

Governance to Value

— Ebara's Governance —



Key Points of Section 4

- Dialogue with stakeholders by the Chairman of the Board of Directors and the Chairperson of the Nomination Committee [▶ P91](#)
- The ongoing evolution of governance reforms
 - Ten Years of Governance Reforms and A Board of Directors Culture that Seeks to Evolve Further [▶ P102](#)
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Directors (As of March 26, 2025)

Section 4

Governance to Value

— Ebara's Governance —

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**Hiroshi Oeda**

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

Dialogue with Stakeholders

by the Chairman of the Board of Directors and
the Chairperson of the Nomination Committee

This article is based on the Q&A session “Ebara’s Corporate Governance Evolving to a New Phase: Board of Directors implementing Governance to Value with an Emphasis on Sustainability Management,” a small meeting with institutional investors held online on April 23, 2025 (hosted by Mizuho Securities Co., Ltd.), and it includes questions from analysts and investors and answers from Hiroshi Oeda, Chairman of the Board of Directors, and Teiji Koge, Chairperson of the Nomination Committee.

REFERENCE Please find material covering the conversation on our website. (Japanese language only)
<https://www.ebara.com/content/dam/ebara/grand-masters/entities/ja/newsroom/pdf/ir/20250423.pdf>

**Teiji Koge**

Independent Director
Lead Independent Director
Chairperson of the Nomination Committee

Q Which factors played a major role in selecting the new president?

| Koge | In selecting the next president, the Nomination Committee clearly defined the “ideal image of the president.” Specifically, they are individuals who possess the qualities and abilities to gather extensive information, conduct in-depth analysis, develop strategic concepts, and swiftly promote transformation amidst the increasing uncertainty of the business environment. The new president, Mr. Hosoda, brings diverse business experience, a calm and

composed demeanor, and exceptional logical thinking skills. In terms of character, he is humble and sincere in all his actions, yet possesses the boldness, conviction, and strong sense of responsibility to see his decisions through to the end. Through the selection program, we confirmed these qualities and concluded that he is the right person to lead Ebara into the future.

| Oeda | While many companies tend to focus on past achievements when selecting a president, our selection policy places the highest priority on identifying the type of

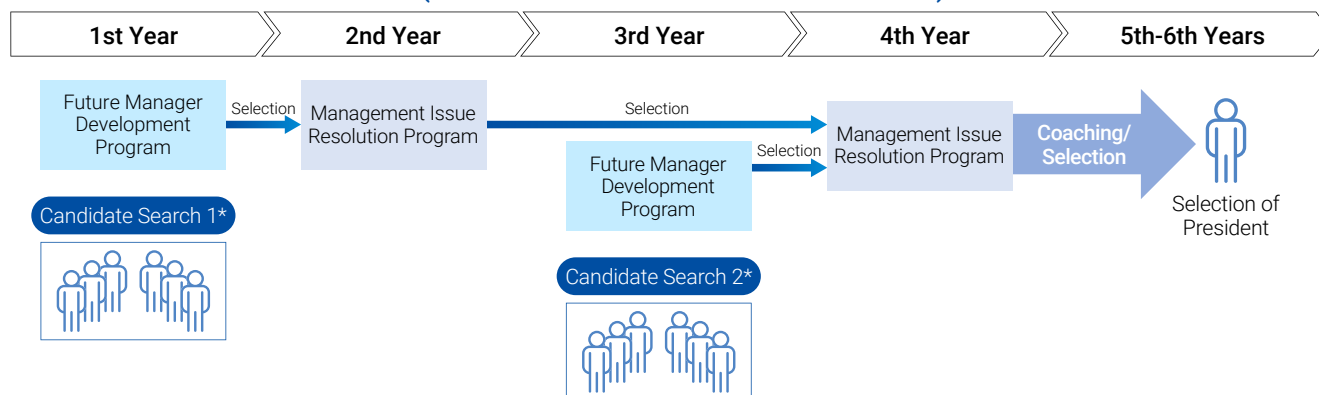
leadership best suited to guide Ebara into the future. The Nomination Committee identified the qualities and capabilities required of the ideal next president and selected the new president, Mr. Hosoda, based on those criteria.

Q Given that operating margins have remained flat in recent years, might it have been better to prioritize whether the new president is someone who can further improve performance?

| Koge | While our current performance targets may appear flat, this is because we achieved the goals set out in our E-Vision 2030 long-term vision, including operating profit ratio, ROE and ROIC, ahead of schedule. However, the new president, Mr. Hosoda, is not satisfied with maintaining the status quo but is determined to set even higher goals. This year is also the year to formulate the next medium-term management plan, and the Board of Directors would like to have a thorough discussion on how to further increase corporate value, including enhancement of the management base and growth strategy.

| Oeda | During the six years of former president Asami’s tenure, there was a shift in consciousness towards prioritizing profits, and I felt through the operation of the Board of Directors that a spirit of taking on challenges

Succession Plan for the President (Six-Year Cultivation and Selection Process)



* Images do not represent actual numbers of candidates.

Dialogue with Stakeholders

without fear of failure has permeated among the employees. The new president, Mr. Hosoda, will inherit and further strengthen this mindset and spirit. He has also expressed a strong commitment to actively shaping an optimal business portfolio, and we hope you will look forward to the future under his leadership.

Q What types of discussions are being held regarding the achievements and challenges of implementing the CxO system? Also, has there been a change in the type of leadership you expect from the CEO?

| Oeda | The CxO system was introduced for two reasons. The first is to break away from the vertical structure of each company, also known as the “silo culture,” and to create horizontal connections across the entire Group. The second is for the Corporate Division to be able to make proposals to the companies on an equal footing. In my view, we have already achieved certain results and feel that the implementation was worthwhile, but I believe there is still room for improvement and we are only halfway there. Since we have already created a “form” on a global basis, I recognize that the next challenge is to infuse it with “soul” so that it functions effectively.

| Koge | I will explain our vision for the CEO role. As the Company has reached a new stage of growth, we have discussed the necessary qualities of a CEO for the future of Ebara when it came time to select a new president at the Nomination Committee. At that time, we were already anticipating an era of unprecedented uncertainty and unpredictability. That assumption has now become reality. We have selected the new president, Mr. Hosoda, as the most suitable person to achieve further growth in this era. While the results of this decision will unfold in the future, our expectations for the type of leadership a CEO should embody remain unchanged.

| Oeda | To add one more thing, one of the major features of the Company's President Succession Plan is the fact that the current President is not involved. The new president, determined by the Nomination Committee, has a significant

advantage in that he is free to challenge past management practices and drive reform without being constrained by the legacy of the former president. We hope you will look forward to what the new president, Mr. Hosoda, will bring in this regard as well.

Q During the six years of the former president Asami's tenure, how much progress was made in preparing for and enhancing the Company's ability to respond to and be resilient to change?

| Oeda | I have a very positive impression of that. As mentioned earlier, the Company's commitment to profitability and the spirit of challenge have permeated the Company, raising our capabilities several notches in a wide range of areas, including capital efficiency and resilience. Former President Asami demonstrated strong leadership, engaging directly with each business and fostering dialogue, including discussions at the Board of Directors. I believe he transformed the Company into a form that he was satisfied with.

Q Please let us know if there are any tasks that former president, Mr. Asami, left unfinished during his six years, or areas you would like the new president, Mr. Hosoda, to focus on.

| Oeda | Over the past six years, Ebara has expanded rapidly in many aspects, including the expansion of business scale, number of bases, and number of employees, but in comparison to the growth of the Company, we have not fully developed the necessary human resources. Although we have received high marks for governance from external organizations, we recognize that there is still room for improvement in areas such as compliance, safety, and quality. In particular, there is a concern that as globalization progresses, it will become more difficult for instructions and management from head office to reach our employees, which could lead to a situation of so-called “logistics being stretched too thin.” In this regard, the new president, Mr. Hosoda, is well-versed in administrative matters, and I expect that he will be able to enhance and develop the Company in a well-balanced manner, including human

resources and governance aspects.

Q Regarding the evaluation of effectiveness of the Board of Directors, it seems that the priorities and items have been reviewed since last year. What was the reasoning behind this?

| Oeda | In the disclosure made on February 14, 2025, titled “FY2024 Evaluation of the Effectiveness of the Board of Directors,” one of the future actions to enhance effectiveness was identified as enhancement of discussion on management vision and management plan from a long-term perspective. As a specific issue, the business portfolio was positioned as the highest priority. In addition to this year being the year for formulating the next medium-term management plan, we are also considering the formulation of a new long-term vision looking beyond 2030, and we have decided to give high priority to discussions toward that goal. Additionally, under the item “deepening discussions on sustainability,” high-priority issues such as “establishment of global human resources system, securing and training human resources as the organization size grows rapidly” were cited by the Directors. On the other hand, topics such as human rights due diligence in the supply chain, DE&I, and carbon neutrality were removed from the list due to progress made over the past year. However, our commitment to these areas remains unchanged.

