

March 31, 2023

To Whom It May Concern

Corporate Name: Mitsui O.S.K. Lines, Ltd.
Representative: Takeshi Hashimoto,
President and Chief Executive Officer
Security Code: 9104
Listings: Tokyo Stock Exchange Prime Market
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Notice on Issuance of New Shares to Chairman of Company
as FY2022 Non-performance-linked Restricted 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 restricted stock compensation (the “Issuance of New Shares”) as provided below.

1. Overview of Issuance

(1) Payment Deadline	April 20, 2023
(2) Class and Number of Shares to be Issued	1,734 shares of common stock of Company
(3) Issue Price	3,460 yen per share
(4) Total Issue Price	5,999,640 yen
(5) Scheduled Recipients of Allocated Shares	1 director (1,734 shares) (*) (*) Person who will be a non-executive director serving as Director, Chairman of the Board as of April 1, 2023

2. Purpose of and Reason for Issuance

We have passed a resolution at the Board of Directors meeting held on March 31, 2022 to introduce the pre-delivery type non-performance-linked restricted stock compensation plan (the “Plan”) as a new compensation plan for non-executive directors, including outside directors, of the Company, mainly for the purpose of pursuing greater value alignment with shareholders.

We have also received approvals at the FY2021 Ordinary General Meeting of Shareholders held on June 21, 2022 on, among other things, the following: (1) under the Plan, compensation shall be provided to the non-executive directors in order to grant restricted stock to them, and transfer restriction period therefor shall be a period from the date when such stock is provided to them until the date when such director resigns from the position of the Company’s director or other positions determined by the Board of Directors or retires from the Company; (2) restricted stock shall be granted by means of issuing or disposing of the common stock of the Company to the non-executive directors in exchange for the non-executive directors’ in-kind contribution of all of their cash compensation claims provided to such non-executive directors; and (3) the aggregate number of common shares of the Company to be issued or disposed of under the Plan shall not exceed 210,000 shares per year (of which, 46,000 shares per year for outside directors) and amount therefor shall not exceed 100 million yen per year (of which, 22.5 million yen per year for outside directors) which is separate from the existing cash compensation, etc.

We have passed a resolution at the Board of Directors meeting held as of the date of this notice to provide the person who will be a non-executive director serving as Director, Chairman of the Board of the Company as of April 1, 2023 (the “Eligible Director”) with a cash compensation claim in the amount of 5,999,640 yen, to have him make an in-kind contribution of such cash compensation claim and to issue 1,734 shares of common stock of the Company to him as restricted stock, by taking into consideration the purpose of the Plan, the scope of responsibility and title of the Eligible Director, and other various circumstances. New shares will be issued to the Eligible Director for the provision of services as a non-executive director for the period from April 1, 2023 when the position of the Eligible Director will change from executive director to non-executive director until the date of the first Ordinary General Meeting of Shareholders of the Company to be held immediately following the Payment Deadline.

Please refer to “Notice on Issuance of New Shares to Non-executive Directors of Company as FY2022 Non-performance-linked Restricted Stock Compensation” released on June 21, 2022 for more information regarding FY2022 non-performance-linked restricted stock compensation for the other three non-executive directors, including outside directors.

<Overview of Restricted Stock Allocation Agreement >

The Company and Eligible Director will execute a restricted stock allocation agreement (the “Allocation Agreement”) in connection with the Issuance of New Shares and its overview is as follows:

(1) Transfer Restriction Period

Eligible Directors 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 April 20, 2023 (i.e., Payment Deadline) until the date when the Eligible Director resigns from the position of director of the Company.

(2) Conditions for Cancellation of Transfer Restriction

The transfer restriction shall be cancelled for all Allocated Shares as of the expiration of transfer restriction period, on the condition that the Eligible Director has continuously maintained the position of director of the Company during the period from April 1, 2023 until the date of Ordinary General Meeting of Shareholders of the Company to be held immediately following the Payment Deadline (the “Service Period”). However, if Eligible Director resigns from director of the Company during the Service Period due to death or any other reasons that are deemed justified by the Company’s Board of Directors, the transfer restriction shall be cancelled for the number of Allocated Shares, which is equivalent to number of months between the month which includes the commencement date of the Service Period and the month which includes the date of such resignation divided by 3 (If the quotient become more than 1, it shall be 1.) and multiplied by the number of Allocated Shares (If the product has figures less than 1, it shall be rounded off.), 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, 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 Directors 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 the number of Allocated Shares, which is equivalent to number of months between the month which is immediately following the month which includes the commencement date of Service Period and the month which includes the date of approval of organizational restructuring, etc. divided by 3 (If the quotient become more than 1, it shall be 1.) and multiplied by the number of Allocated Shares held at such time (If the product has figures less than 1, it shall be rounded off.), immediately before the business day immediately preceding 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 Plan, and the amount to be paid in is set at 3,460 yen, which is the closing price of the common shares of the Company on the Tokyo Stock Exchange as of March 30, 2023 (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 Directors.

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