

Outline of the Results of the Survey on Business Start-ups in Japan (FY2022)

**AOKI Haruka\***

Economist, Japan Finance Corporation Research Institute

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\* Corresponding Author. Email: [jfcri011@nippon-kouko.jp](mailto:jfcri011@nippon-kouko.jp)

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## Abstract

Japan Finance Corporation Research Institute (JFCRI) has implemented “the Survey on Business Start-ups in Japan” every year since FY1991. This paper reviews the results of the FY2022 survey implemented in September 2022 with reference to the results of the past surveys and observes the trends of business start-ups.

The results of the survey implemented in FY2022 are as summarized below.

- The proportion of females among the entrepreneurs was 24.5%, a record high since the start of the survey in FY1991.
- As to the age brackets of the entrepreneurs at the time of business start-up, “40s” and “30s” accounted for high proportions, at 35.3% and 30.7%, respectively, forming a volume zone of entrepreneurs.
- The entrepreneurs starting business alone without employing staff members accounted for a high proportion, at 37.7%. Those who continued to operate their business alone at the time of the survey (16.8 months after the start of business on average) accounted for 31.5%, thus, many entrepreneurs run their business on a small scale.
- The proportion of the start-up enterprises whose initial expenses were “under 2.5 million yen” was 21.7%, a record high since FY2000, for which comparable data are available. The number of the start-up enterprises starting business with a small amount of expenses have been increasing.
- The proportion of the start-up enterprises whose sales at the time of the survey were “on the increase” (52.4%) and the proportion of the start-up enterprises whose profitability was “in surplus” (64.5%) were higher than the levels in FY2020 and FY2021. These facts suggest that the impact of the COVID-19 pandemic on the business results has been weakening.
- As the difficulties entrepreneurs faced both at the time of business start-up and at the time of the survey, “financing/fundraising” and “customer acquisition/market development” were cited by many entrepreneurs.
- While not a few entrepreneurs were “dissatisfied” with their income from business, the degree of job satisfaction was very high, and more than 70% of the entrepreneurs were generally “satisfied” with having started business.

This paper reviews the results of the “Survey on Business Start-ups in Japan (FY2022)” (hereinafter, “this Survey”) which was implemented by Japan Finance Corporation Research Institute (hereinafter, “JFCRI”) in September 2022, with reference to the data of the past surveys.

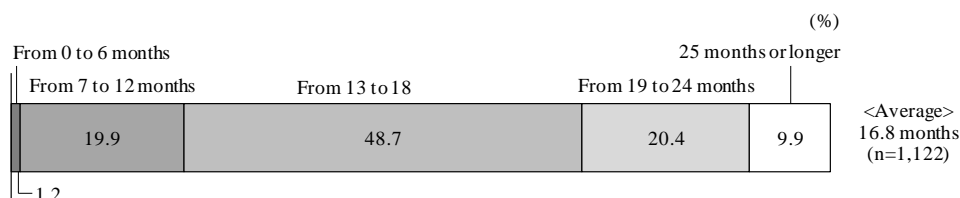
This Survey covers 4,817 business enterprises, financed by Japan Finance Corporation's Micro Business and Individual Unit over the period from April to September 2021, which had been in operation for not more than one year at the time when financial support was provided, including enterprises prior to their start-up but excluding real estate lessors. A total of 1,122 enterprises responded, making the response rate 23.3%.

As to the distribution of the months from the time of the business start-up of the responding enterprises, the proportion of “13 to 18 months” was the highest at 48.7%, followed by “19 to 24 months” (20.4%), “7 to 12 months” (19.9%), “25 months or more” (9.9%), and “0 to 6 months” (1.2%) (Figure-1). More than 90% of the respondents have operated their business for not more than two years since the time of the business start-up, and the average period of business operation was 16.8 months.

**Procedures for the “Survey on Business Start-ups in Japan (FY2022)”**

Period of Survey	September 2022
Scope of Survey	A total of 4,817 business enterprises, financed by Japan Finance Corporation's Micro Business and Individual Unit over the period from April to September 2021, which had been in operation for not more than one year at the time of financial support, including enterprises prior to their start-up, but excluding real estate lessors.
Survey method	The questionnaire was sent by post, and the responses were collected by post or online. The questionnaire was filled anonymously.
Number of responses	1,122 (response rate: 23.3%)

**Figure-1 Number of Months from the Time of Business Start-up of the Responding Enterprises**



Source: The “Survey on Business Start-ups in Japan (FY2022)” by Japan Finance Corporation Research Institute. However, the time series data are based on the past surveys of the respective years (the same hereinafter).

Note: 1. n is the sample size (the same hereinafter).

2. The component ratios may not sum to 100% due to rounding off to the first decimal place (the same hereinafter).

**Figure-2 Gender**

(Fiscal year of survey)	Male		Female	
1991	87.6		12.4	
92	87.1		12.9	
93	87.1		12.9	
94	85.3		14.7	
95	86.7		13.3	
96	86.8		13.2	
97	85.1		14.9	
98	86.4		13.6	
99	87.5		12.5	
2000	85.6		14.4	
01	84.7		15.3	
02	86.0		14.0	
03	86.2		13.8	
04	83.9		16.1	
05	83.5		16.5	
06	83.5		16.5	
07	84.5		15.5	
08	84.5		15.5	
09	85.5		14.5	
10	84.5		15.5	
11	85.0		15.0	
12	84.3		15.7	
13	84.9		15.1	
14	84.0		16.0	
15	83.0		17.0	
16	81.8		18.2	
17	81.6		18.4	
18	80.1		19.9	
19	81.0		19.0	
20	78.6		21.4	
21	79.3		20.7	
22	75.5		24.5	

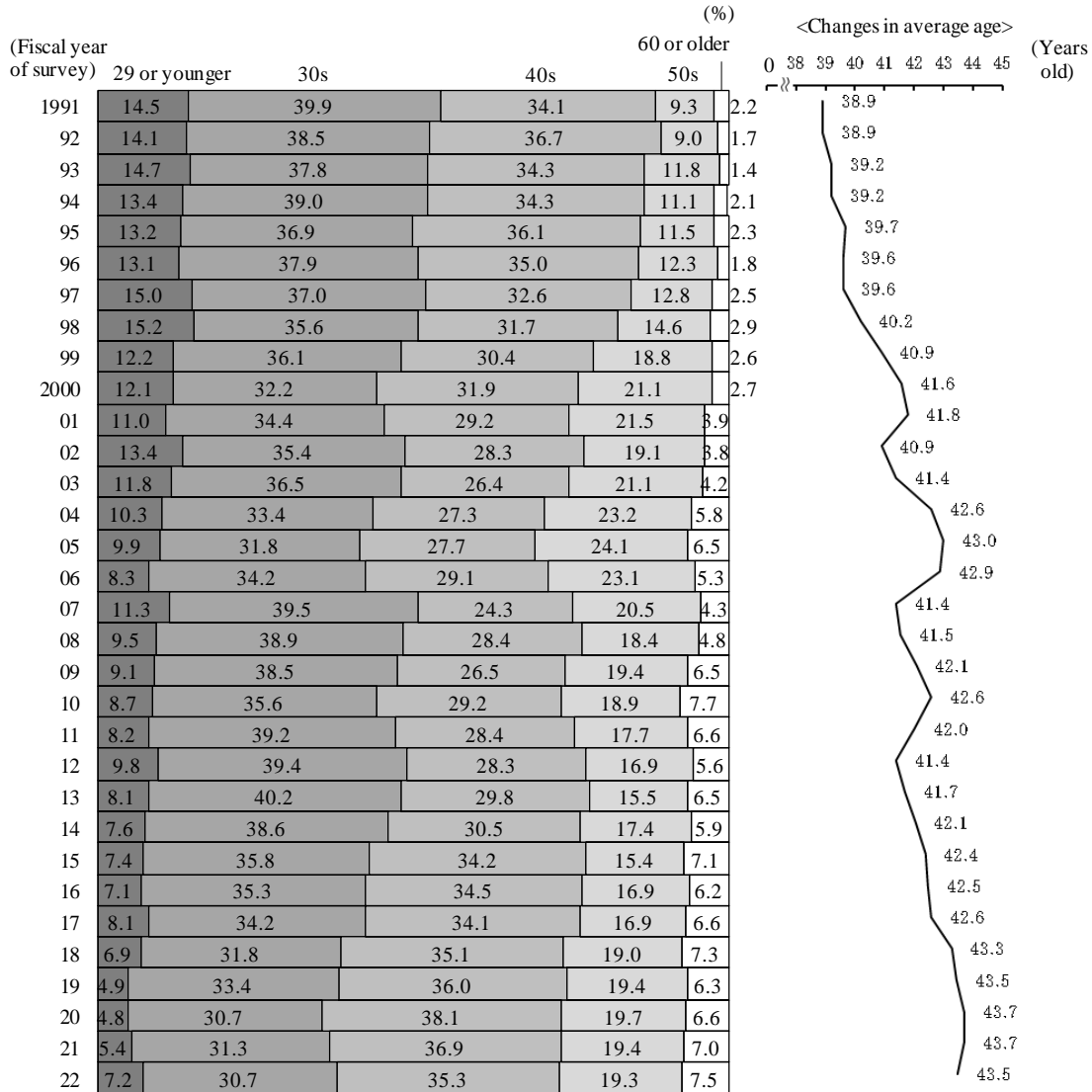
## 1. Characteristics and Career of Entrepreneurs

