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MITSUI E&S

June 26, 2026

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Notice of Disposal of Treasury Shares as Restricted Stock Compensation

MITSUI E&S Co., Ltd. (the "Company") hereby announces that it has approved as described below the disposal of treasury shares as restricted stock compensation at today's board meeting.

1. Summary of the disposal

(1) Payment date	July 24, 2026
(2) Type and number of shares to be disposed of	11,405 shares of common stock of the Company
(3) Disposal value	4,109 yen per share
(4) Total amount of disposal	46,863,145 yen
(5) Planned Allottee	Directors* of the Company: 3, 11,405 shares ※Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors.

2. Purpose and reasons for disposal

The Company received approval at the 123rd Ordinary General Meeting of Shareholders held on June 26, 2026 to revise the remuneration for its directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as "Eligible Directors") and to grant restricted stock compensation to Eligible Directors as a long-term incentive in place of stock price-linked monetary compensation. The purpose of this is to provide Eligible Directors with an incentive to achieve the Company's sustainable growth in corporate value and to further promote value sharing with shareholders.

Specifically, considering the above stated purposes and various other factors including recent economic conditions, we have set the total amount of monetary compensation claims to be paid to Eligible Directors for the grant of restricted stock compensation at no more than 68 million yen per year (excluding the employee portion salaries for Directors who concurrently serve as employees), and the maximum number of shares to be granted at 16,000 shares per year, as amounts and the numbers of shares deemed appropriate; provided, however, that if, on and after the date on which this Agenda Item is approved, the Company's common shares are subject to a share split (including a gratis allotment of the Company's common shares) or share consolidation, or if any other event requiring adjustment to the total number of the Company's common shares to be issued or disposed of as restricted stock occurs, the total number shall be adjusted within a reasonable range.

Today, the Company's Board of Directors resolved to grant monetary compensation claims totaling 46,863,145 yen to three Eligible Directors who are to be allotted restricted stock ("Grantees"). These claims shall be granted to the Eligible Directors as restricted stock compensation for the period from the Company's 123rd Ordinary General Meeting of Shareholders to the Company's 124th Ordinary General Meeting of Shareholders scheduled for June 2027. The Grantees will make in-kind contributions of all the monetary compensation claims, and, in turn, the Company will allot 11,405 shares of common stock to them as restricted stock.

The specific allocation to each Grantee has been determined by the Board of Directors following deliberation and recommendation by the Compensation Committee.

The monetary compensation claims shall be paid on the condition that each Grantee meet certain requirements, such as entering into a Restricted Stock Allotment Agreement ("Allotment Agreement") with the Company that includes the general terms outlined below.

3. Outline of the Allotment Agreement

(1) Details of transfer restrictions

Each Grantee may not transfer, establish security interests in, or otherwise dispose of such restricted stock in any manner whatsoever to any third party during the period from July 24, 2026 until the date on which such Grantee retires from the position of Director (excluding Directors who are Audit and Supervisory Committee Members) of the Company or any other position designated by the Company's Board of Directors (excluding cases where the Grantee is reappointed simultaneously upon retirement) (hereinafter referred to as the "Restriction Period").

(2) Lifting of the Transfer Restrictions

In principle, the Company shall lift the transfer restrictions on all restricted shares allotted to each Grantee (hereinafter referred to as "Allotted Shares") upon expiration of the Restriction Period, provided that such Grantee continuously held the position of Director (excluding Directors who are Audit and Supervisory Committee Members) of the Company or any other position designated by the Company's Board of Directors during the period from the date of the Ordinary General Meeting of Shareholders immediately preceding the Board of Directors resolution relating to the issuance or disposition of the Allotted Shares until the date of the Company's first Ordinary General Meeting of Shareholders following the commencement date of the Restriction Period (hereinafter referred to as the "Term of Service").

However, if a Grantee retires from the position of Director (excluding Directors who are Audit and Supervisory Committee Members) of the Company or any other position designated by the Company's Board of Directors prior to expiration of the Term of Service for a reason deemed justifiable by the Board of Directors, the transfer restrictions shall be lifted, upon expiration of the Restriction Period, for such number of Allotted Shares as is reasonably adjusted according to the timing of retirement.

(3) Acquisition of restricted stock for no consideration

If a Grantee retires from the position of Director (excluding Directors who are Audit and Supervisory Committee Members) of the Company or any other position designated by the Company's Board of Directors prior to expiration of the Term of Service, the Company shall automatically acquire the Allotted Shares for no consideration, unless there are grounds deemed justifiable by the Board of Directors.

In addition, if, at the time the Restriction Period expires, any Allotted Shares remain subject to transfer restrictions pursuant to the provisions of (2) above regarding the lifting of transfer restrictions, the Company shall automatically acquire such Allotted Shares for no consideration immediately after that time.

Furthermore, if the Company determines that a Grantee materially violated laws, regulations, or the Company's internal rules during the Restriction Period, if a Grantee is sentenced to imprisonment or a more severe penalty, or if any other circumstance arises that is deemed by the Board of Directors to be equivalent thereto, the Company shall automatically acquire the Allotted Shares for no consideration.

(4) Provisions for management of shares

In order to ensure that no transfer, establishment of security interests, or other disposition in violation of the transfer restrictions is effected with respect to the Allotted Shares, each Grantee shall agree that, during the Restriction Period, any of the Allotted Shares that remain subject to transfer restrictions shall be managed in a securities account opened with a financial instruments business operator designated in advance by the Company.

(5) Treatment in the event of organizational restructuring, etc.

If, during the Restriction Period, a merger agreement under which the Company becomes the disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other agenda item relating to organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or by the Company's Board of Directors, if shareholder approval is not required for such organizational restructuring, etc.), the Company may, by resolution of the Company's Board of Directors, lift the transfer restrictions prior to the effective date of such organizational restructuring, etc. with respect to such number of Allotted Shares (which may be zero) as reasonably determined in light of various circumstances, including the period from the commencement date of the Term of Service to the date of approval of such organizational restructuring, etc.

In such case, the Company shall automatically acquire for no consideration any Allotted Shares for which the transfer restrictions have not yet been lifted immediately after the lifting of the transfer restrictions pursuant to the above provisions.

4. Basis for calculation of the disposal amount and specific details thereof

To avoid arbitrary pricing, the disposal price for the disposal of treasury shares shall be set at 4,109 yen, which is the closing price of a share of the Company's common stock on the Tokyo Stock Exchange on June 25, 2026, the business day immediately before the date of the Board of Directors resolution. This is the market share price immediately prior to the date of the resolution, and the Company believes that it is reasonable and not a particularly advantageous price.