

March 31, 2023

Reform of Payroll System, Including Increase in Salary Level, Review of Re-employment System, and Special Paid Leave for Childcare (Investments in Human Capitals)

Daiichi Jitsugyo Co., Ltd., (hereinafter “DJK”, Head Office: Chiyoda-ku, Tokyo, Japan, Representative Director, President & CEO: Ichiro Uno), a general machinery trading company, hereby announces that DJK has reformed its payroll system, including an increase in DJK’s salary level, and reviewed its re-employment system, as DJK’s efforts towards achievement of our growth strategy, V2030, and realization of the next-generation engineering trading firm.

1. Reform of DJK’s Payroll System, Including Increase in Salary Level

In fiscal year 2023 onwards, DJK will grant its employees a base pay increase for the career track position group and general position group. As we face overall rise in prices of goods and services, including crude oil and raw materials, we will increase allowances to support our employees’ everyday expenses. DJK will increase qualification and classification allowances by ¥10,000 across the board.

Also, in fiscal year 2023, DJK will have average pay raise rates for all employees as shown below, including a standard pay raise.

Pay raise rates (all employees average)			
Payroll system reform	Across-the-board pay raise	Standard pay raise	Total
1.6%	2.33%	3.03%	6.96%

*By this reform, new graduates with a bachelor’s degree are paid

¥234,000 as a starting salary (excluding a housing allowance), up by ¥33,000 from the current payroll system. Also new graduates with a master’s degree are paid ¥266,000.

2. Review of Our Re-employment System

In light of a looming population decline and increase in re-employed employees, DJK has reviewed its re-employment system.

Our current re-employment system has only two classifications: full-time and part-time. Our new system, however, will have four classifications depending on job responsibilities and roles. High-ranking re-employed employees will be paid almost the same amount as regular employees. A total salary of standard-ranked 60 to 65-year-old employees is expected to increase 1.33-fold, and that of high-ranked employees 1.77-fold over our current amount, which includes pay raises as shown in 1.

Through the new system, DJK expects that re-employed employees proactively take on new challenges, utilizing their extensive experience, knowledge, and human networks accumulated, and promotes diverse work style suitable for circumstances and lifestyles for each of re-employed employees.

DJK views our human resources as the most important asset and accelerates human capital investments, creating a motivated workplace where each employee can perform at their best.

3. Special Paid Leave for Childcare Becomes Available

DJK has made 14-day paid special childcare leave available to male employees. In addition, the Company encourages its employees to take childcare leave for newborns (paternity leave), as well as regular childcare leave to ensure diversity in our company, and provides a positive work environment where all employees can feel highly engaged and motivated.

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