### (1) Characteristics of Entrepreneurs

While males accounted for the majority of the entrepreneurs, at 75.5%, the proportion of females was 24.5%, a record high since the start of the survey in FY1991 (Figure-2), showing that it had nearly doubled in the 31 years since FY1991 (12.4%).

The average age of the entrepreneurs at the time of starting business, which has been on the rise

**Figure-3 Age at Business Start-up**



since the start of the survey, reached 43.5 in FY2022 (Figure-3). By age bracket, “40s” accounted for the highest proportion, at 35.3%. In combination with “30s” (30.7%), these age brackets accounted for more than 60% of all entrepreneurs and have been a volume zone since the start of the survey to date. The proportion of “29 or younger” increased to 7.2% in FY2022 but decreased by around half from the level in FY1991 (14.5%). The proportions of “50s” (19.3%) and “60 or older” (7.5%) remained flat but increased from the levels in the 1990s, when they were around 10% and less than 3%, respectively.

**Figure-4 Academic History**

(Fiscal year of survey)	Specialized training college/Miscellaneous school					Junior college/ National Institute of Technology		University/ Graduate school		Other
	Junior-high school	High school								
1992	7.4	40.7	16.5	4.8	30.6			0.0		
93	8.0	40.8	17.2	3.8	29.6			0.6		
94	8.6	39.4	18.0	3.9	29.5			0.6		
95	7.6	40.9	12.9	7.5	30.8			0.3		
96	7.5	41.5	13.2	7.4	29.7			0.7		
97	5.7	42.2	15.5	7.1	29.1			0.3		
98	6.9	39.5	18.4	4.1	30.5			0.7		
99	6.2	40.0	15.3	3.8	33.8			1.0		
2000	6.4	38.0	14.9	7.2	32.9			0.6		
01	5.0	35.9	15.1	7.6	35.2			1.2		
02	7.1	36.5	15.1	5.5	34.4			1.3		
03	6.2	37.9	16.4	4.2	34.3			0.9		
04	6.6	37.0	17.6	3.8	34.6			0.3		
05	5.6	36.4	17.4	4.6	35.5			0.5		
06	6.0	34.5	17.5	5.4	36.4			0.2		
07	3.6	35.0	21.5	5.2	34.0			0.6		
08	5.8	35.0	20.1	4.6	34.2			0.2		
09	5.0	33.2	21.3	4.5	35.9			0.1		
10	5.5	32.0	19.1	5.3	37.9			0.2		
12	3.5	31.3	24.3	4.3	36.2			0.4		
13	3.0	30.4	23.9	4.8	37.8			0.1		
14	3.2	27.7	26.6	4.6	37.8			0.1		
15	4.0	28.7	24.8	5.8	36.7			0.1		
16	3.6	30.6	24.0	4.9	36.9			0.1		
17	3.0	27.5	26.1	5.7	37.5			0.2		
18	3.0	31.2	23.5	4.4	37.8			0.1		
19	3.4	29.7	27.1	4.2	35.7			0.0		
20	3.5	28.0	24.3	5.0	39.1			0.1		
21	3.7	27.6	26.2	4.7	37.6			0.2		
22	3.9	27.0	24.1	5.4	39.6			0.1		

Note: 1. The results of the 1991 survey are not shown because the choices did not include “junior college.” The survey of FY2011 did not ask academic history.  
 2. The choices for the 1992 survey did not include “other.” “Other” of the 1999 to 2002 surveys included “overseas schools.”

**(2) Career of Entrepreneurs**

As to academic history of the entrepreneurs, the proportion of “university/graduate school” was the highest, at 39.6%, marking a record high (Figure-4). It was followed by “high school” (27.0%) and “specialized training college/miscellaneous school” (24.1%). Over the long term, the proportion of “high school” declined, whereas the proportions of “university/graduate school” and “specialized training college/miscellaneous school” were on the rise.

**Table-1 Work Experience**

(% , year)

	Percentage	Years of experience (average)	Years of experience (median)
Have work experience (n=1,104)	98.0	20.3	20.0
Have previous experience in relevant business (n=1,106)	82.9	14.0	12.0
Have experience in a managerial post (n=1,108)	64.3	11.2	10.0
Have experience managing a business (n=1,022)	15.4	11.2	10.0

Note: 1. “Previous experience in relevant businesses” refers to experience in work related to the business at the time of the Survey. “Experience in a managerial position” refers to experience working as head or leader of a section, department, etc. with three subordinates or more. “Experience managing a business” refers to experience managing a different business prior to starting the business at the time of the Survey (including respondents who had quit the business).  
2. Average and median of years of experience exclude the respondents without such experience.

As concerns work experience before starting business, 98.0% of the entrepreneurs responded that they had work experience (Table-1), with the average number of years of work experience being 20.3. Those who have experience working in business relevant to their business operated at the time of the Survey accounted for 82.9%, with the average number of years of experience being 14.0. The proportion of those who had experience in a managerial post (head or leader of a section, department, etc. with 3 subordinates or more) was 64.3%, with the average number of years of experience being 11.2. Also, 15.4% of the respondents had experience managing a different business before starting the business for 11.2 years on average.

The most common employment status held by the entrepreneurs just before their business start-up was “full-time employee in managerial position,” at 39.2%, followed by “full-time employee in non-managerial position,” at 29.3% (Figure-5). The proportion of “full-time employee/executive” consisting of these two categories and “full-time executive of company/organization” (11.3%) has been gradually declining, whereas the proportion of “non full-time employee” (11.5%), which is the sum of “part-time/temporary employees” and “dispatched/contracted workers” has been on the rise. According to the Labor Force Survey (2022) by the Ministry of Internal Affairs and Communications, the proportion of non full-time employees among employees other than executives of a company or corporation is 53.4% among females, which is considerably higher than that among males (22.2%). The increase in the proportion of females among the entrepreneurs may be the cause of the increase in the proportion of “non full-time employee” as the employment status held by the entrepreneurs just before their business start-up.

