

Issuance of New Shares as Restricted Stock-based Compensation

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu; the “Company”) has announced that it resolved at a meeting of its Board of Directors held today, to issue new shares (hereinafter the “Issuance of New Shares”), as described below.

1. Overview of Issuance

(1) Payment date	July 26, 2023
(2) Class and number of shares to be issued	80,000 shares of common stock of the Company
(3) Paid-in amount	4,164 yen per share
(4) Total amount of issue	333,120,000 yen
(5) Allottees and number thereof, number of shares to be allotted	5 Directors, Members of Board (excluding Outside Directors) 28,200 shares 24 Executive Officers 51,800 shares
(6) Other	The Issuance of New Shares is conditioned on the taking effect of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for Issuance

At a meeting of the Board of Directors held on May 12, 2017, the Company has resolved to introduce a restricted stock-based compensation plan (hereinafter the “compensation plan”) as a new compensation plan for the Company’s Directors (excluding Outside Directors; hereinafter, the “eligible Directors”), and Executive Officers and Chief Senior Directors (hereinafter, “eligible Directors” and Executive Officers and Chief Senior Directors are collectively referred to as the “eligible Directors, etc.”). The compensation plan aims to provide them with incentives to help bring about sustainable improvement in the Company’s corporate value, while also further promoting the notion of their shared values with the Company’s shareholders.

At the 26th Ordinary General Meeting of Shareholders held on June 27, 2023, it was resolved to revise the restriction period, conditions for gratis acquisition and conditions of payment, and revise the monetary compensation claims provided to the eligible Directors for the purpose of granting restricted stock under the compensation plan to up to ¥350 million annually.

An overview of the compensation plan is provided as below.

<Overview of the Compensation Plan>

The eligible Directors, etc. shall make contributions in-kind of all of monetary compensation claims given by the Company under the compensation plan in accordance with the resolution by the Board of Directors of the Company, and in return receive shares of the Company’s common stock, upon issuance or disposition thereof. The total number of shares of the Company’s common stock for issuance or disposition thereof to the eligible Directors by the Company based on the compensation plan shall amount to no more than 190,000 shares annually (however, if, on

or after today, the Company performs a share split (including allotment of shares without consideration) or a reverse share split of its common shares, or any other reason arises necessitating an adjustment to the total number of shares to be issued or disposed of as restricted stock, the relevant total number shall be reasonably adjusted).

The amount to be paid in per share for the Company's common stock above shall be the amount determined by the Board of Directors to the extent that does not constitute an especially advantageous sum for the eligible Directors, etc. who receive such shares of common stock, based on the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

In addition, with respect to the issuance or disposition of the Company's common stock under the compensation plan, the Company and each of the eligible Directors, etc. shall conclude an agreement on allotment of restricted stock, the outline of which includes: i) the eligible Directors, etc. may neither transfer, create a security interest on, nor otherwise dispose of the allotted shares of common stock of the Company during a certain restriction period; and ii) the Company shall make gratis acquisition of the common stock under certain circumstances.

In consideration of the purpose of the compensation plan, the scope of duties of each of the eligible Directors, etc. and other various circumstances, and with the aim of acquiring and retaining capable personnel as officers and employees and further increasing the motivation of each of the eligible Directors, etc., the Company will grant the total of 333,120,000 yen of monetary compensation claims (hereinafter the "monetary compensation claims") to the 29 eligible Directors, etc. and issue 80,000 new shares of common stock to them by contributions in-kind of the monetary compensation claims.

3. Overview of the Allotment Agreement

An overview of the agreement on allotment of restricted stock (hereinafter the "Allotment Agreement") that the Company and each of the eligible Directors, etc. shall conclude in the Issuance of New Shares is stated below.

(1) Restriction period

From July 26, 2023 until the time of retirement or resignation from the position of an officer or employee of the Company predetermined by the Board of Directors (hereinafter the "Restriction Period"), such as member of the Board, Corporate Auditor, Executive Officer, Chief Senior Director, Senior Director, Councillor, Advisor, Senior Advisor, or employee of the Company, or any other similar position (hereinafter "Position of Restriction on Transfer"), the eligible Directors, etc. shall neither transfer, create a security interest on, nor otherwise dispose of the allotted shares of common stock of the Company under the Allotment Agreement (hereinafter the "Allotted Shares").

