February 14, 2025

FY2024 Evaluation of the Effectiveness of the Board of Directors

EBARA CORPORATION
Board of Directors

To ensure corporate governance effectively, the Board of Directors ("the Board") performs analysis and evaluation of its own effectiveness every year for the purpose of verifying the contributions of the Board, identifying issues and making improvements.

Analysis and evaluation of the effectiveness of the Board in FY2024 were carried out and an overview of the results is disclosed below.

1. Process of Evaluation of Effectiveness

With the cooperation of external independent expert (hereinafter "external expert"), the Board prepared a questionnaire for each Director, the external expert conducted individual interviews with all of the Directors for the first time in three years[1] to directly confirm the thoughts of each Director based on the results of questionnaire responses. The Board also performed self-evaluation and peer evaluation (peer review) of individual Directors. In addition, the Company conducted two benchmarking analyses for the first time in three years in order to verify and understand the state of the corporate governance system and the exercising of supervisory functions. It was analyzed by comparing them with domestic and global standards and the situation at leading global companies.

The Board analyzed the answers to the above questionnaire and results obtained from the individual interviews and benchmarking analyses, discussed the effectiveness of the Board in the Board Meetings held in December 2024 and January 2025 based on these, and confirmed the evaluation results and future action to be taken. All Directors other than the Chairman conducted evaluation of the Chairman.

2. Overview of the Results of Analysis and Evaluation

It was confirmed that Directors' evaluations of the current state of operation of the Board and three committees were high, the Board, the Chairman of the Board, Independent Directors and Inside Directors each appropriately fill their respective significant roles and responsibilities, adequate discussion is carried out based on appropriate agenda setting and proceedings in the Board and three committees, and efforts to address the matters brought up as issues in the last year evaluation have progressed.

[1] For the past two years, the Independent Director who serves as Chairman of the Board of Directors has conducted evaluations by interviewing all directors individually.

The self-evaluation and peer evaluation of individual Directors were performed based on the roles, qualifications and competencies of Directors specified in the "EBARA Corporate Governance Basic Policy", and through the evaluations, it was confirmed that each Director appropriately fulfills their responsibilities and contributes to discussion in the Board. An overview of the results of the peer-evaluations was shared with the Nomination Committee, and the Committee also referred to the results of the evaluations when selecting Director candidates.
In our benchmarking analyses, we compared our corporate governance system with domestic and global corporate governance standards and with leading global companies overseas, and confirmed that it was generally at the same level as these, and that there were no material items that needed to be addressed immediately.
Furthermore, we compared the status of the exercising of supervisory functions of our Board of Directors with the status of the operation of the Board of Directors at several leading global companies overseas, and while there were some points that were useful references for the Company, we confirmed that there were no significant differences in the material content.

Based on these analyses the Board evaluation concluded that the oversight functions of the Board are performing adequately, and that greater effectiveness has been provided.

Meanwhile, it was confirmed that there are issues that need to be further considered and improved in the future, and that it is necessary to continue to periodically verify these and continue to make improvements.

3. Future Action

The Board will continue with existing reforms, and also further increase the board effectiveness by engaging in ongoing discussion of the following matters.

- Enhancement of discussion on management vision and management plan from a long-term perspective

  In light of the progress of the current medium-term management plan, E-Plan 2025, and various internal and external changes in the environment, the Board will organize ideas and policies on important issues (business portfolio, ROIC management, effectiveness of introduction of face-to-face market-specific organizations, areas and size of investment in new businesses, brand strategy for the Group as a whole, etc.), and improve discussion.

- Deepening of discussion on sustainability

  The Board will deepen discussions on key issues related to sustainability (establishment of global human resources system, securing and training human resources as the organization size grows

rapidly, penetration of corporate culture, further promotion of diversity, etc.) from the perspective of how to specifically link them with our company’s profitability, long-term sustainability, and enhancement of corporate value.

We will deepen discussions with the perspective of how to specifically link key issues related to sustainability with our company's profitability, long-term sustainability, and enhancement of corporate value.

- Discussion and verification of further strengthening of Group governance system
  In addition to performing verification from the perspective of the auditing system and the operation of the CxO system, the Board will also discuss and examine internal controls such as compliance, as well as systems and mechanisms related to safety and quality.