The main reason for the entrepreneurs’ leaving the job just before the business start-up was “own

**Figure-5 Employment Status and Positions Prior to Business Start-ups**

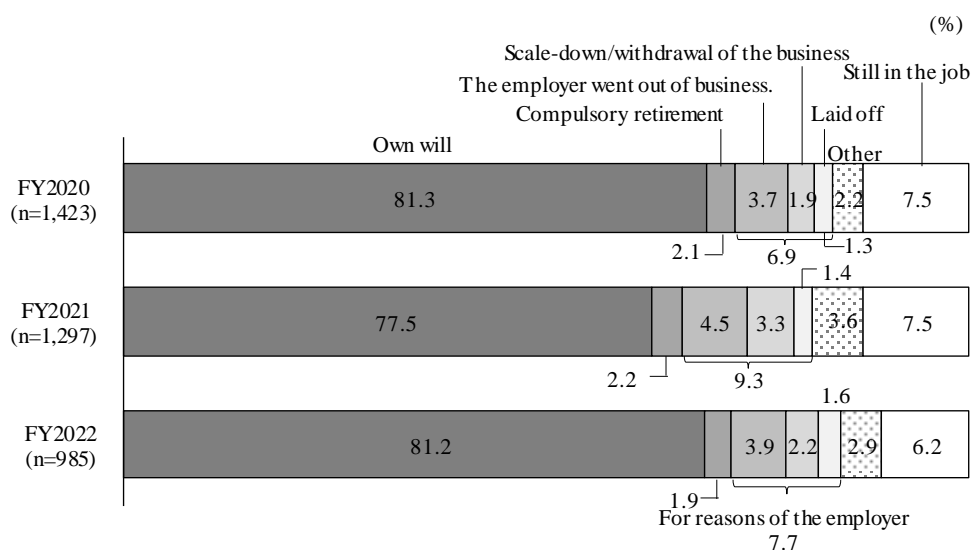
(Fiscal year of survey)	Full-time employee/executive (%)			Non full-time employee (%)	
	Full-time executive of company/organization	Full-time employee in managerial position	Full-time employee in non-managerial position	Other	
1991	14.8	35.0	39.5	1.5	9.1
92	14.5	36.3	36.7	2.9	9.5
93	14.8	36.5	39.5	3.3	5.8
94	13.9	35.2	41.9	3.0	5.9
95	12.0	35.2	36.4	3.2	13.2
96	14.2	37.6	36.2	2.6	9.4
97	12.2	31.5	47.1		3.6 5.5
98	11.3	37.1	42.2	3.2	6.2
99	12.2	36.1	40.9	4.2	6.7
2000	14.6	36.8	38.5	5.3	4.8
01	14.5	36.6	36.5	6.9	5.5
02	13.3	34.6	40.1	4.9	7.2
03	12.0	42.1	30.4	7.4	8.0
04	12.2	37.4	34.7	5.6	10.2
05	12.4	36.1	33.5	8.0	9.8
06	13.1	37.2	32.6	7.6	9.5
07	10.9	39.8	33.6	8.7	7.0
08	13.1	38.2	33.9	7.8	7.0
09	13.7	38.4	32.9	8.0	6.9
10	13.0	45.2	26.3	8.5	7.1
11	13.0	38.0	31.3	8.7	9.1
12	10.7	41.2	31.0	9.4	7.6
13	10.7	44.7	28.8	8.8	7.1
14	10.2	44.9	29.2	9.2	6.4
15	11.3	40.7	29.4	10.6	8.0
16	10.4	45.1	28.5	10.8	5.2
17	10.0	40.8	31.9	9.1	8.3
18	10.0	42.2	29.5	10.5	7.8
19	11.4	38.3	32.1	11.1	7.1
20	10.7	39.5	29.8	12.3	7.6
21	11.2	41.3	28.3	10.7	8.4
22	11.3	39.2	29.3	11.5	8.7

Note: 1. “Non full-time employee” is the sum of “part-time/temporary employees” and “dispatched/contracted workers.” However, choices for the surveys from FY1991 to FY1994 and FY2004 did not include “dispatched/contract employee.” The choices for the FY1995 to FY1999 surveys included “dispatched employee” instead of “dispatched/contract employee.”  
 2. “Other” includes “full-time homemaker” (“full-time housewife” until FY2007) and “student.”

will,” at 81.2%, and the proportion of “reasons of the employer” was 7.7% combining: “the employer went out of business” (3.9%), “scale-down/withdrawal of the business” (2.2%), and “laid off” (1.6%) (Figure-6). Most entrepreneurs left their jobs and started business on their own will. On the other hand, 6.2% were “still in the job,” which means that some entrepreneurs run their business while continuing their job. The proportion of “compulsory retirement” was very low, at 1.9%. This fact, combined with the fact that the proportion of “60 or older” among the entrepreneurs was relatively low (Figure-3), indicates that few people start business after they reach the retirement age.



**Figure-6 Reasons for Leaving the Job**



**Table-2 Motivation for Start-up (multiple answers up to three)**

	FY2020 (n=1,584)	FY2021 (n=1,453)	FY2022 (n=1,100)
To work at my own discretion	56.5	54.1	56.6
To increase income	41.9	43.4	47.2
To use my work experience, knowledge and qualifications	45.8	47.3	44.5
Interest in business management	34.8	35.1	35.5
To commercialize my technology/idea	30.0	32.1	28.6
To do work of benefit to society	29.3	26.5	27.6
To have more time and composure	19.3	19.5	19.7
To work regardless of age or gender	12.4	12.1	11.5
To make the most of personal interests/special skills	9.0	8.5	9.8
Unable to find a suitable place of employment	5.7	5.9	6.0
Other	7.9	9.1	6.3

## 2. Business Outline

### (1) Motivation for Business Start-up and Decision on the Business

The most highly cited motivation for starting business (multiple answers up to three) was “to work at my own discretion,” at 56.6% (Table-2). It was followed by “to increase income,” at 47.2%, and “to use my work experience, knowledge and qualifications,” at 44.5%. In the three years from

**Table-3 Reason for Decision on the Business Contents**

(%)

	FY2020 (n=1,551)	FY2021 (n=1,437)	FY2022 (n=1,100)
Can use my experience and skills of past jobs	41.8	43.8	44.0
Can use my qualifications and knowledge	21.9	19.4	19.1
Community and society need the business	13.8	15.9	14.3
The business is expected to grow	8.5	8.4	8.1
Can use my personal interest/special skills	4.5	3.9	5.3
Have found an idea/hint for the new business	4.1	4.0	4.2
The business is possible without experience	2.7	2.1	3.6
Can use my real estate, etc.	0.7	0.4	0.3
Other	1.9	2.1	1.2

FY2020, the top three motivations have not changed.

The most common reason for decision on the business contents was “can use my experience and skills of past jobs,” at 44.0%, followed by “can use my qualifications and knowledge,” at 19.1%, and “community and society need the business,” at 14.3% (Table-3). There has been no change since FY2020 in the order of the top three reasons. As shown in Table-1, more than 80% of the entrepreneurs have previous experience in the relevant business and have experience for as long as 14 years on average. This suggests that many entrepreneurs intend to start business and increase income by taking advantage of the sufficient knowledge and know-how they have in their business field.

