

Human Resources Strategy



Message from
Chief Human Resource Officer

Further advance human capital management to become an excellent global company

Yoji Sato
Executive Officer
Division Executive, Human Resources Division & CHRO

As attention on human capital management increases, it is very important to create an environment in which diverse employees can participate even more actively. Therefore, we will accelerate the development of requisite infrastructure to achieve sustainable growth throughout the Group and create greater global mobility for our employees. By introducing a global role-grade system that standardizes roles across the Group and strategically implementing succession plans in Japan and overseas, we will create a system that allows diverse human resources to hold important positions regardless of gender or nationality.

We use the results of the annual global engagement survey to clarify human resource challenges. The CHRO Office, whose members include personnel managers from each in-house company and corporate headquarters, tackles any identified issues and promotes the establishment of a personnel system that encourages all employees to take on challenges head-on and ensures that all employees can be proud of working for the EBARA Group.

Reference Personnel Affairs and Human Resource Development Policy

<https://www.ebara.co.jp/en/sustainability/social/information/talent-management.html>

Human Resource Vision (E-Vision 2030)

Create a corporate culture of competition and challenge by providing safe and stimulating working environments where diverse employees can engage in meaningful work and utilize their full potential.

Reflecting on the Main KPIs of E-Plan 2022

| Related Materiality | Measures and KPIs | 2022/12 Targets | 2022/12 Results | Scope | 2022/12 Achievements |
|---|---|-----------------|-------------------|---|---|
| 4 | Establishing a foundation to achieve sustainable global growth | | | | |
| | Global expansion of the role-grade system | 100% | 40% | Global | Completed setting grades, etc. for subsidiaries of the former Fluid Machinery & Systems Company; subsidiaries under the Precision Machinery Company have decided not to introduce the role-grade system in anticipation of the upcoming globally standardized system; started our Global Career Development Program, and enhanced global mobility is proceeding in line with the Global Mobility Policy |
| | Global expansion of the performance evaluation system | 2025 100% | 0% | | |
| | Global expansion of the succession program system | 2025 100% | 0% | | |
| | Reduction of total recordable incident rate (TRIR) (by 2023) | 2023 0.80 | 2.62 | Consolidated, in Japan | To reduce the potential risk of occupational accidents, occupational safety consultants conducted risk surveys at Group company plants in Japan; identified potential risks and conducted risk reduction activities |
| | Transform into a Group with a corporate culture of competition and challenge | | | | |
| | Reduce total average work hours | 1,920 hours | 2,014 hours | EBARA CORPORATION | After the drastic change in workstyles due to the COVID-19 pandemic, worked to implement the "Ebara New Workstyle," which includes expanding remote work including at satellite offices, and expanding staggered working hours to enable off-peak commuting; due to the significantly reduced commute time enabled by remote work, some employees who needed to work shorter hours due to childcare or nursing care are now able to work regular hours, and such employees have reported increased satisfaction |
| | Promote diversity by increasing the percentage of female candidates for key positions*1 | 6.8%*2 | 6.5% | | |
| | Promote diversity by increasing the percentage of female new hires | 30% | 13.8% | | |
| | Promote diversity by increasing the percentage of non-Japanese new hires | 25% | 5.1% | | |
| Improve global engagement survey score | 83 | 79 | Global | Efforts were made to improve communication, including increasing the frequency of messages from management; although many items improved over time due to changes in working methods during the COVID-19 pandemic, the results were not sufficient | |
| Continue investing in human resource development (training costs per person) | ¥46,795 | ¥30,179 | EBARA CORPORATION | Shifted some rank-specific training from mandatory to voluntary; conducted selective training, such as for next-generation leaders, in person as much as possible to increase the effectiveness of training | |
| Increase the ratio of local employees in global key positions at overseas operating sites (by 2030) | 2030 50% | 23% | Global | Expanded opportunities for overseas employees to apply for the international training program, which had previously been mainly conducted for employees in Japan, opening up opportunities for people of any nationality to acquire the leadership qualities required to take on global key positions (GKP) | |

*1 Key position: employee positions equivalent to managers

*2 The goal is to exceed 7% by April 2023 and 8% by April 2025.

Non-Financial Goals, KPIs, and Targets of E-Plan 2025

| Related Materiality | 2025 Outcome Goals | KPIs | 2025/12 Targets | 2022/12 Results | Measures and Future Initiatives |
|---|---|---|---|--|---|
| 4 | Transform EBARA's culture into a competitive one that takes on challenges, creating an environment where diverse employees thrive in their work | Global engagement survey score | 83 or higher | 79 | Positions with low scores include those in the production career track and manager-level personnel that do not have subordinates; business departments and human resources will discuss and implement action plans for each circumstance |
| | Improve global mobility | Proportion of non-Japanese employees in GKP | 30% or higher | 23% | Further secure GKP talent pool of local employees and increase the number of foreign and female employees participating in the E-LEAD program (next-generation global leader development) and global human resource development programs |
| | Eliminate wage gap between men and women | Proportion of women in GKP | 8% or higher | 7% | Create a system that allows employees who want to learn and take on challenges to aim for career changes to promote the active participation of diverse human resources; particularly focus on the early selection and development of leader candidates |
| | | Proportion of female managers (non-consolidated) | 8% or higher | 6.4% | |
| | Foster a corporate culture that allows people to balance work and childcare regardless of gender | Rate of men taking childcare leave (non-consolidated) | Establish data collection method in 2023; set action plans and targets to increase acquisition rate | — | Immediately establish a data collection method and consider measures to improve the rate of childcare leave taken by men, including the number of days of childcare leave taken |
| Promote active participation of employees with disabilities | Proportion of employees with disabilities (non-consolidated plus 4 domestic Group companies) | 2.6% or higher | 2.4% | Centralize the EBARA Group's management of employees with disabilities and promote the employment and business of people with disabilities across the Group; develop skills of employees with disabilities for career development and expand opportunities for them to play an active role in business | |

Strategies and Measures to Strengthen Human Capital

Global Engagement Survey

Starting in 2019, we have been conducting a global engagement survey of all employees of domestic and international Group companies to determine what employees think about the Group and their work. The survey results from 2022 show an increase in positive responses in the "action" category. We view this survey as an opportunity for dialogue with our employees, and will continue to formulate, implement, and review action plans tailored to the characteristics of each department.

Group Global Personnel Management

For EBARA to further grow and win globally, local employees of overseas Group companies must play an active role. Since 2012, the Company has been conducting a two-year training program for young Japanese EBARA employees to experience working at overseas Group companies, and we have sent 115 young employees overseas as of 2022. Starting in 2023, we expanded this program to include all of EBARA's young employees, and currently twenty employees from overseas Group companies have been dispatched to countries other than their own to refine their skills. Through this program, we will develop global human resources and aim to achieve a 30% rate of non-Japanese employees in GKPs, one of the key non-financial goals of E-Plan 2025.

Promoting the Active Participation of Employees with Disabilities

The EBARA Group has centralized employment management for people with disabilities and promotes their employment throughout the Group to respond to the

rise in the legally mandated employment rate, as well as changes in the external environment. EBARA EARNEST, a special subsidiary, has begun working on tasks more closely related to the Group's business, such as product assembly and creation of image training data for AI machine learning. Through these efforts, we are aiming to achieve diversity and inclusion as well as sustainable business growth by enabling all Group employees to work together and continue to provide value to society, regardless of whether they have disabilities or otherwise.

Promoting Health Management

We have formulated the EBARA Group Health and Productivity Management Declaration, and are conducting health management with the goal of creating a workplace environment where employees can thrive in their work with good physical and mental health. We recognize that employee health is one of EBARA's most important management resources, so we are aiming to improve our employees' health literacy and improve absenteeism and presenteeism,* and we have set KPIs and implemented measures to improve issues through the PDCA cycle. These efforts have been well received, and EBARA was selected as a White 500 company under the Ministry of Economy, Trade and Industry's Certified Health & Productivity Management Outstanding Organizations Recognition Program in the large enterprise category. Going forward, we will collaborate further with domestic Group companies and aim for the entire Group to be recognized as a Health & Productivity Management Outstanding Organization.

* Absenteeism: being absent from work due to health issues
Presenteeism: reduced productivity due to health issues

R&D and Intellectual Property Strategy



Message from
Chief Technology Officer

Responding to an era of turmoil with medium to long-term technology development strategy scenarios

Norihisa Miyoshi

Executive Officer,
Division Executive, Technologies, R&D & Intellectual Property Division & CTO

With the arrival of AI, it's not an exaggeration to say that the world has entered into a period of upheaval. It is an exciting time, but humans are facing resource and environmental limitations that put our very survival at risk. The EBARA Group is pushing forward with its slogan of "Technology. Passion. Support Our Globe." We are proactively collaborating with universities and partner companies through the Ebara Open Laboratory (EOL). We are strengthening the

technological competitiveness of our current businesses to better preserve the society we pass on to the next generation. To formulate long-term technology development strategy scenarios, we are looking ahead to 2030 and beyond as we further strengthen activities to extract, identify, and acquire technologies needed in future society.

REFERENCE Technologies <https://www.ebara.co.jp/en/technology/technology-top.html>

R&D and Intellectual Property Vision (E-Vision 2030)

We will further evolve and expand long-term strategic activities and contribute to solving social and environmental issues through our business.

Reflecting on the Main KPIs of E-Plan 2022

| Related Materiality | Measures and KPIs | 2022/12 Targets | 2022/12 Results | 2022/12 Achievements |
|---------------------|--|---|---|---|
| 1 | Strengthening development capabilities | | | |
| | Formulation of a research roadmap (RM) in key technology areas and implementation of medium- to long-term research themes in line with RMs | Target progress: 100% | Target progress: 96% | Formed RMs for 11 important technology areas and have begun implementing measures in accordance with our action plans; going forward, continue to improve our skills and expand into the necessary technical fields |
| 2 | Pursue new needs and research opportunities | | | |
| | Propose and implement research themes that lead to new technologies and new businesses | Ongoing proposals of themes for new business fields | Promote R&D in new fields and continue finding and proposing themes | Started considering practical application for materials developed with materials informatics (MI) and applying MI to multiple targets, and implementing multiple work support and training methods using virtual, augmented, and mixed reality (xR) technologies; creating business plans for research themes to reduce CO ₂ and conducting activities to incorporate them into action plans |
| | Conduct patent application and rights acquisition activities based on market and technology trends for every product | Secure 100% of key products | 100% of key products | Proposed, operated, and updated IP strategies for the main products of the five in-house companies starting in 2023; will continue to update and implement our IP strategies in line with each company's policies |

Non-Financial Goals, KPIs, and Targets of E-Plan 2025

| Related Materiality | 2025 Outcome Goals | KPIs | 2025/12 Targets | Measures and Future Initiatives |
|---------------------|--|--|---|---|
| 1 | Implement technical tool development to improve product development throughput | Expansion of application scope of technical tools that eliminate rework in development | Expand to all 5 in-house companies | Establish and master a development platform (that performs functional simulations, formalizes knowledge, etc.) as a technical tool to eliminate rework in development, and gradually increase the application scope |
| | Propose new themes and strengthen strategic research policies | Formulation of macro-level technology development strategies and action plans (APs) based on technological and social trends | Form medium- to long-term scenarios and corporate R&D strategies based on trends, and create APs for the next fiscal year | 1. Research and compile trends related to society, the market, and technology 2. Form medium- to long-term scenarios to clarify EBARA's objectives, goals, and challenges 3. Form strategies for corporate R&D 4. Form APs |
| 2 | Advance information analysis communication and proposal activities and integrate into regular operations | Number of analysis recommendations for IP/non-IP information that contributes to management and business decisions, etc. | 20 analysis recommendations per year (limited to those rated highly by the reporting party) | Understand the needs of each in-house company's marketing department in addition to corporate new business development and EOL to increase analysis recommendations, and improve analysis efficiency by standardizing work methods |

System to Continuously Strengthen Competitiveness

Established the Office of the CTO

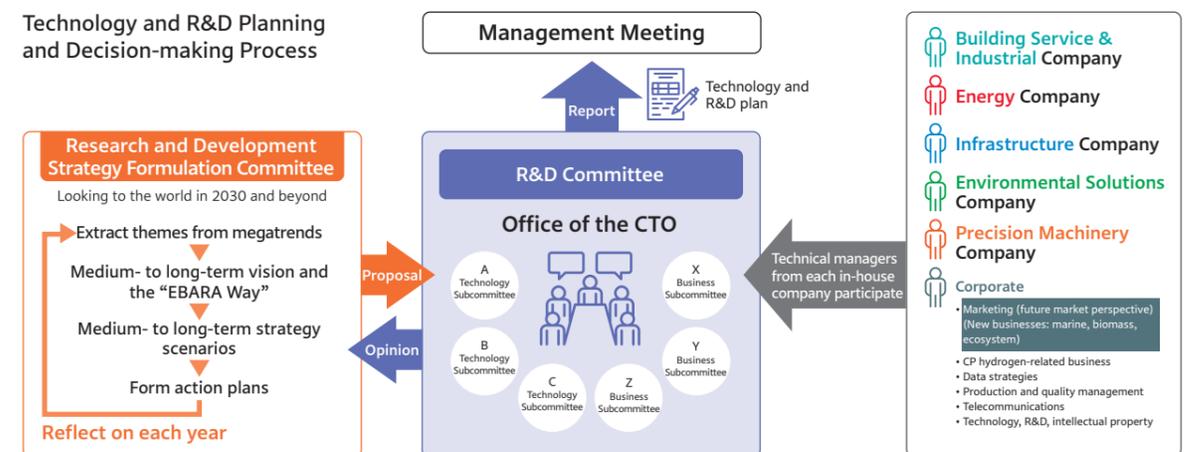
We introduced the target market-based business structure in the fiscal year ended December 31, 2023. Even if the target markets are different, the Group has many shared technologies that can support the business. We have established the Office of the Chief Technical Officer (CTO), known as the CTO Office to manage and combine these in-house technologies to create new value for the EBARA Group.

The Office of the CTO includes members responsible for the marketing and technology of each in-house company. By discussing and understanding each other's technologies, as well as the changing market and social conditions, these members mutually inspire each other and actively explore new business opportunities.

Previously, R&D themes were chosen through individual discussions between each business segment and the R&D department, but this approach presented the

challenges of broadening the perspective and enabling a more medium- to long-term perspective. To address these issues, we established the Research and Development Strategy Formulation Committee. Looking towards 2030 and beyond, the Research and Development Strategy Formulation Committee will formulate medium- to long-term technology development strategy scenarios and action plans and then submit these scenarios to the Office of the CTO. Then, the Office, staffed by the technology and marketing department managers from each in-house company, will hold discussions with production technology departments, research and development departments, and others. After thoroughly examining market suitability and the scalability of technologies, we formulate a technology development plan and implement it following approval from the Management Meeting.

Technology and R&D Planning and Decision-making Process



Initiatives for Intellectual Property Activities

We develop product-specific intellectual property (IP) strategies, and are implementing proactive IP activities, such as creating IP landscapes, etc. The ultimate contribution of IP activities to business profits is important, and we monitor the efficiency of IP activities to ensure that they contribute to business profits. We are working to construct an evaluation index that will work as an "IP version" of ROIC with the denominator set as investment into IP activities (expenses such as handling fees, labor

costs, etc.) and the numerator set as the results of such activities (mainly IP portfolio management, IP risk management, analysis and recommendation activities, and IP contracts). The results of IP activities have led us to consider the relationship of such activities to business profits as well as how to demonstrate the degree of contribution to business. Through these efforts, we will make future IP activities more efficient and contribute further to increased business profits.



DX Strategy



Message from
Chief Information Officer

Promoting digital transformation through a three-way integration of the management, business, and IT divisions

Hiroyuki Kowase
Executive Officer,
Division Executive, Information & Communication System Division & CIO

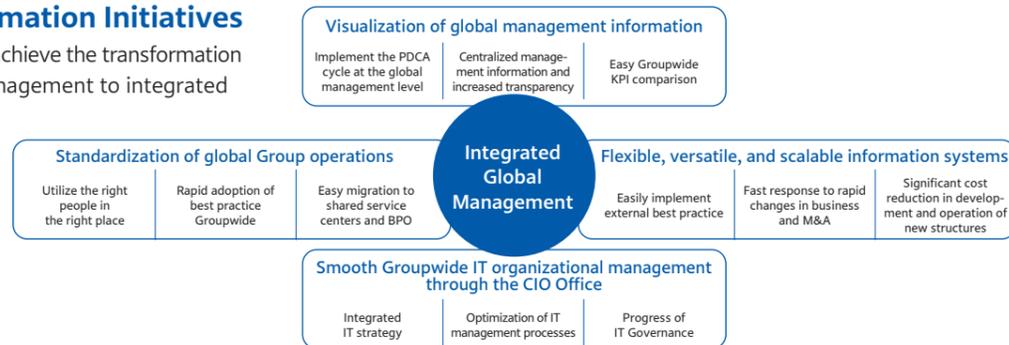
The EBARA Group is promoting digital transformation through a three-way integration of the management, business, and IT divisions. We are taking on the challenge of various forms of digital transformation, and the key to information security measures will be building information platforms that offer a safe and secure environment. The Global CSIRT* plays a central role in these efforts,

monitoring carefully for any type of information security incident that may occur within the EBARA Group globally, day and night. The Global CSIRT is composed of both Japanese and global members from Elliot in Europe and America, already actively practicing diversity and inclusion.

* Global Computer Security Incident Response Team

Digital Transformation Initiatives

The EBARA Group will achieve the transformation from international management to integrated global management.



Digital Transformation Vision (E-Vision 2030)

Transform products, services, and business models and strengthen S&S by driving digital transformation.