Q How is the Director, Chairman of the Company involved in the president succession process as a member of the Nomination Committee? Also, please tell us about the succession of the members of the Nomination Committee.

| Oeda | First, one of the advantages of having the Director, Chairman of the Company participate in the Nomination Committee is that it allows the Committee to incorporate the Chairman's in-depth knowledge of the Company's personnel matters into its discussions, rather than relying solely on the perspectives of the Independent Directors. While the Chairman is involved in the selection of the new president as a member of the Nomination Committee, the

Dialogue with Stakeholders

Chairman's own term is also limited to six years, and he will retire concurrently with the appointment of the new President. Therefore, like his predecessor, the new president does not need to curry favor with the Chairman, which facilitates greater freedom to drive transformation. Additionally, while there may be changes in the composition of the Nomination Committee during the selection period for the next president, the committee succession planning takes into account the tenure of Independent Directors. The basic structure is two Independent Directors, with the possibility of expanding to three as needed.

| Koge | Regarding the succession plan for Independent Directors, it is a challenging issue to find candidates with the appropriate skills, diversity, and attributes, especially as the presence of Independent Directors is increasingly valued in society. The effectiveness of our Independent Directors, as the Chairman of the Board of Directors, Mr. Oeda, explained earlier in the "Summary of Effectiveness Evaluation," is ensured based on individual evaluations, and as a composition, I believe we are in a well-balanced state. The challenge is how to maintain this, and the Nomination Committee is currently discussing the creation of a systematic succession plan.

Q It has been 10 years since Ebara adopted the organizational form of a "Company with a Nomination Committee, etc." What has been the most difficult thing during this time? Also, please tell us about issues that need to be improved in the future.

| Oeda | Over the past decade, the percentage of Independent Directors on the Board of Directors has increased, and the president is the only Executive Officer who also serves as a Director. The composition of the Board of Directors' effectiveness was modeled after global blue-chip companies with excellent governance through a benchmarking analysis of the evaluation of the effectiveness of the Board of Directors. However, at the time, the public did not fully understand this. At shareholders' meetings, as was the case every year, the question was asked, "Can management be managed with a

Board of Directors structure that has only one Executive Officer who also serves as a Director?" and "Is this the best system for the Company?" Although many employees initially had doubts, the separation between oversight and business execution has since gained wide acceptance among employees. The understanding that "the ultimate goal for employees is not to become a Director, but to become an Executive Officer" is now firmly taking root. Regarding the future, I never think the current situation is sufficient. We will continue to evaluate of the effectiveness of the Board of Directors, including conducting benchmark analyses by external experts. Based on the findings, we will actively incorporate the best practices and pursue ongoing reform and evolution.

Q You are currently promoting and practicing the concept of "Governance to Value," but do you have any thoughts on aiming for a broader concept of Sustainability to Value?

| Oeda | Even as the Company is practicing "Governance to Value," we prioritize and emphasize sustainability management to enhance corporate value. In that sense, as you asked, we are indeed aiming for and practicing Sustainability to Value.

Q What are your thoughts on optimizing Ebara's business portfolio?

| Oeda | With regard to existing businesses, I believe it is necessary to consider their efficiency, profitability, growth potential, and social/environmental value, among other factors. On the other hand, we understand that new businesses, especially the hydrogen business, are advancing at the fastest and most optimal pace within the given business environment, and the Board of Directors would like to support these businesses from a long-term perspective.

Q As an Independent Director, what do you perceive as Ebara's defining characteristics?

| Koge | As an Independent Director, my first impression of

Ebara was that its business relates to social infrastructure and that it occupies an excellent position in terms of contributing to the resolution of social issues. Because of the diversity of its businesses across five segments, some investors may view the company as subject to a conglomerate discount. However, in reality, each segment achieves returns that exceed the cost of capital while contributing to solving global social issues, and I feel that it is a company with truly excellent products, services, and solutions. Furthermore, Ebara has created a portfolio consisting of core businesses and growth businesses, and allocates management resources appropriately, so I expect even greater growth in the future.

Another defining characteristic of the company is its governance. The Nomination Committee and the Compensation Committee, which are the central to the oversight functions of a Company with a Nomination Committee, etc., are both composed mainly of Independent Directors and have independent, objective, and diverse members. In addition, the effectiveness of these Committees is evaluated through individual performance assessments, peer reviews, and interviews conducted by outside experts. The Company has a structure in place to objectively evaluate the contributions of individual Directors, and I myself feel the weight of my responsibility as a Director of the Company. The structure is robust and well-equipped to fulfill its core purpose: overseeing management from a shareholder's perspective and determining whether executive decisions can be endorsed from that standpoint.

If I were to point out an area for improvement, it would be the need to take one further step in strengthening our management foundation, particularly in the areas of safety, quality, and compliance. In addition, while we are making steady progress in areas such as sustainability and ESG initiatives, I believe it is essential to articulate a clear picture of the Company's value creation story and explain it more clearly to the capital markets, showing how these measures are linked to profitability, efficiency, and long-term sustainability.

Dialogue with Stakeholders

In Conclusion

I appreciate the opportunity as Chairman of the Board of Directors to hold direct dialogues this year between Independent Directors and investors again, as I did in 2023 and 2024.

This year, I attended the meeting with Chairperson Koge of the Nomination Committee. Since the new president, Mr. Hosoda, had just been newly elected, we received more questions than in previous years, mainly about succession planning for the president and Directors, as well as other matters related to the Nomination Committee. I sincerely appreciated the opportunity to feel the investors' high level of interest and enthusiasm once again, which made it a very substantial meeting.

I have always believed that, in addition to executive management and IR staff, it is important for the Board itself to engage directly in deepening dialogue with the capital markets, which are key stakeholders. Going forward, I intend to continue taking every opportunity to hold discussions and briefings with investors.



Hiroshi Oeda
Independent Director
Chairman of the Board of Directors
Member of the Nomination Committee



Teiji Koge
Independent Director
Lead Independent Director
Chairperson of the Nomination Committee

As Chairperson of the Nomination Committee, it was my first time participating in a small meeting. It was a valuable opportunity to discuss the role of the Nomination Committee of the Company, and the content and features of the program for training and selecting the next president, with investors. During the meeting, I received a variety of questions and comments regarding the president's succession plan and my perspective as an Independent Director, which once again made me keenly aware of the high level of interest and expectations from our investors.

I believe it is extremely important that, through these dialogues, we can deepen mutual understanding and gain valuable new perspectives that will help us to improve and enhance our activities. The Nomination Committee will continue to evaluate the performance of the new president while also discussing and formulating a new training and selection program for the next president in order to ensure a well-planned succession.

TOPIC

Mr. Oeda, Chairman of the Board of Directors of the Company, participated in the 12th "Ensuring the Effectiveness of Corporate Governance in Japan: A Discussion by Experienced Independent Chairpersons and Nomination Committee Chairs"

On June 24, 2024, Chairman of the Board of Directors Mr. Oeda attended a three-party lecture hosted by the Japan Corporate Governance Network and participated in a panel discussion with three speakers with Chairman of the Japan Corporate Governance Network, Mr. Shin Ushijima and former Director General of the Policy Bureau at the Financial Services Agency, Mr. Kiyotaka Sasaki. Mr. Oeda explained the evolution of the Company's governance reforms, the evaluation of the effectiveness of the Board of Directors initiative, and the president's succession plan, etc. The two other participants asked various questions, including the aim of Ebara's adoption of the organizational form of a company with a Nomination Committee, etc., and what he keeps in mind as the Chairman of the Board of Directors.

Among what was discussed, the individual self-evaluation and peer evaluation of Directors, as well as the president's succession plan led by Independent Directors, conducted as part of the Company's evaluation of the effectiveness of the Board of Directors, were highly regarded for their advancement and uniqueness, resulting in a very meaningful discussion.






















