote meetings,” the top issue concerning the main office, by office location (Figure 22) and number of employees (Figure 23).

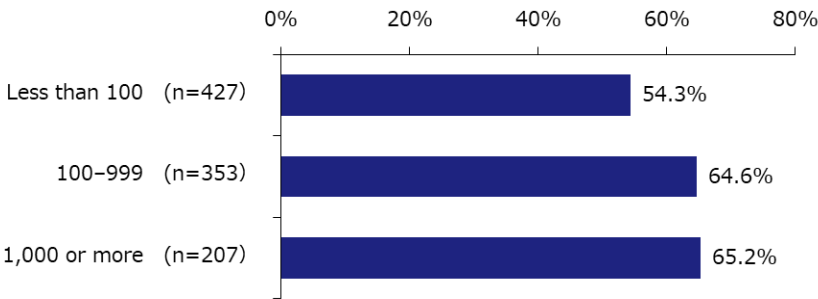
We can see that this issue is shared by companies regardless of location or company size.

**Figure 22: Lack of Meeting Rooms or Space for Remote Meetings – By Office Location**



(Companies facing issues with their main office; MA; excerpt)

**Figure 23: Lack of Meeting Rooms or Space for Remote Meetings – By Number of Employees**

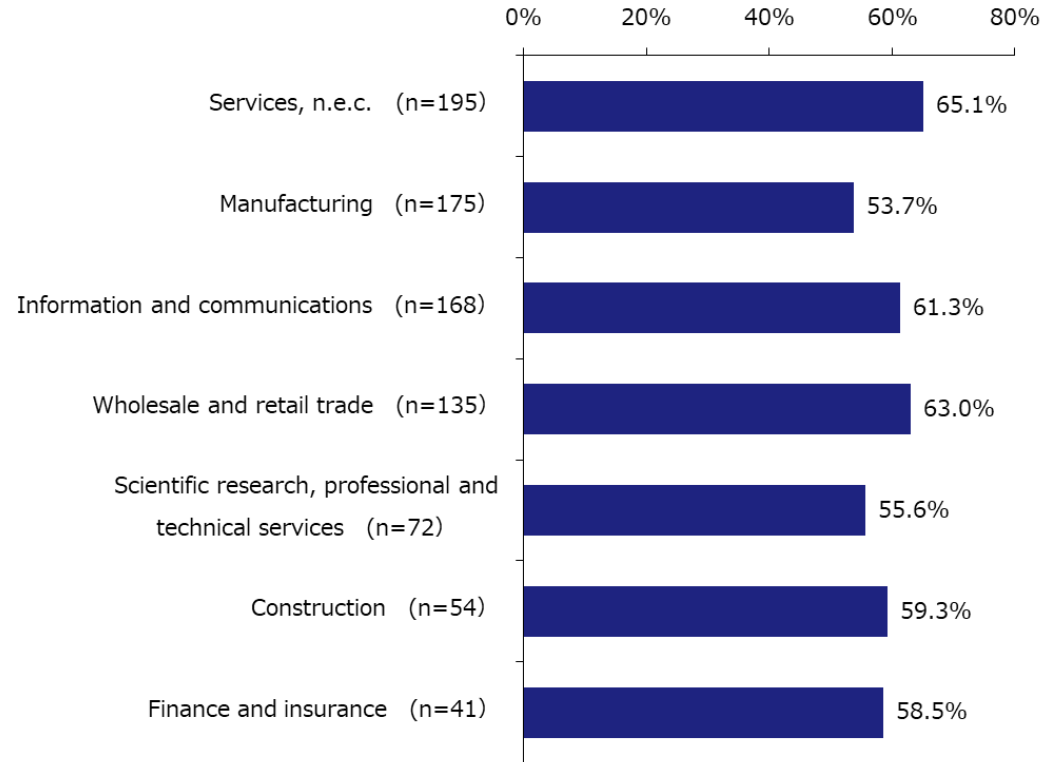


(Companies facing issues with their main office; MA; excerpt)

## “Lack of meeting rooms or space for remote meetings” felt by companies regardless of sector

Similarly, companies are facing a lack of meeting rooms or space for remote meetings regardless of sector (Figure 24).

**Figure 24: Lack of Meeting Rooms or Space for Remote Meetings – By Sector**



(Companies facing issues with their main office; MA; excerpt)

# Space for everyday meetings (for “one person,” “2–4 people,” “4–10 people”) is lacking

We asked companies facing a “lack of meeting rooms or space for remote meetings,” the top issue of the main office, about the specific types of meeting rooms that they lack. Meeting rooms “for one person (booth or private room for remote meetings),” “for 2–4 people” and “for 4–10 people” each gained more than 40% (Figure 25), indicating that there is a shortage of meeting rooms of the size used for everyday meetings.

We also listed five initiatives to address the lack of meeting rooms and asked respondents to indicate their level of interest in each initiative (Figure 26). Respondents were not only interested in internal initiatives, such as adding space by expanding the office, changing the office layout, and devising other ways to operate the office, but also in using outside services, with about 40% saying they were “(very/somewhat) interested” in each initiative.

Of the initiatives using outside services, there was a high level of interest not only in services within the same building, but also in services near the building, suggesting a state of exhaustion such that companies are looking for meeting space outside of the building in which their offices are located.