Reflecting on the Main KPIs of E-Plan 2022

| Related Materiality | KPIs | 2022/12 Targets | 2022/12 Results | 2022/12 Achievements |
|---------------------|--|--|---|---|
| 1 2 4 | Realization of integrated global management | | | |
| | Global deployment of systems centered on ERP (by 2024) | Determine optimal pilot facilities and deploy systems in advance | Implement optimal pilot facilities (1 domestic, 1 overseas) | Completed standard business templates for business reform toward global standards |
| | Integration of global IT infrastructure | 100% | 100% | Implemented security measures for both domestic and overseas Group companies and infrastructure for integrated authentication |
| | Expansion of centralized global systems | 100% | 100% | Continued to review workflow and promote operational efficiency through automation |
| | Increase of internal IT tools | 100% | 100% | Made steady progress toward goal of 100 robots in operation per year; 300 robots in operation by 2022, contributing to operational efficiency |

Non-Financial Goals, KPIs, and Targets of E-Plan 2025

| Related Materiality | 2025 Outcome Goals | KPIs | 2025/12 Targets | 2022/12 Results | Measures and Future Initiatives |
|---------------------|---|---|-----------------|--|------------------------------------|
| 1 2 4 | Expand ERP project across the Group | Number of Group companies with ERP implemented | 20 or more | Implemented at 2 companies; in progress at 2 companies | Implement SAP at Group companies |
| | Strengthen information security and comply with NIST (US) and CIS | Rate of compliance with ISO 27001 categories at bases | 100% | 0% | Become compliant with ISO 27001 |
| | | Number of items needing to be handled by CIS Controls | 100% | 0% | Become compliant with CIS Controls |

Groupwide ERP Introduction Project

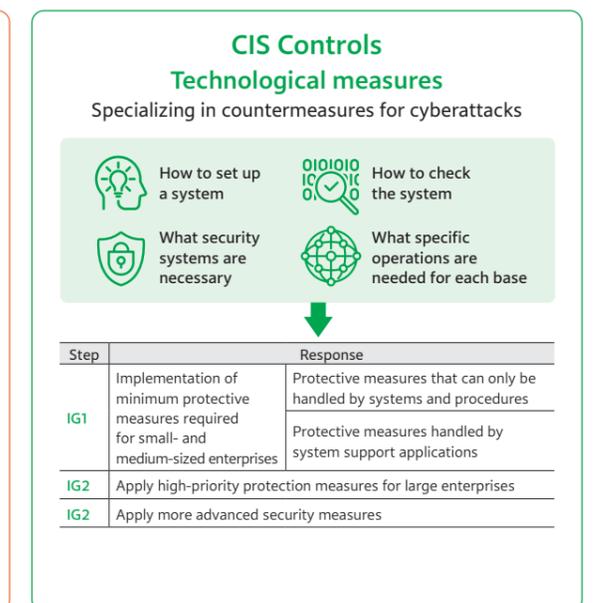
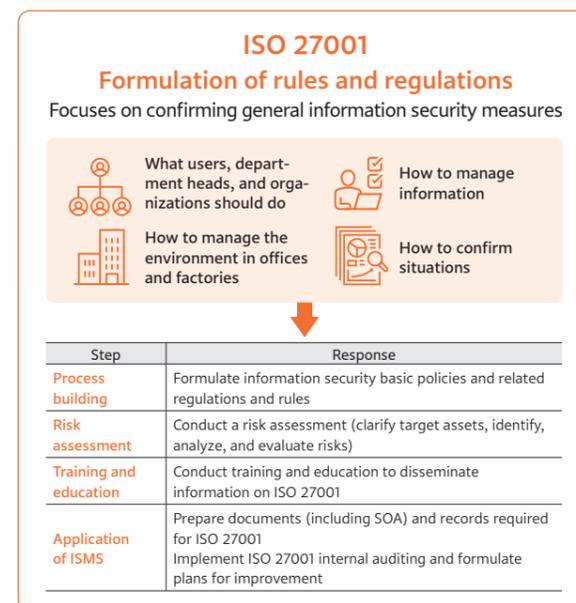
- Pilot implementation was completed according to plan at Group companies to build the digital platform, and starting in fiscal 2023, we are expanding the introduction to overseas Group companies beyond just EBARA.
- We will shift to data-driven management by eventually expanding ERP across the entire Group, enabling detailed data analysis through centralized management of global management data. By doing so, we will aim to optimize management decision-making by managing KPIs across the entire EBARA Group and conducting the PDCA cycle at the management level.



Initiatives and Policies to Strengthen the EBARA Group's Cybersecurity

There was a cybersecurity incident at a Group company in March 2021. As cybersecurity threats become more commonplace, this incident reinforced that there was an urgent need to standardize and raise our security levels. Going forward, to earn credibility in the market, we need to comply with globally recognized international standards and frameworks. We started working in 2022 to comply with ISO 27001, an international information

security standard, and CIS Controls, a framework that summarizes what cybersecurity measures companies should take, created by CIS, a nonprofit security organization in the United States. To strengthen our security governance as is required of global companies, we decided to invite employees from overseas companies to build a system that complies with Global CSIRT standards, and work to continuously apply and improve the system.



Risk Management



Message from
Chief Risk Officer

Systematically evaluate risks to the Group and implement essential, effective risk countermeasures globally

Toru Nakayama

Executive Officer
Division Executive, Legal, Internal Control, Risk Management and General Affairs Division & CRO

We will introduce and enhance the Chief Risk Officer (CRO) system as a major initiative of E-Plan 2025. We established a collaborative system with Risk Officers (ROs) designated in the Corporate division as well as in each in-house company, that coordinate with the other CxOs, to communicate risk incidents from across the Group and provide prompt and appropriate countermeasure instructions, and we are striving to proactively manage risks in a way that enables

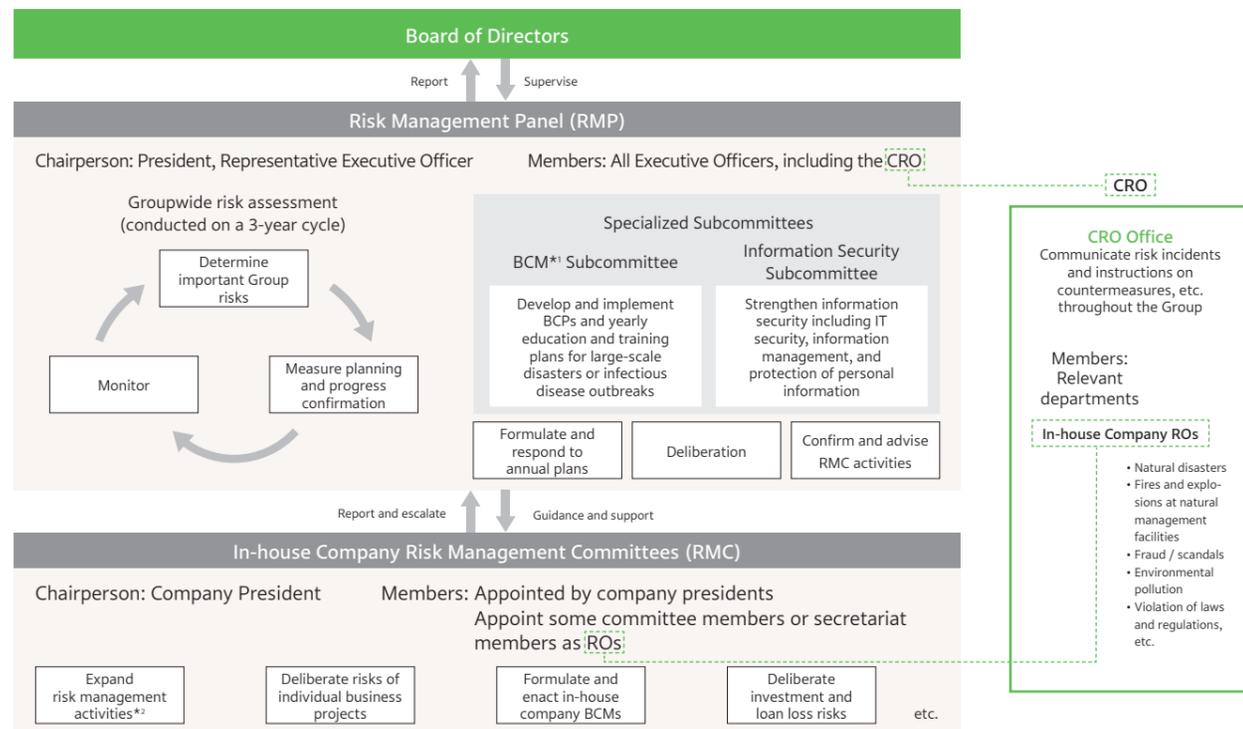
their transformation into opportunities. In terms of concrete risk response, we will continue our existing activities such as strengthening the business continuity system in case of disaster and improving our information security systems. We review and respond flexibly to major risks, which currently include economic security (such as between the United States and China) and geopolitical risks (such as the conflict between Russia and Ukraine).

Basic Approach and Risk Response System

The EBARA Group systematically identifies and assesses risks that may arise from its business operations and implements measures to minimize negative impacts that may impact the ongoing survival and development of the Group. We are shifting from a system that focused on responding ad-hoc to individual risks that emerge in the course of

business to a more systematic approach that emphasizes continuous implementation of system improvements parallel to enacting risk control measures. We have also established the CRO Office, which includes the CRO and ROs from each in-house company, thereby creating an overarching risk-response system that transcends traditional business silos.

Risk Management Organizational Structure



*1 Business Continuity Management
*2 Including subsidiaries under the umbrella of in-house companies

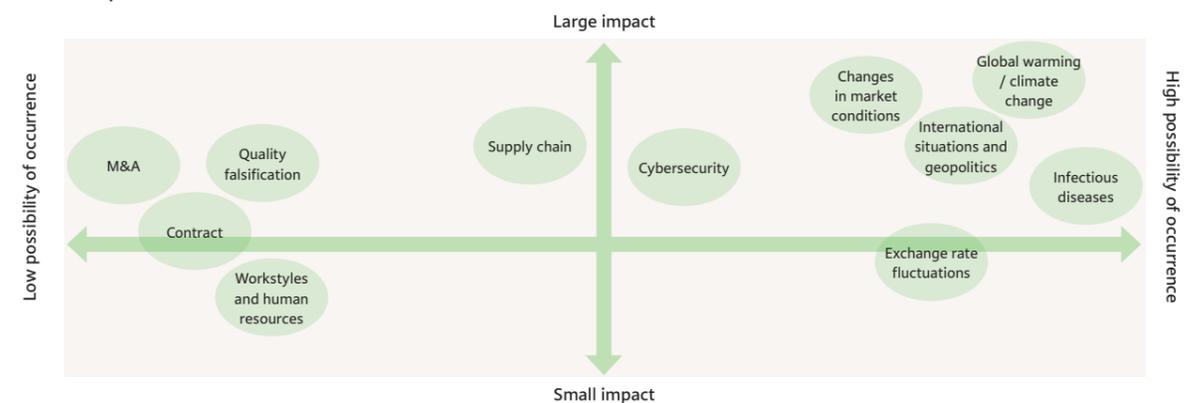
Main Risk Countermeasures

Risk Identification Process

Every three years, we conduct a Groupwide assessment of the risks surrounding the EBARA Group. The RMP takes on discussions regarding Groupwide risks, as necessary. Risk assessments, which span all Group companies, examine the possibility of identified risks materializing within the Group, their potential degree of impact and the residual risk following countermeasures. Then, we reevaluate risk response systems through

surveys and interviews with the relevant business and department managers, clarify the responsible departments, and implement measures. In the event of an urgent situation, we have taken measures to promptly allow for the creation of a task force headed by the President, Representative Executive Officer, so the entire Group can promptly report, communicate, and make decisions to address the situation.

Risk Map



Major Initiatives

We introduce some of the activities addressing important risks selected in the Groupwide risk assessment as follows.

● Strengthening BCM Activities

Collaboration with Group companies in each country has been strengthened after implementing response measures for the COVID-19 pandemic, and we have made progress in building a global BCM system. Previously, we mostly focused on preparation for earthquakes domestically. However, other natural disasters such as heavy rain, floods, and typhoons have caused increasingly severe damage in recent years, so we have been working to reduce such damage by setting up physical countermeasures such as sandbags and water bags, especially at our main bases and Group companies in Japan. We are also simultaneously working to raise awareness for disaster preparation and mitigation by distributing disaster preparation guides to every employee and putting disaster response posters up at bases.

We are taking measures to prepare for volcanic eruptions, including at Mt. Fuji. BCPs* are mainly developed for and by business segments, but going forward, we will further strengthen our global BCM system while also taking into account responses to geopolitical risks.

* Business Continuity Plan

● Strengthening Personal Information Protection

As global regulations for the protection of personal information are tightening, we have responded to both individual matters, strengthened the EBARA Group global protection system and revised the Group privacy policy. To accelerate global management with data, including the development of a human resources database, we will strengthen information security and personal information protections and minimize risks related to the global use of personal data.

● Introducing Global Insurance

We introduced global insurance in 2022 to further strengthen global risk management. Major Group companies take out insurance uniformly for property, liability, and logistics, and we transfer such risks after developing a Groupwide approach to natural disaster risks, contract risks, and more. We will continuously review the matters and eligibility in our global insurance and conduct efficient, effective risk management.

Compliance

Basic Approach

The EBARA Group strives to act as a good corporate citizen that earns the trust of stakeholders. For this reason, the EBARA Way and the EBARA Group Code of Conduct are shared among all employees to form a common identity and set of values. With this as the foundation, it is our basic policy to practice legal compliance along with faithful adherence to internal rules, social norms, and common sense and to act with good intentions and integrity. Our company policies, rules, and regulations relating to risk management, which are based on the principle of spreading compliance awareness, guide us in creating systems for detecting risks and preventing their realization and in establishing comfortable and open workplace environments.

- REFERENCE** EBARA Group Code of Conduct
<https://www.ebara.co.jp/en/sustainability/think/information/ebara-identity.html>
- REFERENCE** Compliance System
<https://www.ebara.co.jp/en/sustainability/governance/information/compliance.html>

Key Strategic Items and Progress

To ensure thorough compliance, the Company has established an external reporting hotline for overseas Group companies, has enhanced the EBARA Group Code of Conduct

training, has expanded the EBARA Group compliance liaison meetings both in Japan and overseas, and is strengthening the compliance liaison committee system.

| Priority Strategies | Principal Measures | Progress |
|---|---|---|
| Establish frameworks and implement measures for ensuring compliance | Implement Anti-Corruption Program across the Group | Reviewed revised regulations, updated the latest information on each country's laws and regulations, and provided training to those who should be aware of corruption risks (management, sales departments, etc.) |
| | Establish overseas EBARA Group hotlines | <ul style="list-style-type: none"> Expanded application of whistleblowing hotlines to overseas Group companies lacking external consultation venues (Total: 22 companies (2 new)) China: 10 companies Vietnam: 1 company Indonesia: 2 companies Thailand: 2 companies Philippines: 1 company Brazil: 1 company Colombia: 1 company Singapore: 1 company Mexico: 1 company Turkey: 2 companies (new) Processed 2 reports |
| | Entrench compliance awareness throughout the Group | <ul style="list-style-type: none"> EBARA Group Compliance Liaison Meetings are held twice a year (domestic Group companies and Chinese Group companies) or once a year (Thai and Vietnamese Group companies) to strengthen information transmission and sharing among Group companies. Conducted training sessions for all employees on the EBARA Way (participation rates of 99.8% at domestic Group companies and 93.5% at overseas Group companies) |
| Implement ongoing initiatives for improving the capability of Group companies to independently manage and improve compliance and risk mitigation activities | Prevent and quickly detect and address improper activities through swift response to consultations | <ul style="list-style-type: none"> Processed 39 reports Provided training and education to divisions and in-house companies deemed high-risk due to an increasing number of consultations |
| | Enhance compliance liaison member system to provide familiar workplace consultation venues | <ul style="list-style-type: none"> Trained 106 compliance liaison members (50 at EBARA CORPORATION, 56 at domestic Group companies) Strengthened collaboration with liaison committee members 1. Collaboration in handling consultation cases received through the consultation hotline 2. Provided various types of support such as consultation services to promote the resolution of consultation cases mainly by liaison committee members |
| Foster comfortable workplace environments founded on respect for human rights and diversity | Promote respect for human rights and diversity in workplaces through activities of specialized divisions and compliance liaison members | <ul style="list-style-type: none"> Continued operating under the EBARA Group Human Rights Policy and EBARA Group Human Rights Committee and made improvements to activities Posted human rights-related educational content on Company intranet (regarding Human Rights Week, requests for human rights slogans, educational materials, etc.) Continued to participate in Global Compact Network Japan, the Industrial Federation for Human Rights, Tokyo, and other external organizations |

Priority Strategies and Progress

Strengthening the Compliance Consultation System Across the Domestic and Overseas Group

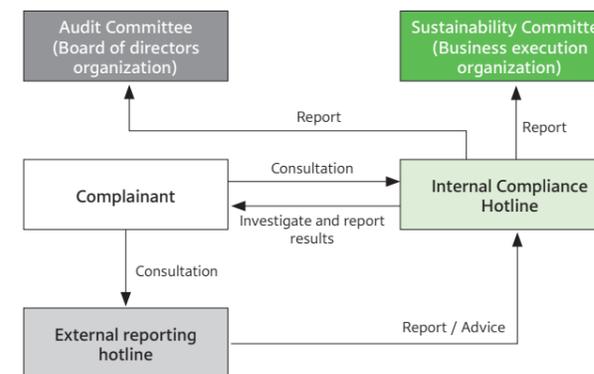
In Japan, compliance consultation hotlines have been installed at Group companies, and consultations are addressed by the site at which the consultation is received (the Company or Group company). The Company and Group companies with more than 300 employees have established a whistleblower reporting system in compliance with the revised Whistleblower Protection Act, and have provided education and awareness, including training by outside attorneys, to the Company's directors and Executive Officers. Other Group companies will also develop whistleblower reporting systems in compliance with the revised Whistleblower Protection Act, taking into consideration relevant circumstances.