Directors (As of March 26, 2025)

REFERENCE Directors (Biographies of Directors)

https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/pdf/ir/stock/shareholdersmeeting/6361_160_NoticeGMS_E_r1.pdf#page=7

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

Name	Masao Aasami	Shugo Hosoda	Hiroshi Oeda	Junko Nishiyama	Mie Fujimoto
Position	Director, Chairman of the Company	Director, CEO & COO President, Representative Executive Officer	Independent Director Chairman of the Board of Directors	Independent Director Chairperson of the Audit Committee	Independent Director Chairperson of the Compensation Committee
Classification/ Committee positions	Non-Executive Nomination	Executive	Outside Independent Nomination	Outside Independent Audit	Outside Independent Compensation
Length of service	6 years	—	7 years	6 years	5 years
Number of shares held	258,535	63,605	16,505	15,005	13,505
Attendance at Board of Directors' meetings*1	100% (15/15)	—	100% (15/15)	100% (15/15)	100% (15/15)
Attendance at committee meetings*1	—	—	100% (18/18)	100% (16/16)*2	100% (14/14)

Areas in which the Company expects its Directors (Outside and Non-executive) to have expertise*	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		—		

*1. Attendance indicates the attendance status at Board and committee meetings for the fiscal year ended December 31, 2024 *2. Attendance shown only for Compensation Committee meetings held after her appointment on March 27, 2024

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

Directors (As of March 26, 2025)

REFERENCE Directors (Biographies of Directors)

https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/pdf/ir/stock/shareholdersmeeting/6361_160_NoticeGMS_E_r1.pdf#page=7

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

Name	Akihiko Nagamine	Takuya Shimamura	Teiji Koge	Tsuyoshi Numagami	Kaeko Kitamoto
Position	Director	Independent Director	Independent Director Lead Independent Director Chairperson of the Nomination Committee	Independent Director	Independent Director
Classification/ Committee positions	Non-Executive Audit	Outside Independent Compensation	Outside Independent Nomination	Outside Independent Compensation	Outside Independent Audit
Length of service	4 years	3 years	2 years	2 years	—
Number of shares held	94,175	7,405	4,410	4,410	0
Attendance at Board of Directors' meetings*1	100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)	—
Attendance at committee meetings*1	100% (22/22)	100% (14/14)	100% (18/18)	100% (11/11)*2	—

Areas in which the Company expects its Directors (Outside and Non-executive) to have expertise*	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

*1. Attendance indicates the attendance status at Board and committee meetings for the fiscal year ended December 31, 2024 *2. Attendance shown only for Audit Committee meetings held after his appointment on March 27, 2024

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

Roles and Composition of the Board of Directors

Ebara has adopted the Company with a Nomination Committee, etc. structure to ensure clear separation of oversight 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:

- Facilitating the best governance system that supports appropriate risk-taking both offensively and defensively to continuously increase corporate value
- Determining the major direction for items such as corporate strategy and sustainability management from a medium- to long-term perspective
- Providing highly effective oversight of business execution from an independent, objective standpoint

REFERENCE Corporate Governance Basic Policy

Overview of the Ebara Group's basic approach to corporate governance

https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/ir/governance/basic-policy-and-framework/pdf/EBARACorporateGovernanceBasicPolicy20240611_1.pdf

Corporate Governance System at a Glance (As of March 26, 2025)

Format	Company with a Nomination Committee, etc.
Chairman of Board of Directors	Independent Director
Number of Directors	10
Of whom are Independent Directors	7
Number of Independent Directors*	7
Term of Directors	1 year

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

Committee Composition Overview (As of March 26, 2025)

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

* Each committee member shall not serve concurrently on any other committee.

Composition of the Board of Directors



Hiroshi Oeda
Independent Director,
Chairman of the Board of
Directors

Reasons for electing the Chairman

Because he has a wealth of insight and experience as an executive at listed companies, he is well versed in global business, and he has extensive experience as an independent director at other listed companies. The Company has judged that he is able to draw on his experience and to lead the operation of the Board of Directors as Chairman, including setting the agenda and evaluating the Board's effectiveness.

Evaluation of the Board Chairman

Conducted December 2024 (once a year)

Number of meetings held

15 (2024)

Average duration of meetings

3 hours (1 event)

Composition of the Board of Directors

Chairman



Independent Directors



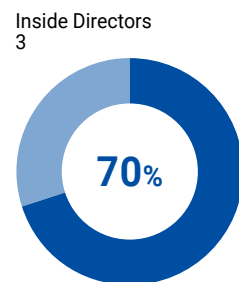
Inside Directors (non-executive)



Inside Directors (executive)

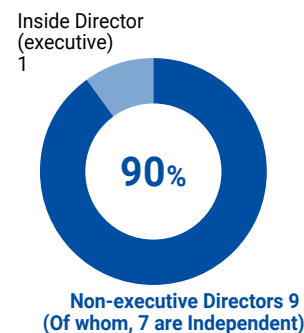


Ratio of Independent Directors



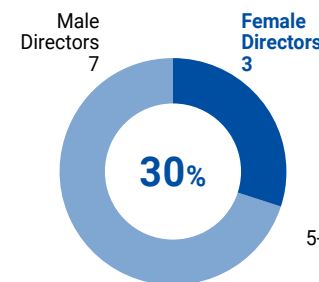
Ensuring independence and objectivity

Ratio of Non-Executive Directors



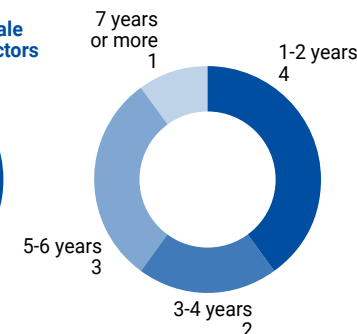
Enhancing oversight

Ratio of Female Directors



Promoting diversity

Ratio of Directors' Length of Service



Roles and Composition of the Board of Directors

Roles, Qualifications and Competencies Required for Directors

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's Corporate Governance Basic Policy clearly defines the roles and qualifications required of directors by attribute and position. Moreover, the Company defines the following areas it considers important from the perspective of corporate management, and it requires individual directors to have sufficient knowledge and experience in several specified 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.

We expect our directors to possess sufficient knowledge and experience in multiple of these areas, which we refer to as their “expected areas of expertise.”

REFERENCE Corporate Governance Basic Policy (P9–15)

Chapter 6 discloses and explains the roles and responsibilities of Directors.

https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/ir/governance/basic-policy-and-framework/pdf/EBARACorporateGovernanceBasicPolicy20240611_1.pdf

Roles, Qualifications, and Competencies Required for Directors (Excerpt)

	Roles	Qualifications and Competencies
Directors	<ul style="list-style-type: none"> The Board of Directors shall endeavor to conduct thorough deliberations at meetings and oversee the execution of business to fulfill its role as an effective monitoring body. Make wise decisions with broad insight and logical thinking based on his/her expertise in specific fields, while taking into account opinions of other Directors and information from inside and outside the Company Express not only approval or disapproval on issues, but also present new issues for the growth of the Company during deliberations 	<ul style="list-style-type: none"> Has outstanding personality, high ethical standards, a spirit of exploration, and a spirit of independence Has demonstrated outstanding results, has excellent knowledge in corporate management, and experience in decision-making from a responsible position, or has demonstrated professional skills Has or is willing to acquire the latest information on industries and/or peripheral/relevant areas that are related to the strategic direction and/or medium- to long-term issues of the Company Has insight and logical-thinking ability to make judgments by referring to the opinions of other Directors and new information from inside and outside the Company, rather than solely relying on his/her own past experience and knowledge Committed to the governance reform of the Company and motivated to develop himself/herself by contributing to the process of its evolution
Chairperson of the Board of Directors	<ul style="list-style-type: none"> Set board meeting agendas, facilitate effective decision-making, and promote solution-oriented discussions Ensure smooth operation of the Board of Directors and promote the implementation of decisions into business execution Demonstrate leadership in implementing the PDCA cycle of the Board of Directors, including leading the evaluation of the effectiveness of the Board of Directors as a whole, each Committee, and Director, and taking the initiative in improving governance at all times Demonstrate leadership in disseminating information to the stock market and gathering necessary information 	<ul style="list-style-type: none"> Always lead the Board of Directors with an earnest attitude in a fair, objective, and self-restrained manner and earn trust from stakeholders In times of emergencies, respond with a sense of urgency and fully realize his/her responsibility and demonstrate leadership as the chief of the highest decision-making body of the Company Interested in the Company's business execution and management personnel, and is willing to deepen the understanding of the same by having dialogues with the execution side
Lead Independent Director	<ul style="list-style-type: none"> Hold Executive Sessions for Independent Directors* to improve the quality of the Board of Directors meetings by promoting their understanding of issues by selecting proper agenda items and organizing discussion points Establish and supervise appropriate training programs for the Independent Directors, including newly appointed Independent Directors, by identifying the needs of each Independent Director, such as deepening their understanding of specific issues 	<ul style="list-style-type: none"> Always lead the Independent Directors with an earnest attitude in a fair and objective manner, and earn the trust of stakeholders Has broad insight and is able to develop appropriate improvement measures for Independent Directors to fulfill their roles
Independent Directors	<ul style="list-style-type: none"> Enhance the quality of deliberations at the Board of Directors meetings by providing opinions and recommendations for problem-solving thinking from an objective and diverse perspective At the Independent Directors' Meetings, strive to determine the true nature of the issue by actively making efforts to understand the Company and its business as its background Assume the duties as a member of the Nomination Committee, Compensation Committee, and/or Audit Committee Participate in the Board of Directors meetings and other meeting structures on management, independently from the Executive Officers, when deemed necessary, and provide supervision and advice on the Company's operations by expressing his/her views and other means Will serve as a member of an investigatory committee and participate in evaluation and/or determination with respect to Company compliance in the event that an evaluation and/or determination independent of the Executive Officers is required. Will supervise and verify key management initiatives, management results, and the performance of Executive Officers as needed in light of the management strategy and plan determined by the Board of Directors, and will provide candid comments and recommendations on the appropriateness of entrusting management to the current executive officers from an objective standpoint. Provide candid opinions and recommendations from the standpoint of stakeholders, including shareholders 	<p>Independent Directors are expected to have superior knowledge and experience in one or more of the following Domains</p> <ul style="list-style-type: none"> Has demonstrated leadership in implementing and enhancing ESG-focused management Has demonstrated leadership in personnel and human resource development, and reform of corporate culture Has intimate knowledge related to finance, accounting, and/or capital policy with experience from a business management perspective Has intimate knowledge of auditing Has intimate knowledge of legal affairs, internal control, and governance reforms Has intimate knowledge of technical development and R&D with experience from a business management perspective Has intimate knowledge of the global environment Has knowledge of a company's issues as a social entity, such as respect for human rights and diversity, health and working conditions, and supply chain management Has knowledge in fields expected to evolve in the future, such as digitalization and AI technology