## **(2) Characteristics of Start-ups**

By industry type, “Services” accounted for the highest proportion of start-up enterprises, at 29.4%, followed by “Medical, Health care and Welfare,” at 16.4%, and “Retail trade,” at 13.8% (Table-4). “Services” has always been the most popular industry since FY2004, for which comparable data are available. Since FY2018, this category has been increasing for five consecutive years, staying at levels around 30%. In the breakdown, “Hair-dressing and beauty salon,” “Business consultants,” “Certified tax accountants’ offices” and “Aesthetic salon service” accounted for high proportions. The proportion of “Restaurant and Accommodations” was 10.1%, a record low since FY2004. This may be largely due to the increase in the number of people who refrained from eating out and going on a trip because

**Table-4 Industry Type of the Start-ups**

(%)

	2004	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22
Construction	8.9	8.5	9.6	7.5	9.5	9.5	8.8	7.1	7.2	6.3	6.4	8.6	8.5	8.9	7.7	8.8	9.4	7.2	6.8
Manufacturing	5.5	5.2	5.4	5.0	4.0	6.2	4.7	2.7	3.2	4.5	3.5	4.1	4.4	4.2	3.4	3.4	3.1	2.7	3.9
Information and Communications	3.2	2.5	2.6	3.2	2.8	3.0	2.4	2.9	2.7	2.6	2.5	2.6	1.6	2.2	3.2	2.7	2.9	2.5	2.7
Transportation	3.8	3.6	3.6	2.4	3.2	3.6	2.5	4.0	2.2	2.5	1.8	2.0	1.9	2.7	2.8	3.5	2.6	4.6	3.8
Wholesale	7.5	6.8	8.2	5.9	7.4	6.1	8.4	7.9	7.2	6.1	5.5	5.1	5.6	4.6	4.9	5.3	3.5	4.3	3.2
Retail trade	14.2	15.9	15.2	13.6	14.0	10.4	14.0	12.9	14.6	10.6	13.2	11.9	9.4	11.9	13.1	12.8	11.8	11.5	13.8
Restaurant and Accomodations	14.0	14.5	14.5	16.9	14.5	13.9	12.8	13.6	12.9	15.1	14.9	15.9	15.8	14.2	14.7	15.6	14.3	14.7	10.1
Medical, Health care and Welfare	14.9	16.1	14.1	15.8	13.2	14.8	15.7	17.5	19.8	19.6	21.9	19.5	18.0	19.6	17.4	14.7	16.7	17.4	16.4
Education, Learning support	1.6	1.5	2.2	1.6	2.5	1.3	2.1	2.3	2.6	3.4	3.2	2.6	2.9	3.6	2.6	3.1	3.6	2.9	4.4
Services	23.5	21.1	20.9	25.6	24.1	26.3	23.2	24.8	22.0	23.6	22.2	23.2	26.2	23.3	25.1	25.9	26.4	28.1	29.4
Real estate	2.2	2.4	3.2	1.6	4.2	4.2	4.1	3.6	4.2	4.8	3.7	3.7	4.5	4.1	4.2	3.7	4.4	3.3	4.9
Other	0.8	1.9	0.5	0.9	0.6	0.9	1.2	0.8	1.5	0.9	1.2	0.7	1.1	0.7	0.8	0.5	1.3	0.9	0.6

Note: "Food takeout/delivery service" is included in "retail trade."

of the spread of COVID-19.

As to the legal status of the business at the time of business start-up, the proportion of "sole proprietor" accounted for the majority, at 60.5%, followed by "stock company, etc." (39.5%) consisting of "stock company" (28.1%), "NPO" (0.6%), and "other (limited liability company, limited partnership company, general incorporated association, etc.)" (10.8%) (Figure-7). The proportion of "stock company, etc." was mostly between 20% and 30% in the 1990s. However, the amended Act on Facilitating the Creation of New Businesses that was enforced in 2003 enabled people to incorporate companies without being subject to the regulation regarding the minimum amount of stated capital for five years after the incorporation if certain requirements were met, and this regulation itself was abolished in 2006. Since then, the proportion remained between 35% and 40%. As concerns the legal status at the time of the survey (16.8 months on average after the business start-up), the proportion of "sole proprietor" was 58.1%, while "stock company, etc." was 41.9%, showing no significant change from the status at the time of business start-up.

The average number of staff members (including the CEO) at the time of starting the business

**Figure-7 Legal Status at the Time of Start-up**

(%)

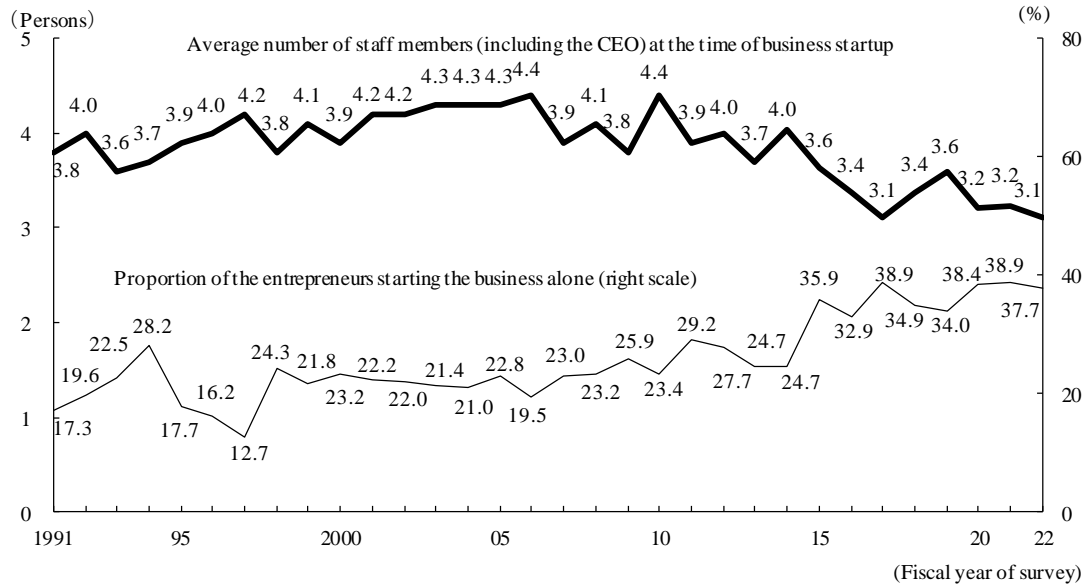
(Fiscal year of survey)	Sole proprietor	Stock company, etc.
1992	66.2	33.8
93	74.7	25.3
94	76.5	23.5
95	80.3	19.7
96	75.8	24.2
97	74.5	25.5
98	72.7	27.3
99	73.5	26.5
2000	71.0	29.0
02	69.5	30.5
03	64.6	35.4
04	60.4	39.6
05	63.5	36.5
06	63.0	37.0
07	66.1	33.9
08	61.2	38.8
09	62.6	37.4
10	60.4	39.6
11	64.1	35.9
12	63.8	36.2
13	61.1	38.9
14	61.0	39.0
15	60.2	39.8
16	61.0	39.0
17	62.7	37.3
18	60.4	39.6
19	63.5	36.5
20	61.6	38.4
21	61.3	38.7
22	60.5	39.5

Note: 1. The FY1991 and FY2001 surveys did not ask the legal status at the time of business start-up.  
 2. Choices of legal status slightly vary depending on the survey. For this reason, styles other than “sole proprietor” were lumped together into “stock company, etc.”

had been around 4 since FY1991 until the first half of the 2010s (Figure-8). Then, it had been less than 4 since FY2015, and dropped to 3.1 in FY2022. This was a record low that was also seen in FY2017. The proportion of the entrepreneurs starting the business alone without employing staff members had been around 20% until FY2014 and then exceeded 30% and remained beyond 35% in the last three years, showing an increasing trend.