At Group companies outside of Japan, we continue to reinforce overseas EBARA Group hotlines, which are designed to contribute to increasing transparency across Group companies; to bolster the internal whistleblowing hotlines of these companies; and to support healthy and autonomous operations.

Compliance Consultation Hotline Policies

1. Prevent improper activity from occurring
2. Quickly detect improper activity that may have occurred
3. Create comfortable workplace environments
4. Foster internal capabilities for resolving issues
5. Maintain the confidentiality of and protect those who consult

Domestic Compliance Consultation Flowchart



Consultations are accepted widely, from directors, employees and their families, temporary employees working in the Group, business partners, and others. After consultations are received, investigations are performed by internal compliance departments, and the appropriate response is taken based on these investigations. Matters pertaining to the operation of consultation hotlines are reported to the Sustainability Committee, which receives Director participation, on an annual basis to facilitate appropriate oversight.

Going forward, the Group will continue its efforts to track risk information as promptly as possible and to prevent the occurrence or spread of damages. Particularly, we will focus on internally correcting potential legal violations.

Domestic Compliance Reporting Hotline Status

32 investigations were completed during the fiscal year ended December 31, 2022. Of these, there were 5 consultations regarding workplace environment or other issues, 8 consultations regarding inappropriate behavior, 2 consultations regarding fraud and violations, 7 consultations regarding harassment claims, and 10 miscellaneous consultations.

Expansion of Overseas EBARA Group Hotlines

The number of companies with access to overseas EBARA Group hotlines increased to 22 in fiscal 2022. In the same year, consultations processed through overseas EBARA Group hotlines accounted for 2 out of 39 overall consultations, and 0 out of 38 in fiscal 2021. Going forward, we will continue preparations to expand the international hotline to all overseas EBARA Group companies.

Number of Overseas EBARA Group Hotlines

| | 2017 /3 | 2017 /12 | 2018/ 12 | 2019/ 12 | 2020/ 12 | 2021/ 12 | 2022/ 12 |
|---|---------|----------|----------|----------|----------|----------|----------|
| Total number of Group companies with hotline access | 7 | 10 | 15 | 17 | 19 | 20 | 22 |

Globalization of the Compliance Liaison Meetings

Through collaboration between the Company and overseas Group companies, we hold compliance liaison meetings to ensure thorough compliance and establishment of a system to handle compliance issues as a Group. In fiscal 2022, we held compliance liaison meetings at 11 Group companies in China and 3 Group companies in Southeast Asia, and these meetings covered a broad range of topics including anti-corruption, protection of personal information, and security trade control. Participants included representatives from corporate departments and the in-house companies in charge of Group companies, and a wide range of compliance information was shared. In fiscal 2023, we have compliance liaison meetings planned with 10 subsidiaries in China, and 6 overseas Group companies outside of China.

Preventing Corruption

We operate the Anti-Corruption Program both domestically and overseas and are continuing to expand its scope. We will review the global anti-corruption program, referring to corruption risk indicators and other issues, in order to make updates that keep the activities fresh and relevant. At the same time, we will review our Code of Conduct and update it with the latest anti-corruption laws and regulations in each country.

- REFERENCE** EBARA Group Anti-Corruption
<https://www.ebara.com/en/sustainability/governance/information/anti-corruption.html>

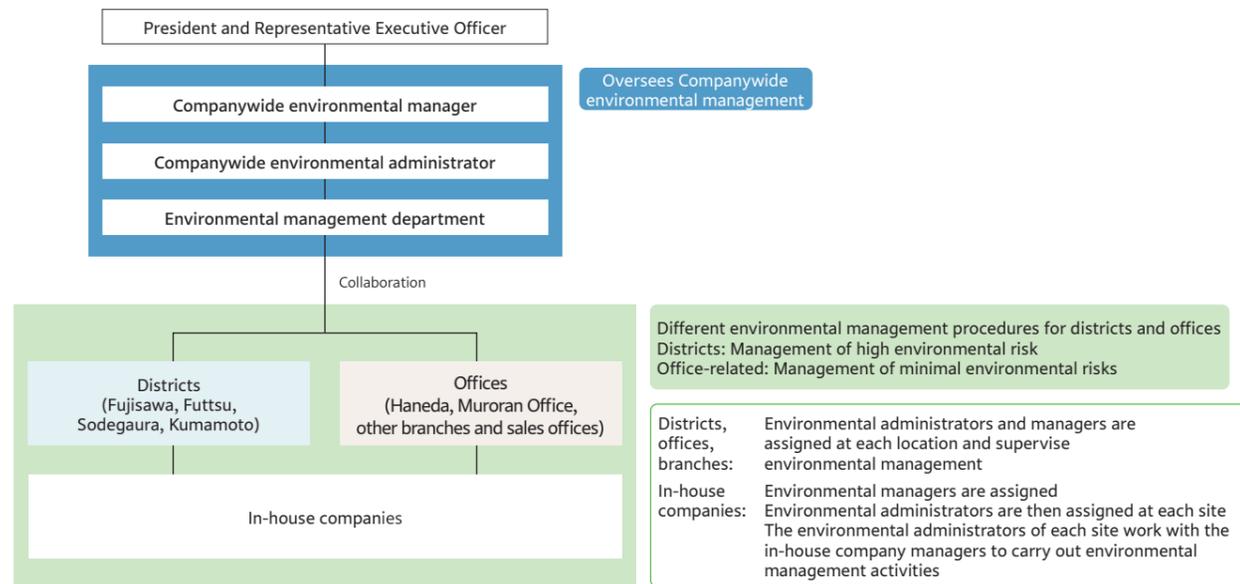
Environmental Management

Environmental Management System

In 2017, EBARA CORPORATION switched its environmental management system to a unified Companywide system. After the reorganization of the in-house companies and the varied efforts to achieve our environmental targets for 2030 at business bases such as plants, offices, and branches, we will shift to a system that focuses on on-site environmental management in 2023. Each business or branch office has an assigned on-site environmental manager, and each in-house

company is responsible for conducting environmental activities in cooperation with their environmental manager. We create an action plan for each site that determines specific activities based on its particular conditions and implements environmental management activities aimed at achieving our environmental goals for 2030, complying with laws and regulations, and preventing environmental accidents.

Environmental Management Organization Chart



2030 Environmental Targets

We have formulated the EBARA Group 2030 Environmental Targets to enable the Group to conduct manufacturing in a way that gives maximum consideration to reducing environmental impact, and these targets establish our vision for the environment for the year 2030.

2030 Environmental Targets

| 2030 Performance Targets | 2022/12 Results | 2022/12 Achievements | Future Initiatives |
|---|--|--|--|
| Reduce Scope 1 & 2 GHG emissions by 55%* from FY2018 levels * Changed from 26% in FY2022 | Down 1.6% compared to FY2018 | Energy-efficient operation of facilities, expanded procurement of low-CO ₂ electricity, introduction of solar power generation facilities | <ul style="list-style-type: none"> Timely upgrades of facilities with high energy consumption, such as industrial furnaces and transforming equipment Expanding electrification and low-carbon procurement of electricity Expanding installation of solar power generation equipment Utilization of carbon pricing |
| Continuously lower water consumption rate | 2022: Improved from previous year with revenue per unit of production at 0.160 km ³ | Water reuse in ultrapure water production, use of rainwater, identification of points of leakage and countermeasures based on water consumption monitoring results | <ul style="list-style-type: none"> Implementation of measures for industrial water recycling and against water leakage Promotion of water conservation by updating water usage equipment and revising water usage processes |
| Maintain a waste recycling rate of 95% or more domestically | Achieved 97.5% in Japan, exceeding the target | <ul style="list-style-type: none"> Promote visualization of the amount of reusable waste through thorough waste separation Investigate the status of waste plastic amounts Revise waste management indicators | <ul style="list-style-type: none"> Improvement of the recycling rate by thoroughly separating waste and reviewing waste processing contractors Confirmation of the effectiveness of waste management indicators |

Environmental Management Initiatives

Water Risks

We face the risk of operations being affected by water resource shortages stemming from climate change. Therefore, we must use water efficiently, and we must understand what water usage is appropriate for business activities. To understand water stress in areas where we operate, we used AQUEDUCT, a tool made available by the World Resources Institute, which provides global maps and information demonstrating water risks around the world. We

found that ten of our bases were located in high-risk areas, and the water intake was 214 km³, accounting for 20% of the Company's total water intake. Going forward, we will examine the local water supply and drainage management at bases located in such high-risk areas, seek to understand the risks associated with water intake and discharge systems, and then implement measures to reduce risks.

Acquisition of ISO 14001 Certification

As a part of our efforts to tackle the material issue identified in E-Vision 2030, comprehensive environmental management, we are working to obtain ISO 14001 certification for Group companies with manufacturing and maintenance plants. As of May 2023, 8 domestic and 25 overseas Group companies have received ISO 14001 certification. We plan to

acquire ISO 14001 certification at all Group companies with manufacturing and maintenance plants by 2024. In addition, for new companies joining the EBARA Group, we will confirm their current environmental management, and we will create and implement plans to obtain ISO 14001 certification for companies that do not currently possess it.

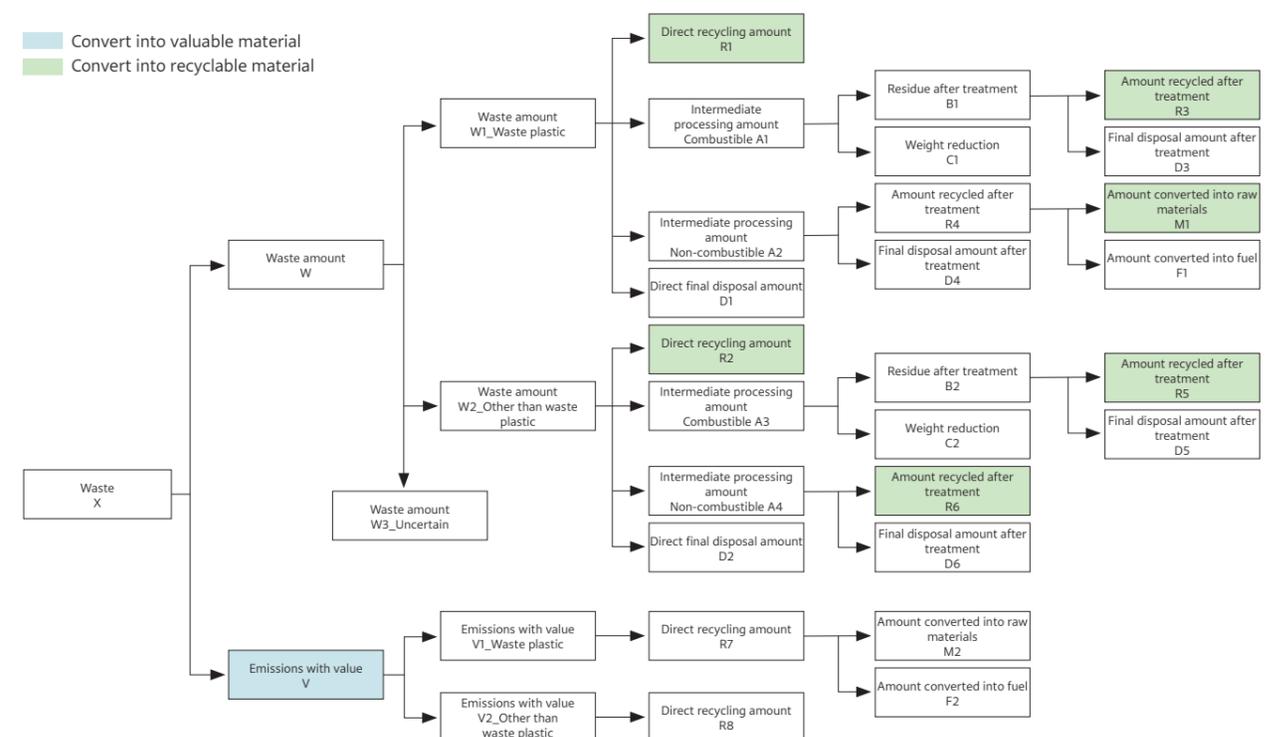
Complying with the Plastic Resource Circulation Act

In Japan, the Plastic Resource Circulation Act began being enforced in April 2022, and EBARA conducted a survey of its actual plastic waste accordingly. Our main types of waste plastic are those from packaging materials used in logistics, cushioning materials, resins used in product manufacturing, packing scraps, and other consumer goods and stationery used in our offices. The amount of waste plastic discharged by EBARA as a whole in fiscal 2021 was approximately 445

tons, classifying us as a business emitting a large volume of waste. To reduce emissions and increase recycling resources, we will organize the flow of waste, including waste plastic, and engage in the following activities.

- Shift from waste matter to waste with value
- Discharge waste that can be recycled at disposal contractors
- Confirm the quantities of each item in the flow of waste and establish management indicators

Flow of Waste



We will co-create value for society, which starts with our stakeholders

Targets of E-Vision 2030 and Strategies of E-Plan 2025

Targets of E-Vision 2030

Address E-Vision 2030 Material Issues: 1. Contribute to the creation of a sustainable society, 2. Elevate standards of living and support abundant lifestyles for all, and 4. Promote working environments that encourage challenge

Basic Policies of E-Plan 2025

5. Advance ESG-Focused Management

In addition to strongly supporting our target market-based structure while ensuring integrated Group management, we will implement advanced ESG management to realize a sustainable society, increase awareness and presence of the EBARA brand both inside and outside the Company. We will also create systems to strengthen foundational technologies and create new businesses to continuously improve our competitiveness and advance the sophistication and efficiency of management infrastructure, including that of manufacturing.

[Reference Stakeholder Engagement Overview](https://www.ebara.co.jp/en/sustainability/think/information/stakeholders.html)

Collaborative Value Creation with Suppliers

Human Rights Due Diligence for Suppliers

In conducting human rights due diligence, we communicate about the activities conducted by suppliers—our important partners—the challenges they face and consider how the EBARA Group should address them. To this end, we conduct CSR procurement surveys for our major domestic and overseas business partners that include human rights questions. In 2022, we received responses from a total of 1,240 domestic and overseas business partners and were able to confirm that there were generally no issues. We conduct detailed interviews, including on-site visits, with suppliers that are considered to have a high potential for risk, and ask them to deepen their understanding of the EBARA Group’s procurement policies. We will continuously monitor risks hidden in the supply chain and promote appropriate procurement while reaffirming the importance of CSR procurement and human rights due diligence with our partners.

Dialogue with Shareholders and Other Investors

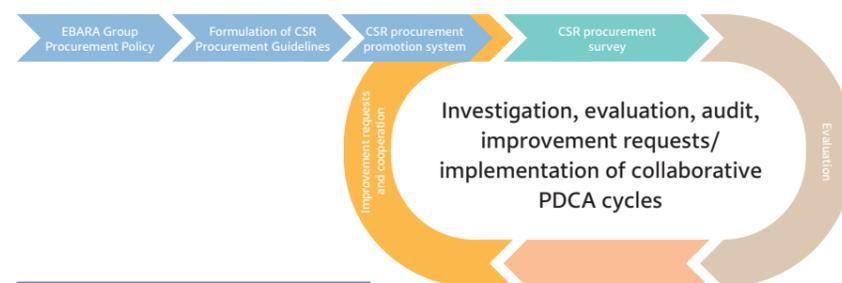
The EBARA Group recognizes the development of long-term trusting relationships with shareholders and other investors as one of its most important management tasks. The EBARA Group appropriately discloses corporate information necessary for shareholders and other investors to make investment decisions and strives to further strengthen its trusting relationships with these stakeholders on a continuous basis by engaging in IR activities for enhancing its corporate value through constructive dialogue.

Status of IR and SR Activities

| | 2020 | 2021 | 2022 |
|--|------|------|------|
| Individual IR interviews | 223 | 255 | 269 |
| Of which, ESG interviews | 4 | 6 | 4 |
| Conferences and interviews sponsored by securities companies | 40 | 38 | 50 |
| Management meetings | 0 | 2 | 1 |
| IR Day | 0 | 1 | 1 |
| ESG briefings | 1 | 1 | 1 |
| Briefings for individual investors sponsored by securities companies | 0 | 2 | 4 |
| Briefings for individual shareholders | 0 | 0 | 1 |

[Reference IR Basic Policy](https://www.ebara.co.jp/en/ir/business/information/ir-basic-policy.html)

EBARA Group PDCA Cycle for CSR Procurement



[Reference Supply Chain Management](https://www.ebara.com/en/sustainability/social/information/supply-chain.html)

EBARA Group Human Rights Policy

EBARA Group Human Rights Policy

The EBARA Group respects human rights and the diversity of stakeholders as stipulated in the EBARA Group CSR Policy. We have declared our support for and are a signatory of the United Nations Global Compact, and we observe the principles of the International Bill of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

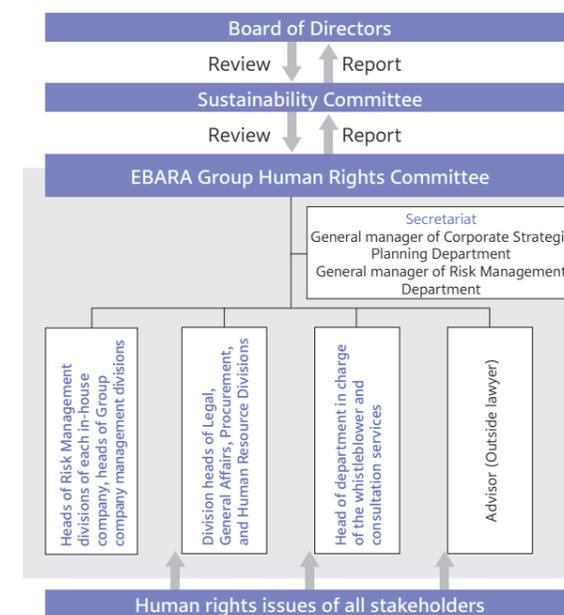
[Reference EBARA Group Human Rights Policy](https://www.ebara.co.jp/en/sustainability/social/information/respect.html)

Human Rights Management System

We have established the EBARA Group Human Rights Committee to continuously improve our human rights management system in accordance with our human rights policy. The committee operates with the recognition that respecting the human rights of stakeholders involved in our business activities is fundamental.