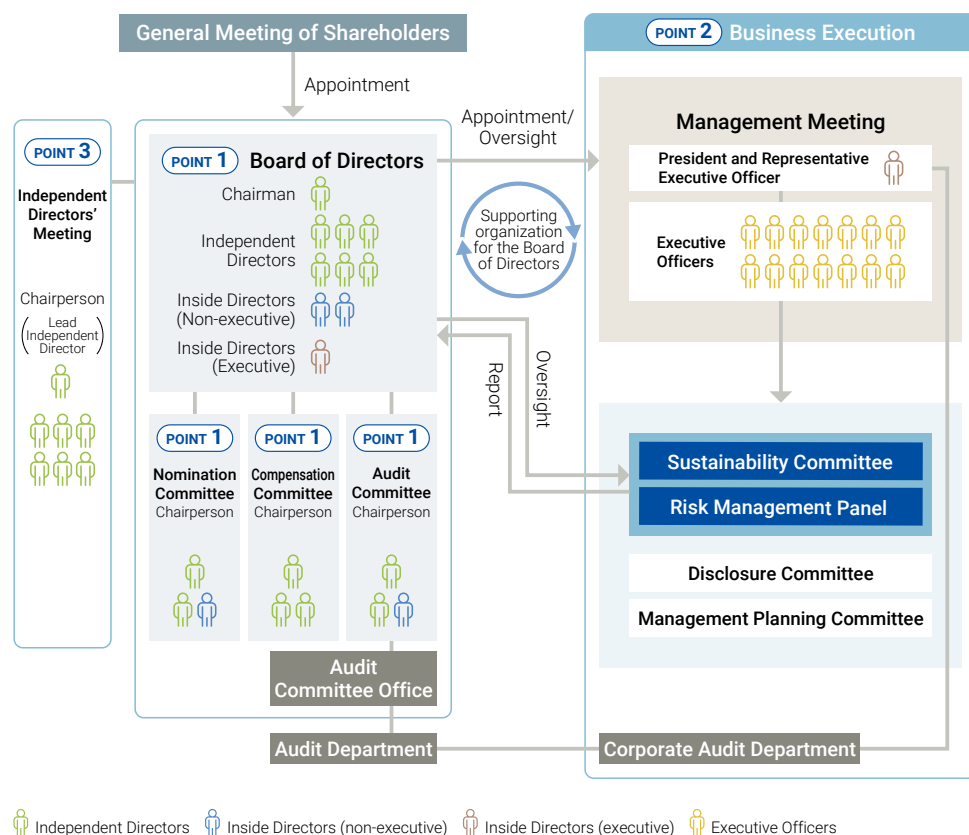
* A meeting body that solely consists of Independent Directors, held a few days prior to the Board of Directors meeting

Corporate Governance

Basic Views on 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 Framework (As of March 26, 2025)



Main Points of the Corporate Governance Framework

POINT 1

Enhancing oversight and ensuring transparency

By having Independent Directors play an important role and by having a Board of Directors consisting mainly of nonexecutive Directors (including Independent Directors), we have enhanced management oversight from an independent and objective standpoint, and we have ensured transparency. Under the current structure, a majority of Directors and individual committee members are Independent Directors. The Chairman of the Board of Directors and the Chairs of the Nomination Committee, the Compensation Committee, and the Audit Committee are Independent Directors as well.

Note: In order to clearly separate oversight and business execution, we transitioned to a Company with a Nomination Committee, etc. in 2015.

POINT 2

Expanding business execution authority and increasing competitiveness

By clearly separating the roles and responsibilities of oversight and business execution and by delegating extensive business execution authority to executives, we are promoting agile management and creating an environment that supports appropriate risk-taking in order to increase competitiveness.

POINT 3

Holding of Independent Directors' Meetings

A body consisting solely of Independent Directors has been constituted and meets monthly a few days prior to the Board of Directors meetings. At these meetings, Executive Officers provide preliminary explanations of proposals and other matters related to business execution and agenda items for the coming Board meetings. Through them, the Independent Directors identify required agenda items and freely discuss them to better understand them. The explanations and discussions had in the Independent Directors' Meetings facilitate more in-depth deliberations by the Board of Directors.



Corporate Governance

Major Initiatives for the Board of Directors in 2024

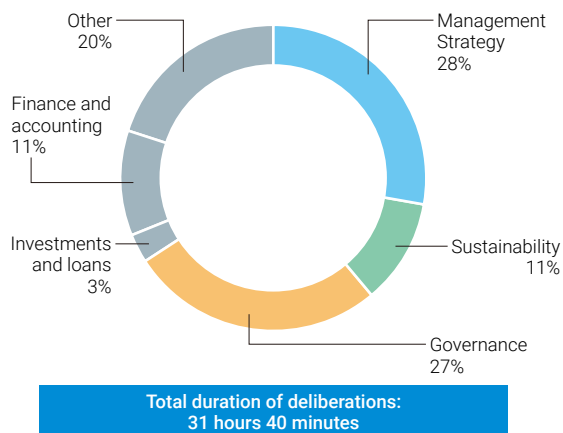
The fiscal year ended December 31, 2024 was the fifth year since the formulation of E-Vision 2030, which is our long-term vision, and the second year of E-Plan 2025, which is our medium-term management plan. The Board of Directors examined the progress of the long-term vision and the medium-term management plan, repeatedly discussed them from various perspectives, and encouraged executives

to steadily implement those efforts and to respond to important issues. As specific efforts to make advances in ESG-focused management as stated in the long-term vision, important sustainability-related issues (human resource development, diversity, equity, and inclusion (DE&I), human rights due diligence (DD) in the supply chain, carbon neutrality, climate-related disclosures, occupational safety,

quality assurance, compliance, etc.) were systematically placed on the agenda, and their progress was checked and discussed over time. Moreover, we recognize the importance of practicing Governance to Value with greater emphasis on sustainability management, and we have clearly stated the Board of Directors' role and stance toward sustainability in our Basic Policy on Corporate Governance.