Figure 25: Type of Meeting Rooms Companies Lack

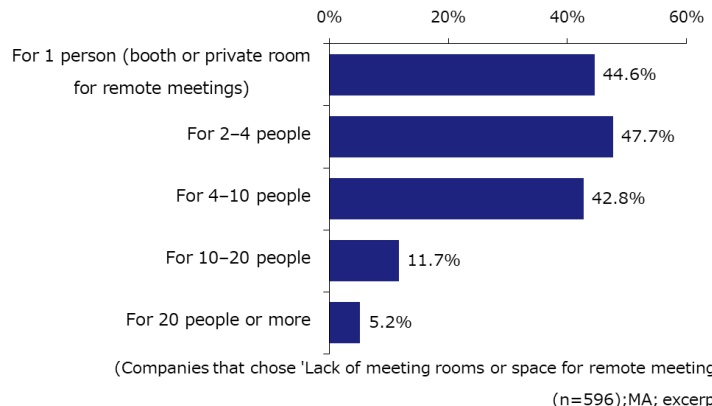
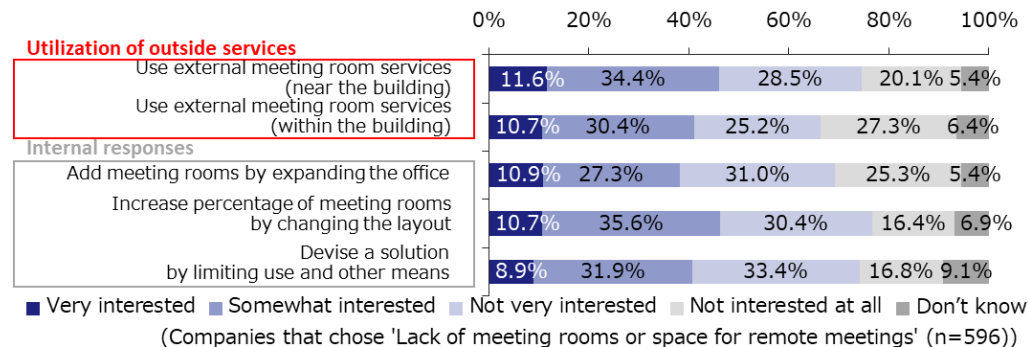


Figure 26: Level of Interest in Initiatives to Address Meeting Room Shortages

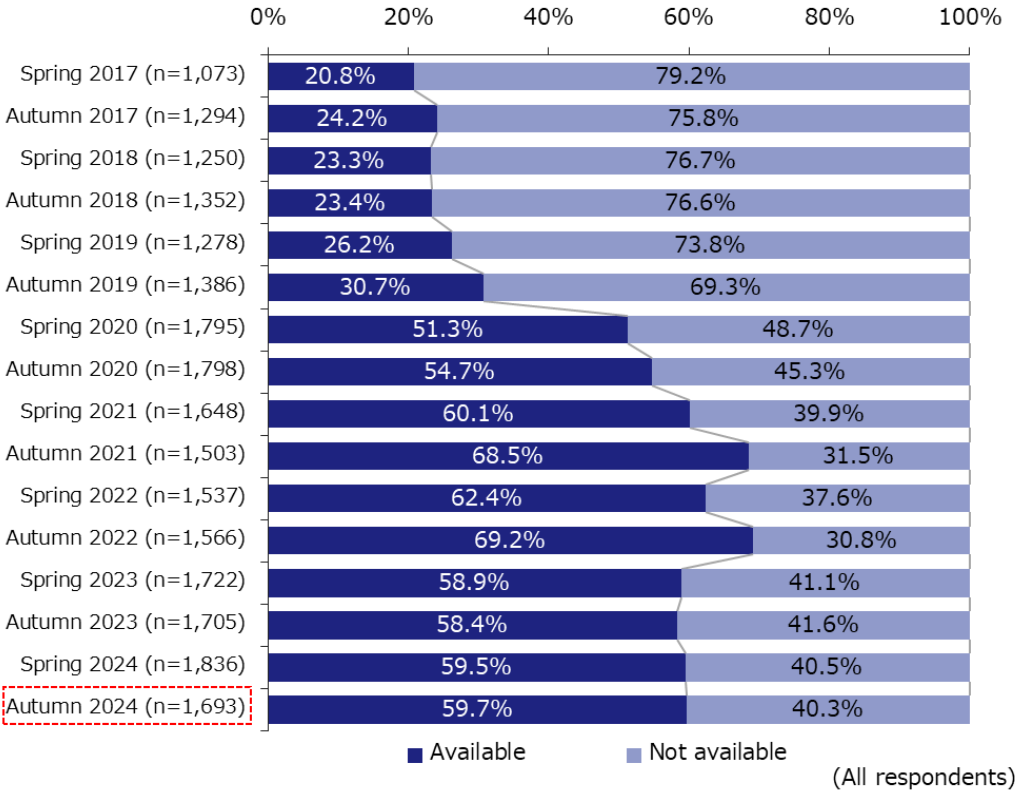


# Approx. 60% of companies provide a place or policy for employees to telework

59.7% of the companies replied that at least one of the following three initiatives for telework was available: Work-from-home policy; a satellite office, etc., provided by a specialized operator, etc., and a satellite office, etc., owned or rented by own company (Figure 27 (red frame)).

The percentage has remained flat since the Spring 2023 survey.

Figure 27: Availability of Place or Policy for Telework



# Work-from-home availability increased slightly; satellite office availability decreased slightly

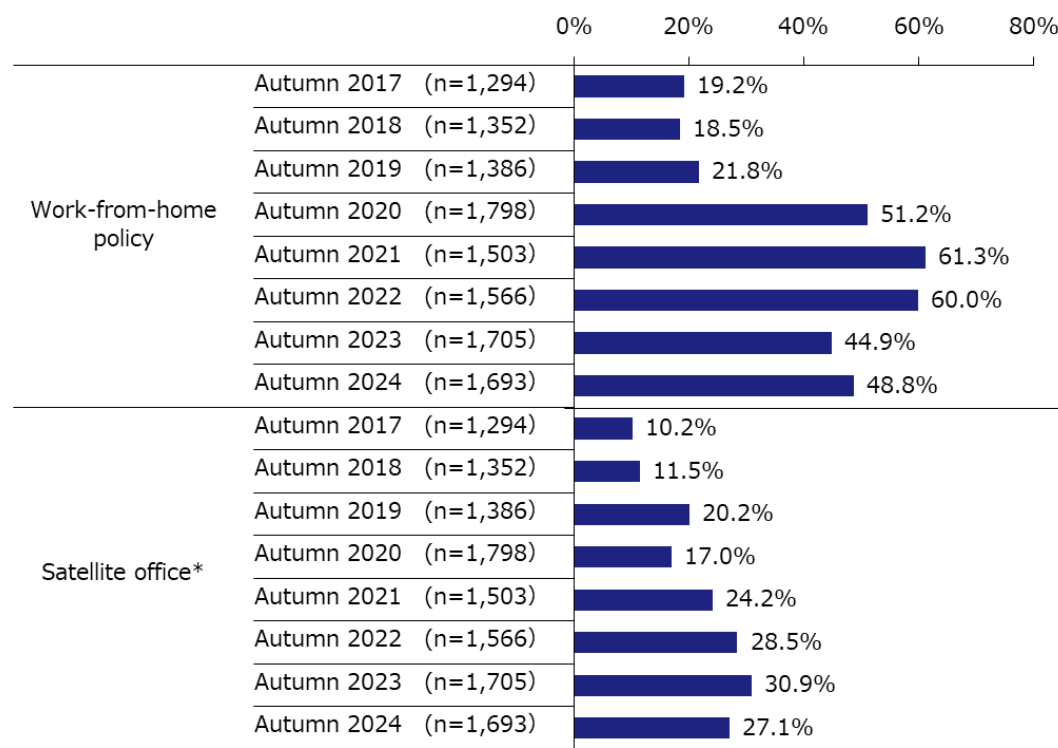
Figure 28 shows the yearly trends in the availability of a work-from-home policy and satellite offices (either using a satellite office, etc., provided by a specialized operator, etc., or set up a satellite office, etc., owned or rented by own company) as initiatives for telework.