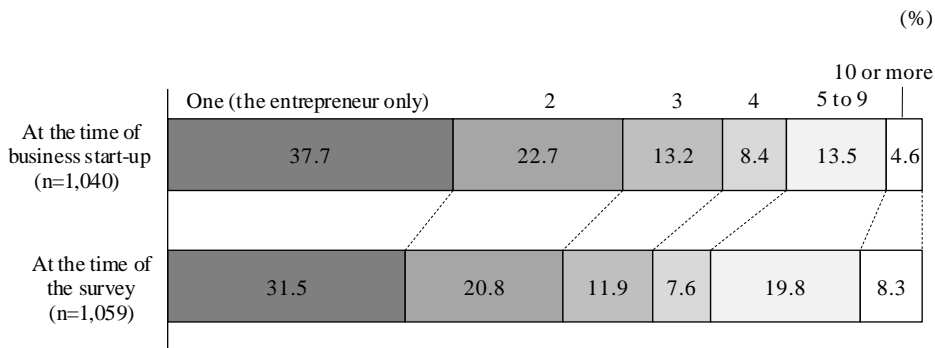
The proportion of the entrepreneurs operating the business alone without employing staff members declined from the time of business start-up (37.7%) to the time of the survey (31.5%), with a gap of only 6 percentage points (Figure-9). At the time of the survey, more than 70% employed not

**Figure-8 Average Number of Staff Members (including the CEO) at the Time of Start-up and the Proportion of the Entrepreneurs Starting Business Alone**



Note: Staff members include “the entrepreneur,” “Family employees,” “Full-time executives/full-time employees,” “Part-time and temporary employees” and “Dispatched/contract employees.” (the same applies hereafter.)

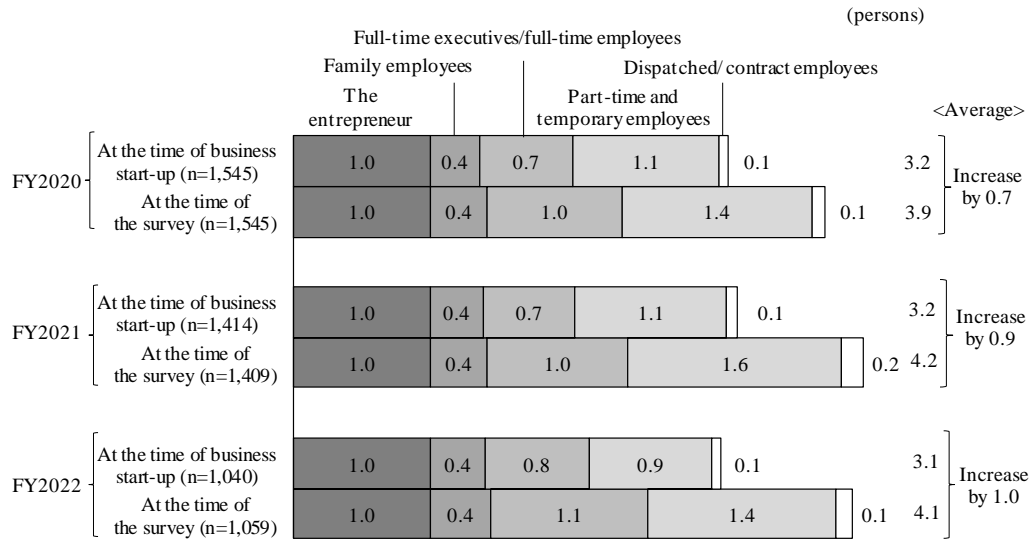
**Figure-9 Number of Staff Members (including the CEO) at the Time of Business Start-up and at the Time of the Survey**



more than 4 staff members. The proportion of those who operate business on a small scale has been increasing.

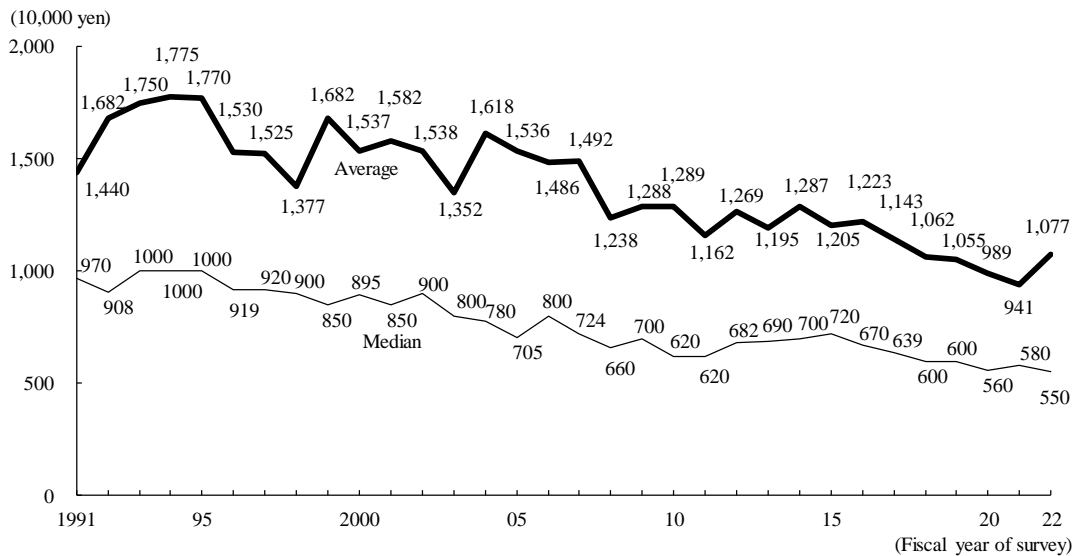
By type of staff member employed at the time of business start-up, the average number was 0.4 for “family employees,” 0.8 for full-time executives/full-time employees, 0.9 for “part-time and temporary employees,” and 0.1 for “dispatched/contract employees” (Figure-10). The average number of staff members increased by 1.0 to 4.1 at the time of the survey from the number at the time of business start-up (3.1). The average number increased for “part-time and temporary employees” (up

**Figure-10 Average Number of Staff Members (including the CEO) at the Time of Business Start-up and at the Time of the Survey**



Note: Due to rounding to the first decimal place, the same value may be expressed in different graph lengths, and the total of the breakdown and the average, and the differences in the average and the increase may not agree.

**Figure-11 Average and Median of Initial Expenses**



0.5) and for “full-time executives/full-time employees” (up 0.3). The increase in the number of non full-time employees was larger, probably because it is difficult to hire more full-time employees at a time shortly after the business start-up.

The average amount of initial expenses was 10.77 million yen, exceeding the amount in FY2021 (9.41 million yen), which was the lowest since FY1991, when the survey started, but it is difficult to say that the declining trend has been put to an end (Figure-11). The median was 5.5 million yen, about

**Figure-12 Initial Expenses**

(Fiscal year of survey)	(%)			
	Less than 5 million yen	5 million to <10 million yen	10 million to <20 million yen	20 million yen or more
1991	23.8	26.7	28.7	20.8
92	22.4	29.3	26.8	21.5
93	21.0	28.3	27.8	22.9
94	19.6	28.1	27.0	25.3
95	20.3	28.0	27.5	24.2
96	22.1	30.3	25.2	22.4
97	21.5	29.8	28.6	20.1
98	24.3	27.5	28.8	19.3
99	24.3	30.8	23.6	21.3
2000	5.3	19.1	29.2	21.1
01	5.8	16.8	32.2	20.8
02	6.7	18.2	28.8	21.1
03	8.8	20.8	30.2	17.1
04	8.8	21.0	28.9	19.6
05	11.2	20.6	29.0	19.4
06	9.4	20.7	27.1	18.9
07	10.4	21.3	28.6	18.3
08	14.7	20.6	29.1	13.9
09	12.1	22.2	28.3	15.8
10	14.7	23.4	28.5	15.5
11	18.2	21.5	26.6	14.5
12	12.1	23.3	31.1	14.3
13	12.0	22.7	31.0	13.2
14	12.6	19.9	31.8	15.2
15	12.6	20.2	31.6	13.8
16	13.6	21.7	30.9	13.3
17	14.4	23.0	29.3	12.6
18	16.7	20.7	31.0	12.1
19	18.2	21.8	27.8	11.5
20	20.3	23.4	27.3	10.8
21	19.8	22.3	30.2	9.9
22	21.7	21.4	28.5	10.5

