May 7, 2014

For immediate release
To whom it may concern

Mitsui & Co., Ltd.

Introduction of Stock Option Scheme as Stock-based Compensation
with Stock Price Conditions

At the meeting of the Board of Directors held on May 7, 2014, Mitsui & Co., Ltd. (“Mitsui”, Head office: Tokyo, President & CEO: Masami Iijima) resolved to propose a revision to Directors compensation for resolution at the 95th Ordinary General Meeting of Shareholders to be held on June 20, 2014. Purpose of the revision is to issue subscription rights to shares to Mitsui’s Directors (excluding External Directors) for a stock option scheme as stock-based compensation with stock price conditions.

1. Purpose of introducing stock option scheme as stock-based compensation

As part of reviews on remuneration system for Directors, Mitsui will issue subscription rights to shares in the form of stock option scheme as stock-based compensation with stock-price conditions as remuneration for Mitsui’s Directors (excluding External Directors), having them share the benefits and risks of stock price fluctuations with shareholders and thus giving them greater motivation to make contributions to improve business performance in medium and long term and sustained increase in enterprise value.

2. Description of Proposal

The amount of remuneration for Directors (fixed monthly remuneration for the Directors shall be not more than ¥70 million and the amount of annual performance-linked bonuses reflecting consolidated net income shall be not more than ¥500 million (External Directors are not eligible)) have been determined by resolutions passed at the 88th Ordinary General Meeting of Shareholders held on June 22, 2007 and the rules have been applicable up to the present. However, this time, in addition to these, Mitsui proposes subscription rights to shares of up to ¥500 million per annum for a stock option scheme as stock-based compensation with stock price conditions to be granted. The amount of stock option compensation will be determined by multiplying the fair value per one subscription right to shares calculated on the day of allotment by the number of subscription rights to shares allotted.
3. Details of subscription rights to shares

(1) Class and number of shares to be issued upon exercise of subscription rights to shares
   The maximum number of Mitsui’s common stocks for each fiscal year shall be 500,000.

(2) Total number of subscription rights to shares
   The maximum number of subscription rights to shares for each fiscal year shall be 5,000.
   The number of shares to be granted by the exercise of 1 subscription right to shares (hereinafter referred to as the “Number of Shares Granted”) shall be 100 shares.

(3) Amount to be paid in for subscription rights to shares
   No payment shall be required for the subscription rights to shares.

(4) Amount of assets to be contributed upon exercise of subscription rights to shares
   The amount of assets to be contributed upon exercise of each subscription right to shares shall be determined by multiplying the amount to be paid in for one share to be delivered upon the exercise of the subscription right to shares (hereinafter referred to as the “Exercise Price”) by the Number of Shares Granted. The Exercise Price shall be ¥1.

(5) Exercise period of subscription rights to shares
   27 years from the day following the date on which three years have elapsed after the allotment date of subscription rights to shares.

(6) Conditions for exercise of subscription rights to shares
   (i) Eligible persons may no longer exercise the subscription rights to shares after a period of ten years has elapsed from the subsequent day on which the eligible persons lose their positions as Directors, and/or Executive Officers*, and/or Corporate Auditors** of Mitsui.

* Mitsui plans to issue stock options of the same type to Executive Officers not serving concurrently as Mitsui’s Directors following a resolution of the Board of Directors.

**Corporate Auditors are not eligible for the subscription rights to shares to be granted as the stock option scheme as stock-based compensation.
(ii) Eligible persons may exercise all of the subscription rights to shares only when, as the stock price conditions, Mitsui’s stock price growth rate over three years from the allotment date is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate and on the other hand, when such rate does not exceed the TOPIX (Tokyo Stock Price Index) growth rate, reflecting the degree, they may exercise only part of such subscription rights to shares allotted (please refer to the appendix below for details).

(7) Restrictions on acquisition of subscription rights to shares through transfer
Acquisition of the subscription rights to shares through transfer shall be subject to approval by resolution of Mitsui’s Board of Directors.

(8) Other matters related to subscription rights to shares, etc.
Other matters related to the subscription rights to shares, etc. shall be determined at the meeting of Mitsui’s Board of Directors in which the subscription requirements of the subscription rights to shares are resolved.

For inquiries on this matter, please contact:
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Notice:
This announcement contains forward-looking statements. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Mitsui's actual results, financial position or cash flows to be materially different from any future results, financial position or cash flows expressed or implied by these forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Mitsui's latest Annual Securities Report and Quarterly Securities Report, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.
This announcement is published in order to publicly announce specific facts stated above, and does not constitute a solicitation of investments or any similar act inside or outside of Japan, regarding the shares, bonds or other securities issued by us.
Appendix

[Details of stock price conditions]

1. When Mitsui’s stock price growth rate\(^1\) is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate\(^2\):
   All of the subscription rights to shares granted may be exercised.

2. When Mitsui’s stock price growth rate does not exceed the TOPIX (Tokyo Stock Price Index) growth rate:
   Only part of the subscription rights to shares granted\(^3\) may be exercised.

\(^1\) Mitsui’s stock price growth rate shall be calculated by the formula below based on Mitsui’s stock price growth rate for the period of three years from the allotment date to the first date of the exercise period.

\[\text{Mitsui’s stock price growth rate} = \frac{(A + B)}{C}\]

\(^2\) The TOPIX (Tokyo Stock Price Index) growth rate shall be calculated by the formula below based on the TOPIX (Tokyo Stock Price Index) growth rate for the period of three years from the allotment date to the first date of the exercise period.

\[\text{TOPIX growth rate} = \frac{D}{E}\]

\(^3\) Number of exercisable subscription rights to shares = Number of subscription rights to shares granted \(\times (\text{Mitsui’s stock price growth rate} / \text{TOPIX growth rate})\)