

June 21, 2022

To whom it may concern:

Name of Company: Mitsui O.S.K. Lines, Ltd.  
Name of Representative: Takeshi Hashimoto, President  
Stock Exchange Code: 9104  
(Prime Market of Tokyo Stock Exchange)  
Contact: Sanae Sonoda, General Manager,  
Corporate Communication Division  
(Tel: +81 3 3587 6224)

Notice on Issuance of New Shares to Executive Directors and Executive Officers of Company as  
FY2021 Performance-Linked Stock Compensation

We hereby notify you that we have passed a resolution at the Board of Directors meeting held as of the date of this notice to issue new shares as performance-linked stock compensation (the “Issuance of New Shares”) as provided below.

1. Overview of Issuance

(1) Payment Deadline	July 21, 2022
(2) Class and Number of Shares to be Issued	70,482 shares of common stock of Company
(3) Issue Price	3,030 yen per share
(4) Total Issue Price	213,560,460 yen
(5) Scheduled Recipients of Allocated Shares	5 executive directors (32,439 shares) 14 executive officers (38,043 shares)
(6) Other	The Issuance of New Shares will be made on the condition that securities registration statement under the Financial Instruments and Exchange Act becomes effective.

2. Purpose of and Reason for Issuance

We have passed a resolution at the Board of Directors meeting held on April 30, 2021 to introduce the post-delivery type “performance-linked stock compensation plan” (the “Performance-linked Stock Compensation Plan”) as a new compensation plan for executive directors (i.e., directors

who are concurrently serving as executive officers) of the Company (the “Eligible Executive Directors”) and executive officers of the Company (including group executive officers of the Company who are concurrently serving as directors of subsidiaries of the Company; hereinafter, together with Eligible Executive Directors, referred to as “Eligible Executive Directors, etc.”), for the purpose of pursuing greater value alignment with shareholders by linking compensation to medium- to long-term stock prices and business performance and by increasing the number of shares held by Eligible Executive Directors, etc.

We have also received approvals at the FY2020 Ordinary General Meeting of Shareholders held on June 22, 2021 on, among other things, the following: (1) compensation shall be provided to the Eligible Executive Directors in order to grant the shares under the Performance-linked Stock Compensation Plan to them; (2) with regard to the shares to be granted under the Performance-linked Stock Compensation Plan, an allocation agreement shall be executed between the Company and each of Eligible Executive Directors under which transfer restriction period for such shares shall be a period until the date when the Eligible Executive Directors resign from the position of director and/or executive officer; (3) such shares shall be granted by means of issuing or disposing of the common stock of the Company to the Eligible Executive Directors in exchange for their in-kind contribution of all of their cash compensation claims provided to them; (4) in addition to the cash compensation claims under (3) above, cash in the Final Payment Amount mentioned below shall be paid in order to secure the tax payment funds; and (5) the aggregate number of common shares of the Company to be issued or disposed of to the Eligible Executive Directors under the Performance-linked Stock Compensation Plan shall not exceed 375,000 shares per year and amount therefor (including the Final Payment Amount mentioned below) shall not exceed 550 million yen per year which is separate from the existing cash compensation and stock option.

<Structure of Performance-linked Stock Compensation Plan>

Under the Performance-linked Stock Compensation Plan, the shares will be provided according to the stock price indicators and business performance indicators determined beforehand and the achievement rates of targets during certain evaluation period as provided below. Furthermore, a portion of compensation will be paid in cash in order to use it as tax payment funds.

	Indicator	Weight	Purpose of Selecting Such Indicator
(i)	(a) TSR: Comparison between TSR (total shareholder return	30%	Incentive to enhance shareholder value

	including dividend) and growth rate of TOPIX (Tokyo stock price index) (b) Comparison between TSR growth rate of the Company and TSR growth rates of competitors		
(ii)	ROE	40%	Incentive to enhance net income which will be a part of shareholder's equity of parent company and to generate profits from shareholder's equity more efficiently
(iii)	Medium- to long-term individual contribution goal	30%	To encourage taking measures in the applicable business year in order to enhance corporate value and to produce results in the future

The calculation methods, etc. of number of shares to be provided and amount of cash to be paid according to the numerical goals and degree of their achieve rates, which are necessary for specific calculation, have been determined at the Board of Directors meeting. Furthermore, in order to secure the tax payment funds, the Company will make cash payment (the "Final Payment Amount") to the Eligible Executive Directors, etc. as of the time of their resignation.

