July 9, 2021

To All Concerned:

Company name: Mitsui & Co., Ltd.
Representative: President and CEO, Kenichi Hori
(Code No.: 8031)
Head Office: 2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo

Notice Concerning the Issuance of New Shares under the Remuneration System of Share Performance-Linked Restricted Stock

According to the resolution of the Board of Directors on July 9, 2021 of Mitsui & Co., Ltd. (the "Company", Head Office: Tokyo, President and CEO: Kenichi Hori), the Company hereby announce an issuance of new shares under the remuneration system of share performance-linked restricted stock. The details are as follows.

Details

1. Summary of new share issue

(1)	Pay-in date	July 30, 2021
(2)	Type and number of shares issued	Ordinary shares in Mitsui & Co., Ltd., 250,836 shares
(3)	Issue price	2,421 yen per share
(4)	Total value of issue	607,273,956 yen
(5)	Categories and numbers of persons eligible for allocations, numbers of shares allocated	Directors (excluding external director) 9 persons, 134,095 shares Managing Officers 27 persons, 116,741 shares
(6)	Other details	This share issue is subject to the Securities Registration Statement taking effect as stipulated in the Financial Instruments and Exchange Act.

Note: The number of new shares issued is equivalent to 0.01% of the total number of shares issued by the Company prior to the time of the new share issue.

2. Purpose of and Reasons for the Issuance

At its meeting on April 26, 2019, the Board of Directors of the Company, adopted a resolution to introduce a remuneration system of Share Performance-Linked Restricted Stock (hereinafter referred to as "the System") to provide an additional incentive to directors other than external directors (hereinafter referred to as "Eligible Directors") and managing officers who are not also serving as Directors (excluding officers who are not resident in Japan, hereinafter referred to collectively as "Eligible Directors, etc.") to achieve sustaining growth in the Company's medium to long-term performance and corporate value, and to foster a heightened sense of shared value with shareholders, by paying remuneration consisting of the Company's ordinary shares to Eligible Directors, etc., (shares allocated under the System will be referred to below as the "Shares"). This new compensation system is a share performance-linked remuneration system, since the number of Shares held by Eligible Directors, etc., at the end of a certain period (hereinafter referred to as the "number of Shares after valuation") would vary based on a comparison of the growth rates of the Company's stock price and the Tokyo Stock Price Index (TOPIX) over a specified period. By taking into account not only movements in the Company's stock price, but also the performance of the Company's stock compared with the stock market as a whole, the System is intended to give Eligible Directors, etc., a heightened awareness of the need to improve the Company's corporate value by amounts greater than the growth of the stock market.
At the 100th Ordinary General Meeting of Shareholders held on June 20, 2019, approval was given for the provision of an entitlement to monetary remuneration not exceeding ¥500 million per year to Eligible Directors, as monetary

remuneration to be used as a subscription asset for the acquisition of restricted stock under the System (hereinafter referred to as the “Monetary Remuneration”). An outline of the System and other information are provided in “Notice concerning the introduction of a remuneration system of share performance-linked restricted stock), dated April 26, 2019.

Based on the purpose of the System, the performance of the Company, the scope of professional responsibilities of each Eligible Director, etc., and various other factors, it has been decided to provide an entitlement to Monetary Remuneration totaling 607,273,956 yen, and to issue 250,836 shares. The new shares under the System will be issued to 36 Eligible Directors, etc., on payment of the full amount of the Monetary Remuneration entitlement as assets subscribed in kind.

Outline, etc., of the System

The maximum limit for the total amount of the entitlement to receive monetary remuneration that will be paid to Eligible Directors under the System will be ¥500 million per year, as a separate allocation from basic fixed remuneration and results-linked bonuses based on the Company’s key indicators. The specific time for, and amount of, payments to Eligible Directors, etc., would be decided by the Board of Directors on the basis of deliberations by the Remuneration Committee, which is chaired by an External (Independent) Director and functions as an advisory body for the Board of Directors.

The total number of ordinary shares that would be newly issued or disposed of by the Company under the System would be no more than 500,000 per year (however, this number may be changed within reasonable limits if the Company's ordinary shares are affected by a stock split (including a free allotment of new ordinary shares in the Company) or a reverse stock split, or if other circumstances arise that require adjustments to the total number of the Company's ordinary shares that are issued or disposed of as restricted shares). The paid-in amount per Share will be decided by the Board of Directors based on the average daily closing price for the Company's ordinary shares on the Tokyo Stock Exchange (excluding days on which there is no closing price, the price will be rounded up to the nearest whole yen) in the three months immediately prior to the month containing the date on which the Board of Directors made a resolution concerning the issuance or disposal of the shares (hereinafter referred to as the “date of the Board of Directors' resolution”), and within a range that is not especially advantageous to Eligible Directors, etc.

The issuance of Shares is conditional on the entry into, between the Company and Eligible Directors, etc., of allocation agreements for the granting of the Shares (hereinafter referred to as the "Allocation Agreements"). To ensure that Eligible Directors, etc., would not be able to transfer, pawn, or otherwise dispose of the Shares during the period of transfer restriction stipulated in Item 3.(2) below, the Shares will be managed in dedicated accounts established with a securities company nominated by the Company.

