

June 6, 2008

For General Release

Company Name           EBARA CORPORATION  
Representative         Natsunosuke Yago, President  
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### **Notice of a Matter to be resolved in the 143rd Ordinary General Meeting of Shareholders**

The Company issued the convocation notice of the 143rd Ordinary General Meeting of Shareholders to be held on June 27, 2008 to those shareholders with the voting rights, today.

As to the purpose of the meeting, we have set “Approval of the Financial Statements for the 143rd Fiscal Year (from April 1, 2007 to March 31, 2008)” as a matter to be resolved. We now inform you of the reason for such, the opinion of the Board of Directors and our strategy going forward as follows:

1. The Reason for the Matter to be resolved “Approval of the Financial Statements for the 143rd Fiscal Year (from April 1, 2007 to March 31, 2008)”

In the audit report of the Board of Corporate Auditors attached in pages 38, 39 and 40 in the convocation notice, the Board of Corporate Auditors reported to the effect that “This Business Report and the supplementary schedules thereof accurately indicate the status of the Company in compliance with the applicable laws and regulations and the Articles of Incorporation. No misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation was found with respect to the directors’ performance of their duties”.

However, the opinion of a Corporate Auditor, Yoshio Omori, “This Business Report contains matters about which there are material doubts as to their compliance, so I do not approve this Business Report.” is additionally noted in the audit reports. Grounds for such opinion are also noted as follows;

“The investigation into the “unauthorized expenditure of corporate funds by a former managing executive” by the directors and the Board of Directors is not sufficient and I have made my own investigation into this case pursuant to Article 381 of the Company Law. However, the directors have not disclosed information necessary for the investigation to me and not been cooperative with me to interview the related persons as I demanded. Therefore, I assume that there exists a violation of laws and regulations, or otherwise grounds for suspicion of such violation, in connection with

the execution of the duties of the directors. Additionally, as the investigation report or the like in relation to this case contains statements which raise doubts as to whether there are false statements in the account books, I can not approve this Business Report.”

In the above mentioned grounds, he points out doubts as to false statements in the account books. Accordingly, we propose that a shareholders meeting approve the financial statements specified between page 27 and 36 of the attached document pursuant to Article 438, Paragraph 2 of the Company Law.

2. The opinion of the Board of Directors as to the additional note by a Corporate Auditor, Yoshio Omori

We explain the opinion of the Board of Directors as to the additional note by a Corporate Auditor, Yoshio Omori as follows:

- (1) The Directors and the Board of Directors have sufficiently investigated the unauthorized expenditure of corporate funds.

The Company made a public announcement concerning the “unauthorized expenditure of corporate funds by a former managing executive” on April 3, 2007. The Board of Directors established an appraisal committee, which consisted of three (3) independent outside lawyers and commissioned the appraisal committee to investigate facts, verify damages and appraise the liability in order to secure a fair and just investigation into and deliberation upon the case. After an eight (8) month investigation and deliberation, the appraisal committee submitted an opinion paper to the Company on December 17, 2007. The Board of Directors unanimously made a resolution to accept the opinion and made a public announcement of the outline of the opinion on the same day of such resolution.

- (2) The Board of Directors have disclosed necessary information to a Corporate Auditor, Yoshio Omori and dealt with him in good faith.

The appraisal committee endeavored to investigate the facts by means such as interviews with the persons who made the unauthorized expenditure and related persons and came to a fair conclusion after deliberation concerning and appraisal of the liability.

Moreover, the Board of Directors has dealt sincerely with requests from a Corporate Auditor, Yoshio Omori including disclosing and explaining results or the like which were made clear through the investigation process to him.

- (3) The Directors have performed their legal and managerial responsibilities.

The Board of Directors has appraised the liabilities of the related persons and sought

recovery of damages in accordance with the recommendation from the appraisal committee. We have already recovered vast majority of the damages and have taken legal measures to recover the rest.

Moreover, in addition to the recovery of damages, the Board of Directors set up a committee for the prevention of any recurrence, including outside learned persons among its members. The prevention committee established a plan for the prevention of any recurrence and the Board of Directors has steadily put the plan into practice.

As seen from the above, the Board of Directors has gone through an objective and rational process to appraise the liabilities of the related persons and deliberated on a plan for preventions of any recurrence. The directors have performed their legal and managerial responsibilities swiftly, respecting the opinions of each committee.

(4) There are no false statements in the account books.

We have received the audit report from the accounting auditor, which states “the financial statements properly indicate the status of assets and profits and losses of the Company during the term covered by the financial statements and the supplementary schedules thereof.” We have also received from all four (4) corporate auditors other than Yoshio Omori an opinion that “The methods and results of the audit by the accounting auditor are appropriate.”

The Board of Directors judges that the financial statements for the 143rd fiscal year properly indicate the status of assets and profits and losses of the Company in compliance with the applicable laws and regulations and the Articles of Incorporation and that there are no “false statements in the account books” as asserted by a Corporate Auditor, Yoshio Omori.

### 3. Our Strategy Going Forward

The Board of Directors proposes “Approval of the Financial Statements for the 143rd Fiscal Year (from April 1, 2007 to March 31, 2008)” as a matter to be resolved in the 143rd Ordinary General Meeting of Shareholders to be held on June 27, 2008 pursuant to Article 438, Paragraph 2 of the Company Law and makes a sufficient explanation to shareholders.

The Board of Directors continues to take legal measures to recover the remaining damages in connection with “unauthorized expenditure of a former managing executive”. Further, the Board of Directors continues to improve our internal control systems and put into a practice a plan for the prevention of any recurrence in order to prevent any recurrence of such incident.

As mentioned above, the directors have properly performed their duties to exercise the due care of a prudent manager. We could kindly request all of you to understand us and continue to support us.