Monitoring and Follow-up of Ebara's Long-Term Vision and Medium-Term Management Plan (2024)

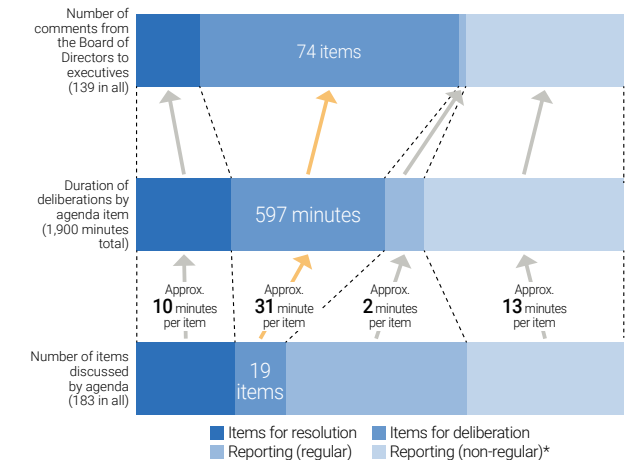
Duration of Board Deliberations by Agenda Item



Status of Major Deliberations by the Board of Directors

Jan.	Governance	Finalized the evaluation of the effectiveness of the Board of Directors
Feb.	Governance	Determined which aspects of the evaluation of the effectiveness of the Board of Directors to disclose
	Management strategy	Set KPIs for FY2024 (financial and non-financial)
Apr.	Sustainability	Discussed sustainability issues (1)
		Initiatives related to quality assurance efforts Company-wide
May.	Management strategy	Considerations for formulation of the long-term vision (1)
	Sustainability	Initiatives to advance DE&I and human capital
Jun.	Management strategy	Status of the development of new businesses and marketing activities
Jul.	Management strategy	Monitored the status of the medium-term management plan (1)
	Sustainability	Initiatives related to occupational safety and health
Aug.	Management strategy	Considerations for formulation of the long-term vision (2)
	Governance	Initiatives related to legal compliance
Sept.	Management strategy	Monitored the status of the medium-term management plan (2)
	Management strategy	Considerations for formulation of the long-term vision (3)
Oct.	Management strategy	Monitored the status of the medium-term management plan (3)
	Sustainability	Discussed sustainability issues (2)
	Governance	Initiatives related to the CxO System
Nov.	Management strategy	Monitored the status of the medium-term management plan (4)
Dec.	Governance	Examined the results of the evaluation of the effectiveness of the Board of Directors

Annual Duration of Deliberations by Agenda Item and Number of Comments from the Board of Directors to Executives



* Reporting by Executive Officers on the execution of duties and individual matters

- There were 183 agenda items, the annual duration of deliberations was 1,900 minutes, and there were 139 comments from the Board of Directors to executives. These numbers were on par with those in the previous year.
- Items for deliberation accounted for the longest average deliberation duration among agenda items, mostly focused on medium- to long-term issues.
- Comments from the Board of Directors to executives were mostly regarding items for deliberation, the majority of which concerned medium- to long-term issues.

Corporate Governance

Training for Directors

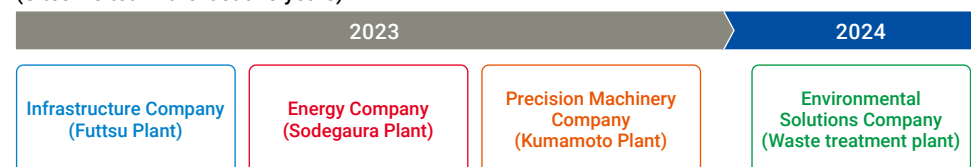
Training Policy for Directors

In order for each Director to make the most of his or her expertise and experience and to properly fulfill his or her required roles and responsibilities, we believe that more extensive and improved understanding and knowledge of aspects of and issues with the Group's business, the business environment that the Group faces, corporate governance, etc., will enhance the quality of discussions at Board of Directors meetings and thereby improve the effectiveness of the Board of Directors. This is why newly appointed Directors are given the opportunity to gain knowledge and insight in areas such as finance, legal affairs, and corporate governance before and after their appointment. Independent Directors in particular, who constitute the majority of the Board of Directors and who play a key role, are given the opportunity to gain knowledge and insight into the Group's management strategy, financial condition, and other important matters before and after their appointment. Even after assuming their post, Directors are

continuously given opportunities to better understand the Group's businesses, the key topics addressed by the Board of Directors, and issues identified in the evaluation of the Board's effectiveness through visits to business sites and lectures from outside experts.

We select sites for Directors to visit so that each Director can equally visit all five segments over several years.

(Sites visited in the last two years)



Training Activities in 2024

Oct. 2024 Visit to a waste treatment plant (Environmental Solutions Company)

On October 21, 2024, Directors visited a waste treatment plant maintained and operated by Ebara Environmental Plant Co., Ltd. During the visit, reports were given on the occupational safety system, efforts to eliminate occupational accidents, and strategies for DX, including automation and AI cranes. This was followed by a tour of the furnace room and other facilities in operation, and each Director experienced the work environment firsthand.

During the Q&A session following the visit, the Directors asked questions about profitability and safety measures from a variety of perspectives, which led to a lively discussion.

Dec. 2024 Training on corporate governance conducted with the former CEO of ICGN* invited as a lecturer

Training on corporate governance was conducted for Directors on December 6, 2024. The training featured Kerrie Waring, former CEO of ICGN and current Director General of the Chartered Governance Institute, who spoke on a wide range of topics related to corporate governance and the latest trends.

During the Q&A session that followed the lecture, Directors asked a number of questions and engaged in a lively discussion regarding the differences between the structure and composition of boards of directors in Japan and overseas as well as pioneering efforts to improve the effectiveness of boards overseas.

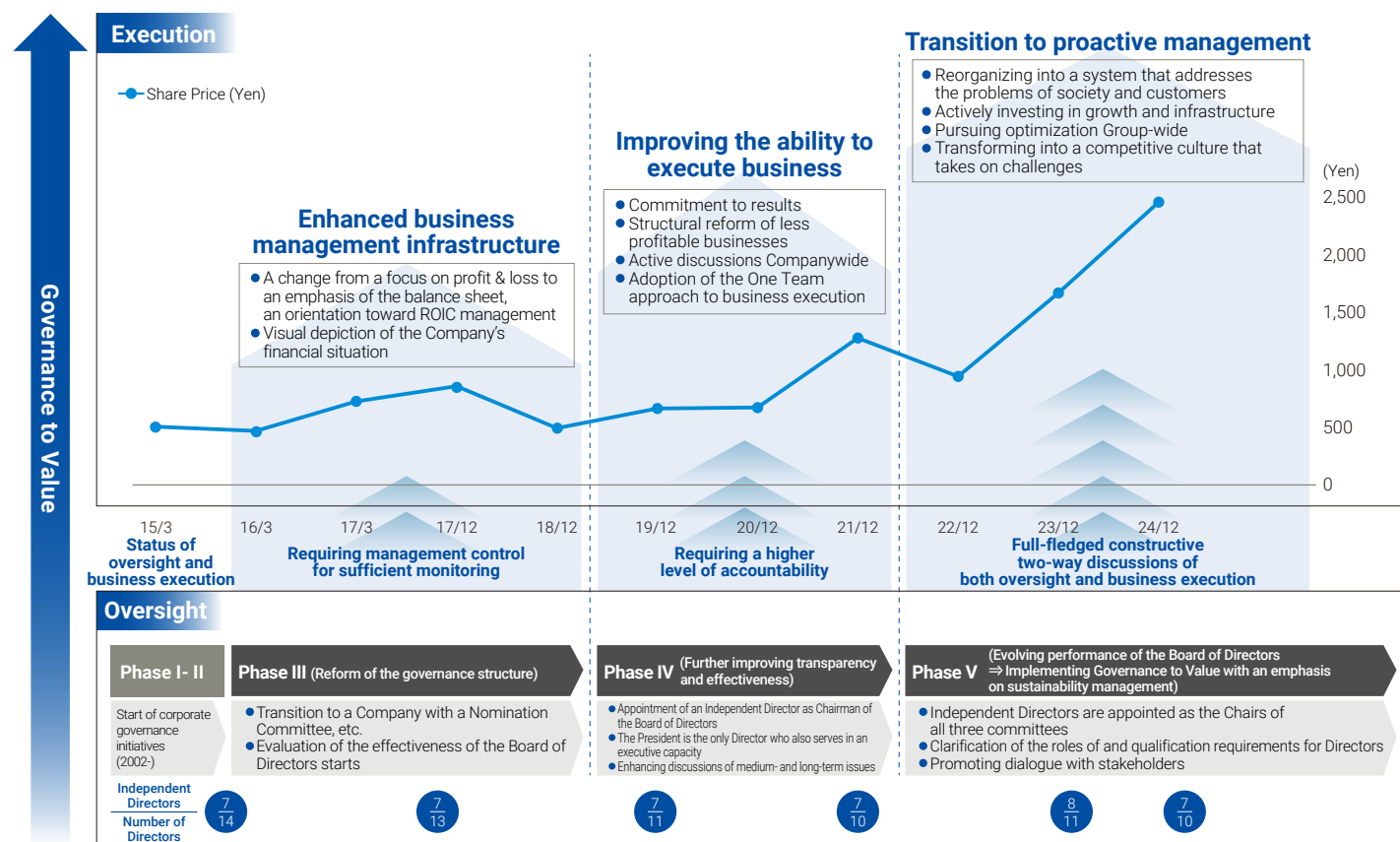
* International Corporate Governance Network



Corporate Governance Ten Years of Governance Reforms

Based on a policy of “clearly separating oversight and business execution,” our corporate governance has made significant progress through numerous efforts and trial and error since our transition ten years ago to a Company with a Nomination Committee, etc. The following chart depicts changes in our governance reforms over the past ten years, what the Board of Directors has required for business execution during each phase, and how this has affected management.