3. Outline of the Allocation Agreement

(1) Conditions for Linkage to the Share Performance

If the growth rate of the Company’s share price in the three years after the date of the Board of Directors’ resolution (July 9, 2021) (if an Eligible Director, etc. retires as a Director or Managing Officer of the Company before the elapse of three years, the period up to the date of retirement, hereinafter referred to as the “Valuation Period”) is equal to or greater than 150% of the growth rate of the TOPIX, the entire number of Shares will be deemed to be the number after valuation. However, if the growth rate of the Company’s share price is lower than 150% of the TOPIX growth rate, the number of the Shares after valuation will be a percentage calculated using the formula in the attachment entitled “Details of Share Performance Linkage Conditions”. The remainder of Shares will be acquired by the Company without compensation at the end of the Valuation Period.

(2) Restriction on Transfer

Eligible Directors, etc., will be unable to transfer, pawn, or otherwise dispose of the Shares (hereinafter referred to as “Restriction on Disposal”) for a period of 30 years from the pay-in date (July 30, 2021) (hereinafter referred to as the “Transfer Restriction Period”).

(3) Lifting of Restriction on Disposal

Irrespective of the provisions of (2) above, the Restriction on Disposal will be lifted if an Eligible Director, etc., retires as a director or managing officer of the Company before the end of the Restriction on Transfer Period.

(4) Grounds for Acquisition without Compensation (Claw-back clause)

In addition to the condition that there will be an acquisition without compensation under the conditions for linkage to the share performance in (1) above, the Company will acquire all or part of the Shares during the Restriction on Transfer Period if an Eligible Director, etc., engages in actions that contravene laws and regulations, or on other grounds as stipulated in the Allocation Agreement.

(5) Procedures in the Event of Organizational Restructuring, etc.

Irrespective of the provisions of (2) above, the Company would make reasonable adjustments to the number of Shares to be acquired without compensation or the time when the Restriction on Disposal will be lifted, by resolution of the Board of Directors, if the Company enters into a merger agreement resulting in the absorption of the Company, or a share swap agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or otherwise undertakes organizational restructuring, etc., during the Restriction on Transfer Period, pursuant to a resolution of a General Meeting of Shareholders (or a resolution of the Board of Directors in the case of a matter for which a resolution of a General Meeting of Shareholders is not required).

4. Basis for and Specific Content of Issue Price Calculations

Restricted shares will be issued in exchange for the subscription of assets in the form of the entitlement to monetary compensation provided under the System in the fiscal year ending March 2022. To prevent arbitrariness, the issue price per share was set at 2,421 yen, which is the average daily closing price of the Company's ordinary shares on the first section of the Tokyo Stock Exchange in the three months prior to the month in which the date of the Board of Directors' resolution (July 9, 2021) falls. The Board of Directors believes that this price is reasonable and not especially favorable to Eligible Directors, etc.

In addition, according to the resolution of the Board of Directors on July 9, 2021, the Company will pay Managing Officers who are not resident in Japan and who are not also serving as Directors monetary remuneration linked to the share price under conditions equivalent or similar to the System, mutatis mutandis.

For further information, please contact:
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Attachment

Details of Share Performance Linkage Conditions

(1) If the growth rate of the Company's share price(*1) is equal to or greater than 150% of the growth rate of the Tokyo Stock Price Index (TOPIX)(*2), the number after valuation will be deemed to be the entire number of Shares issued(*3).
(2) If the growth rate of the Company's share price is lower than 150% of the TOPIX growth rate, the number of Shares after valuation will be a number calculated using the following formula, and the remainder of the Shares will be acquired by the Company without compensation at the end of the valuation period.

$$\text{Number of Shares after valuation} = \text{Number of Shares} \times \frac{\text{The Company's share price growth rate}}{\text{TOPIX growth rate} \times 150\%}$$

$$= \text{Number of Shares} \times \frac{(A+B) \div C}{(D \div E) \times 150\%}$$

(*1) This is the growth rate of the Company's share price during a valuation period defined as three years from the date of the Board of Directors' resolution (or the period to the date of retirement if an Eligible Director, etc., retires from their role as a director or managing officer of the Company before the elapse of three years. The same applies to (*2)). The growth rate will be specifically calculated as follows:
A: The average closing price of the Company's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls
B: The total dividend per share for the Company's ordinary shares during the valuation period
C: The average closing price of the Company's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the date of the Board of Directors' resolution falls
Growth rate of the Company's share price = (A+B) / C

(*2) This is the growth rate of the TOPIX during a period of three years from the date of the Board of Directors' resolution. It will be specifically calculated using the following formula.
D: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls
E: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the date of the Board of Directors' resolution falls
TOPIX growth rate = D/E

(*3) Number of Shares = Entitlement to monetary compensation determined according to rank / Paid-in amount per Share

Number of Shares after Valuation