Less than 2.5 million yen      2.5 million to <5 million yen

Note: Since FY2000, the category of “less than 5 million yen” has been divided into “less than 2.5 million yen” and “2.5 million yen to under 5 million yen.”

half of the level in the 1990s. As to the distribution of amount, the proportion of “less than 5 million yen” has been increasing since FY1991 (Figure-12). The proportion of “less than 2.5 million yen” was as low as 5.3% in FY2000, but in FY2022, it rose to 21.7%, which was the highest since FY2000. The proportions of “2.5 million to under 5 million yen” (21.4%) and “5 million yen to under 10 million yen” (28.5%) were not significantly different from the past results. The proportions of “10 million yen

**Figure-13 Amount of Funds Procured and Source of Funds**

(Fiscal year of survey)	Spouse/parents/siblings/ relatives						Friends/acquaintances			Loans from financial institutions		Other	<Average total capital procurement>
	Entrepreneur's own fund												
1991	360	124	119			748				101		1,452	
92	441		151	129		917				111		1,750	
93	426		154	77		972				120		1,749	
94	445		149	81		1,062				91		1,828	
95	453		136	65		1,067				92		1,813	
96	424		151	53		897				73		1,598	
97	412		150	83		881				70		1,596	
98	435		149	68		723				67		1,442	
99	445		177	132		969				108		1,832	
2000	428		131	110		895				82		1,645	
01	440		159	88		939				78		1,704	
02	413		151	113		865				86		1,628	
03	405		152	91		748				67		1,461	
04	439		146	110		954				102		1,750	
05	448		165	89		932				95		1,729	
06	443		161	91		882				70		1,645	
07	422		137	77		935				60		1,631	
08	374		100	72		793				66		1,405	
09	398		124	65		798				62		1,448	
10	364		141	70		827				46		1,449	
11	356		97	51		840				69		1,413	
12	369		112	47		855				95		1,478	
13	327		95	50		833				32		1,337	
14	350		100	45		928				40		1,464	
15	311		110	53		866				25		1,365	
16	320		84	56		931				42		1,433	
17	287		75	44		891				27		1,323	
18	292		70	40		859				21		1,282	
19	262	53	39			847				36		1,237	
20	266	51	27			825				25		1,194	
21	282	46	28			803				17		1,177	
22	271	49	52			882				20		1,274	

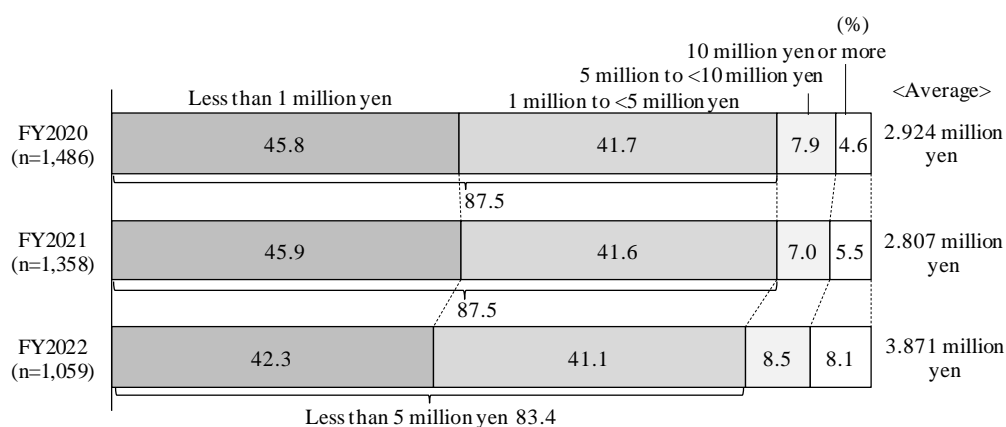
- Note: 1. "Spouse/parents/siblings/relatives" and "friends/acquaintances" include both loans and investments.  
 2. "Friends/acquaintances" includes "customers" (FY1992 to 1999 surveys), "individuals/organizations endorsing the business" (FY1992 to 2022 surveys), "Officers/employees of the enterprise" (FY2004 to 2022 surveys), and "associated companies" (FY2016 survey).  
 3. "Financial institutions" includes "Japan Finance Corporation" (FY1991 to 2022 surveys), "private financial institutions" (FY1991 to 2022 surveys), "financing system of local governments" (FY1992 to 2022 surveys), and "public institutions other than JFC and local governments" (FY1999 to 2022 surveys).  
 4. The initial expense amount and fund procurement amount do not agree because the two were asked separately.

to under 20 million yen" (18.0%) and "20 million yen or more" (10.5%) decreased by more than 10 percentage points since FY1991 (28.7% and 20.8%, respectively). Factors such as advancement of information technology, dissemination of the sharing economy, and enhancement of business start-up support services have enabled people to start business at lower initial expenses, and this may be the cause of the decrease in initial expenses.

The amount of funds procured for business start-up has also been decreasing accordingly. Figure-13



**Figure-14 Monthly Sales**



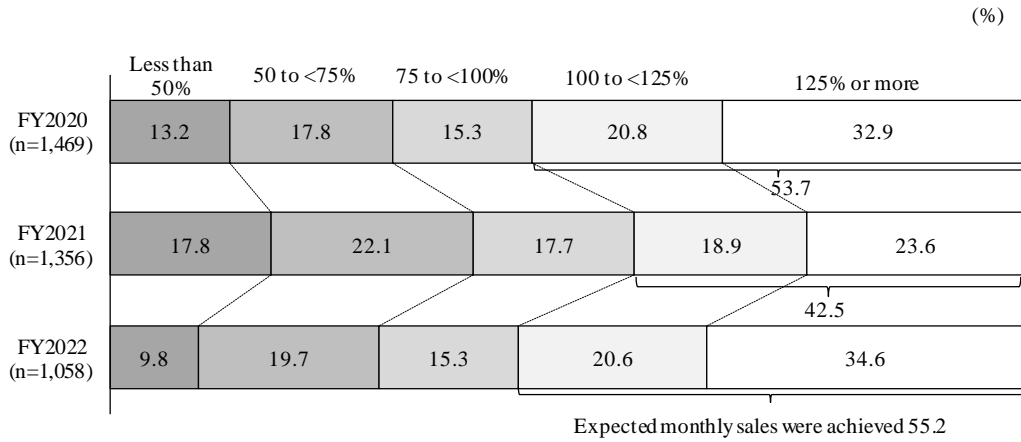
shows that the total procurement exceeded 18 million yen on average in the 1990s but then remained below the level of 15 million yen since FY2008 and gradually decreased. It was 12.74 million yen in FY2022. The most common source of funds was “loans from financial institutions” (8.22 million yen on average), which accounted for about 70% of total procurement, followed by “entrepreneur’s own funds” (2.71 million yen on average), which accounted for about 20% of total procurement. The proportions of “friends/acquaintances” (520,000 yen on average), “spouse/parents/siblings/relatives” (490,000 yen on average), and “other” (200,000 yen on average) have been decreasing. Entrepreneurs are more likely to procure funds for business start-up by receiving loans from financial institutions or using their own funds.

**(3) Business Conditions**

As to monthly sales, “less than 1 million yen” was the highest, at 42.3%, and when it was combined with “1 million to <5 million yen” (41.1%), these categories accounted for more than 80% of the total (Figure-14). When compared with the results in FY2020 and FY2021, the proportions of enterprises with 5 million yen or more of sales increased, and the average sales increased by around 1 million yen to 3.871 million yen. However, as the amount of monthly sales in FY1991, when the survey started, was 5.261 million yen,<sup>1</sup> there has been a declining trend with regard to monthly sales

<sup>1</sup> The monthly sales data for FY1991 includes sales in the real estate leasing business.