The availability of work-from-home policies decreased over the Autumn 2022 and Autumn 2023 surveys but increased slightly to 48.8% this time.

The availability of satellite offices, which had been on an upward trend since the Autumn 2020 survey, declined slightly to 27.1%.

Companies where teleworking has become established as a work style may be in an exploratory phase regarding the specific operation of teleworking, such as where to allow it, as they seek to establish permanent policies.

**Figure 28: Availability of Work-from-Home Policy and Satellite Offices**



(All respondents; MA)  
 \*Either "using a satellite office, etc. provided by a specialized operator, etc." or "set up a satellite office, etc. owned or rented by own company"

# 37.6% have no specific rules or restrictions on telework; many companies allow high degree of flexibility in teleworking

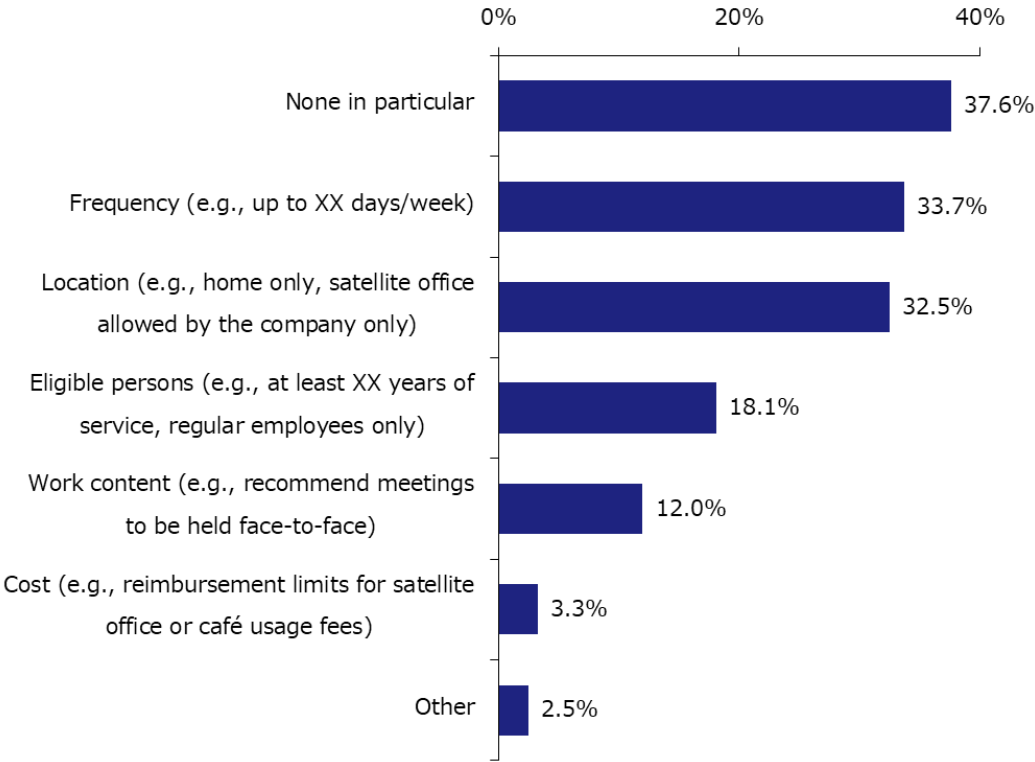
We asked companies that offer some kind of telework location or policy (Figure 27) about any rules or restrictions they impose on telework (Figure 29).

The largest number of companies (37.6%) replied “None in particular,” suggesting that companies allow a high degree of flexibility in teleworking.

More than 30% of companies have rules on frequency and location. However, the strictness of the rules seems to vary from company to company, with some companies restricting telework to the home only, while others offer a high degree of flexibility, allowing employees to choose from several locations.

We have summarized the specific rules and restrictions we asked companies to describe in an open-ended response on the following page.

Figure 29: Rules Regarding the Operation of Telework



(Companies that provide some kind of place/policy for telework (n=1,010); MA)

## Specific rules and restrictions (excerpted and edited from open-ended responses)

### [Frequency]

Restrictions on the number of times per month or week, the number of days, and the teleworking ratio, such as “(Telework is allowed) up to two days per week” and “Come to the office two days per week.” “Days when there are unavoidable reasons,” “Certain restrictions are set for each division and job type instead of the same restrictions across the company.” “Teleworking is allowed on Mondays and Fridays.”

### [Location]

In addition to the “home,” some companies offer choices such as “satellite offices allowed by the company” and “offices of group companies.” There were comments about security considerations, such as “Telework is not allowed other than at home since personal information is handled,” “A place where security can be guaranteed,” and “Telework locations are limited from a personal information management perspective.”

### [Eligible persons]

Some companies allow telework on a case-by-case basis depending on the circumstance, such as “family environment (e.g., childcare, elderly care),” “poor physical condition,” and “employees living far away.” There were also restrictions based on years of service, form of employment, and job type, such as “At least two years of service,” “Regular employees only,” “Those hired on the basis of working from home,” “Job type that are more efficient when done remotely (e.g., sales),” and “Staff doing routine work only.”

### [Work content]

Work that can be done through telework included “Work that can clearly show results,” “Work that does not require coming to the office,” “Attending online seminars,” and “Individual skills are the main.” “Meetings,” “interviews,” and work that is “based on communication” are recommended to be carried out face to face or by coming to the office. One comment said, “I only come to the office when there is a need to work face-to-face.”