In 2022, the EBARA Group Human Rights Committee met in February and August. The EBARA Group Human Rights Committee reported its activities to the Board of Directors at the Sustainability Committee meeting held in December.

EBARA Group Human Rights Committee



Human Rights Grievance Mechanisms

At domestic Group companies, the compliance consultation hotlines accept and handle complaints, including those related to human rights. Overseas Group companies have also established hotlines to receive and respond to complaints, including human rights complaints. In accordance with the Whistleblower Protection Act revised in June 2022, the Internal Compliance Hotline responds to complaints and consultations regarding human rights in accordance with the Act.

Initiatives and Results from 2020 to 2022

| | |
|---|--|
| External Dialogues | <p>The EBARA Group Human Rights Committee conducts dialogues with external human rights experts to expand the scope of awareness around human rights issues and improve the Group’s human rights management.</p> <p>2022 Dialogue with experts who have knowledge around issues related to foreign technical trainees and foreign workers.</p> <p>2021 Dialogue with NPOs that support water supplies in developing countries.</p> <p>2020 Dialogue with institutional investors about their perspectives on human rights.</p> |
| Improving Human Rights Due Diligence (DD) | <p>The EBARA Group Human Rights Committee believes it is crucial to the healthy business operations of the Group that its employees and suppliers act with respect for human rights, and therefore, conduct human rights due diligence.</p> <p>Human rights due diligence with employees: Through the annual global engagement surveys conducted by the Human Resources Department targeting Group employees, we monitor approximately 60 organizations, with particular focus on the common human rights issues across the Group such as workplace fairness and equity, discrimination, and occupational safety and health. The EBARA Group Human Rights Committee instructs companies who have low engagement scores to formulate human rights action plans, and then such companies implement measures for improvement. The results of these activities are then evaluated based on the scores from the following year’s engagement survey. Seven organizations with low survey scores in 2021 implemented action plans, and two organizations achieved higher scores in 2022. The five organizations that did not meet the criteria are continuing to implement improvement measures. We will continue to conduct human rights DD with employees.</p> <p>Human rights due diligence with suppliers: The Procurement Department conducted CSR procurement surveys among the Group’s primary suppliers across the world to encourage them to understand and put EBARA’s CSR Procurement Guidelines into practice, which stipulate respect for human rights. The survey includes questions regarding human rights, such as if suppliers are working to prevent child labor, forced labor, and discrimination, and if the work environment is appropriate, and we will promote sound supply chain management through monitoring responses.</p> |

Future Challenges

The Human Rights Committee is currently examining the ideal form of a grievance mechanism for the EBARA Group. Although we believe that we are responding appropriately to inquiries through our website as well as human rights issues through our whistleblower service, we are considering ways to provide solutions from a more objective standpoint.

Dialogue with the Chairman of the Board of Directors and Stakeholders



The following is based on “Ebara’s Corporate Governance Evolving to a New Phase: Governance to Value,” a small meeting with institutional investors held online on April 25, 2023 (sponsored by Mizuho Securities Co., Ltd.), and includes questions from analysts and investors and answers from Hiroshi Oeda, Chairman of the Board.

01 Formulation of E-Plan 2025, the New Medium-term Management Plan

Q: How did the Board of Directors’ supervisory functions work during the formulation of the new medium-term management plan?

Oeda: Every month, the Board of Directors took the necessary time to deliberate the content of the medium-term management plan from a macro level down to the individual specifics. One matter was the introduction of the target market-based structure. During the discussions of how to restructure the business from a product-out perspective to a target-market based one, an Independent Director offered the opinion that sales skills that add value to products are extremely important. This is one example of the types of discussions we had when creating the new target market-based structure.

For creating a target market-based structure, we considered what organizational shape would be most optimal. After deliberating on the many options such as whether we should shift to a holding company system or keep the current in-house company system, we eventually determined that we would reorganize based on the current structure.

Another matter was that although each of the Company’s business units has a strong level of independence, lateral power is weak. The discussion brought up the opinion that we need to work horizontally across organizational boundaries, so we introduced the CxO system. We will take advantage of the CxO system to balance centrifugal force and centripetal force throughout the Group.

Q: How do you assess the validity of the net sales and profit targets of E-Plan 2025?

Oeda: We sufficiently deliberated over the net sales and profit targets. It was challenging to create a medium-term management plan due to the rapid growth of EBARA’s net sales and profits over the past two years. We needed to classify such unprecedented rapid changes to our earnings as factors that will continue into the future, temporary factors, factors stemming from improvements in EBARA’s capabilities, and factors from changes in the market environment. The net sales and profit targets for E-Plan 2025 shouldn’t be too low or too high. EBARA’s executives gave explanations, and we judged the targets’ appropriateness

from a macro perspective in consideration of potential future market trends.

We concluded that the executives created their figures by carefully considering future changes in the market environment and other factors. E-Plan 2025 places significant focus on strategically investing to strengthen EBARA’s profit foundation over the three years of the plan. Although there will be a short-term impact on earnings, we determined that we should make solid strategic investments now and agreed with the executives’ plan.

Q: What is your response to opinions that the ROE and ROIC targets are too conservative?

Oeda: ROE and ROIC were also deliberated on by the Board of Directors. At present, ROE and ROIC are at relatively high levels. Therefore, we thought it would be appropriate to set the targets for E-Plan 2025 to maintain the status quo, but with something extra. In general, we aim to improve on the current situation when formulating a plan, but because we have already increased ROE and ROIC over the past three years, we plan to maintain this growth and expand it further when the opportunity arises. The Board of Directors agreed with this thought process.

02 Governance to Value (G to V)

Q: What is your opinion on the role and responsibility of a director regarding appropriate risk-taking?

Oeda: The executive side is taking risks such as in expanding into new businesses. On the other hand, the Board of Directors is often expected to put on the brakes, but that’s not the whole picture. The Board of Directors appropriately discusses the strategies and policies that the executive intends to implement, with a certain degree of risk-taking allowed. In the current era, business won’t expand if you don’t take a certain number of risks. We need to both encourage the executive side as well as supervise it, and this is really expressed by the phrase, “support appropriate risk-taking.”

Q: What are the key parts that are difficult in increasing corporate value with governance at the center?

Oeda: Governance to Value is easy to talk about, but there are many difficulties to it. While it is the executive side that raises revenue, the role of the Board of Directors is to cooperate with the executive team to consider medium- to long-term measures to achieve this. We will also consider ESG matters such as sustainability, diversity, and human resource development together with the executive team. The Board of Directors and the three committees will fulfill their supervisory functions for implementing governance, including preventing scandals and other incidents. We believe that these activities will eventually contribute to profits, which will also lead to enhanced corporate value.

Q: Would you say the collaboration between the Board of Directors and the executive team is strong in terms of governance, such as in information sharing, connection with regional sites, and on-site compliance management?

Oeda: Yes. For example, when a problem is discussed within the Group, the executive side first investigates and then the Board of Directors receives a report of the results of the investigation. As a result of the Board of Directors discussions, we sometimes determine that an additional investigation is necessary, set up a subcommittee within the Board, and conduct an objective investigation with an Independent Director serving as the chairperson. During such investigations, the subcommittee might recommend measures to improve governance or prevent recurrence to the executive team, and may also confirm whether field reports are being properly received by the president. I believe that the Board of Directors is highly effective because of the prompt action it takes when necessary when a problem occurs.

Q: Sakon Uda, the former Chairman of the Board of Directors, contributed greatly to EBARA’s reputation in the market as a company with advanced governance. Have there been any changes at EBARA since he retired?

Oeda: EBARA’s governance has reached the level of advancement because our predecessors conducted governance reforms with a sense of urgency, and presently, we are continuing to steadily advance governance reforms with our current diverse Board members. The succession plan for directors is an important theme for the Nomination Committee, and I believe that it’s going well. The newly appointed Board members have been actively speaking and contributing in their first year. EBARA has the knowledge that we have gained over the years, and I believe that we have a system in place that will allow us to continue to evolve.

Q: How does the Board of Directors view ESG evaluations?

Oeda: The Board of Directors recognizes that ESG is an extremely important issue, and is regularly discussed at meetings. There are many ways to promote and ensure every aspect of diversity, including gender equality, at the same time, and looking at the current state of EBARA, we see available ways to prioritize the promotion of women’s activities. Although the ultimate goal is the same, the Board of Directors is currently discussing issues such as how to prioritize ESG matters and the optimal processes for doing so.

Meeting Conclusion

Reflecting on the Dialogue and the Future of the Board of Directors

The Company has been conducting annual effectiveness evaluations of the Board of Directors since 2015, and there were opinions such as “The Board should further deepen discussion on EBARA’s medium- to long-term issues” in the interview portion of such evaluations. Accordingly, last year (fiscal 2022), we incorporated the long-term management vision and the medium-term management plan embodying the vision into the Board’s agenda, and over the course of the year, held the relevant discussions at almost every meeting of the Board, and used this time to discuss various perspectives.

With the start of the new medium-term management plan, E-Plan 2025, I had a good opportunity to share the details of our Board discussions with investors. On the day of the dialogue, we received many questions and opinions from the participants regarding the role of the Board, management, effectiveness evaluations, and more, and we felt a high level of interest. It was reassuring to have such a positive reaction, as well as the opportunity to deepen understanding of the discussions happening at the Board of Directors meetings.

EBARA’s Board of Directors will continue to move forward with the aim of achieving Governance to Value. In addition, as a member of the Board, I will work to support the steady implementation of the new medium-term management plan, E-Plan 2025.

I believe that the Board of Directors, in addition to executive officers and IR staff, should deepen direct dialogue with institutional investors, our stakeholders, on a variety of topics, and I would like to increase the number of opportunities for information sessions and other events.

Hiroshi Oeda

Independent Director
Chairman of the Board of Directors



Directors

(As of March 29, 2023)



Tsuyoshi Numagami ●
Member of
the Audit Committee

Junko Nishiyama ●
Member of
the Compensation
Committee

Akihiko Nagamine ●
Member of
the Audit
Committee

Hiroshi Oeda ●
Chairman of
the Board of
Directors,
Member of
the Nomination
Committee

Mie Fujimoto ●
Chairperson of
the Compensation
Committee

Toichi Maeda ●
Member of
the Nomination
Committee

Masao Asami ●
President and
Representative
Executive Officer
CEO & COO

Hajime Sawabe ●
Lead Independent
Director,
Chairperson of
the Nomination
Committee

Hisae Kitayama ●
Chairperson of
the Audit Committee

Teiji Koge ●
Member of
the Nomination
Committee

Takuya Shimamura ●
Member of
the Compensation
Committee

● Independent Director

Biographies of Directors

(As of March 29, 2023)

Toichi Maeda

Director,
Member of
the Nomination Committee



Number of shares held
34,018

Apr. 1981 Joined the Company
Apr. 2007 Executive Officer
Apr. 2010 Managing Executive Officer
Apr. 2011 Head of Business Unit, Custom Pump Business Unit, Fluid Machinery & Systems Company
Jun. 2011 Director
Apr. 2012 President, Fluid Machinery & Systems Company
Apr. 2013 President and Representative Director
Jun. 2015 President and Representative Executive Officer
Mar. 2019 Director, Chairman of the Company (to present)
Member of the Nomination Committee (to present)

Hajime Sawabe

Independent Director,
Lead Independent Director,
Chairperson of
the Nomination Committee



Number of shares held
2,419

Apr. 1964 Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)
Jun. 1996 Director, Executive Vice President of Recording Device Business, TDK Corporation
Jun. 1998 President & Representative Director, TDK Corporation
Jun. 2006 Chairman & Representative Director, TDK Corporation
Mar. 2008 Outside Director, Asahi Glass Co., Ltd. (currently AGC Inc.)
Jun. 2008 Outside Director, TEIJIN LIMITED
Outside Director, Nomura Securities Co., Ltd.
Jun. 2009 Outside Director, Nomura Holdings, Inc.
Mar. 2011 Outside Audit & Supervisory Board Member, Nikkei Inc.
Jun. 2011 Director, Chairman of the Board & Directors, TDK Corporation
Oct. 2011 Councilor, Waseda University
Apr. 2012 Executive Advisor, Japan Management Association
Jun. 2012 Executive Advisor, TDK Corporation
Jul. 2014 Vice President, Board of Trustees, Waseda University
Jun. 2015 Outside Director, Japan Display Inc.
Director of EBARA CORPORATION (to present)
Member of the Compensation Committee of EBARA CORPORATION
Jul. 2018 President, Board of Trustees, Waseda University
Apr. 2019 Adviser of the Executive Board, Value Creation 21 (to present)
Mar. 2020 Chairperson of the Compensation Committee of EBARA CORPORATION
Jun. 2021 Outside Director, Tokyo Broadcasting System Holdings, Inc. (to present)
Mar. 2022 Lead Independent Director (to Present)
Chairperson of the Nomination Committee of EBARA CORPORATION (to present)

Masao Asami

Director,
President and Representative
Executive Officer, CEO & COO



Number of shares held
29,135

Apr. 1986 Joined the Company
Apr. 2010 Executive Officer
Apr. 2011 Division Executive, Sales and Marketing Division, Precision Machinery Company
Apr. 2014 Managing Executive Officer
Jun. 2015 Managing Executive Officer
Apr. 2016 President, Precision Machinery Company
Mar. 2019 Director (to present)
President and Representative Executive Officer (to present)
Jan. 2023 CEO & COO (to present)

Hiroshi Oeda

Independent Director,
Chairman of
the Board of Directors,
Member of
the Nomination Committee



Number of shares held
2,419

Apr. 1980 Joined Nisshin Flour Milling Inc. (currently Nisshin Seifun Group Inc.)
Jun. 2009 Director, Nisshin Seifun Group Inc.
Apr. 2011 Director and President, Nisshin Seifun Group Inc.
Apr. 2015 Member of Management Council, Hitotsubashi University
Apr. 2017 Director and Executive Advisor, Nisshin Seifun Group Inc.
Jun. 2017 Corporate Special Advisor, Nisshin Seifun Group Inc. (to present)
President, Seifun Kaikan Inc.
Dec. 2017 Member, the Japanese National Commission for UNESCO
Mar. 2018 Director of EBARA CORPORATION (to present)
Member of the Nomination Committee of EBARA CORPORATION
Outside Director, SEKISUI CHEMICAL CO., LTD. (to present)
Jun. 2018 Chairperson of the Nomination Committee of EBARA CORPORATION
Mar. 2019 President, Hitotsubashi University Koenkai (to present)
Jun. 2019 Lead Independent Director of EBARA CORPORATION
Mar. 2020 Chairman of the Board of Directors of EBARA CORPORATION (to present)
Mar. 2022 Member of the Nomination Committee of EBARA CORPORATION (to present)

Junko Nishiyama

Independent Director,
Member of
the Compensation Committee



Number of shares held
2,119

Apr. 1979 Joined Lion Fat & Oil Co., Ltd. (currently Lion Corporation)
Mar. 2006 Director, Finished Product Department, Purchasing Headquarters, Lion Corporation
Mar. 2007 Director, Finished Product Purchasing, Production Coordinating Department No. 2, Production Headquarters, Lion Corporation
Jan. 2009 Director, Packaging Engineering Research Laboratories, Research & Development, Headquarters, Lion Corporation
Jan. 2014 Director, CSR Promotion Department, Lion Corporation
Mar. 2015 Audit & Supervisory Board Member, Lion Corporation
Mar. 2019 Advisor, Lion Corporation Director
Director of EBARA CORPORATION (to present)
Member of the Audit Committee of EBARA CORPORATION
Jun. 2019 Outside Director, JACCS CO., LTD. (to present)
Jun. 2020 Outside Auditor, TODA CORPORATION (to present)
Mar. 2021 Member of the Compensation Committee of EBARA CORPORATION (to present)

Mie Fujimoto

Independent Director,
Chairperson of
the Compensation Committee



Number of shares held
1,819

Apr. 1993 Registered as an attorney (to present)
Joined New Tokyo Sogoh Law Office
Jun. 2009 Outside Corporate Auditor, Kuraray Co., Ltd.
Apr. 2015 Joined TMI Associates (to present)
Jun. 2015 Outside Audit & Supervisory Board Member, SEIKAGAKU CORPORATION (to present)
Jun. 2016 Outside Audit & Supervisory Board Member, Tokyo Broadcasting System Holdings, Inc. (Outside Audit & Supervisory Board Member, Tokyo Broadcasting System Television, Inc.) (to present)
Mar. 2019 Outside Director, Kuraray Co., Ltd.
Mar. 2020 Director of EBARA CORPORATION (to present)
Member of the Compensation Committee of EBARA CORPORATION
Mar. 2022 Chairperson of the Compensation Committee of EBARA CORPORATION (to present)

Akihiko Nagamine

Director,
Member of
the Audit Committee



Number of shares held
14,952

Apr. 1982 Joined EBARA DENSAN LTD.
Jun. 2006 Director, EBARA DENSAN LTD.
Jul. 2010 Joined the Company as General Manager, Investment and Affiliates Supervision Department, Finance & Corporate Accounting Division
Apr. 2014 Division Executive, Finance & Accounting Division
Apr. 2015 Executive Officer
Jun. 2015 Executive Officer
Responsible for Finance & Accounting, Group Management, and Internal Control
Mar. 2021 Director (to present)
Member of the Audit Committee (to present)