- Periodic review of committee structure and activities

End

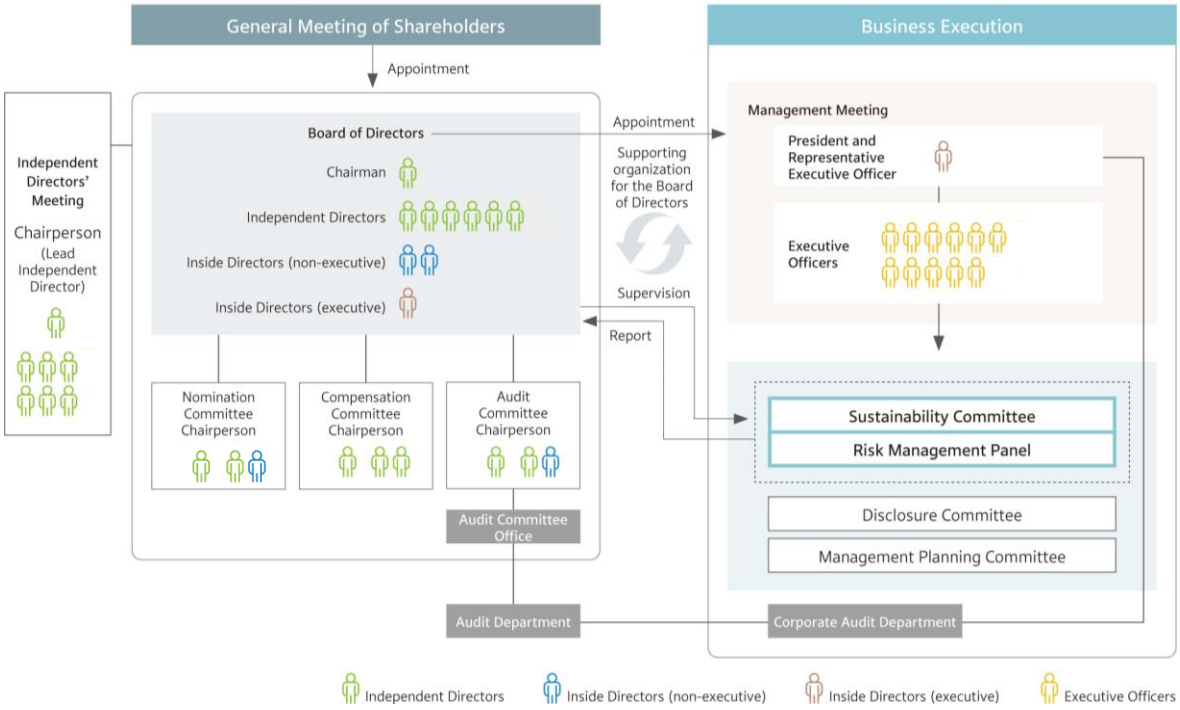
Appendix

Reference 1 "EBARA CORPORATION Corporate Governance Systems (as of January 1, 2025)"

Reference 2 "Major Items in the Questionnaire"

Reference 3 "Main Points Leading to Reform through Board Evaluation"

(Reference 1) "EBARA CORPORATION Corporate Governance Systems (as of January 1, 2025)"



(Reference 2) "Major Items in the Questionnaire"

1. Roles and functions of the Board
2. Size and composition of the Board
3. Status of operation of the Board
4. Composition and roles of the Nomination Committee
5. State of operation of the Nomination Committee (evaluation made by members of the Nomination Committee)
6. Composition and roles of the Compensation Committee
7. State of operation of the Compensation Committee (evaluation made by members of the Compensation Committee)
8. Composition and roles of the Audit Committee
9. State of operation of the Audit Committee (evaluation made by members of the Audit Committee)
10. Relationships with investors and shareholders

(Reference 3) "Main Points Leading to Reform through Board Evaluation"

The board evaluation conducted over the past nine years has led to a diverse range of cases of the Board gaining a deeper understanding and leading to reform. An excerpt of the major points included among these is shown below. In particular, since 2022, the Company has adopted the slogan "Governance to Value" and is strongly aware of the need to evolve the effectiveness of its board of directors and contribute to corporate value.

Item	Details
1) Agenda and discussion in the Board:	
(i) Strengthening of discussion of medium- to long-term issues	・ Based on the awareness that weight on discussion of medium- to long-term issues should be further increased, the Board has included the long-term management vision and the medium-term management plan for realizing this into a year-round agenda item, and now spends time discussing the strategies, organizational structures and personnel strategies of each business based on these by incorporating them into agenda items from the outset. ・ In the 2023 board evaluation, it was recognized that the agenda should be narrowed down to items that should be monitored, and that two-way discussions should be enhanced, and the criteria (threshold) for reports to the Board of Directors were reviewed, and the reporting method for regular reports was simplified. As a result, it was recognized that more time could be spent on discussions of medium- to long-term issues.
(ii) Deepening of discussion on sustainability	・ In the 2021 board evaluation, it was found that the Board also needs to discuss ESG and sustainability agendas on a regular basis, and starting in 2022, the Board began to set regular agendas twice a year and the view that the discussion on sustainability has been enhanced was shared. ・ In the 2023 evaluation, in line with the recognition that discussions on safety, quality and compliance (including internal reporting) should be enhanced, they were incorporated into the annual agenda and regularly discussed by the Board from the following year. ・ Since 2022, the Company has been strongly aware of the need to evolve the effectiveness of the Board and contribute to corporate value under its unique slogan of "Governance to Value." In the 2023 board evaluation, the Company deepened