### [Cost]

“Up to 4,000 yen per day for individual use; no upper limit for using meeting rooms with other people,” “Costs are borne by the employee’s department.”

### [Others]

Prohibiting “free Wi-Fi” and “connecting personal devices” for security reasons. Facilitating management by requesting the presentation of schedules and whereabouts through “in-advance application” and “communication of start and end of work.” Setting regular opportunities to congregate, such as “Come to the office on Fridays” and “All employees come to the office on certain days.” “Abolished commuting allowances and paying remote worker allowances instead.” “Fixed telework hours.”

# Remaining issues include “Poor communication between in-office employees and teleworkers”

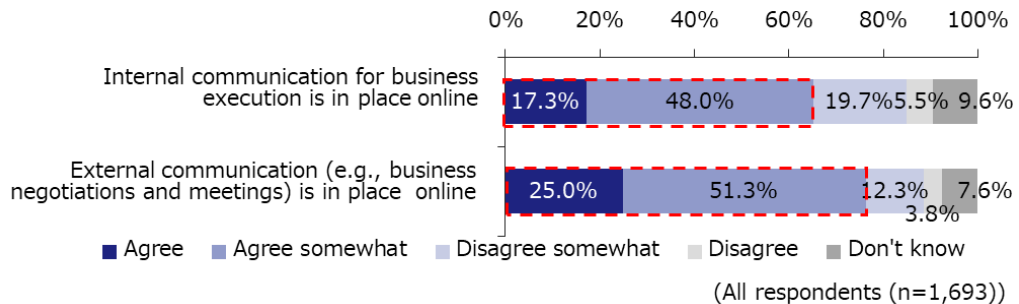
We asked respondents about five situations of internal and external communication, both online (Figure 30-1) and offline (Figure 30-2).

Figure 30-1 shows that online work-related communication is in place at a majority of companies, with, in particular, nearly 80% saying that they have communication with external parties.

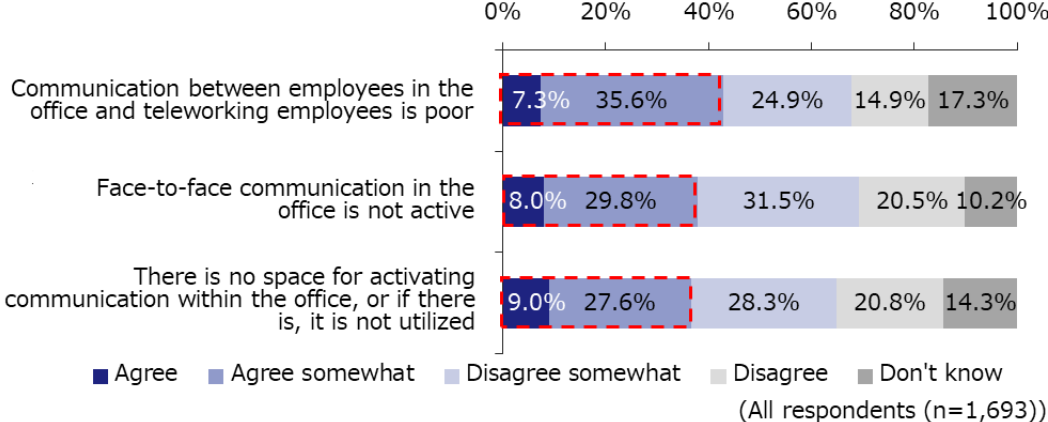
On the other hand, Figure 30-2 shows that quite a few companies face challenges with offline communication. In particular, 42.9% of companies “agree”\* that “communication between employees in the office and teleworking employees is poor,” indicating that this is an issue that should be addressed in the future.

\*The sum of “Agree” and “Agree somewhat”

**Figure 30-1: Situation Regarding Communication (Online)**



**Figure 30-2: Situation Regarding Communication (Offline)**





## Initiatives taken to activate internal communication (excerpted and edited from open-ended responses)

The following is a summary of initiatives taken to activate internal communication (online and offline), which were provided in open-ended responses.

**Creating opportunities for communication within the work:** Conscious efforts are made to create communication opportunities, such as “Short face-to-face meetings every week,” “Regular meetings,” “Morning and evening assemblies,” “Study sessions,” and “Every departments comes to the office at least once a week to meet colleagues face to face.” While some comments recommended face-to-face meetings and communication, some comments did not distinguish between online and offline, such as “Online meetings with all employees are held at least once a week” and “Company-wide meetings are held on a monthly basis (and on a hybrid basis).” Some used different forms of communication depending on the situation, such as “OJT and training will mainly be carried out face-to-face if there is a member who just joined the company or department.”

**Creating opportunities for communication outside of work:** Opportunities for communication are provided in various frequencies and scales, such as “Irregular lunch gatherings, etc.,” “Regular recreation events,” “Exchange across departments encouraged through internal events almost every month,” and “Some kind of company-wide event such as company trips.” Exchange is not limited to face-to-face exchange, with some comments saying they held “Online exchange meetings about once a month” and “Hybrid (face-to-face and online) communication time.” There was also institutional support, such as “Club activities,” “Recommendation to join a club,” and “meal subsidy to create communication opportunities.”

**Devising ways to use the office:** In addition to introducing or expanding “Meeting space,” “Online booths,” and “Meeting rooms,” there were layout ideas such as utilizing “hot desking.” There were many comments on space that can be used during breaks and for refreshing, such as “Space for refreshing” and “Lounges.” There was a case where these spaces could be used for internal events after work. In addition to creative ideas in facilities, there were also creative ideas in intangible matters, such as enhancing food/drink amenities by offering “Free drinks” and “Sweets,” “Playing back ground music,” and “Switching the café corner to a manned one.”

**Adoption and utilization of tools:** Companies “use chat tools” for chatting and club activity communication, etc. In addition, tools are used to facilitate hybrid work styles, such as “Branch companies are connected to each other via the web at all times,” “Online conference tools are installed in all meeting rooms,” and “Chatting is carried out in a virtual office.”