There are a number of new matters to be addressed and issues to be remedied in the future, but the Company will continue to work to maximize the roles of both oversight and business execution in order to achieve sustainable growth and increase corporate value for our Group.



REFERENCE The Evolution of Ebara's Corporate Governance System <https://www.ebara.com/global-en/ir/governance/Basic-Policy-and-Framework/>

Note: Stock prices have been restated to reflect the effects of the stock split (a 5-for-1 stock split) conducted on July 1, 2024.

Close-up

A Board of Directors Culture that Seeks to Evolve Further

Our Board of Directors has a healthy and robust culture that welcomes constructive discussion and evaluation. This has been the force that has facilitated and driven governance reforms over the years. This chart summarizes the key elements needed to create and further encourage the culture of the Board from four perspectives.

We will continue to maintain and encourage this culture as the bedrock and foundation for further evolution of the Board of Directors.



Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

In order to verify how the Board of Directors contributes to effective corporate governance and to identify issues and make improvements, the Board of Directors, as well as the Nomination Committee, Compensation Committee, and Audit Committee, have been conducting annual evaluations of the Board's effectiveness and disclosing the results. The extent to which issues identified in the previous fiscal year have been alleviated is verified through the annual evaluation. Based on those results, subsequent issues are identified, and the PDCA cycle is implemented to ensure continuous governance reform.

2024 Evaluation of Effectiveness

1. Analysis and Assessment Process

A questionnaire was created for each Director. In order to directly confirm the thoughts of each Director based on his or her responses, individual interviews* were conducted with all Directors by an outside expert for the first time in three years. Individual Directors also evaluated themselves and their peers. In addition, two benchmark analyses were performed for the first time in three years to verify and ascertain the status of our corporate governance system and the functioning of oversight by comparing them to domestic and international standards and to the status of leading companies overseas. The Board of Directors analyzed the responses to the questionnaire and the results of individual interviews and benchmark analyses. Based on those findings, the Board discussed its own effectiveness at its meetings in December 2024 and January 2025, where it verified those evaluations and future actions. In addition, every Director except the Chairman of the Board of Directors evaluated the Chairman.

* For the last two years, the Chairman of the Board of Directors, who is an Independent Director, has interviewed each Director individually.

2. Questionnaires and Individual Interviews

Questionnaires are used to identify overarching trends in important matters regarding the effectiveness of the Board of Directors and the committees, while particularly important matters are delved into through individual interviews.

3. Details of Benchmark Analysis

We compared our corporate governance system to domestic and international standards of corporate governance and to systems of leading foreign companies.

Major Questionnaire Items

- Roles and functions of the Board of Directors
- Size and composition of the Board of Directors
- Status of operation of the Board of Directors
- Composition and roles of the three committees
- Status of operation of the three committees
- Relationships with investors and shareholders

Evaluation Benchmarks

- OECD Principles of Corporate Governance
- Corporate Governance Code (Japan, UK)
- International Corporate Governance Network (ICGN)
- NYSE Listed Company Manual
- Aspects assessed* by the Dow Jones Sustainability Indices (DJSI)

* Related to Corporate Governance

4. Summary of the Results of Analysis and Evaluation

Each Director gave high marks to the Board of Directors and its committees in their current state, confirming that they are appropriately fulfilling their roles and responsibilities, that they are operating appropriately by adequately discussing items based on an appropriate agenda and agenda management, and that they are addressing the items that were cited as issues last year. In addition, individual Directors evaluated themselves and their peers based on the roles, qualities, and capabilities of Directors as stipulated in EBARA's Corporate Governance Basic Policy. We confirmed that each Director is appropriately fulfilling his or her responsibilities and contributing to Board deliberations. A summary of the peer evaluations is shared with the Nomination Committee, which refers to those evaluations when selecting candidates for the Board of Directors.

The benchmark analyses confirmed that our corporate governance system is generally comparable to domestic and international standards of corporate governance and to systems of leading companies overseas. No major items that needed to be addressed immediately were identified.

5. Action to Be Taken

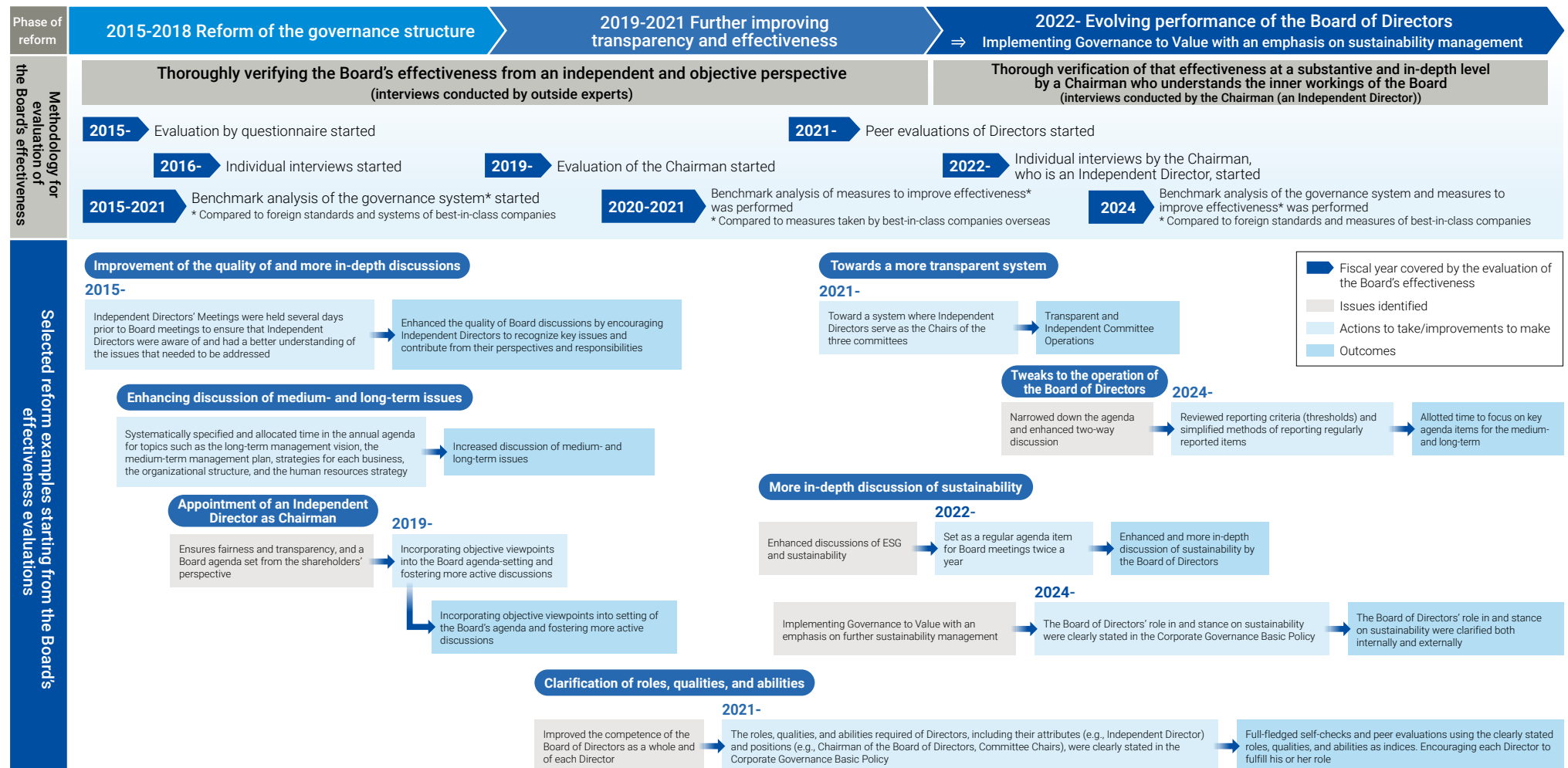
The Board of Directors identified the following items to be discussed on an ongoing basis at Board and committee meetings to further enhance the effectiveness of the Board of Directors, in addition to continuing reforms that have already been implemented.