Teiji Koge

Independent Director
Member of
the Nomination Committee



Number of shares held
0

Apr. 1976 Joined SEKISUI CHEMICAL CO., LTD
Jun. 2005 Director, SEKISUI CHEMICAL CO., LTD
President of Nagoya Sekisui Heim Co., Ltd.
Oct. 2005 Director, Head of President's Office of Housing Company, SEKISUI CHEMICAL CO., LTD.
Apr. 2006 Director, Head of Planning & Control Department of Housing Company, SEKISUI CHEMICAL CO., LTD.
Apr. 2007 Director, Head of Housing Division and Planning & Control Department of Housing Company, SEKISUI CHEMICAL CO., LTD.
Jul. 2007 Director, Responsible for Sales Department, Head of Housing Division of Housing Company, SEKISUI CHEMICAL CO., LTD.
Feb. 2008 Director, President of Housing Company, Responsible for Sales Department, Head of Housing Division, SEKISUI CHEMICAL CO., LTD.
Apr. 2008 Director, Managing Executive Officer, President of Housing Company, SEKISUI CHEMICAL CO., LTD.
Apr. 2009 Director, Senior Managing Executive Officer, President of Housing Company, SEKISUI CHEMICAL CO., LTD.
Mar. 2014 Director, Senior Managing Executive Officer, and Head of CSR Department and Corporate Communications Department, SEKISUI CHEMICAL CO., LTD.
Mar. 2015 President and Representative Director, and Chief Executive Officer, SEKISUI CHEMICAL CO., LTD.
Mar. 2020 Chairman of the Board and Representative Directors, SEKISUI CHEMICAL CO., LTD.
Jun. 2022 Director and Chairperson, SEKISUI CHEMICAL CO., LTD. (to present)
Mar. 2023 Director of the Company (to present)
Member of the Nomination Committee of the Company (to present)

Hisae Kitayama

Independent Director,
Chairperson of
the Audit Committee



Number of shares held
1,319

Oct. 1982 Joined Asahi Accounting Company (Currently KPMG AZSA LLC)
Mar. 1986 Registered as Certified Public Accountant
May 1999 Partner, Asahi Accounting Company (Currently KPMG AZSA LLC)
Jul. 2013 Managing Executive Director, KPMG AZSA LLC
Jun. 2019 Chairman, Kinki Chapter of Japanese Institute of Certified Public Accountants (to present)
Jul. 2019 Deputy Chairman, Japanese Institute of Certified Public Accountants (to present)
Senior Executive Director, KPMG AZSA LLC
Jun. 2020 Outside Director, Tsubakimoto Chain Co. (to present)
Jul. 2020 Representative, Kitayama Public Accounting Office (to present)
Mar. 2021 Director of EBARA CORPORATION (to present)
Member of the Audit Committee of EBARA CORPORATION (to present)
Apr. 2021 Specially Appointed Professor, Graduate School of UNIVERSITY OF HYOGO (to present)
Jun. 2022 Outside Audit & Supervisory Board Member, Daicel Corporation (to present)
Mar. 2023 Chairperson of the Audit Committee of the Company (to present)

Takuya Shimamura

Independent Director,
Member of
the Compensation Committee



Number of shares held
599

Apr. 1980 Joined Asahi Glass Co., Ltd. (currently AGC Inc.)
Jan. 2009 Executive Officer and GM of Planning & Coordination Office, Chemicals Company, AGC Inc.
Jan. 2010 Executive Officer and President of Chemicals Company, AGC Inc.
Jan. 2013 Senior Executive Officer and President of Electronics Company, AGC Inc.
Jan. 2015 President & CEO, AGC Inc.
Mar. 2015 Representative Director and President & CEO, AGC Inc.
Jan. 2021 Chairman & Representative Director, AGC Inc.
Mar. 2021 Director and Chairman, AGC Inc. (to present)
Mar. 2022 Director of EBARA CORPORATION (to present)
Member of the Compensation Committee of EBARA CORPORATION (to present)
Jun. 2022 Outside Audit & Supervisory Board Member, JFE Holdings, Inc. (to present)

Tsuyoshi Numagami

Independent Director
Member of
the Audit Committee



Number of shares held
0

Apr. 2000 Professor, Graduate School of Commerce and Management, HITOTSUBASHI UNIVERSITY
Jan. 2011 Dean of Graduate School, Graduate School of Commerce and Management, HITOTSUBASHI UNIVERSITY
Dec. 2014 Board Member and Executive Vice President, HITOTSUBASHI UNIVERSITY
Apr. 2018 Professor, Graduate School of Business Administration, HITOTSUBASHI UNIVERSITY
Jun. 2018 Outside Audit & Supervisory Board Member, JFE Holdings, Inc. (to present)
Apr. 2021 Professor, Tokyo Tech Academy of Energy and Informatics, Tokyo Institute of Technology
Oct. 2021 President of Academy of Management Development, Japan Productivity Center (to present)
Jun. 2022 Outside Director, Tokyo Century Corporation (to present)
Mar. 2023 Director of the Company (to present)
Member of the Audit Committee of the Company (to present)

Roles and Composition of the Board of Directors

EBARA has adopted the Company with a Nomination Committee, etc. structure to ensure clear separation of supervision and business execution, and we believe that the Board of Directors adequately serves as a monitoring board. Furthermore, we will realize continuous improvement of corporate value entrusted to us by our shareholders through the implementation of efficient, effective corporate governance.

The Board of Directors recognizes the following three points as its main roles and responsibilities and considers the perspectives of all stakeholders: support appropriate risk-taking both offensively and defensively to continuously improve corporate value; determine the major direction for items such as corporate strategy and ESG management from a medium- to long-term perspective; and provide highly effective supervision of business execution from an independent, objective standpoint.

REFERENCE The Group has established and explains its basic approach to corporate governance in the Corporate Governance Basic Policy.

<https://www.ebara.com/en/ir/governance/information/Basic-Policy-and-Framework.html>

To ensure the Board of Directors effectively fulfills its roles and responsibilities, the Company shall make up the Board with directors of sufficient knowledge and experience inside and outside the Company in areas related to business management. To this end, the Company first clearly defines in its basic policy the roles and qualifications required of directors by attribute and position. Then, the Company defines the following areas it considers important from the perspective of corporate management, and requires individual directors to collectively have sufficient knowledge and experience in these specific areas: “legal affairs and risk management,” “personnel and human resource development,” “finance, accounting, and capital policy,” “auditing,” “corporate management and management strategy,” “technology R&D and innovation,” “the environment,” “social,” and “internal control and governance.” The Nominating Committee selects candidates for the Board of Directors after confirming that they have met the Company’s qualification requirements, and have knowledge and experiences in several of the areas mentioned above. The composition of the Board of Directors elected for fiscal 2023, remains highly independent and diverse, with eight of the 11 directors being Independent Directors, three of whom are women.

REFERENCE Notice of the 158th Ordinary General Meeting of Shareholders, pages 4-20
Reasons for the selection of individual Directors can be found in the proposal for the election of Directors contained in the Notice of the 158th Ordinary General Meeting of Shareholders.

https://www.ebara.co.jp/en/ir/stock/shareholdersmeeting/_icsFiles/afiefield/2023/03/13/E6361_158.pdf

Corporate Governance System at a Glance

(As of March 29, 2023)

| | |
|-----------------------------------|-------------------------------|
| Format | Company with Three Committees |
| Chairman of Board of Directors | Independent Director |
| Number of Directors | 11 |
| Of whom are Independent Directors | 8 |
| Number of Independent Directors*1 | 8 |
| Term of Directors | 1 year |

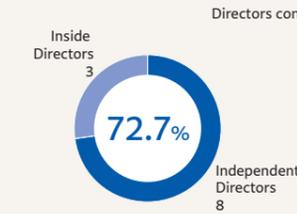
*1. Independent Directors as designated under the Tokyo Stock Exchange (TSE) listing rules.

Composition of Three Committees

(As of March 29, 2023)

| | Nomination Committee | Compensation Committee | Audit Committee |
|-----------------------------------|----------------------|------------------------|-----------------|
| Number of members | 4 | 3 | 3 |
| Of whom are Independent Directors | 3 | 3 | 2 |
| Of whom are Inside Directors | 1 | 0 | 1 |

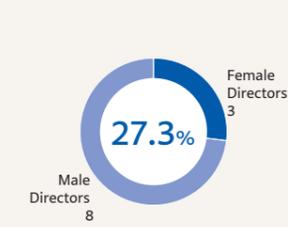
Ratio of Independent Directors



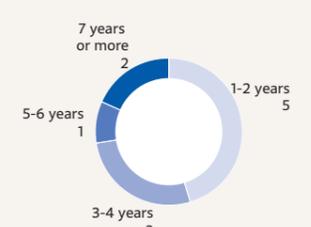
Ratio of Non-Executive Directors



Ratio of Female Directors



Ratio of Directors' Length of Service



Overview of the Board of Directors (As of March 29, 2023)

| Name | Classification Committee positions | Length of service | Attendance at Board of Directors' and committee meetings in FY2022 (Meetings attended / Total meetings) | | | | Areas in which Directors (Non-Executive Directors) are expected to contribute*2 | | | | | | | | | |
|----------------------------------|--|-------------------|--|---------------------------|------------------------|---------------------------|---|--|---|----------|--|-------------------------------|-----------------|--------|--|--|
| | | | Board of Directors | Nomination Committee | Compensation Committee | Audit Committee | Legal affairs and risk management | Personnel and human resource development | Finance, accounting, and capital policy | Auditing | Corporate management and management strategy | Technology R&D and innovation | The environment | Social | Internal controls and corporate governance | |
| Toichi Maeda | Non-Executive Nomination Committee | 11 years 9 months | 14/14 | 22/22 | | | | | | | | | | | | |
| Masao Asami | | 4 years | 14/14 | | | | | | | | | | | | | |
| Hajime Sawabe | Outside Independent Nomination Committee | 7 years 9 months | 14/14 | 19/19*2 | 3/3 | | | | | | | | | | | |
| Hiroshi Oeda | Outside Independent Nomination Committee | 5 years | 14/14 | 22/22 | | | | | | | | | | | | |
| Junko Nishiyama | Outside Independent Compensation Committee | 4 years | 14/14 | | 12/12 | | | | | | | | | | | |
| Mie Fujimoto | Outside Independent Compensation Committee | 3 years | 14/14 | | 12/12 | | | | | | | | | | | |
| Hisae Kitayama | Outside Independent Audit Committee | 2 years | 14/14 | | | 22/22 | | | | | | | | | | |
| Akihiko Nagamine | Non-Executive Audit Committee | 2 years | 14/14 | | | 22/22 | | | | | | | | | | |
| Takuya Shimamura | Outside Independent Compensation Committee | 1 year | 10/10*3 | | 9/9*3 | | | | | | | | | | | |
| NEW Teiji Kouge | Outside Independent Nomination Committee | — | March 2023 Assumed Office | March 2023 Assumed Office | | | | | | | | | | | | |
| NEW Tsuayoshi Numagami | Outside Independent Audit Committee | — | March 2023 Assumed Office | | | March 2023 Assumed Office | | | | | | | | | | |

| | |
|------------------------|--|
| Outside | Non-Executive Outside Director |
| Non-Executive | Non-Executive Inside Director |
| Independent | Independent Director with notification submitted to Tokyo Stock Exchange |
| Nomination Committee | Member of the Nomination Committee |
| Compensation Committee | Member of the Compensation Committee |
| Audit Committee | Member of the Audit Committee |

*1. The above table does not represent all of the areas in which Directors possess expertise.

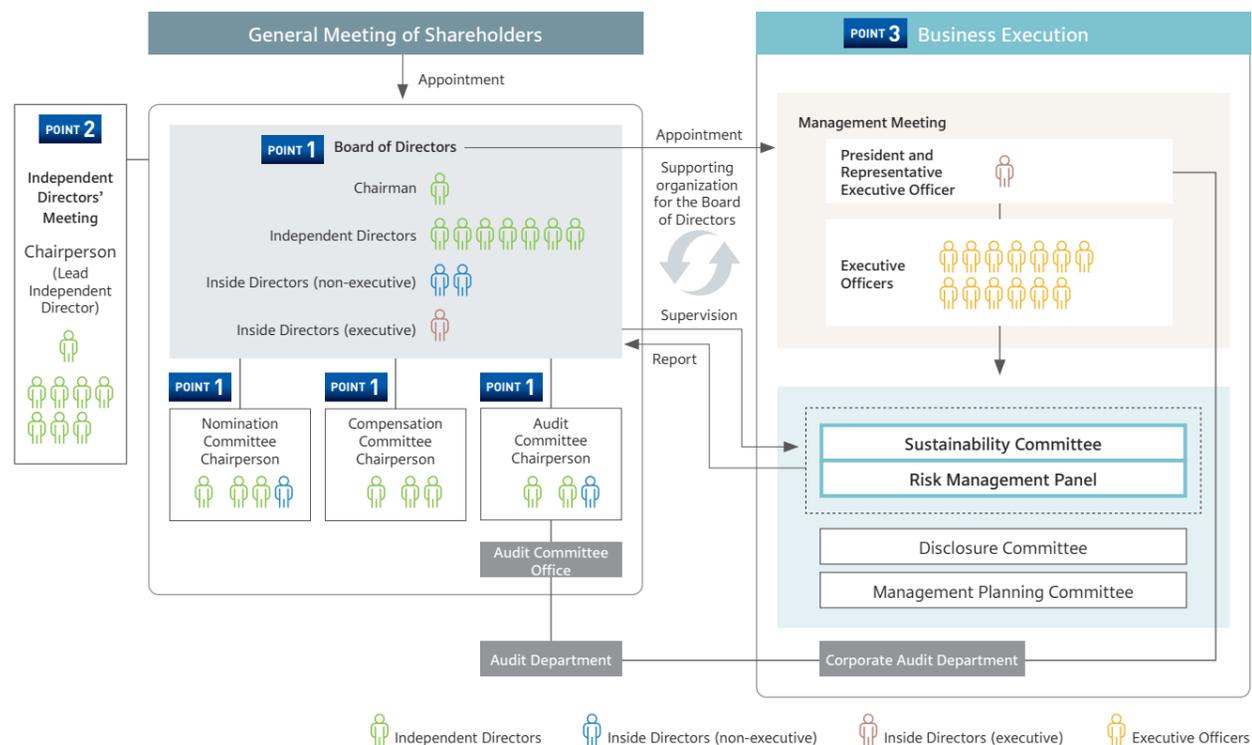
*2. Hajime Sawabe retired from the Compensation Committee at the Board of Directors meeting held on March 29, 2022, thus the above table shows his attendance at Nomination Committee meetings held prior to that date.

*3. Takuya Shimamura was newly elected and appointed as a Director at the 157th Ordinary General Meeting of Shareholders held on March 29, 2022, therefore his attendance at the Board of Directors meetings held after the date of the election is shown.

Corporate Governance

The EBARA Group has established the “EBARA Way,” composed of its Founding Spirit, Corporate Philosophy, and CSR Policy, as the EBARA Group’s identity and set of values to be shared across the Group. Under the “EBARA Way,” the enhancement of corporate value through sustainable business development and sharing the results with our various stakeholders, including shareholders, are EBARA’s most important management objectives. To achieve such objectives, we constantly seek the best possible corporate governance systems and strive toward further enhancement.

Corporate Governance Systems (As of March 29, 2023)



POINT 1 Pursuing Excellent Corporate Governance

In 2015, EBARA adopted the Company with a Nomination Committee, etc. structure. By minimizing the number of Directors who also serve as Executive Officers, we have established a system centered on Non-Executive Directors (Independent Directors and Directors who do not concurrently serve as Executive Officers), and aim to ensure clear separation of supervision and business execution. The Nomination, Compensation, and Audit Committees are all chaired by an Independent Director, and the majority of each committee is composed of Independent Directors.

POINT 2 Holding Independent Directors Meetings

As part of EBARA’s support system for Independent Directors, a few days before Board of Directors meetings, we hold a meeting attended exclusively by Independent Directors to provide explanations in advice of Board proposals and other business matters. These meetings aim to deepen understanding through free discussion among Independent Directors, thereby contributing to improving the quality of discussions at Board of Directors meetings.



POINT 3

Operational Execution System

Executive Officers are elected by resolution of the Board of Directors, and in accordance with the management policies and medium- to long-term management plans established by the Board, such as the E-Vision 2030 long-term vision and the E-Plan 2022 medium-term management plan. The Board of Directors decides and delegates the execution of business as well as the role of such execution. Currently, there are 14 male Executive Officers. However, the Company is examining the possibility of appointing a female Executive Officer in the future from the perspective of diversity.

Management Meeting

This meeting, with the participation of every Executive Officer, holds deliberations necessary for decision-making on important matters regarding management business execution for the President and Representative Executive Officer. In addition to exercising the scope of responsibilities delegated by the Board of Directors, Executive Officers actively express their opinions and knowledge as they deliberate from the perspective of Groupwide optimization. The Management Meeting is held every month.

Risk Management Panel

The Risk Management Panel (RMP) supervises the Group’s risk management activities and provides deliberation, guidance, and support for improvements. The RMP is chaired by the President and Representative Executive Officer, and is composed of all Executive Officers. Non-Executive Inside Directors attend in a supervisory capacity for risk management and provide advice as necessary. The status of the RMP’s deliberations are reported to the Board of Directors,

and the Board has established a system to accurately capture information and ensure appropriate supervision. The RMP is held regularly on a quarterly basis, as well as other times as necessary.