**Others:** There were creative initiatives leading to the “fostering of an atmosphere that facilitates communication,” such as “Preparing self-introduction sheets,” “Establishing chat times,” and “Switching on the camera during online meetings.” One comment said, “We have created a group that discusses how to activate (communication).”

# Availability of “Responses to changes to work due to AI” increased and is likely to increase further

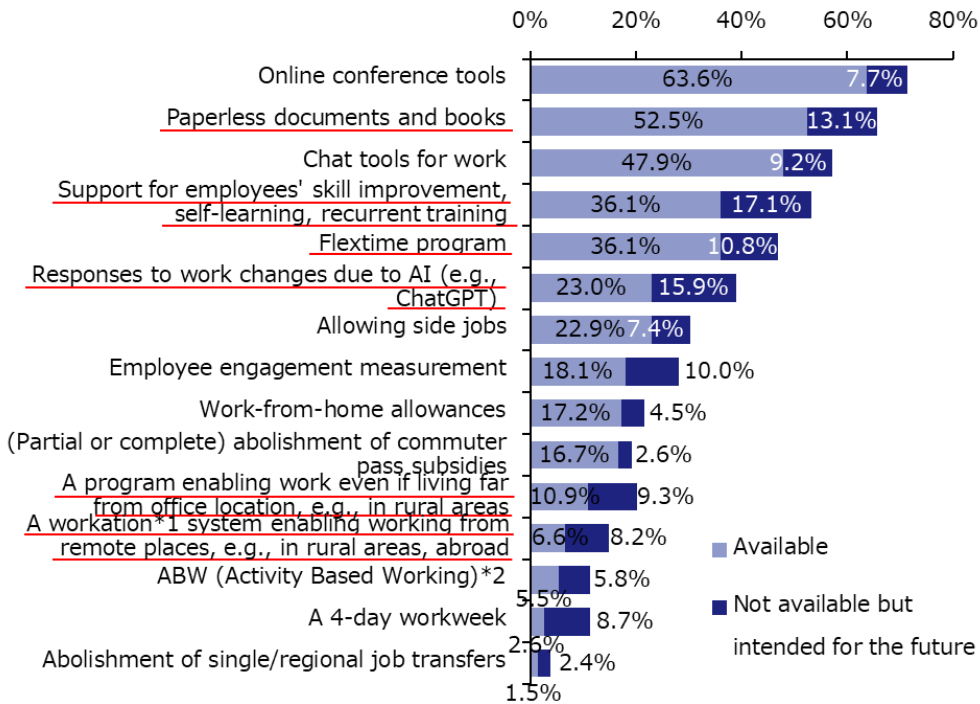
Figure 31 shows the percentage of work style initiatives currently available in the companies combined with the percentage of initiatives that are not currently available but that companies intend to implement in the future (“Not available but intended for the future”).

“Paperless documents and books” (52.5%), which is already available at a majority of companies, and “Support for employees’ skill improvement, self-learning, recurrent training” (36.1%) and “Flextime program” (36.1%), which are available in more than 30% of companies, have more than 10% of future intentions to adopt, indicating further growth in availability.

“Responses to work changes due to AI (e.g., ChatGPT)” increased in availability by 7 ppt, from 16.0% in the [Autumn 2023 survey](#) to 23.0%, and also received relatively strong intentions to adopt in the future (15.9%).

Advanced initiatives such as “A program enabling work even if living far from office location, e.g., in rural areas” and “A workation system enabling working from remote places, e.g., in rural areas, abroad,” which are currently not highly available, are expected to grow in availability in the future.

Figure 31: Work Style Initiatives



(All respondents (n=1,693); MA)

\*1 Workation: A portmanteau of work and vacation, meaning to work from a travel destination, etc.  
 \*2 ABW (Activity Based Working): Providing a wide variety of work areas that can be selected according to the work, such as booths for concentrating and space for team work.

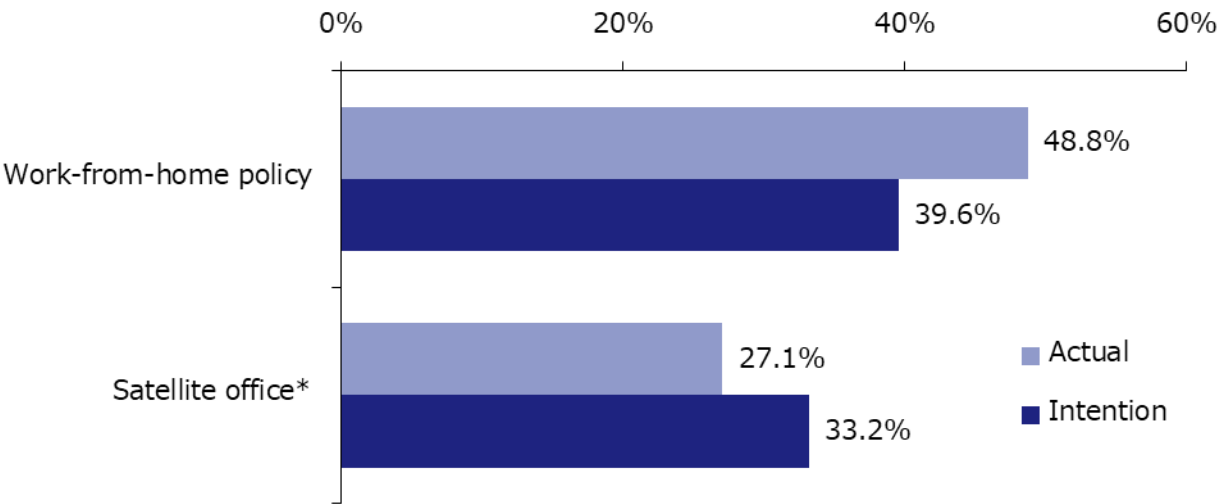
# 33.2% of companies want to introduce a satellite office in the future

Figure 32 shows the initiative concerning the place or policy for telework that companies want to implement in the future (up to 1–2 years ahead), regardless of the current situation.

"Work-from-home policy" was higher in availability (actual) than in the Autumn 2023 survey as shown in Figure 28, but the intention to adopt was 39.6%, lower than the actual availability.

Meanwhile, "satellite office" declined in availability (actual) from the Autumn 2023 survey, but the intention to adopt was 33.2%, higher than the actual availability.