- In light of the progress of the current medium-term management plan, E-Plan 2025, and various internal and external changes in the environment, the Board will organize ideas and policies on important issues, such as business portfolio, ROIC management, effectiveness of introduction of target market-based organizations, areas and size of investment in new businesses, brand strategy for the Group as a whole, etc., and improve discussions.
- The Board will deepen discussions on key issues related to sustainability (establishment of global human resources system, securing and training human resources as the organization size grows rapidly, penetration of corporate culture, further promotion of diversity, etc.) from the perspective of how to specifically link them with our company's profitability, long-term sustainability, and enhancement of corporate value.
- In addition to performing verification from the perspective of the auditing system and the operation of the CxO system, the Board will also discuss and examine internal controls such as compliance, as well as systems and mechanisms related to safety and quality.
- Periodic review of committee structure and activities.

Corporate Governance

Ten Years of Reforms to the Board of Directors Based on Evaluations of Effectiveness

Recognizing the importance of evaluating the Board of Directors not only on surface-level factors, such as size and composition, but also on its overall effectiveness, we transitioned to a governance structure with a Nomination Committee, etc., and began conducting assessments of the Board's effectiveness. There are numerous instances where evaluations of the Board's effectiveness have led to deeper insights by the Board and reforms. The following is a chronological summary of some of the major events in that process. We will further improve the Board's effectiveness and continue reforms that are already underway.



Corporate Governance

Nomination Committee



Reason for
appointment of
Chairperson

He possesses a wealth of experience and considerable insight as a corporate executive, and he is also well-versed in corporate governance and Environmental, Social, and Governance (ESG) management. He has been chosen to draw on that vast experience and knowledge and to display leadership in selecting management personnel and fostering management candidates as the Chairperson of the Nomination Committee.

Meetings in 2024

18

Average duration
of meetings

Approx. 1 hour and 30 minutes

Teiji Koge

Lead Independent Director, Chairperson of the Nomination Committee

Message from the Chairperson

We are committed to building a management team to help continuously increase Ebara's value to society and corporate value

Based on the six-year succession plan for the President and Representative Executive Officer that began in 2019, the Nomination Committee has systematically proceeded with the cultivation of candidates and the selection of successors. During this process, we are broadly building the next management team while selecting the next President.

In 2024, following extensive deliberations, the final candidate was selected. 2025 marks the first year in developing a new six-year presidential succession plan. The Nomination Committee will continue its deliberations, incorporate improvements identified from the previous plan, and proceed with implementation.

The medium-term management plan E-Plan 2025, 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.

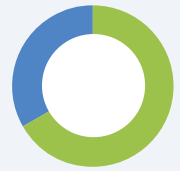
To achieve E-Vision 2030 and E-Plan 2025, the Nomination Committee will promptly discern changes in the business environment to continuously increase Ebara's value to society and corporate value. The Committee will strive to foster management personnel who will take on the challenge of accomplishing that mission with passion and dedication.

Composition

Committee Chair:
Independent Director



Inside Directors: 1



Independent Directors: 2

Role of the Nomination Committee

The Nomination Committee is primarily responsible for determining proposals to be submitted to the General Meeting of Shareholders regarding the appointment and dismissal of the President, Representative Executive Officer, Executive Officers, and Directors with specific titles; the selection and removal of the Chair of the Board and the Non-Executive Inside Directors who support the Chair; and making recommendations to the Board of Directors on the appointment and dismissal of members and chairs of the Nomination, Compensation, and Audit Committees. In addition, the Committee plays a key role in establishing policies and succession plans for the appointment and dismissal of the President, Representative Executive Officer.

Succession Plan for the President, Representative Executive Officer

The establishment and implementation of a succession plan for the President, Representative Executive Officer is among the most important tasks for the Nomination Committee. The Company's succession plan has two major characteristics. The first is that it 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 three Non-Executive Directors, including two 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 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 2025, was selected through a process that began six years prior, involving the cultivation, evaluation, and narrowing down of candidates.

In addition, we have developed a business continuity plan in case of unforeseen circumstances affecting the President, Representative Executive Officer, and have clarified the process for selecting candidates to replace him in an emergency.

Corporate Governance

Nomination Committee

Cultivation and Selection Process

In preparation for the next presidential appointment, the Nomination Committee developed a six-year succession plan and began training for the development and selection process based on that plan 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. The Future Manager Development Program includes as curriculum discussions with managers from around the world, 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. In addition, candidates for the next stage are selected.

The next step in the plan is for candidates to address specific business issues through the Management Issue Resolution Program. Candidates who proceed to this stage are placed in positions that take them out of the area where they have experience or have previously been responsible, through means such as transfer to another division. They are then expected to work on addressing actual management issues while experiencing various new aspects of the business.

The candidates to be submitted for final consideration are selected from among those who have excelled at this stage. Candidates for final consideration receive coaching on the mindset and thought processes necessary for 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 on 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, which are assessed based on the extent to which the candidate has grown before and after receiving coaching.

2024 was the final year of the six-year succession plan for the President. In addition to providing coaching and assessments, we confirmed the program's progress, engaged in direct dialogue with candidates, held extensive discussions based on those results, and selected candidates for the President, Representative Executive Officer. At the Board of Directors meeting held in December 2024, a

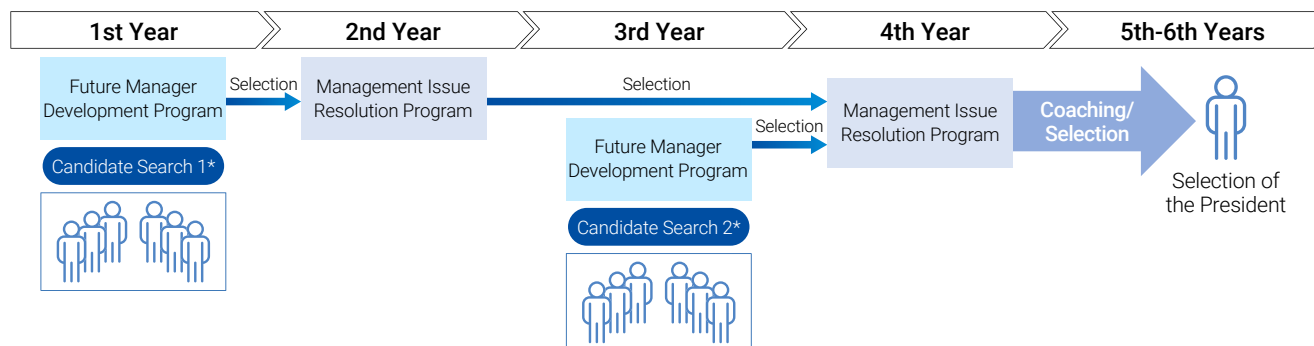
resolution was passed to appoint the new Representative Executive Officer.

The new presidential succession plan, beginning in 2025, will be thoroughly discussed within the Nomination Committee, and development and selection programs will be implemented as part of this process.

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. [▶ P98](#) 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



* Images do not represent the actual numbers of candidates.

Corporate Governance

Compensation Committee



Reason 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 officer of 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 2024

14

Average duration of meetings

Approx. 1 hour and 30 minutes

Mie Fujimoto

Independent Director, Chairperson of the Compensation Committee

Message from the Chairperson

We will consider appropriate indicators that will serve as incentives for achieving our goals toward increasing corporate value over the medium to long term

In 2024, the Compensation Committee conducted a comprehensive review of its policy for revising compensation, including the reexamination of benchmarks used to determine compensation levels and the establishment of rules for the timing of revisions. As the Company continues to grow steadily, we believe that a timely review of the compensation levels for Directors and Executive Officers is important not only to motivate them to achieve their goals but also from the perspective of attracting human resources.

This year is the year in which we will formulate the next medium-term management plan. The Compensation Committee also plans to review the target indicators for performance-linked stock compensation and short-term performance-linked compensation in the next medium-term management plan, as well as the ESG indicators that have been under review for some time. We will thoroughly discuss and consider which indicators are most appropriate as incentives for achieving our goal of increasing corporate value over the medium- to long-term. At the same time, we plan to introduce a malus and clawback provision* to ensure effective compensation governance.

* A malus provision refers to the cancellation of some or all of the monetary compensation or stock compensation planned to be paid to Directors, etc. in the future. The clawback clause requires the return of compensation already paid to Directors, etc.

Composition

Committee Chair:
Independent Director



Independent Directors: 3

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.

Main Items Deliberated in 2024

- Total individual compensation for Directors and Executive Officers
- Short-term performance-linked compensation based on the results of the performance evaluation of Executive Officers
- Consideration of rules regarding revision of compensation for Executive Officers
- Consideration of introducing a malus and clawback provision

Consideration of Rules Regarding Revision of Compensation for Executive Officers

The Company's compensation for Executive Officers is set at a level comparable to the market standard for domestic manufacturing companies. To achieve this, when revising compensation, we calculate Director and Executive Officer compensation using a group of companies with similar revenue as a benchmark, and make revisions, ensuring objectivity and transparency.