Disclosure Committee

This committee is a horizontal organization within the Company that provides fair, timely, and appropriate disclosure of Company information such as occurrence of incidents, decision-making, and financial information related to the entire Group.

Management Planning Committee

To formulate the medium-term management plan for each year, this committee deliberates and determines each organization’s annual budget and action plan for management issues, as well as conducts follow-up. The President and Representative Executive Officer serves as chairperson, and is composed of all Executive Officers.

EBARA’s Sustainability Promotion System

The Board of Directors will establish management policies based on a long-term view of the operating environment so that the Group can implement advanced ESG management; make sustainable contributions to solving social issues including the SDGs through its business; increase its corporate value by simultaneously improving its social, environmental, and economic value; and oversee the implementation of the relevant measures. To fulfill this supervisory function, the Sustainability Committee was established as an executive committee that deliberates on action policies, strategies, targets, and KPIs for activities that contribute to the sustainability of society, the environment, and the Group, and confirms and reviews the results. Directors participate in the Sustainability Committee voluntarily, in order to understand and supervise the status of sustainability initiatives being carried out by Executives, and provide accurate advice from an objective perspective. The deliberations of the Sustainability Committee are reported to the Board of Directors, where discussions are

held on the specifics and promotion of measures on the executive side, and the results are fed back to the Sustainability Committee. The annual agenda of the Board of Directors includes deliberations regarding sustainability, including ESG, and the Board regularly sets aside the necessary time to discuss these matters from a broad range of perspectives. In fiscal 2022, we introduced a system that connects ESG assessment indicators to officers’ compensation as a mechanism to encourage the achievement of non-financial targets.

We held an ESG information session for institutional investors in fiscal 2022, and the Chairman of the Board of Directors explained the deliberations related to the environment and society at the Board of Directors meetings. Going forward, we will establish more opportunities for dialogue with stakeholders. As we work to promote understanding of the Company’s activities that contribute to sustainability, we will also accelerate sustainability management.

Major Initiatives for the Board of Directors in Fiscal 2022

Fiscal 2022 was an important year for EBARA because it was the final year of the medium-term management plan, and also because we formulated the E-Plan 2025 medium-term management and deliberated on the transition to a target market-based organization. Over the course of about one year, the Board of Directors held discussions from a variety of perspectives, including summarizing and reflecting on the previous medium-term management plan, E-Plan 2022, and examining the long-term vision, E-Vision 2030, and secured the necessary time for such discussion at almost every meeting.

As implementing refined ESG management is one of the management strategies contained in E-Vision 2030, the Sustainability Committee has been taking the lead in

studying and implementing necessary measures and, from fiscal 2022, the Board of Directors has also decided to regularly discuss ESG and sustainability issues. Specifically, the Board of Directors discussed topics such as the Carbon Neutral Project, information disclosure in line with the TCFD recommendations, human resource development, and diversity and inclusion. Through dialogue at the Board of Directors, in addition to deepening understanding about EBARA's medium-term important sustainability issues, we were able to strengthen support for executive sustainability initiatives.

Major Items Discussed by the Board of Directors in Fiscal 2022

- Final year progress report and three-year summary of the medium-term management plan
- Formulation of the new medium-term management plan, E-Plan 2025, and review and consideration of long-term vision
- Consideration of transition to target market-based organization to realize the core themes of the new medium-term management plan
- Discussion of the 2023 business plans and those for each business as well as KPIs
- Medium- to long-term sustainability strategies (carbon neutrality, information disclosure based on the TCFD recommendations, human resource development, diversity and inclusion, etc.)
- Evaluation of the effectiveness of the Board of Directors and related follow up

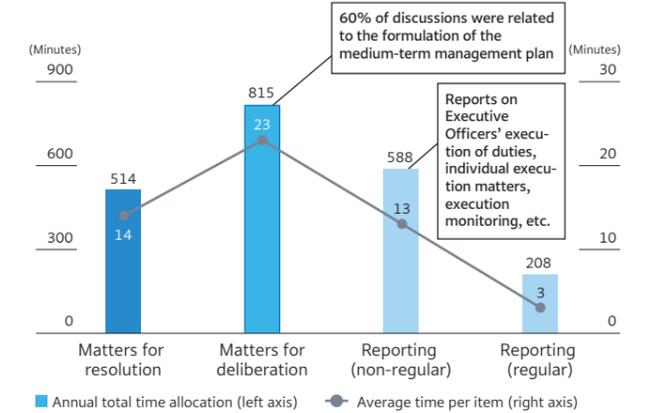
Progress of Deliberation for the Formulation of E-Plan 2025 and Transition to Target Market-based Organization

| Board of Directors Meeting | Formulation of E-Plan 2025 | Transition to Target Market-based Organization |
|----------------------------|---|--|
| March 2022 | — | Considered organizational structure for each target market |
| May | Formulated outline of Companywide medium-term plan and established five priority areas | Examined optimal organizational structure for each business segment |
| June | Formulated drafts of medium-term plan outline for each business and corporate entity | Summarized issues and progress reports and discussed these for each business and corporate entity |
| July | Formulated E-Vision 2030 and reviewed E-Plan 2022; made detailed medium-term plan outlines for each business and corporate entity | Made progress reports and discussed at each business and corporate entity |
| August | Formulation of business policies and basic strategies based on the outline | Reviewed progress reports and discussed each business and corporate entity; changed business segments and resolved for related disclosure ⇒ August 12 TSE disclosure |
| September | Formulated corporate policies and basic strategies based on outlines; envisioned preferable structure for each target market | Formulated an overall organizational vision for each target market |
| October | Formulated business plans and segment profit and loss management systems, etc. | Growth strategies for individual businesses in organizations by target market |
| December | Examined and formulated business plans, etc. | Growth strategies for individual businesses in organizations by target market |
| January 2023 | Reviewed E-Vision 2030 and discussed final draft of E-Plan 2025 | — |
| February | Resolved to revise E-Vision 2030 and formulate E-Plan 2025 ⇒ February 14 TSE disclosure | — |

Annual Total Time Allocation by Agenda Item for Fiscal 2022

- 192 proposals were made in fiscal 2022, an increase of 35 from the previous fiscal year. This increase was due to the higher number of proposals in relation to the formulation of the medium-term management plan, E-Plan 2025.
- Items for deliberation received the greatest annual total time allocation and averaged the highest time per item. Of these, 60% of discussions were related to the formulation of the medium-term management plan.
- Regularly reported matters were responsible for the highest number of discussions, but the annual total time allocation and average time per item were the shortest. Time was allocated with a focus on deliberation matters for medium- to long-term discussions.

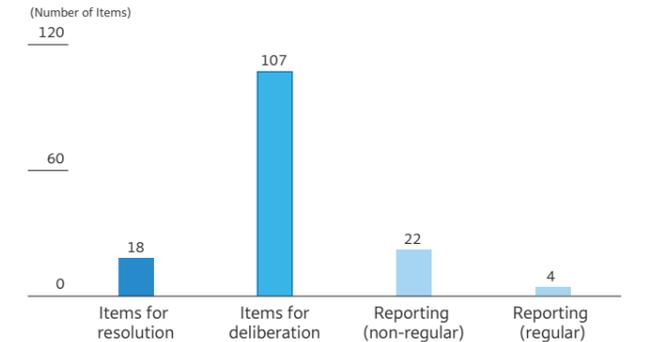
Time Allocation by Agenda Item



Number of Opinions, etc. from the Board of Directors to the Executive Side in Fiscal 2022

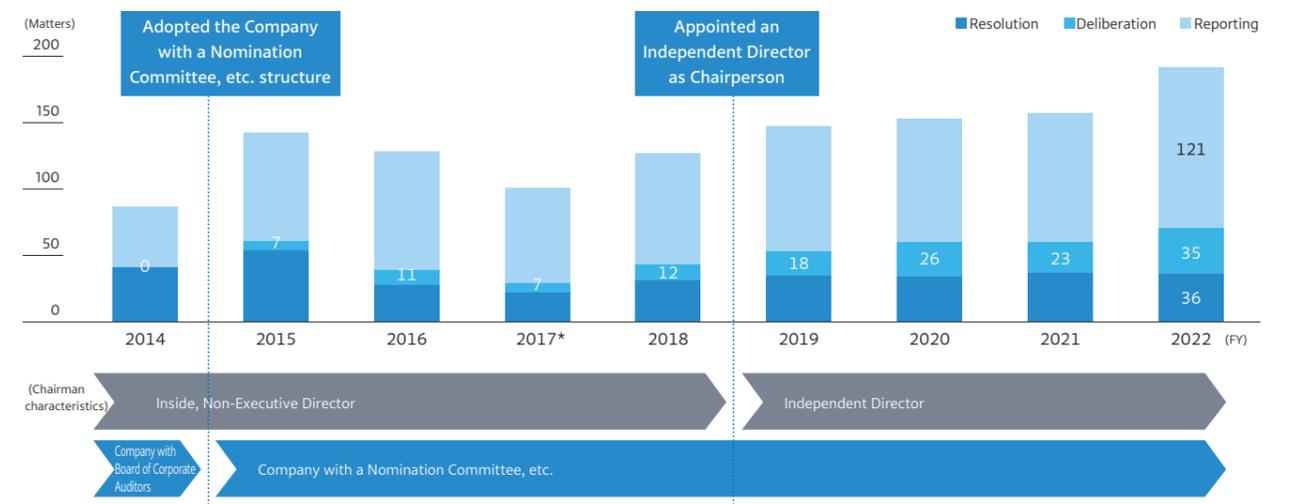
- The most opinions, etc. from the Board to the executive side were on items for deliberation, and active discussions were held on medium- to long-term issues, etc.

Number of Opinions, etc. from the Board of Directors to the Executive Side



Changes in the Number and Breakdown of Board of Directors Agenda Items

- After EBARA adopted the Company with a Nomination Committee, etc. structure in 2015, the proportion of resolution items decreased and the proportion of reporting items increased
- New items for deliberation were created for discussion in 2015, and discussions on medium- to long-term issues, etc. increased
- Independent Director to serve as Chairman of the Board of Directors in 2019, and the number of deliberation matters increased



* Irregular nine-month accounting period due to the change in settlement date

Initiatives for Strengthening Corporate Governance

Around the turn of the century, the Company reacknowledged the importance and necessity of corporate governance systems. Since then, we have been introducing improvements to our governance systems in phases to facilitate the Company’s sustainable growth and fulfill its social responsibilities. We will continue to improve our governance systems as necessary to achieve further improvements and move them toward the ideal state in which the Board of Directors can fully exercise its functions.

Evolution of EBARA’s Corporate Governance System

| | April 2002–March 2007 | April 2007–March 2015 | April 2015–December 2018 | January 2019– | January 2022 |
|--|---|---|---|---|---|
| Governance | | | | | |
| Organizational format | Company with Board of Company Auditors | Company with Board of Company Auditors | 06/15: Company with Three Committees | | |
| Committees | | 08/08: Voluntary establishment of Nomination / Compensation Advisory Committee 02/09: Membership of: • Nomination Advisory Committee: 2 Inside, 2 Independent • Compensation Advisory Committee: 2 Inside, 2 Independent | 06/15: Establishment of Nomination / Compensation / Audit Committee as statutory committees under the Board of Directors 06/17: Membership of: • Nomination Committee: 2 Independent, 1 Inside • Compensation Committee: 3 Independent • Audit Committee: 3 Independent, 2 Inside | 03/21: Membership of: • Nomination Committee: 2 Independent, 1 Inside • Compensation Committee: 3 Independent • Audit Committee: 2 Independent, 1 Inside * Each committee is chaired by an independent director. | 03/23: Membership of: • Nomination Committee: 3 Independent, 1 Inside • Compensation Committee: 3 Independent • Audit Committee: 2 Independent, 1 Inside |
| Chairman of the Board of Directors | President of the Company | 06/13: Director, Chairman (Non-Executive Inside Director) | | 03/19: Independent Director | |
| Separation of supervision and business execution | 05/02: Introduction of Executive Officer System 06/02: Reduction of the number of Directors stipulated in the Articles of Incorporation (35 → 20) 06/05: Reduction of the number of Directors stipulated in the Articles of Incorporation (20 → 12) | | 06/15: Revision of rules of the Board of Directors to delegate greater authority to the business executive team | 03/19: Reduction of the number of Executive Inside Directors (3 → 1) | |
| Number of Members of the Board of Directors | | | | | |
| Directors | 06/02: 20 → 06/05: 12 | 06/08: 12 → 06/11: 12 | 06/15: 14 → 06/17: 13 | 03/19: 11 → 03/20: 10 | 03/22: 10 → 03/23: 11 |
| Independent Directors (of which, female) | | 06/08: 2 → 06/11: 4 | 06/15: 7 (2) → 06/17: 7 (1) | 03/20: 7 (2) → 03/21: 7 (3) | 03/22: 7 (3) → 03/23: 8 (3) |
| Outside Audit & Supervisory Board members | 06/01: 2 | 06/07: 3 | | | |
| Directors’ and Executive Officers’ nomination | 06/02: Shortening of term of directors from two years to one year | 03/08: • Establishment of standards for evaluating independence of Independent Directors • Establishment of basic policies for Directors’ and Executive Officers’ nominations • Establishment of tenure limit for Directors and Executive Officers | | 10/19: Establishment of standards for average Board meeting attendance and number of concurrent positions at other companies held by Directors | |
| Directors’ and Executive Officers’ compensation | | 05/09: • Establishment of Basic Policy on Directors’ and Executive Officers’ Compensation • Abolition of officer retirement benefit system • Introduction of share-based payment stock options | 03/18: • Abolition of stock option system • Introduction of restricted stock compensation plan and performance-linked stock compensation plan | 04/22: Introduction of ESG indicators | 04/22: Introduction of ESG indicators |
| Advisors | | | 06/15: Abolition of the provision regarding advisors in Articles of Incorporation | | |
| Evaluation of Board of Directors’ effectiveness | | | 06/16: Start of evaluations of the effectiveness of the Board of Directors 06/17: Addition of individual interviews into procedures for evaluating the effectiveness of the Board of Directors | | 06/22: Evaluations led by chairperson |
| EBARA Corporate Governance Basic Policy | | | 11/15: Establishment 11/18: Revision (addition of regulations regarding non-reappointment of President, etc.) | 01/21: Revision (The majority of directors shall be Independent Directors, and the chairpersons of the three committees shall be Independent Directors.) 09/21: Clarification of the role and qualification requirements for directors by attribute and position | |

Evaluation of the Effectiveness of the Board of Directors

Since the shift to the Company with a Nomination Committee, etc. structure in the fiscal year ended March 31, 2016, the Board of Directors has been conducting annual evaluations of its effectiveness (including that of the Nomination, Compensation, and Audit Committees) and disclosing the results. The purpose of these evaluations is to verify how the Board of Directors contributes to effective corporate governance as well as to identify issues and make improvements. The improvement status of issues identified in the previous year is verified through the annual evaluation. Based on this verification, the next issues are identified, and the PDCA cycle is implemented to ensure continuous governance reform.

Fiscal 2022 Evaluation of Effectiveness

The Chairman of the Board of Directors is an Independent Director. In fiscal 2022, he led discussions with external experts regarding our Directors’ awareness of problems, current situation, and challenges, in order to establish evaluation methods and the direction for evaluations of effectiveness. Previously, the Board’s effectiveness was thoroughly verified in a neutral, objective manner under the leadership of external experts. In light of progress made in establishing EBARA’s governance foundation, starting in fiscal 2022, we have decided to shift to a different method. Evaluations will be led by the Chairman of the Board of Directors, who has a thorough understanding of the inner workings of the Board of Directors, with the aim of examining and discussing effectiveness at an even deeper level. Future evaluations will also include regular evaluations by external experts.

Analysis and Assessment Process

The Independent Director who serves as Chairman of the Board conducted individual interviews with all of the Directors to directly confirm the thoughts of each Director based on the results of questionnaire responses. And all of them were analyzed and shared with the Directors, and the effectiveness of the Board was discussed at the Board meetings held in December 2022 and January 2023. In addition, the Board conducted self-evaluation and peer evaluation of individual Directors based on the roles and qualification requirements that were clarified last year. Based on the results of the evaluation of effectiveness, every other Director evaluated the Chairman* and deliberated on whether to keep the same chair for the next fiscal year.

* In March 2019, we adopted a system in which an Independent Director serves as Chairman of the Board of Directors, and the chair is evaluated annually given the importance of this role on the Board.

Questionnaires and Individual Interviews

Questionnaires are used to identify overarching trends pertaining to important matters concerning the effectiveness of the Board of Directors and the committees, while more in-depth evaluations of particularly important matters are performed through individual interviews.

| Major Questionnaire Items | |
|--|---|
| • Roles and functions of the Board of Directors | • Status of operation of the three committees |
| • Size and composition of the Board of Directors | • Support systems for Independent Directors |
| • Status of operation of the Board of Directors | • Relationships with investors and shareholders |
| • Composition and roles of the three committees | • Self-evaluations |

| Main Content of Individual Interviews | |
|---|--|
| • Evaluation of business and management (business structure reform, profitability improvement, and human capital management) | |
| • Promotion of human resource development and diversity | |
| • Status of the Independent Directors’ Meeting | |
| • Evaluations of the Board of Directors and committees (composition of Independent Directors and succession plans, sustainability discussions, agenda setting for the Board, presentations with materials on execution, information sharing with the Board by the three committees) | |
| • Evaluation of the Chairman of the Board of Directors | |
| • Dialogue with capital markets | |

Summary of the Results of Analysis and Evaluation

In consideration of the survey results, it was confirmed that the Board of Directors and its committees are conducting adequate discussions on important issues and are operating appropriately. The evaluation confirmed that the effectiveness of the Board of Directors is sufficiently ensured, and efforts to address the matters brought up as issues last year have progressed. The self-evaluation and peer evaluation of individual Directors were performed based on the roles and responsibilities of Directors clarified last year, 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 evaluations was shared with the Nomination Committee. The Committee also referred to the results of the evaluations when selecting Directors.