**Figure 32: Initiatives on Telework Places or Policies Companies Want to Implement in the Future**



(All respondents (n=1,693); MA)  
 \*Either "using a satellite office, etc. provided by a specialized operator, etc." or "set up a satellite office, etc. owned or rented by own company"

# “Telework support type” and “rental meeting room service” increased in recognition and use

In addition to working outside the office taking hold due to the progress of telework, work locations have become more diverse, such as workspaces provided for purposes including exchange with other companies and the creation of new businesses.

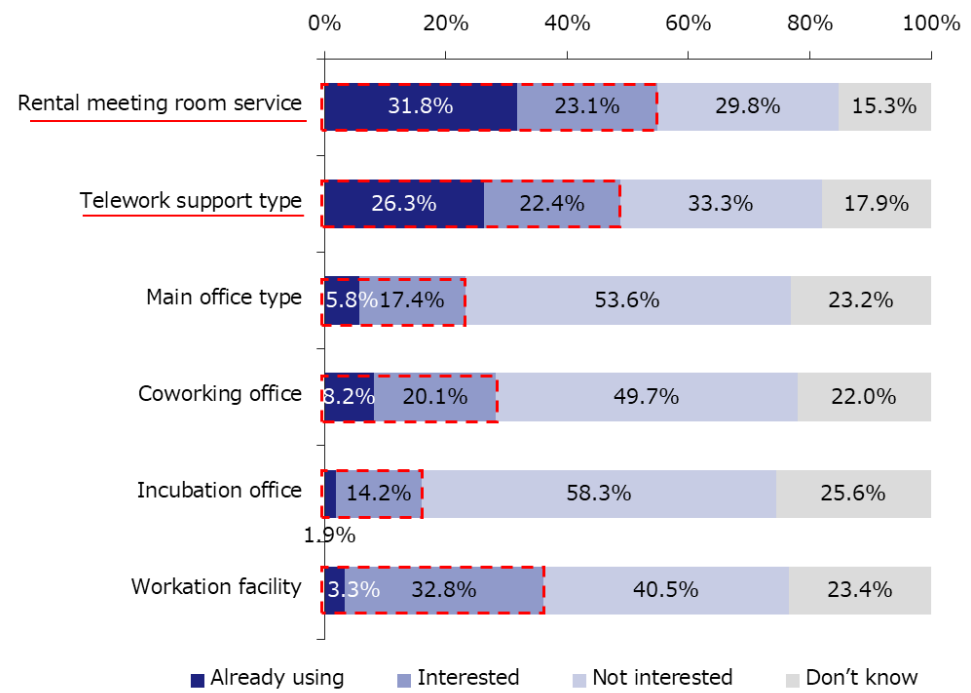
We asked the companies to indicate their level of interest in using the six types of flexible offices\* as their place of work (Figure 33). Details of each type are shown on the following page.

\*A style of workplace provided by an operator mainly to companies and self-employed individuals under various forms of contract, including service contracts and fixed term building lease contracts, instead of a typical office lease contract

The results indicate that “Rental meeting room services” and “Telework support type” offices have increased in both recognition and use, with a relatively low percentage of respondents answering they “don’t know” and a relatively high percentage saying they were “already using.”. The sum of “Already using” and “Interested” was about 50% for each of the two types.

As for the other four types, many companies said they were “not interested” due in part to their limited eligibility and usage. The result also shows that even if there is interest, the percentage of actually using those flexible offices is low. “Workation facility” had the highest percentage of companies that were “interested,” but only 3.3% said they were “already using” it.

Figure 33: Level of Interest in Using the Six Types of Flexible Offices



(All respondents (n=1,693))

# Six types of flexible offices (details)

## Rental meeting room service



- Can be used only when needed, reducing the number of meeting rooms in the offices of own company (space efficiency).
- Can be used on a daily basis in the building the company occupies or in a nearby office building.

## Telework support type



- Can be used near the home or on the go as a teleworking location for employees to do their daily work (reduced travel time).
- Equipped with a work environment, such as facilities that facilitate intensive work and online meetings, as well as copy machines.
- Locations can be selected according to the plans of the day and can be used in units of minutes and days.

## Main office type



- Dedicated sections can be used as bases for departments and project teams. It can serve as the main office for small companies.
- The contract period and area can be flexibly changed according to the growth of the company or the progress of the project.

## Coworking office



- Used by freelancers, startups, and departments of large companies in charge of new business development for the purpose of exchange and collaboration.
- Easy to create communities that can be used for business through events, support from community managers, and platform apps.

## Incubation office



- Dedicated sections are used by startups and new business development departments as their base.
- Companies aim to create new businesses while interacting with other occupants and receiving support from mentors.

## Workation facility



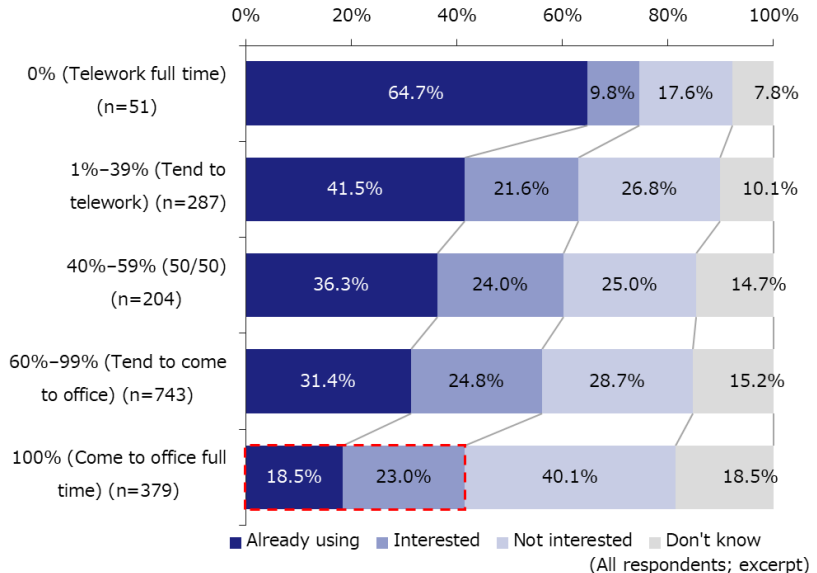
- Working in a tourist destination rich in nature can be expected to help generate new ideas and have a refreshing effect.
- Can also be used for training and team building.

