

April 8, 2022

For Immediate Release
To Whom It May Concern:

Company name: Mitsui & Co., Ltd.
Representative: Kenichi Hori, President and Representative Director
(Code number: 8031)
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Notice Regarding Revision of Executive Remuneration and Introduction of Performance-Linked Restricted Stock Remuneration System

Mitsui & Co., Ltd. (headquarters: Chiyoda-ku, Tokyo, and president: Kenichi Hori, hereinafter referred to as "we" or the "Company") has reviewed the remuneration system for its directors and decided to submit a proposal for the revision of the stock-based remuneration plan to its 103rd annual shareholders meeting (hereinafter referred to as "the General Meeting"), scheduled to be held on June 22, 2022. Therefore, we hereby notify you as follows:

Details

1. Purpose to revise stock-based remuneration plan

Following ongoing deliberation at the Remuneration Committee, we resolved at a meeting of the Board of Directors held today to introduce a performance-linked restricted stock remuneration plan (the "Plan") linked to the achievement of management indicators that we emphasize on. In conjunction with the introduction of the Plan, we will abolish the conditions of stock performance in respect of existing stock performance-linked restricted stock remuneration and treat them as straightforward restricted stock remuneration.

Our Mission is to "Build brighter futures, everywhere". Against the backdrop of the rapid changes in the global business environment in recent years, the importance of solving social issues through our businesses is further increasing. The Plan provides for the issuance of our common stock (the "Shares") to grant an incentive to the "Eligible Directors", which are directors excluding outside directors, to fulfill our social responsibilities and to continuously improve our medium-to long-term performance and corporate value. This is a performance-linked stock remuneration plan, in which the number of shares to be delivered to Eligible Directors fluctuates depending on the achievement level of our management indicators during a certain evaluation period. During the initial evaluation period, we will focus on ESG elements including response to climate change and ROE as management indicators.

2. Overview of our stock-based remuneration plans

(1) Outline of performance-linked restricted stock remuneration

The Plan provides for granting monetary remuneration receivables to Eligible Directors and the issuance of Shares in exchange of these receivables. The maximum amount of these monetary remuneration receivables and maximum number of the shares to be delivered are limited to ¥300 million and 0.3 million shares respectively on per annum basis. The plan will be implemented in year 2022 (fiscal year ending March 2023), being the first applicable fiscal year, and three years from year 2022 to 2024 (fiscal year ending March 2025) will be considered as the initial evaluation period. We will ensure transparency by changing the number of shares to be delivered in accordance with the degree of achievement of the management indicators and further promote the alignment with the ideal form of management that

we are aiming for.

Considering the accelerating pace of change in the surrounded global business environment, we need to constantly review the management indicators and remuneration calculation methods that we should emphasize on. Accordingly, the appropriateness and progress of management indicators, etc. will be regularly reviewed by the Board of Directors and may be revised as necessary. However, in order to ensure the objectivity and transparency of the plan and to fulfill our accountability toward shareholders and investors, the Board of Directors' resolution concerning the issuance or disposition of our Shares as stock-based remuneration is subject to deliberation at the Remuneration Committee, which is composed of majority of outside independent members including its Chairperson, and will appropriately disclose the deliberation results. During the initial evaluation period, we will focus on ESG elements including response to climate change and ROE as management indicators, and will not issue Shares under the Plan if our Board of Directors determines that the issuance of Shares is inappropriate such as in the event of an undesirable incident from ESG viewpoint (the Malus Clawback clause).

(2) Outline of restricted stock remuneration (Revision of stock performance-linked restricted stock remuneration)

The amount of stock-performance-linked restricted stock remuneration (not exceeding ¥500 million per annum and not exceeding 0.5 million shares per annum), which was introduced at the Ordinary General Meeting of Shareholders on June 20, 2019, was determined by linking our stock price growth rate to TOPIX (TSE Stock Price Index) growth rate. These stock performance-linked conditions will be abolished and treated as restricted stock remuneration. There is no change in other major conditions such as the maximum amount.

The previous stock performance-linked restricted stock remuneration was also granted to executive officers who do not concurrently serve as directors of the Company. In lieu of this, we will grant post-delivery restricted stock remuneration (Restricted Stock Units) following resolution of the Board of Directors.

3. Introduction of Guidelines for Share Ownership

In addition to restricted stock remuneration for increasing the proportion of stock-based remuneration within executive remuneration, we introduce Share Ownership Guidelines for Eligible Directors.

In the guidelines, we plan to set the goals regarding ownership of Company Shares as follows: Ownership of Company Shares equivalent to three times the basic remuneration (annual amount) for the President and Chief Executive Officer, and equivalent to the basic remuneration (annual amount) for the other Eligible Directors.

4. Remuneration composition ratio for directors after the revisions

The current remuneration of Eligible Directors consists of (1) fixed remuneration (base salary) as monetary compensation, (2) performance-based bonuses (short-term incentives) as monetary compensation and (3) stock performance-linked restricted stock remuneration (long-term incentives), which will be treated as restricted stock remuneration, as stock-based remuneration. In addition to the restricted stock remuneration as described in (3) above, we request our shareholders to approve the introduction of this new proposed Plan at the upcoming annual shareholders meeting. If such approval is granted, the remuneration mixes for Eligible Directors will be around 2:1 for monetary compensation: stock-based remuneration, and 1:1:1 for base salary: short-term incentives: long-term incentives.

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Note:

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