	its recognition of the importance of practicing Governance to Value with a stronger focus on sustainability management as a direction for further evolution in the future, and in 2024, this approach to the Board was explicitly stated in the Basic Policy on Corporate Governance (EBARA Corporate Governance Basic Policy). As a result, it was recognized that the role and stance of the Board regarding sustainability had been clearly communicated both internally and externally.
(iii) Improvement of quality and deepening of discussion	・ Meetings of Independent Directors were held a few days before board meetings, and upon receiving explanation of the major points on issues presented to the Board by the executive officers in charge, Independent Directors have a deeper understanding and freely discussed these issues. Based on the discussion here, the Board shared the awareness that the quality of discussion in the Board would increase by each of the Independent Directors speaking based on their own perspective and responsibility with an awareness of the issues. The significance of meetings of Independent Directors was also confirmed in the board evaluation.
2) Composition and size of the Board	
(i) Composition and number of Independent Directors	・ With regard to the composition and number of Independent Directors, diversity of background and experience is important, and the importance of the free exchange of diverse opinions was confirmed considering unpredictable social environment of the future. The validity of the system in which Independent Directors account for seven of the ten current Directors was also confirmed in the board evaluation.
(ii) Internal Directors concurrently involved in the execution of business	・ The awareness that the current system in which the number of Directors concurrently involved in the execution of business has been reduced to have one Representative Executive Officer promotes the separation of oversight and management execution and has further clarified the responsibility of management team and the role of the Board was shared.
(iii) Appointment of Chairman of the Board	・ A system in which an Independent Director serves as the Chairman of the Board has been adopted since 2019 to ensure greater fairness and transparency, and enable the realization of agenda setting from the perspective of shareholders. For this reason, a decision was made to include evaluation of the

	Chairman in the board evaluation process to check the effectiveness of the system and verify this in the Board every year.
3) Evaluation of effectiveness of committees	
(i) Evaluation of effectiveness of committees	· The respective functions and roles to be fulfilled by the Nomination, Compensation and Audit Committees were shared through the evaluation of effectiveness, and self-evaluation of whether they have adequate independence and skill to achieve their objectives progressed. · In the 2022 board evaluation, it was recognized that it is necessary to clarify the approach to the scope of information sharing, etc. from the committees to the Board, and in 2023, the Board of Directors organized the approach and specified it in the Board of Directors' Rules, and there was a shared understanding that this would ensure transparency in the committees' future activities.
(ii) Composition and Size of the Audit Committee and support system	· The Audit Committee has undergone a gradual decrease in the total number of members and the number of Internal Directors, resulting in a structure with four members including one Internal Director from 2020, and a structure with a total of three members including one Internal Director chaired by an Independent Director was adopted from 2021 to ensure further independence and realize audit oversight based on external viewpoints. With the transition to this system, the Audit Committee recognized that it is necessary to strengthen the system for supporting Audit Committee in the evaluation of effectiveness, and the systems and allocation of personnel for this were expanded. For this reason, this will continue to be evaluated in the evaluation of effectiveness to review its effectiveness. · In the 2023 board evaluation, it was recognized that it was necessary to confirm the current activities and roles of the Audit Committee, and to consider and verify the system that should be in place and the activities that should be pursued in the future. Through consideration in the Audit Committee and discussions by the Board in the following year of 2024, the roles, system, and activities of the Audit Committee were organized, and it was recognized that appropriate management

	was being carried out based on this.
4) Effectiveness of Directors	
(i) Clarification of roles, qualifications and competencies	・ In the 2020 board evaluation, it was found that the clarification of roles, qualification and competencies of each Director and the confirmation based on the clarification through self-review and peer evaluation contribute to the improvement of the capabilities of the Board as a whole and individual Directors. In order to realize this, the roles, qualifications and competencies required of Directors including attributes (Independent Director, etc.) and positions (Chairman of the Board, Committee Chairman, etc.) were explicitly stated in the Basic Policy on Corporate Governance (EBARA Corporate Governance Basic Policy) after sufficient discussion in the Board. In the 2021 board evaluation, it was shared that the recognition that the EBARA Corporate Governance Basic Policy is an important policy for future activities of the Board, Committees and individual Directors.