**Figure-15 Achievement Ratio of the Expected Monthly Sales**



Note: Achievement ratio of the expected monthly sales = (monthly sales at the time of the survey / monthly sales expected before the business start-up) × 100

as well over the long term.

The proportion of enterprises responding that the ratio of achieving the monthly sales that were expected before business start-up (monthly sales at the time of the survey / monthly sales expected before the business start-up × 100) was 100% or more, that is, enterprises that achieved their expected monthly sales, accounted for 55.2%, higher than the levels in FY2020 (53.7%) and FY2021 (42.5%) (Figure-15). The proportion of “less than 50%” (9.8%) was lower than the levels in FY2020 (13.2%) and FY2021 (17.8%).

As to the status of sales, the start-up enterprises whose sales were “on the increase” accounted for more than half of the total, and their proportion was higher than the levels in FY2020 (43.0%) and FY2021 (44.4%) (Figure-16). The proportion of “on the decrease” was 10.5%, about half the levels in the past two years, which were around 20%.

With regard to profit, the proportion of the enterprises “in surplus” was 64.5%, slightly higher than the levels in FY2020 (59.8%) and FY2021 (58.2%) (Figure-17). It took 6.2 months on average for the enterprises to record a surplus, and 66.2% of the enterprises recorded a surplus within 6 months after starting the business.

Compared with FY2020, when the COVID-19 pandemic began, and FY2021, when the impact

**Figure-16 Sales Conditions at the Time of the Survey**

(%)

	On the increase	Marginal change	On the decrease
FY2020 (n=1,557)	43.0	34.3	22.7
FY2021 (n=1,438)	44.4	35.9	19.7
FY2022 (n=1,083)	52.4	37.0	10.5

**Figure-17 Profitability at the Time of the Survey**

	In surplus		In deficit	
	(%)		(%)	
FY2020 (n=1,536)	59.8	40.2	6.3 months	64.4%
FY2021 (n=1,413)	58.2	41.8	5.8 months	67.0%
FY2022 (n=1,060)	64.5	35.5	6.2 months	66.2%

The time period required to record a surplus  
<Average> <Ratio of "shorter than 6 months">

Note: Average refers to the time period required to record a surplus. Ratio of "shorter than 6 months" shows the proportion of the enterprises that recorded a surplus within 6 months among the enterprises "in surplus."

of the pandemic was still significant, the monthly sales on average among the start-up enterprises increased and the sales and profit status improved in FY2022. However, this does not mean that there was no impact from COVID-19. The proportion of the respondents answering that COVID-19 had a negative impact was as high as 75.7%, including those answering that it had a negative impact to a considerable degree (31.1%) or to some degree (44.5%). The respondents answering that COVID-19 had no negative impact accounted for 24.3%. At the time when the survey was conducted in September 2022, it could not be said that there was no longer an impact from the COVID-19 pandemic.

When asked about the details of the impact of COVID-19, the respondents who answered, "lower

**Table-5 Details of the Negative Impact of the COVID-19 Pandemic  
(multiple answers)**

	(%)
Lower demand of domestic general consumers	44.7
Difficulty to procure raw materials/merchandise (including higher purchase prices)	39.5
Expenses for measures to prevent infection pile up	21.1
There are restrictions on sales activities, such as business trips, business meals, and events	20.8
Business is (partially) suspended	18.4
Lower demand of domestic customers	16.7
Cannot secure workforce	14.4
Difficulty in fundraising	10.6
Lower demand of inbound traveler	9.1
There was no choice but to dismiss or lay off employees	4.4
Lower demand of overseas	2.8
Other	6.1
n	836

Note: Answers given by the respondents who answered that COVID-19 had a negative impact.

demand of domestic general consumers,” accounted for the highest proportion, at 44.7%, followed by “difficulty to procure raw materials/merchandise (including higher purchase prices),” at 39.5%, and “expenses for measures to prevent infection pile up,” at 21.1% (Table-5). In FY2022, the third year since the beginning of the pandemic, many respondents had difficulties in securing sales due to the stagnation in the movement of people and goods and experienced a reduction of profit due to taking infection control measures, such as disinfection work and installation of partitions.

### **3. Difficulties and Satisfaction**

#### **(1) Difficulties Experienced at the Time of Business Start-up and the Time of the Survey**

Next, let us look at the difficulties experienced at the time of business start-up and the time of the survey (multiple answers up to three). The most common difficulty at the time of business start-up was “financing/fundraising,” at 57.1%, followed by “customer acquisition/market development,” at 47.4%, and “lack of financial/tax/legal knowledge,” at 31.0% (Table-6). At the time of the survey (16.8 months on average after the business start-up), “customer acquisition/market development” was the most common answer (47.7%), showing that many respondents face difficulties in increasing sales as they did at the time of starting business. The second common answer was “financing/fundraising”

**Table-6 Difficulties at the Time of Business Start-up and at the Time of the Survey**  
(multiple answers up to three)

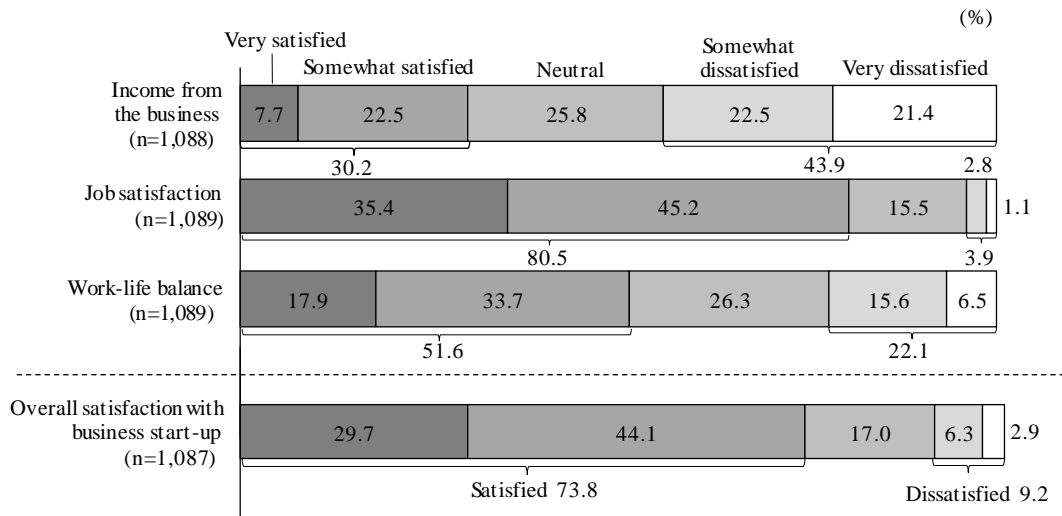
(%)

	At the time of business start-up			At the time of the survey		
	FY2020 (n=1,565)	FY2021 (n=1,425)	FY2022 (n=1,083)	FY2020 (n=1,568)	FY2021 (n=1,422)	FY2022 (n=1,080)
Financing/fundraising	55.0	57.6	57.1	30.8	34.6	35.9
Customer acquisition/market development	46.8	44.8	47.4	47.3	47.9	47.7
Lack of financial/tax/legal knowledge	34.4	38.4	31.0	32.4	33.0	25.3
Securing employees	17.5	15.1	17.9	24.7	24.0	27.5
Securing suppliers/subcontractors	15.0	15.1	16.8	8.2	9.6	9.4
Planning and development of products/services	13.4	12.8	14.7	15.1	13.4	14.5
Employee education and human resource development	13.0	11.6	13.5	18.7	18.0	20.7
Lack of knowledge of the industry	10.7	10.5	10.6	5.9	5.3	6.5
Have no one to consult on management	13.4	14.4	9.4	14.5	16.0	9.0
Lack of knowledge of products/services	8.3	7.3	7.9	4.8	4.6	5.7
Balancing with housework and child/family care	7.0	7.4	7.2	9.8	10.0	9.6
Other	2.2	2.6	1.7	4.1	4.2	2.2
Nothing in particular	5.9	5.8	4.6	7.5	7.2	8.3