# An option for work location other than the office and a supplement for office functions

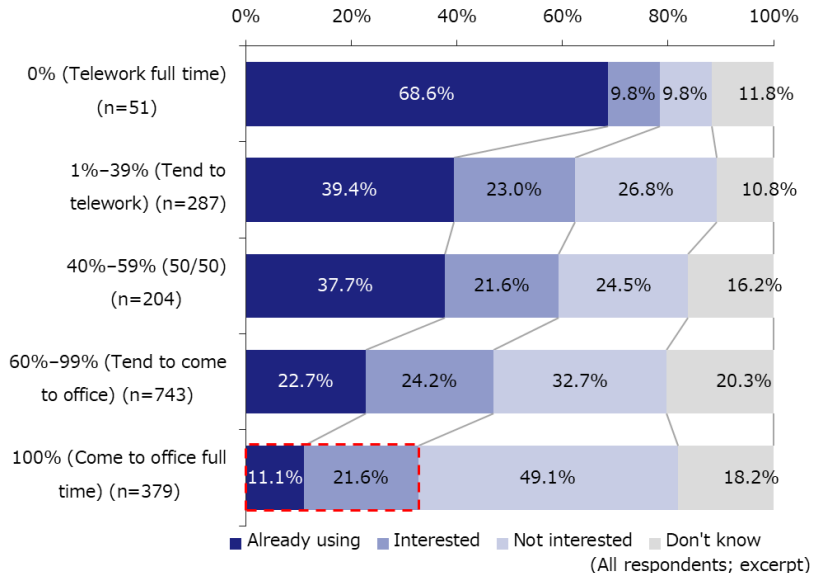
We compared the level of interest in “rental meeting room service” and “telework support type” offices, which received relatively high levels of interest as shown in Figure 33, by the coming-to-office ratio and found that the group of companies with lower coming-to-office ratios had higher interest (Figures 34 & 35). From this, it can be assumed that both types are used as an option for a work location other than the main office, supporting flexible work styles.

In addition, since a certain number of companies in the “100% (Come to office full time)” group also use or have interest in these offices, we can see that these offices are attracting attention not only as a support for telework but also to complement office functions. For “rental meeting room service” in particular, the sum of “Already using” and “Interested” amounted to more than 40% among the “100% (Come to office full time)” group.

**Figure 34: Level of Interest in “Rental Meeting Room Service”**  
**– By Coming-to-Office Ratio**



**Figure 35: Level of Interest in “Telework Support Type”**  
**– By Coming-to-Office Ratio**



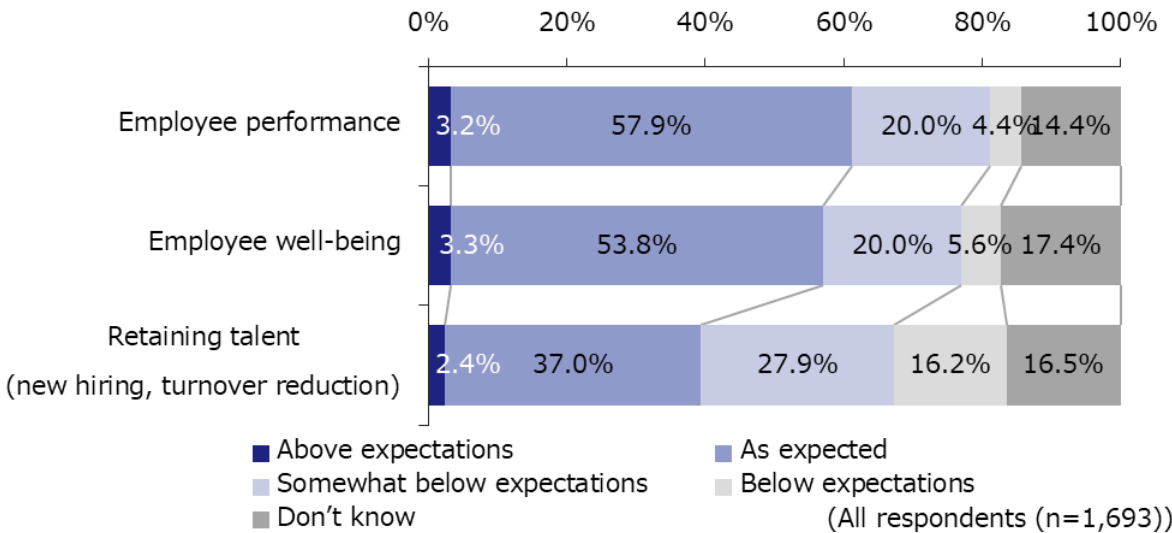
# “As expected” accounted for majority for “employee performance” and “well-being” in terms of achievement of expected levels

We asked respondents about their company’s current level of achievement of the expected levels for the following three items: “Employee performance,” “Employee well-being (mental and physical health)” and “Retaining talent (new hiring, turnover reduction)” (Figure 36).

The majority of respondents answered “As expected” for “Employee performance” and “Employee well-being.”

The item with the lowest rating was “Retaining talent (new hiring, turnover reduction),” with the sum of “Somewhat below expectations” and “Below expectations” (44.1%) exceeding the sum of “Above expectations” and “As expected” (39.4%).

Figure 36: Achievement of Expected Levels

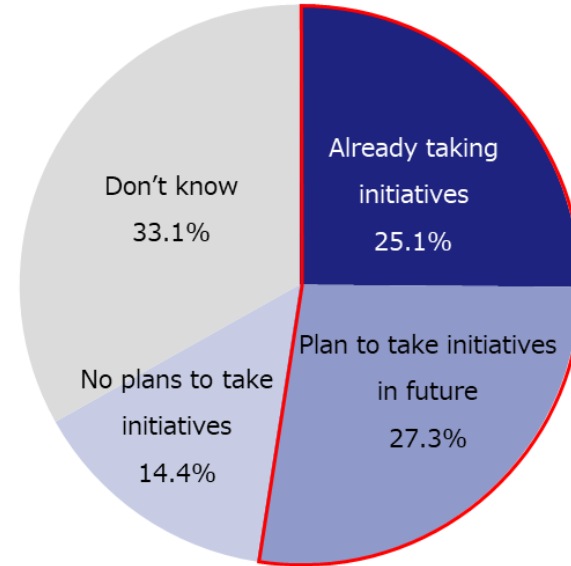


## 25.1% of companies taking specific initiatives in human capital management

When we asked companies about their status of specific initiatives in human capital management, \* 25.1% of companies were “already taking initiatives.” Combined with companies that “plan to take initiatives in the future,” they made up the majority.