Action to Be Taken

The Board of Directors identified the following items to be discussed on an ongoing basis at Board and committee meetings to further enhance the effectiveness of the Board of Directors, in addition to continuing reforms that have already been implemented.

| |
|---|
| • Strengthening the push for periodic verification, follow-up and speedy execution of action to address long-term issues contributing to the enhancement of corporate value (business portfolio, human capital, human resource development, promotion of diversity, important issues on sustainability, etc.) |
| • Confirm and verification of the state of the governance system enabling the resolution of such issues |
| • Confirm and verification of the scope of information sharing from committees to the Board |
| • Improvement of discussion on dialogue with capital markets as the Board |

Training for Directors

In addition to deepening the understanding of the EBARA Group, we conduct training with the aim of comprehending the latest trends and enhancing Directors' knowledge and insight. Newly appointed Independent Directors are given opportunities to acquire the knowledge and insight necessary to fulfill their duties, including regarding finance, legal affairs, and corporate governance, before or immediately after their appointment. We also provide every Independent Director with the opportunity to deepen their understanding of the EBARA Group's business through visits to business

sites, among other options. To grasp the latest trends in the industry and fields related to the Company's medium- to long-term challenges, we are striving to make opportunities available for appropriate training as needed, such as by arranging lectures with external experts.

Fiscal 2022 Site Visit and Training Results

- March 2022: Orientation for new Directors
- October 2022: On-site visits to major domestic bases
- December 2022: Opinion exchange meeting with external experts on diversity and inclusion (D&I)

Nomination Committee



| | |
|---------------------------------------|--|
| Members | 4 (3 Independent Directors 1 Non-Executive Inside Director |
| Reason for appointment of chairperson | Mr. Sawabe possesses an abundance of experience pertaining to general corporate management, is well versed in corporate planning, and has a rich background of serving as an outside director at other listed companies. Mr. Sawabe has been appointed as chairperson of the Nomination Committee so that he can utilize his wide-ranging insight into various industries as he exercises leadership in the development of candidates and selection of management personnel. |
| Meetings in FY2022 | 22 |

Hajime Sawabe

Lead Independent Director, Chairperson of the Nomination Committee

Based on the six-year succession plan for the President and Representative Executive Officer that began in 2019, the Nomination Committee is collaborating with the executive team to systematically proceed with the cultivation of candidates and the selection of successors. During this process, we are determined to take an approach that goes beyond selecting the next president to building the next management team.

The E-Plan 2025 medium-term management plan launched this year calls for "Governance to Value (G to V)," and in addition to the Board of Directors, every committee will strive to play an important role in overseeing sustainability. To realize E-Vision 2030 and E-Plan 2025, the Nomination Committee will continue to understand changes in the business environment to continuously improve our value to society as well as our corporate value. We will strive to develop management personnel who will take on the challenge of achieving these goals to accomplish our mission with joy, rather than obligation.

Role of the Nomination Committee

In addition to formulating policies for appointment and dismissal of the President and Representative Executive Officer and succession plans, the main role of the Nomination Committee is deciding on proposals to be submitted to the General Meeting of Shareholders concerning the appointment or dismissal of Directors, the President and Representative Executive Officer, Executive Officers, Directors with special titles, the Chairman of the Board of Directors and the Non-Executive Inside Directors who assist the Chairman. In addition, the committee makes recommendations to the Board of Directors concerning the appointment and dismissal of Chairs and members of the Nomination, Compensation, and Audit committees.

Succession Plan for the President and Representative Executive Officer

The establishment and implementation of the succession plan for the President and Representative Executive Officer is one of the most important tasks for the Nomination Committee. The Company's succession plan has two major characteristics. The first characteristic is that this plan is formulated by the Nomination Committee, of which the current President is not a member. The second characteristic is that, when selecting the next President, the Nomination Committee coordinates with the executive team to systematically cultivate candidates and select the successor over an extended period of time. The Nomination Committee is composed of four Non-Executive Directors, including three

Independent Directors and the Chairman of the Company. This membership ensures the objective selection of ideal candidates. The Company has a policy stating that excessively long terms should be avoided for members of senior management (the President and the Chairman of the Company) and that individuals in these positions should be changed periodically. The upper limit for the term of the President is six years. The current President, who was appointed in March 2019, was selected through a process of cultivating, evaluating, and narrowing down candidates that began three years prior.

Cultivation and Selection Process

The Nomination Committee has formulated a six-year succession plan for selecting the next President. Training on the cultivation and selection process for this plan commenced in 2019.

EBARA's succession plan begins with searching for candidates with the potential to fill the position of President in the future. A development program is then conducted to instill in candidates the basic skills expected of executives. This future manager development program includes discussions with managers from Japan and from overseas, coaching from external specialists on introspective thinking, and other provisions designed to cultivate the sense of commitment required of an executive while improving the viability of candidates.

During this process, the individuals that will be advanced to the next step are chosen. The next step of the plan is to have candidates address specific business issues via the management issue resolution program. Candidates who proceed to this stage are placed in positions that take them out of the area in which they have experience or have previously been responsible for through means such as transfer to another division. They are then expected to work to address actual management issues while experiencing various new aspects of business. The candidates to be submitted for final consideration are selected from among the individuals that

have excelled at this step. Candidates for final consideration receive coaching on the mindset and thought processes necessary of the President from a professional executive coach and are expected to apply what they learn accordingly. Candidates are evaluated during the coaching process, and the results of these evaluations are reported to the Nomination Committee.

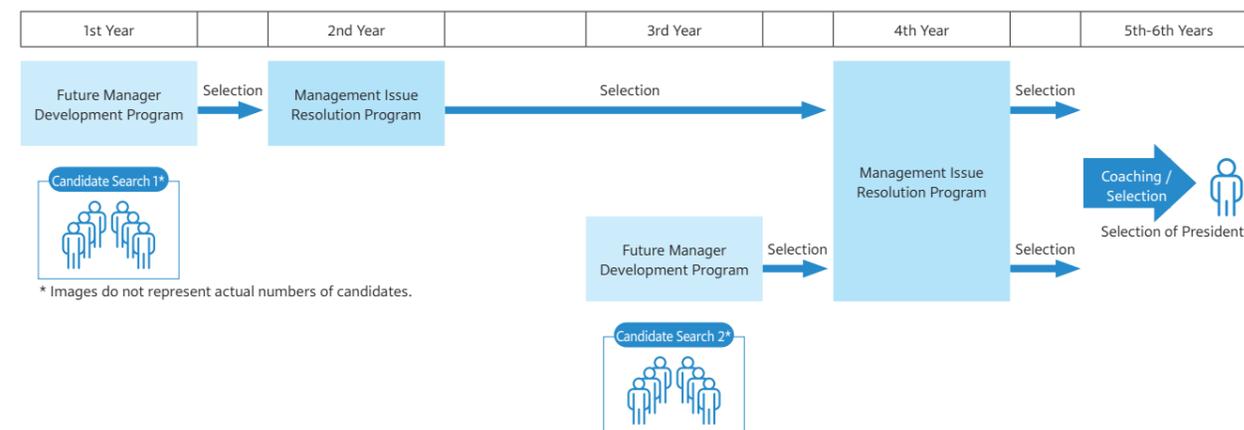
The qualities required in the President include perseverance and passion in addition to other qualities expected of executives. Additional requirements are also defined based on the management circumstances at a given time. The final decision of who will become the next President is made by the Nomination Committee based on the degree to which the required qualities are possessed as well as on qualities such as flexibility and growth potential as decided based on the extent to which the candidate grew before and after receiving coaching.

2022 was the fourth year of the six-year succession plan for the President, and in addition to conducting the second management issue resolution program, we held plenty of discussions about the training programs, including about formulating our vision for the ideal top executive of EBARA.

Revision of Corporate Governance Basic Policy and Clarification of Roles

In 2021, EBARA revised its Corporate Governance Basic Policy to clarify the roles and qualification requirements for Directors, including those by classification and position. This is an extremely important guideline for the future activities of the Board of Directors, committees, and individual Directors. The Nomination Committee will select candidates who meet the requirements and will contribute to improving the effectiveness of the Board of Directors. The recommendations the Nomination Committee makes to the Board of Directors will draw on the results of the evaluation of the Board as a whole, each committee, and the effectiveness of each Director, as well as the evaluation of the Chairman of the Board of Directors, with the aim of further improving the effectiveness of the Board of Directors as a whole.

Six-Year Cultivation and Selection Process



Compensation Committee



| | |
|--|--|
| Members | 3 (3 Independent Directors) |
| Reasons for appointment of chairperson | As an attorney, she is well versed in corporate legal affairs with a focus on labor-related laws and regulations, and brings experience as an outside director at a listed company. As chairperson of the Compensation Committee, she will provide leadership in reviewing the compensation system and the level of compensation for the Company's Directors and Executive Officers based on her abundant experience, deep insight, and expertise. |
| Meetings in FY2022 | 12 |

Mie Fujimoto

Independent Director, Chairperson of the Compensation Committee

To strongly motivate the achievement of the management targets of E-Vision 2030 and E-Plan 2025, the Company has introduced short-term performance-linked stock compensation linked to the achievement levels of the medium-term management plan for its Executive Officer compensation. To further promote executive efforts towards sustainability issues, in 2022, the Compensation Committee has newly adopted two ESG evaluation indicators to be tied to short-term performance-linked compensation: CDP*1 (climate change) for E (environment) and GES*2 for S (society). Setting goals for these indicators every year will support steady progress.

*1. An ESG rating agency that evaluates climate change response strategies and efforts to reduce GHG emissions, etc.

*2. Since 2019, employees of domestic and overseas Group companies have been participating in the Global Engagement Survey to investigate the current state of engagement in their companies and workplaces to achieve their medium- to long-term visions.

Role of the Compensation Committee

The Compensation Committee decides on policies and amounts of compensation for individual Directors and Executive Officers, in addition to making recommendations to the Board of Directors concerning officer compensation systems at affiliates and other companies.

Review of Evaluative Indicators for Performance-linked Stock Compensation

The Compensation Committee considered evaluation indicators for performance-linked stock compensation during the E-Plan 2025 evaluation period, from January 2023 to December 2025. The committee held repeated discussions on the Company's approach to important indicators of E-Plan 2025, and because we intend to continue deepening ROIC management after E-Plan 2022, we have decided to use ROIC, an important indicator, as a performance indicator.

Review of Evaluative Indicators for Short-term Performance-linked Compensation

Based on the new policies of E-Plan 2025, the Company discussed revising the performance indicators for Executive Officer short-term performance-linked compensation, and decided to use ROIC and operating profit from fiscal 2023 (until fiscal 2022, ROIC, operating profit, and S&S net sales were used as indicators). We have chosen to continue using CDP (climate change) and EBARA's Global Engagement Survey as our ESG indicators. We will proceed to discuss specific evaluation indicators, including the revisions of such, as we work towards the next medium-term management plan.

Evaluation Indicators for Short-term Performance-linked Compensation

| Evaluation Indicator | | Evaluation Weight |
|------------------------|--|-------------------|
| Performance indicators | ROIC | 45% |
| | Consolidated operating income | |
| MBO | Set based on KPI for each responsible business | 45% |
| ESG indicators | E (environment): CDP (climate change) | 10% |
| | S (society): Global Engagement Survey | |

Total Amounts of Compensation for Directors and Executive Officers

| Position | Total compensation (Millions of yen) | Total compensation by type (Millions of yen) | | | | | | | | | |
|--|--------------------------------------|--|------------|--|------------|-------------------------------|------------|---------------------------------------|------------|------------|-----------|
| | | Basic compensation | | Short-term performance-linked compensation | | Restricted stock compensation | | Performance linked stock compensation | | Other | |
| | | Recipients | Amount | Recipients | Amount | Recipients | Amount | Recipients | Amount | Recipients | Amount |
| Directors of the Board (excluding Independent Directors) | 130 | 2 | 100 | — | — | 2 | 30 | 1 | (0) | — | — |
| Independent Directors | 130 | 8 | 105 | — | — | 8 | 25 | — | — | — | — |
| Executive Officers | 991 | 19 | 401 | 15 | 263 | 18 | 86 | 19 | 225 | 1 | 15 |
| Total | 1,252 | 29 | 607 | 15 | 263 | 28 | 141 | 20 | 224 | 1 | 15 |

- Notes: 1. Compensation shown is the amount of compensation paid to Directors and Executive Officers in office as of December 31, 2022, for the term of office of each Director and Executive Officer for the fiscal year ended December 31, 2022, and compensation paid to the Non-Executive Director who retired at the conclusion of the 157th Ordinary General Meeting of Shareholders held on March 29, 2022, and the four Executive Officers, who retired at the conclusion of the meeting of the Board of Directors held on the same day, according to their term of office, which began January 2022 and ended upon resignation.
- 2. Compensation paid to the President and Representative Executive Officer, who concurrently serves as a Director, is included in the Executive Officers compensation column.
- 3. The amount of compensation paid to Executive Officers includes ¥126 million (basic compensation ¥61 million, short-term performance-linked compensation ¥34 million, performance-linked stock compensation of ¥15 million, and other compensation of ¥15 million) in compensation paid by subsidiaries to Executive Officers that serve concurrently as officers at subsidiaries.
- 4. Executive Officers' short-term performance-linked compensation is determined based on Companywide or business performance, as well as individual goals, and the degree of achievement of these goals is evaluated and discussed by the Compensation Committee.
- 5. Short-term performance-linked compensation depicts the total amount of short-term performance linked compensation paid in March 2023 to Executive Officers in office as of December 31, 2022, for the fiscal year ended December 31, 2022.
- 6. Restricted stock compensation shown combines the amount of restricted stock compensation granted in the fiscal year ended December 31, 2021, and the amount of which was recorded as expenses during the fiscal year ended December 31, 2022.
- 7. Performance-linked stock compensation depicts the total amount of performance-linked stock compensation to be paid in May 2023 that is expected to be expensed in the current fiscal year. The calculation for the fiscal year under review is based on the most recent share price of the Company and the Group's ROIC for the year ended December 31, 2022, which was the final year of the E-Plan 2022 medium-term management plan, as well as the difference from the amount recorded in the previous fiscal year.
- 8. "Other" represents the ¥10 million to be paid by a subsidiary in 2023 to an officer retiring in the 157th term, including ¥10 million of performance-linked cash compensation and pension contributions of ¥5 million attributable to the relevant business year.

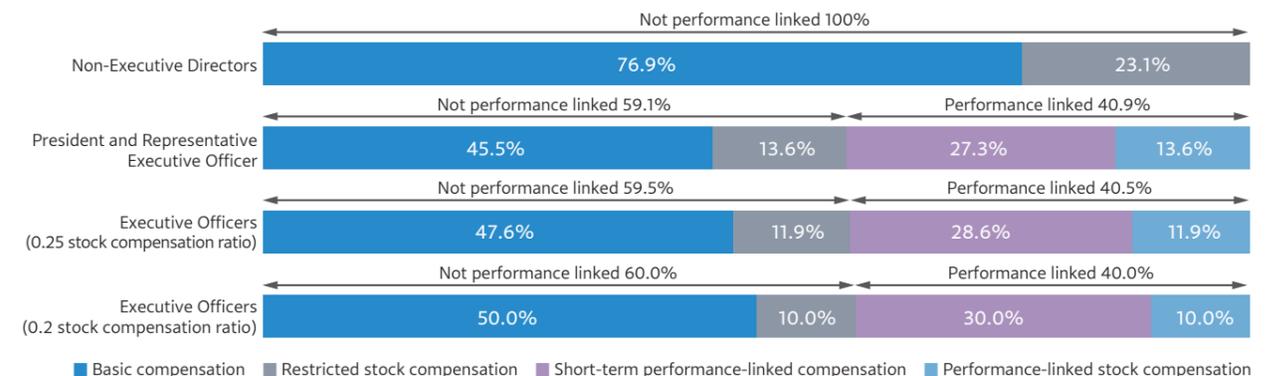
Amounts of Compensation for Directors and Executive Officers Receiving Compensation Exceeding ¥100 Million

| Name | Company | Total compensation (Millions of yen) | Total compensation by type (Millions of yen) | | | | |
|--|-------------------|--------------------------------------|--|--|-------------------------------|---------------------------------------|-------|
| | | | Basic compensation | Short-term performance-linked compensation | Restricted stock compensation | Performance linked stock compensation | Other |
| President and Representative Executive Officer Masao Asami | EBARA CORPORATION | 143 | 54 | 34 | 16 | 38 | — |

- Notes: 1. Short-term performance-linked compensation depicts the total amount of short-term performance-linked compensation paid in March 2023 for the fiscal year ended December 31, 2022.
- 2. Restricted stock compensation shown combines the amount of restricted stock compensation granted in the fiscal year ended December 31, 2021, and the amount of which was recorded as expenses during the fiscal year ended December 31, 2022.
- 3. Performance-linked stock compensation depicts the total amount of performance-linked stock compensation to be paid in May 2023 that is expected to be expensed in the current fiscal year. The calculation for the fiscal year under review is based on the most recent share price of the Company and the Group's ROIC for the year ended December 31, 2022, which was the final year of the E-Plan 2022 medium-term management plan, as well as the difference from the amount recorded in the previous fiscal year.