(2) Condition on the removal of the restriction

On the condition that the eligible Directors, etc. have continued to serve in a Position of Restriction on Transfer during the Restriction Period, the Company shall remove the restriction for all of the Allotted Shares upon the expiration of the Restriction Period. The treatment of retirement or resignation of the eligible Directors, etc., due to expiration of term, death, compulsory retirement age, or other fair reasons is described below.

i) Time of the removal of the restriction

In cases where an eligible Director, etc. retires or resigns from a Position of Restriction on Transfer due to expiration of term, compulsory retirement age, or other fair reasons (however, this excludes the case of death), the Company shall remove the restriction immediately after the retirement or resignation. In cases where an eligible Director, etc. retires or resigns from a Position of Restriction on Transfer due to death, the Company

shall remove the restriction at a time determined separately by the Board of Directors after the death of the eligible Director, etc.

ii) Number of the Allotted Shares for which the restriction is removed

If the period from April of the year in which payment is made for the shares until the time of retirement or resignation from the Position of Restriction on Transfer (including in the case of death) is more than one year, the restriction shall be removed for all shares. If that period is less than one year, the number of the Allotted Shares for which the restriction is removed (shares less than one unit shall be rounded off) shall be obtained by multiplying the number of the Allotted Shares held by the relevant eligible Directors, etc. by the number calculated by dividing the number of months from April of the year that includes the payment date (July 26, 2023) for the Allotted Shares to the month that includes the date of the relevant retirement or resignation by 12.

(3) Gratis acquisition by the Company

In cases where an eligible Director, etc. retires or resigns from a Position of Restriction on Transfer during the Restriction Period without a fair reason, such as expiration of term, death, or compulsory retirement age, or in cases of other certain reasons, such as the eligible Director, etc. engages in business that competes with the Company's business, the Company shall acquire all of the Allotted Shares without consideration.

(4) Management of shares

During the Restriction Period, the Allotted Shares shall be managed in a dedicated account opened by the eligible Directors, etc. at Nomura Securities Co., Ltd., in order to ensure that the eligible Directors, etc. neither transfer, create a security interest on, nor otherwise dispose of the shares during the Restriction Period. In order to secure the effectiveness of the restriction, etc. related to the Allotted Shares, the Company has entered into a contract with Nomura Securities Co., Ltd. with regard to the management of the Allotted Shares in a dedicated account held by each of the eligible Directors, etc. The eligible Directors, etc. have agreed on the details of management in the relevant dedicated accounts.

(5) Treatment during organizational restructuring, etc.

In cases where, during the Restriction Period, a General Meeting of Shareholders of the Company (however, in cases where the organizational restructuring, etc., in question does not require approval from a General Meeting of Shareholders of the Company, the Board of Directors of the Company) approves a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly-owned subsidiary, or other matters regarding organizational restructuring, etc., based on the resolution of the Board of Directors, the restriction shall be removed for the number of Allotted Shares (shares less than one unit shall be rounded off) which is obtained by multiplying the number of the Allotted Shares held by the eligible Directors, etc. on the date of the approval in question by the number calculated by dividing the number of months from April of the year that includes the payment date (July 26, 2023) for the Allotted Shares to the month which includes the date of the relevant approval by 12 (if the calculated number exceeds 1, the number shall be 1).

4. Basis of Calculation and Specific Details for the Payment Amount

The Issuance of New Shares for the eligible Directors, etc. is conducted by using monetary compensation claims provided to the eligible Directors, etc. for the purpose of granting restricted stock under the compensation plan, as contributions in-kind. To eliminate any arbitrariness in the paid-in amount per share, the closing price for common

shares of the Company on June 26, 2023 (the business day prior to the day of resolution of the Board of Directors) on the Tokyo Stock Exchange Prime Market of 4,164 yen is used. As this is the market share price immediately prior to the day of resolution of the Board of Directors, the Company believes it is rational and not an especially advantageous amount.

(Reference) Restricted Stock (RS) Management Flow in the Restricted Stock System