(35.9%). Although the proportion of this answer decreased by more than 20 percentage points from the time of business start-up, it can be said that many enterprises, having problems with market development, continued to face difficulties in financing. The third common answer was “securing employees,” at 27.5%, which increased by nearly 10 percentage points from the time of business start-up (17.9%) and is higher than the levels in FY2020 (24.7%) and FY2021 (24.0%). When the survey was conducted, it was the third year since the beginning of the pandemic, and along with the recovery of economic activities, a labor shortage was recognized strongly in Japan. According to the results of the “Survey on Employment at Small and Micro Businesses,” the Special Survey of the Quarterly Survey on SME Trends (Small and Micro Businesses) in July-September 2022, conducted by JFCRI, the proportion of the enterprises responding that they experienced a shortage of employees was 35.9% in 2022, higher than the levels in 2020 (26.8%) and 2021 (28.6%).<sup>2</sup> In reality, it may be difficult for entrepreneurs to hire a sufficient number of employees along with the growth of their business. The proportion of “employee education and human resource development” also increased to 20.7% from the time of business start-up (13.5%), thus more enterprises complain of human resources problems.

<sup>2</sup> Other options are “have an appropriate number of employees (58.2% in 2020, 58.2% in 2021, and 55.4% in 2022), and “have excessive employees” (15.0% in 2020, 13.2% in 2021, and 8.7% in 2022).

**Figure-18 Satisfaction with the Business Start-up**



**(2) Satisfaction and Future Plans**

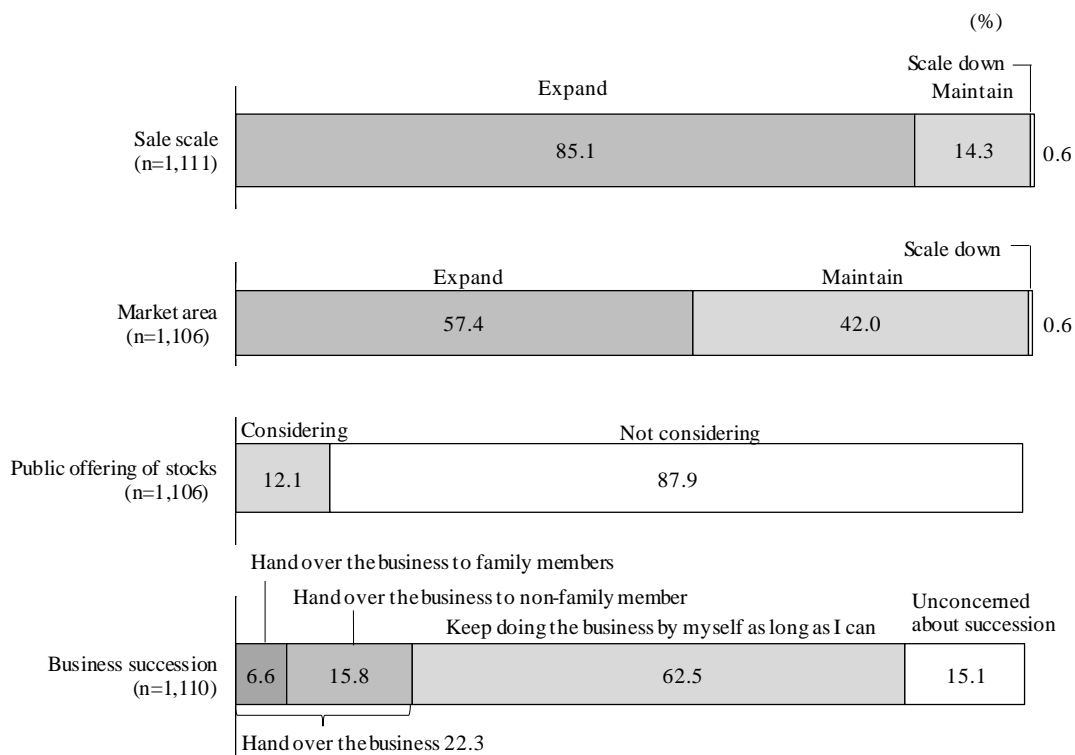
The proportion of the entrepreneurs responding that they had no difficulty in particular at the time of the survey was less than 10%, and many entrepreneurs had difficulties. So, what is their level of satisfaction about starting business?

By type of satisfaction, the entrepreneurs who are “satisfied” with income accounted for 30.2%, lower than the proportion of those who are “dissatisfied” (43.9%) (Figure-18). While more than half of the entrepreneurs achieved the monthly sales they expected at the time of business start-up (Figure-15), many entrepreneurs had difficulties in market development at the time of the survey (Table-6), and they have yet to earn income to their satisfactory level.

Regarding job satisfaction, the proportion of “very satisfied” was 35.4%, higher than the two other types, and when it is combined with “somewhat satisfied” (45.2%), the total of those who are “satisfied” accounted for more than 80%. This may be because the entrepreneurs are able to do their job in their own way and feel more satisfied with their job than when they had a job as an employee. Many of them appreciated the fact that they were able to realize their desire “to work at my own discretion,” which was the most frequently cited motivation for business start-up (Table-2).

The proportion of the entrepreneurs who are “satisfied” with their work-life balance was 51.6%,

**Figure-19 Future Plans**



nearly double the proportion of those who are “dissatisfied” (22.1%). However, the proportion of “satisfied” was lower than that for job satisfaction, suggesting that the entrepreneurs are busy with their business and have difficulties in balancing work and home.

As to overall satisfaction with the business start-up, the proportion of “satisfied” is as high as 73.8%, whereas the proportion of “dissatisfied” is only less than 10%. The high degree of overall satisfaction may reflect the fact that most entrepreneurs started business in the fields where they have previous experience (Table-1) and feel satisfied with their job.

Lastly, let us look at the trends among the entrepreneurs regarding their future business plans. The proportion of those who wish to “expand” their sales is as high as 85.1% (Figure-19). The proportion of those who wish to “expand” their market area was 57.4%. Although this was lower than the proportion regarding sales, many entrepreneurs who started business on a small scale without employing staff may think about expanding their market area in the future. On the other hand, the

entrepreneurs who “consider” public offering of stocks accounted for only 12.1%. Regarding business succession, the proportion of those who wish to “hand over” their business to someone is low, at 22.3%, whereas 62.5% wish to “keep doing the business by myself as long as I can.”

\* \* \*

While the majority of the entrepreneurs are males, the proportion of female entrepreneurs gradually increased and marked a record high, at 24.5% in FY2022. Among the entrepreneurs, 80% have previous experience in relevant business and there are many who start business with the motivation to leverage their work experience. The gender gap in terms of employment rate has been shrinking in Japan. If females who build up a career and acquire skills and knowledge increase, more of them may choose to start business, with the hope to exercise their own abilities.

The results of this Survey also show that the scale of business start-up has becoming smaller overall. The entrepreneurs are more likely to start business without employing staff, and the average amount of monthly sales was 3.871 million yen, which was significantly lower than the level in FY1991 (5.261 million yen). As for the initial expenses, the proportion of “less than 2.5 million yen” has been increasing. Factors such as advancement of communication technology, enhancement of infrastructure for starting business including share offices, and expansion of the support system have made it easier to start business on a smaller scale. The author hopes that this will lower the barriers to starting business and encourage various people to choose to start business.