For the provision of shares in the Company, the Company and Eligible Executive Directors, etc. will execute a restricted stock (RS) allocation agreement. In order to realize shareholder value sharing over medium to long term, the transfer restriction period is set until the time of resignation of Eligible Executive Directors, etc.

We have passed a resolution at the Board of Directors meeting held as of the date of this notice to provide 5 Eligible Executive Directors and 14 eligible executive officers of the Company with cash compensation claims in the total amount of 213,560,460 yen, to have them make in-kind contribution of such cash compensation claims and to issue 70,482 shares of common stock of the Company to them as restricted stock under the Performance-linked Stock Compensation Plan. The evaluation period of stock compensation relating to this offering is from April 1, 2021 until March 31, 2022.

<Overview of Restricted Stock Allocation Agreement >

The Company and each of Eligible Executive Directors, etc. will execute a restricted stock allocation agreement (the “Allocation Agreement”) in connection with the provision of shares under the Performance-linked Stock Compensation Plan and its overview is as follows:

(1) Transfer Restriction Period

Eligible Executive Directors, etc. shall not transfer, create a collateral or otherwise dispose of the Company’s common shares that are allotted under the Allocation Agreement (the “Allocated Shares”) during a period from July 21, 2022 (i.e., Payment Deadline) until the date when the Eligible Executive Directors, etc. resign from the position of director and/or executive officer of the Company.

(2) Cancellation of Transfer Restriction

The Company shall cancel the transfer restriction for all Allocated Shares as of the expiration of transfer restriction period.

(3) Company’s Acquisition of Allocated Shares Free of Charge

The Company shall automatically acquire the Allocated Shares, on which the transfer restriction has not been canceled, from Eligible Executive Directors, etc. free of charge in case the Eligible Executive Directors, etc. violate laws and regulations, internal rules or Allocation Agreement or fall under some other reason, which the Company’s Board of Directors prescribes as reasonable for the Company to acquire the Allocated Shares free of charge. The Company shall automatically acquire the Allocated Shares, on which the transfer restriction has not been canceled, free of charge as of the expiration of transfer restriction period.

(4) Management of Shares

The Allocated Shares shall be managed in the account exclusively for restricted stock, which the Eligible Executive Directors, etc. have opened at Daiwa Securities Co. Ltd., during the transfer restriction period so that the Allocated Shares will not be transferred, a collateral will not be created on the Allocated Shares and the Allocated Shares will not be otherwise disposed of during the transfer restriction period.

(5) Handling of Allocated Shares under Organizational Restructuring, etc.

In a case where matters such as a merger agreement in which the Company is a merged company, share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary, or any other matters concerning organizational restructuring, etc. are approved at a General Meeting of Shareholders of the Company (or at a meeting of the Company's Board of Directors if approval by a General Meeting of Shareholders is not required for the said organizational restructuring, etc.) during the transfer restriction period, the Company shall cancel, upon a resolution of the Company's Board of Directors, the transfer restrictions on all of the Allocated Shares before the effective date of said organizational restructuring, etc.

3. Basis of Calculation of Payment Amount and Its Details

The Issuance of Shares shall be made by having the cash compensation claim, which was provided to the Scheduled Recipients of Allocated Shares, as contributed property pursuant to the Performance-linked Stock Compensation Plan, and the amount to be paid in is set at 3,030 yen, which is the closing price of the common shares of the Company on the Tokyo Stock Exchange as of June 20, 2022 (which is the business day immediately preceding the date of the Board of Directors meeting) in order to exclude arbitrariness from the price. This price is a stock price immediately preceding the date of the Board of Directors meeting, and under the circumstances where we have no exceptional reason which prevents us from relying on the latest stock price, we view that such price is a reasonable price, which appropriately reflects the corporate value of the Company, and does not fall under the price which is especially beneficial to the Eligible Executive Directors, etc.

End

[REFERENCE PURPOSE ONLY]

This document has been translated from the Japanese original for reference purposes only.

In case of any discrepancy or inconsistency between this document and the Japanese original, the latter shall prevail.