\*Human capital management is a management approach that considers human resources as “capital” and seeks to improve corporate value over the medium to long term by extracting their value to the full. The “specific initiatives” refer to investments in human resources as well as internal and external information dissemination using the term “human capital management.”

**Figure 37: Status of Specific Initiatives in Human Capital Management**



(All respondents (n=1,693))



## Companies with more advanced human capital management initiatives have higher availability of each initiative

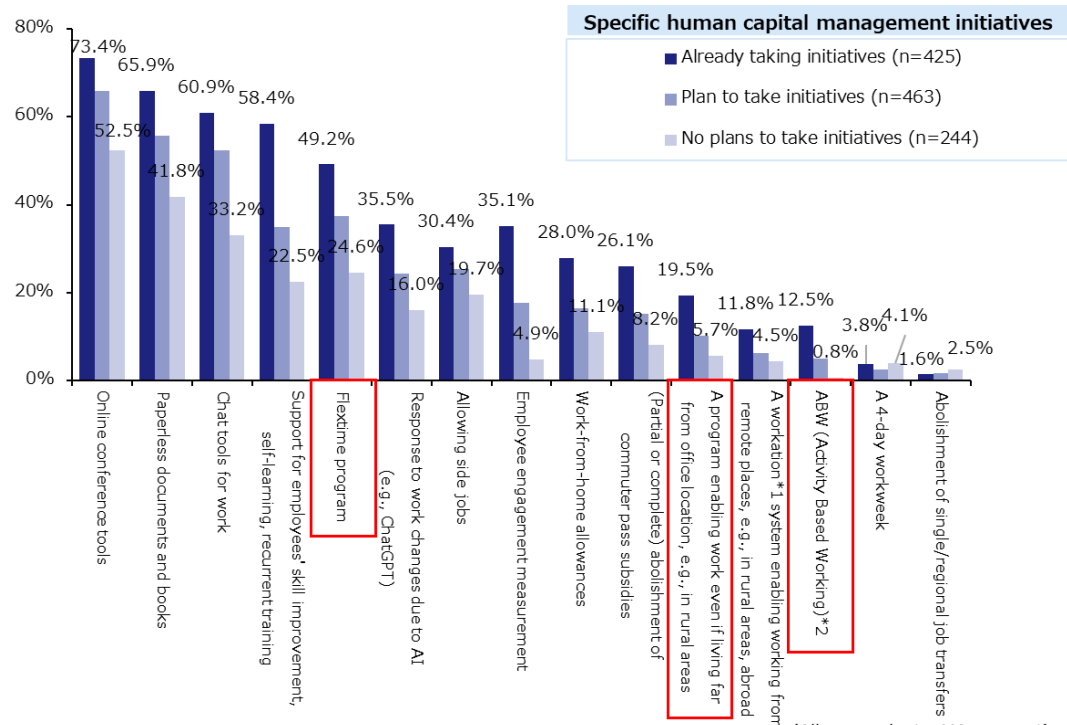
Figure 38 compares the status of work style initiatives by the status of specific initiatives in human capital management shown in Figure 37.

For many initiatives, the “Already taking initiatives” group in human capital management tended to have higher availability.

In particular, “Support for employees’ skill improvement, self-learning, recurrent training” and “employee engagement measurement” show large differences in availability depending on the status of the initiatives, indicating that these are priority initiatives that are taken by companies that are working on human capital management.

In addition, the results for “Flextime program,” “A program enabling work even if living far from office location, e.g., in rural areas,” and “ABW (Activity Based Working)” suggest that flexibility in where and when to work is also important for companies working on human capital management.

**Figure 38: Work Style Initiatives – By Status of Specific Human Capital Management Initiatives**



(All respondents; MA; excerpt)

\*1 Workation: A portmanteau of work and vacation, meaning to work from a travel destination, etc.

\*2 ABW (Activity Based Working): Providing a wide variety of work areas that can be selected according to the work, such as booths for concentrating and space for team work.

# Companies with more advanced human capital management initiatives have higher availability of place or policy for telework

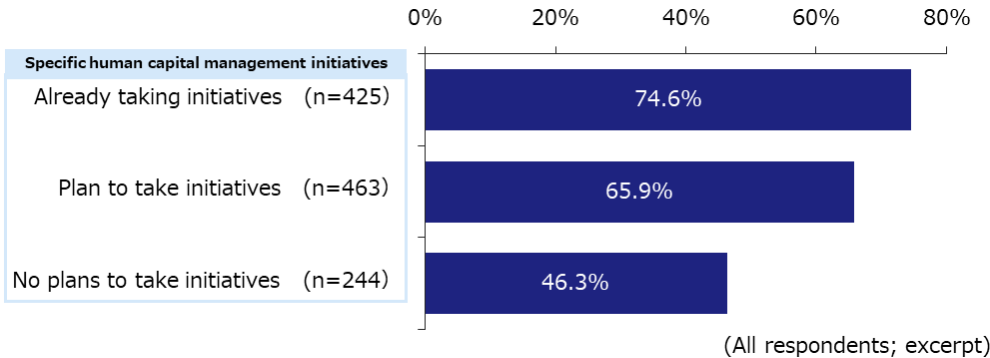
Similarly, we compared the availability of place/policy for telework (Figure 27) and availability of satellite offices (Figure 28) by the status of specific initiatives in human capital management (Figure 37).

Companies with more advanced human capital management initiatives had higher availability of places or policies for telework (Figure 39). The availability of satellite offices (40.0%) among the “Already taking initiatives” group was nearly double that among the “No plans to take initiatives” group (Figure 40).

It can be assumed that providing an employee-friendly environment through workplace strategies is an important initiative in human capital management that considers human resources as “capital.”

**Figure 39: Availability of Place/Policy for Telework**

**– By Status of Specific Human Capital Management Initiatives**



**Figure 40: Availability of Satellite Offices**

**– By Status of Specific Human Capital Management Initiatives**