Composition of Compensation Paid to Directors and Executive Officers

(If 100% of the target for performance-linked compensation is achieved)



Audit Committee



Hisae Kitayama
Independent Director, Chairperson of the Audit Committee

| | |
|--|--|
| Members | 3 (2 Independent Directors) 1 Non-Executive Inside Director |
| Reasons for appointment of chairperson | She is a certified public accountant with abundant insight and expertise in corporate accounting and auditing, diverse audit experience at audit corporations, as well as experience serving as an outside director at a listed company. As chairperson of the Audit Committee, she reflects this experience to the management supervision of the Company and the Group, and demonstrates her leadership in the activities of the Audit Committee. |
| Meetings in FY2022 | 22 |

The Company has formulated the new medium-term management plan, E-Plan 2025, to realize E-Vision 2030, and we are actively promoting Governance to Value (G to V) by reforming our business execution and governance systems to create value from a customer-oriented perspective. The Audit Committee monitors and verifies the Company's initiatives, including the progress of E-Plan 2025, strengthening Groupwide management, evolving ESG management, and aims to further strengthen the corporate governance system, and will contribute to the EBARA Group's sustainable growth and increased corporate value over the medium to long term.

Role of the Audit Committee

The Audit Committee is responsible for conducting audits to assess whether or not Directors, Executive Officers, and employees of the Company and its subsidiaries are in compliance with legal obligations and internal regulations. In addition, the Audit Committee endeavors to monitor

Executive Officers and verify whether they execute their duties in a sound, fair, appropriate, and efficient manner in accordance with basic policies for management and medium- and long-term management plans established by the Board of Directors, such as the E-Vision 2030 long-term vision and the E-Plan 2025 medium-term management plan.

Status of Activities of the Audit Committee

| | |
|--|--|
| Discussions with Members of Executive Management | Members of the Audit Committee hold regular and as-necessary meetings with the President and Representative Executive Officer, company managers, other Executive Officers, and general managers to exchange information and opinions on the progress of management plans, risk management, and other matters. |
| Attendance at Important Meetings | Members of the Audit Committee attend meetings of the Management Meeting, the Sustainability Committee, the Risk Management Panel, and other important meetings to improve the effectiveness and efficiency of audits and maintain an accurate and up-to-date understanding of relevant information. Advice is also provided to the executive team as necessary. |
| On-Site Audits | On-site audits (including witnessing internal audits by executive departments and audits by independent auditors) are performed at domestic and overseas offices, operating sites, and subsidiaries to confirm that internal control systems are functioning effectively at the Company and across the Group. For the fiscal year ended December 31, 2022, we focused on conducting on-site audits while applying remote audit methods that we used during the COVID-19 pandemic, such as web conferencing and joint audits with local external experts. |
| Major Areas Assessed by the Audit Committee in the Fiscal Year Ended December 31, 2022 | <ul style="list-style-type: none"> Audit of the execution of duties and legal compliance system of Executive Officers and others Audits of the design and operation of the Group's internal controls in relation to the Companies Act and the Financial Instruments and Exchange Act Evaluation of the Independent Auditor, consideration of bidding for the Independent Auditor, and selection of Independent Auditor candidates Establishment of operations related to applying International Financial Reporting Standards (IFRS) and confirmation of appropriateness of accounting treatment for other material accounting matters Confirmation of the progress of the E-Plan 2022 medium-term management plan, confirmation of response to issues for formulation of the next medium-term management plan Confirmation of Group company (including those overseas) management and supervision, including confirmation of the implementation of M&A due diligence and integration processes Other matters requiring special attention include the development and operation of Group internal controls, such as compliance with the Corporate Governance Code and the development of a global information security system |

Systems Supporting the Audit Committee

We are striving to create an audit system that focuses on monitoring to increase the independence of the Audit Committee from business execution, and ensure the effectiveness of Groupwide auditing. In concrete terms, the Audit Committee is chaired by an Independent Director, and the committee members consist of two outside members and one inside full-time member to ensure independence. To ensure effective auditing, the following organizations are under the control of the Audit Committee.

- (1) The Audit Committee Office has been established under the control of the Audit Committee, and five full-time staff members are responsible for operating the Audit Committee, planning audit policies and plans, communicating and coordinating with the Independent Auditor, and assisting the Audit Committee members in conducting audits and observing on-site inspections.
- (2) The Audit Department was established under the Audit Committee in order to strengthen on-site inspection organizations under the Audit Committee and to strengthen collaboration with the Internal Audit Division. The head of the Internal Audit Division and its members are concurrently serving in the Audit Department (10 members).
- (3) To ensure closer cooperation between the Audit Committee and the auditors of Group companies, four full-time auditors of major subsidiaries and affiliates (Elliott Ebara Turbomachinery Corporation, Ebara Environmental Plant Co. Ltd., EBARA FIELD TECH. CORPORATION and Swing Corporation) are concurrently serving the Company's Audit Committee.
- (4) Due to the importance of monitoring and supervising the internal control of the EBARA Group, comprising the Company and its subsidiaries, decisions on candidates for auditors of affiliated companies are made only after obtaining the consent of the Audit Committee.

Collaborative Audits by Different Auditing Bodies

Coordination with and Evaluation of the Independent Auditor

- Throughout the course of collaboration with the Independent Auditor, the Audit Committee confirms that the Independent Auditor maintains independence and conducts appropriate audits, and receives reports as needed from the Independent Auditor on the execution of duties

and the results. Furthermore, the Audit Committee conducts efficient audits by holding meetings with the Independent Auditor regularly and as needed for the mutual exchange of information and opinions.

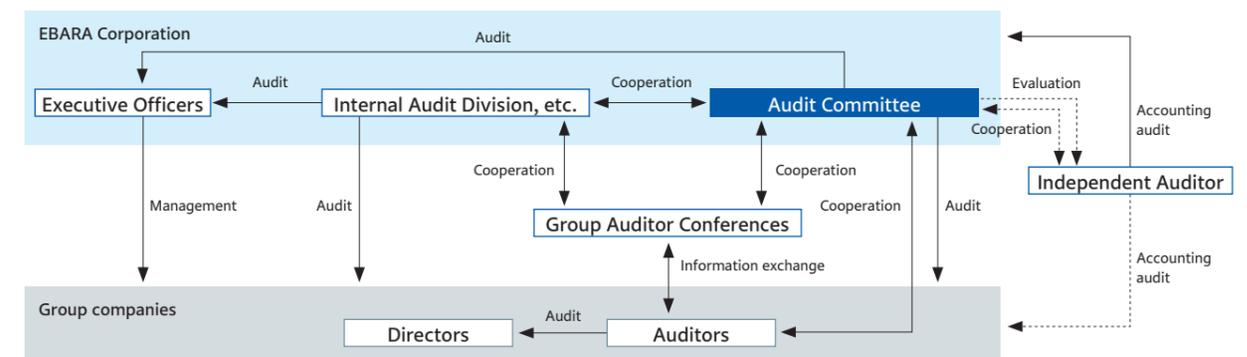
- If the Independent Auditor holds the office for ten consecutive years, regardless of their annual evaluation, the Audit Committee conducts a bidding process to select candidates for the next year's auditor. Bidding may also be held if the Independent Auditor is reappointed and holds office for a further five consecutive years, and the maximum period that the same Independent Auditor can serve consecutively is twenty years. As of fiscal 2022, fifteen years have passed since Ernst & Young ShinNihon LLC was appointed as our Independent Auditor, so we held a bid in accordance with this policy. Deloitte Touche Tohmatsu LLC was appointed as the Company's new independent auditor at the 158th Ordinary General Meeting of Shareholders held on March 29, 2023, based on the evaluation and deliberation results based on the bidding criteria set in advance by the Audit Committee.

Coordination with Internal Audit Division

The Audit Committee coordinates with the Internal Audit Division and divisions responsible for internal control, risk management, and compliance as well as with the auditors of Group companies.

- Information is exchanged on a regular and as-needed basis, including the exchange of opinions on the internal audit plan formulated by the Internal Audit Division, and advice is provided to the executive departments as necessary.
- Information is exchanged with the internal control, risk management and compliance division on a regular and as-needed basis, and advice is provided to the executive departments as necessary.
- Group Auditor Conferences are held twice a year and attended by the auditors of affiliated companies. Other attendees include Audit Committee members, the Internal Audit Division, as well as the heads of the internal control, risk management, compliance, and finance and accounting divisions who meet to share necessary information and receive business reports from the auditors of subsidiaries.

EBARA Group Auditing Organizational Diagram



Biographies of Executive Officers

* Indicates shikkou-yaku, a Japanese legal term which refers to executive officers who are appointed by the Board of Directors to execute company policy and strategy. The role and legal title of such executive officers are described in the Companies Act of Japan, and as such they bear fiduciary duties to the Company.

(As of March 29, 2023)



Masao Asami

President and Representative Executive Officer,
CEO & COO

- Apr. 1986 Joined the Company
- Apr. 2010 Executive Officer
- Apr. 2011 Division Executive, Sales and Marketing Division,
Precision Machinery Company
- Apr. 2014 Managing Executive Officer
- Jun. 2015 Managing Executive Officer
- Apr. 2016 President, Precision Machinery Company
- Mar. 2019 Director (to present)
President and Representative Executive Officer (to present)
- Jan. 2023 CEO & COO (to present)



Shu Nagata

Executive Officer,
President, Building Service & Industrial Company

- Apr. 1990 Joined the Company
- Oct. 2008 Managing Director of Ebara Pumps Europe S.p.A
- Apr. 2017 General Manager, Global Sales and Marketing Department, Standard Pump Business
Division, Fluid Machinery & Systems Company
- Mar. 2018 Executive Officer (to present)
Division Executive, Corporate Strategic Planning Division
- Mar. 2019 Division Executive, Human Resources Division
- Jan. 2020 Division Executive, Corporate Strategic Planning and Human Resources Division
- Mar. 2022 President, Fluid Machinery & Systems Company
Responsible for Chillers Business, Fluid Machinery & Systems Company
- Jan. 2023 President, Building Service & Industrial Company (to present)



Masao Hodai

Executive Officer,
Chief Operating Officer,
Precision Machinery Company

- Apr. 1988 Joined the Company
- Jan. 2008 Director and General Manager,
Ebara Precision Machinery Taiwan Incorporated
- Apr. 2016 Executive Officer
Division Executive, Sales and Marketing Division,
Precision Machinery Company
- Jan. 2020 Division Executive, Strategy and Administration
Division, Precision Machinery Company
- Jan. 2022 Division Executive, Global Business Strategy
Division, Precision Machinery Company
- Jan. 2023 Chief Operating Officer,
Precision Machinery Company (to present)
- Mar. 2023 Executive Officer (to present)



Isao Nambu

Executive Officer,
Division Executive, Equipment Division,
Precision Machinery Company

- Apr. 1997 Joined the Company
- Jan. 2020 Division Executive, Marketing Division
- Jan. 2022 Division Executive, Equipment Division,
Precision Machinery Company
- Mar. 2022 Executive Officer (to present)
- Jan. 2023 Division Executive, Equipment Division,
Precision Machinery Company (to present)



Seiichi Tsuyuki

Executive Officer,
Division Executive, Components Division,
Precision Machinery Company

- Apr. 1992 Joined the Company
- Jan. 2022 Division Executive, Components Division,
Precision Machinery Company
- Mar. 2022 Executive Officer (to present)
- Jan. 2023 Division Executive, Components Division,
Precision Machinery Company (to present)



Takanobu Miyaki

Executive Officer,
President, Energy Company, CEO, Elliott Company,
Chairman, EBARA GREAT PUMPS CO., LTD., Chairman & CEO, Elliott Group Holdings, Inc.

- Apr. 1996 Joined the Company
- Mar. 2020 Vice President, Elliott Group Holdings, Inc.
Vice President, Elliott Company
- Mar. 2021 Director, Elliott Group Holdings, Inc.
- Mar. 2022 Director and CEO, Elliott Group Holdings, Inc.
CEO, Elliott Company (to present)
Executive Officer (to present)
Responsible for Compressors and Turbines Business,
Fluid Machinery & Systems Company
- Jan. 2023 President, Energy Company (to present)
Chairman, EBARA GREAT PUMPS CO., LTD. (to present)
Chairman and CEO, Elliott Group Holdings, Inc. (to present)



Teruyuki Ota

Executive Officer,
President, Infrastructure Company

- Apr. 1971 Joined the Company
- Apr. 2017 General Manager, Recruiting and HR Development Department, Human Resources,
Legal and General Affairs Division
- Apr. 2021 General Manager, Infrastructure Sales Department, System Business Division, Fluid
Machinery Systems Company of the Company
- Mar. 2022 Executive Officer (to present)
Division Executive, System Business Division, Fluid Machinery & Systems Company
- Jan. 2023 President, Infrastructure Company (to present)



Shugo Hosoda

Executive Officer,
Division Executive, Corporate Strategic Planning,
Finance and Accounting Division & CFO

- Oct. 1993 Joined the Company
- Apr. 2015 Division Executive, Governance Promotion
Department
- Apr. 2016 Deputy Vice President, Elliott Group Holdings, Inc.
Deputy Vice President, Elliott Company
- Jan. 2018 Vice President, Elliott Group Holdings, Inc.
Vice President, Elliott Company
- Jan. 2019 Director, Elliott Group Holdings, Inc.
- Mar. 2021 Executive Officer* (to present)
Division Executive, Finance & Accounting
Division
- Mar. 2022 Division Executive, Corporate Strategic
Planning, Finance & Accounting Division
- Jan. 2023 Division Executive, Corporate Strategic
Planning, Finance & Accounting Division & CFO
(to present)



Yoji Sato

Executive Officer,
Division Executive, Human Resources Division & CHRO

- Apr. 1987 Joined the Company
- Apr. 2011 Division Executive, Planning Division, Ebara
Environmental Plant Co., Ltd.
- Apr. 2012 General Manager, EBARA QINGDAO CO., LTD.
- April 2017 Division Executive, Sales Division, Ebara
Environmental Plant Co., Ltd.
- Jan. 2019 Director, Environmental Engineering Company
- Mar. 2022 Executive Officer (to present)
Division Executive, Human Resources Division
- Jan. 2023 Division Executive, Human Resources Division
& CHRO (to present)



Toru Nakayama

Executive Officer,
Division Executive, Legal, Internal Control,
Risk Management and General Affairs Division & CRO

- Apr. 1984 Joined the Ministry of International Trade and
Industry (currently Ministry of Economy, Trade
and Industry)
- Apr. 2012 Deputy Director General for Commerce and
Information Policy Bureau, METI
- Jul. 2013 Director-General, Trade Control Department,
Trade and Economic Cooperation Bureau
- Sep. 2014 Joined the Company
- Jan. 2018 Division Executive, Internal Control and Risk
Management Division
- Mar. 2018 Executive Officer* (to present)
Division Executive, Legal, Internal Control, Risk
Management and General Affairs Division
- Jan. 2023 Division Executive, Legal, Internal Control, Risk
Management and General Affairs Division &
CRO (to present)



Hideki Yamada

Executive Officer,
President, Environmental Solutions Company, President and Representative Director of
Ebara Environmental Plant Co., Ltd. Director, Swing Corporation

- Apr. 1985 Joined the Company
- Apr. 2008 General Manager, Global Sourcing Department, Custom Pump Business Division,
Fluid Machinery & Systems Company
- Apr. 2011 General Manager, Procurement Control Department, Custom Pump Business
Division, Fluid Machinery & Systems Company
- Apr. 2013 Executive Officer
- Apr. 2015 Deputy Division Executive, China and East Asia Department, Strategy and
Technology Management Division, Fluid Machinery & Systems Company
Chairman, EBARA GREAT PUMPS CO., LTD.
- Apr. 2016 Division Executive, China and East Asia Department, Strategy and Technology
Management Division, Fluid Machinery & Systems Company
- Jan. 2019 Division Executive, Industrial Pump Division, Fluid Machinery & Systems Company
- Oct. 2019 Managing Executive Officer
Division Executive, Custom Pump Division, Fluid Machinery & Systems Company
- Jan. 2020 Chairman, EBARA MACHINERY ZIBO CO., LTD.
- Mar. 2020 Executive Officer (to present)
- Jan. 2023 President, Environmental Solutions Company (to present)
President and Representative Director, Ebara Environmental Plant Co., Ltd.
(to present)
Director, Swing Corporation (to present)



Tetsuji Togawa

Executive Officer,
President, Precision Machinery Company

- Apr. 1986 Joined the Company
- Apr. 2013 New Business Development Department, Precision Machinery Company
- Apr. 2014 Executive Officer
- Mar. 2019 Senior Managing Executive Officer President, Precision Machinery Company
- Mar. 2020 Executive Officer (to present)
- Jan. 2023 President, Precision Machinery Company (to present)



Hiroyuki Kowase

Executive Officer,
Division Executive,
Information & Communication System Division & CIO

- Apr. 2014 Executive Officer and CIO General Manager, IT
Promotion Headquarters, LIXIL Corporation
- Dec. 2015 Senior Managing Executive Officer and CIO
General Manager, Information Systems
Headquarters, LIXIL Corporation
- Jul. 2018 Deputy Chief Global Information Technology
Officer, Department Director, ICT Strategy &
Platform Department, Shiseido Company,
Limited
- Dec. 2018 Joined the Company
- Apr. 2019 Division Executive, Information &
Communication System Division
- Mar. 2020 Executive Officer* (to present)
- Jan. 2023 Division Executive, Information &
Communication System Division & CIO
(to present)



Norihisa Miyoshi

Executive Officer,
Division Executive,
Technologies, R&D & Intellectual Property Division & CTO

- Apr. 1987 Joined the Company
- Apr. 2016 Division Executive, Basic Technology Division,
Ebara Environmental Plant Co., Ltd.
- Jan. 2019 Division Executive, Engineering Division, Ebara
Environmental Plant Co., Ltd.
- Jan. 2022 President and Representative Director of Ebara
Environmental Plant Co., Ltd.
- Jan. 2023 Division Executive, Technologies, R&D &
Intellectual Property Division
- Mar. 2023 Executive Officer (to present)
Division Executive, Technologies,
R&D & Intellectual Property Division & CTO
(to present)