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Overview of the Results of the FY2019 Evaluation
about
the Effectiveness of the Company's Board of Directors

March 9, 2020
EBARA CORPORATION

To ensure corporate governance functions effectively, the Board of Directors itself performs analysis and evaluation of the effectiveness of the Board of Directors every year for the purpose of examining the contributions of the Board of Directors, identifying issues and making improvements, and the Company discloses overviews of the results.

Analysis and evaluation of the effectiveness of the Board of Directors in FY2019 was carried out and an overview of the results is shown below.

1. Analysis and Evaluation Process

With the cooperation of an independent third-party, the Company prepared a questionnaire¹ for each Director, conducted analysis of the responses, and then implemented individual interviews² by the third-party organization with all of the Directors to directly confirm the thoughts of each Director based on their responses to the questionnaire, and analyzed the results of the questionnaire and individual interviews. The Board of Directors discussed the effectiveness of the Board of Directors in the Board Meetings held in February and March 2020 based on the report from the third-party organization on the above analysis, and confirmed the evaluation and future action to be taken. Based on the importance of the Chairman at the meeting of the Board of Directors, the Board of Directors also evaluated the Chairman's performance at the same time.

2. Summary of the Results of Analysis and Evaluation

As a result of the above analysis, it was found that Directors' evaluations of the current state of operation of the Company's Board of Directors and Committees were generally high, and that adequate discussion is carried out on significant issues in the Board of Directors and Committees, indicating that they are being operated appropriately. With regard to the issues recognized in the evaluation of the previous fiscal year³, it was found that efforts and improvements have been made.

With regard to the enhancement of discussions at the Board of Directors' meetings, it was confirmed that due to sufficient discussions on the Long-Term Vision and the New Medium-Term Management Plan, awareness of our medium-and long-term important management issues has increased and more effective discussions have been held; with regard to the size and composition of the Board of Directors, the number of Internal Directors has decreased and the number of Executive Directors has become one,

President & Representative Executive Officer only, making execution and supervisory functions more clear. With regard to Independent Directors, it was also found that; the current composition of Independent Directors centered around management experience and legal and accounting experts has been appropriate; open and vigorous discussions at meetings of Independent Directors greatly contribute to improving the quality of discussions at meetings of the Board of Directors; and the performance of the Chairman of Independent Director has been evaluated highly positive. Based on the above information the Board of Directors' evaluation concluded that the oversight functions of the Board of Directors are functioning adequately, and that greater effectiveness has been provided.

On the other hand, we recognized the necessity of regularly reviewing and following up on important issues in the long-term and medium-term management plans, personnel assignment and training that will enable the resolution of such issues, and the status of internal structure, and strongly urging the implementation of these measures. We also confirmed the need to further deepen discussions on the Succession Plan for Independent Directors. In response to changes in the business and business environment, the Board of Directors has confirmed again that it is necessary to regularly examine important factors related to the effectiveness of the Board of Directors in order to ensure the size and composition of the Board of Directors.

3. Future Action

Through the above discussion, the Company's Board of Directors re-affirmed that it will further increase the effectiveness of the Board of Directors by continuously engaging in the following actions.

- Strengthening support for ongoing verification, follow-up, and implementation of measures to address long-term issues that contribute to the enhancement of corporate value and important issues in the medium-term management plan
- Personnel placement and training to resolve such issues, and confirmation and verification of the status of internal structure
- Enhancement of discussion on succession plans for Directors
- Periodic reviews of the size and composition of the Board of Directors

END

¹ Main Items in the Questionnaire

- Roles and functions of the Board of Directors (functions and roles of the Board of Directors, Chairman of the Board of Directors, Executive and Non-executive Internal Directors and Independent Directors)
- Size and composition of the Board of Directors (size (number of members) of the Board of Directors, ratio of Internal and Independent Directors, composition of members, etc.)
- Management status of the Board of Directors (frequency of meetings, time spent on deliberations on medium-to long-term and important issues, status of efforts to address issues last year, allocation of explanations and time for discussions, contents and quantity of items to be discussed, status of discussions on items to be discussed, reflection of results of deliberations, facilitation by the Chairman, status of reports on the execution of duties, content, quality, and timing of distribution of materials, important management issues, etc.)
- Structure (member composition, chairman) and roles of committees (Nomination, Compensation and Audit Committees)
- State of operation of committees (Nomination, Compensation and Audit Committees) (preparation time, deliberation time, state of discussion, etc.)
- Support systems for Independent Directors (provision of training/education opportunities and information, state of communication, etc.)
- Relationships with investors and shareholders (provision of information from management team, state of communication of information to capital markets, etc.)
- Self-evaluation by each Director

² Main Items in Individual Interviews

- Views on business and management (business portfolio changes, corporate function)
- View of Board of Directors (discussion in the Board of Directors, the performance of the Chairman, size and composition of Board of Directors)

³ Issues recognized in the evaluation of the previous fiscal year (FY2018)

- Improvement of discussions on the progress and issues of the long-term and current medium-term management plans
- Strengthening of support for continuous monitoring and implementation of measures and improvements after deliberation by the Board of Directors
- Periodic verification of the size and composition of the Board of Directors
- Strengthen of discussions on the Succession Plan by Independent Directors