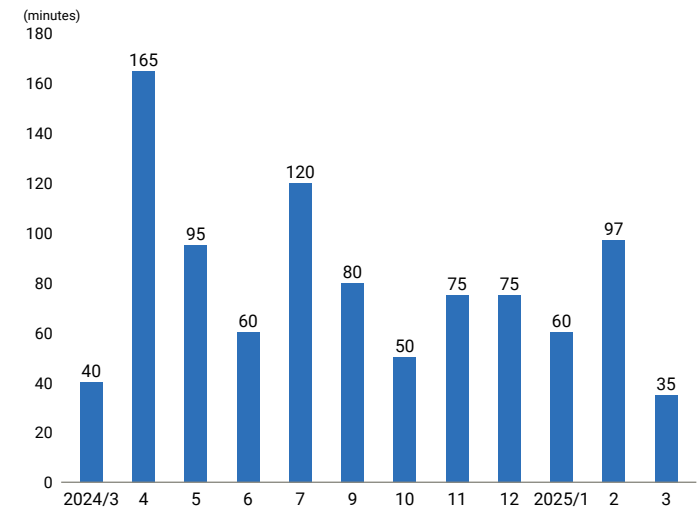
In recent years, given the increase in the Company's overseas revenue, we are considering targeting companies with overseas sales ratios equivalent to those of the Company in addition to revenue scale in the selection criteria for benchmark companies. With this revision, we believe that we will be able to set compensation levels based on a group of domestic manufacturing companies with greater global competitiveness, thereby enabling us to implement appropriate remuneration revisions in line with our future corporate strategy.

Corporate Governance

Compensation Committee

Summary of Key Deliberation Topics and Time

Date	Duration (minutes)	Key Topics of Deliberation
March 2024	40	● The Compensation Committee's annual schedule
April	165	● Performance goals for Executive Officers ● Long-term incentives & granting/allocation of stock compensation
May	95	● Confirmation of benchmarks for levels of compensation for Directors and Executive Officers
June	60	● Compensation for Executive Officers assigned overseas ● Review of alternative non-financial indicators (CDP)
July	120	● Review of potential alternatives to CDP for future implementation ● Review of compensation revision rules
September	80	● Review of compensation revision rules & composition of STI for Directors and Executive Officer compensation
October	50	● 2024 Global Engagement Survey results ● Consideration of introducing a malus and clawback provision
November	75	● Confirmation of benchmarks for levels of compensation for Directors and Executive Officers ● Consideration of introducing a malus and clawback provision
December	75	● Regulation of compensation revision rules ● Consideration of introducing a malus and clawback provision
January 2025	60	● Confirmation of disclosure materials ● Consideration of introducing a malus and clawback provision
February	97	● Determination of performance evaluations for Executive Officers for 2024 ● Determination of the short-term performance-linked remuneration for individual Executive Officers
March	35	● Determination of individual compensation for Directors and Executive Officers for 2025



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	
		Number of persons to be paid	Amount	Number of persons to be paid	Amount	Number of persons to be paid	Amount	Number of persons to be paid	Amount
Directors of the Board (excluding Independent Directors)	130	2	100	—	—	2	30	—	—
Independent Directors	134	8	108	—	—	8	26	—	—
Executive Officers	967	14	356	12	232	14	92	14	286
Total	1,232	24	564	12	232	24	148	14	286

Notes:

- Compensation shown is the amount of compensation paid to Directors and Executive Officers in office as of December 31, 2024, for the term of office of each Director and Executive Officer for the fiscal year ended December 31, 2024, and compensation paid to the Non-Executive Director who retired at the conclusion of the 159th Ordinary General Meeting of Shareholders held on March 27, 2024, and the two 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 2024 and ended upon resignation.
- Compensation paid to the President, Representative Executive Officer, who concurrently serves as a Director, is included in the Executive Officers compensation row.
- The amount of compensation paid to Executive Officers includes ¥136 million (basic compensation ¥60 million, short-term performance-linked compensation ¥47 million, performance-linked stock compensation ¥28 million) in compensation paid by subsidiaries to Executive Officers that serve concurrently as officers at subsidiaries.
- Executive Officers' short-term performance-linked compensation is determined based on Companywide or business segment performance, as well as individual goals, and the degree of achievement of these goals is evaluated and discussed by the Compensation Committee.
- Short-term performance-linked compensation depicts the total amount of short-term performance-linked compensation paid in March 2025 to Executive Officers in office as of December 31, 2024, for the fiscal year ended December 31, 2024.
- Restricted stock compensation includes both the restricted stock granted during the current fiscal year and the portion of previously granted restricted stock that should be expensed in the current fiscal year.
- Performance-linked stock compensation represents the total amount of performance-linked stock compensation to be paid in May 2026 that is expected to be expensed in the current fiscal year. The calculation of the amount for the current fiscal year is based on the most recent share price of the Company and the projected consolidated ROIC outlined in the management plan for the fiscal year ending December 31, 2025, which is the final year of the E-Plan 2025 medium-term management plan. It also includes the difference between that amount and the amount recorded in the previous fiscal year.

Corporate Governance

Compensation Committee

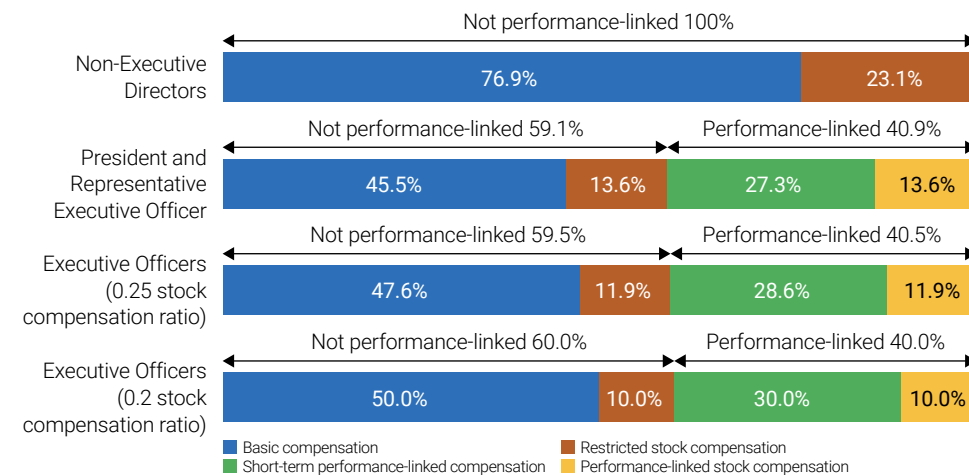
Amounts of Compensation for Directors and Executive Officers Exceeding ¥100 Million

Name	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
President and Representative Executive Officer Masao Asami	167	54	36	16	59

Notes:

- Short-term performance-linked compensation depicts the total amount of short-term performance-linked compensation paid in March 2025 for the fiscal year ended December 31, 2024.
- Restricted stock compensation shown represents the amount to be recorded as expenses during the current fiscal year for restricted stock compensation (including phantom stock), excluding any amounts already recorded as provisions up to the fiscal year ended December 31, 2023.
- Performance-linked stock compensation represents the total amount of performance-linked stock compensation to be paid in May 2026 that is expected to be expensed in the current fiscal year. Calculation of the amount for the current fiscal year is based on the most recent share price of the Company and the forecast of consolidated ROIC in the management plan for the fiscal year ending December 31, 2025, which is the final year of the E-Plan 2025 medium-term management plan. It also includes the difference between that amount and 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)



Type of Compensation

Type of compensation	Monetary compensation		Stock compensation	
	Basic compensation	Short-term performance-linked compensation	Restricted stock compensation	Performance-linked stock compensation
Overview	Basic compensation based on role	Paid per companywide business performance and achievement of objectives by the individual (MBO)* ¹	Shares with restrictions on transfer for a specific period are granted each year, and those restrictions are lifted upon retirement	Shares are granted every three years, depending on the extent to which the goals of the medium-term management plan have been achieved
Indicators	-	Performance indicators (45%)	-	ROIC (Fiscal year ending December 31, 2025)
		Consolidated ROIC		
		Consolidated operating profit		
		MBO (45%)		
Indicators	-	Set based on KPIs for each business overseen	-	ROIC (Fiscal year ending December 31, 2025)
		"E" (Environment): CDP* ² (climate change)		
		"S" (Social): Global Engagement Survey* ³		
Indicators	-	ESG indicators (10%)	-	ROIC (Fiscal year ending December 31, 2025)

*1. MBO: Management by objectives is a management approach in which directors and executive officers are evaluated based on their level of achievement of and progress in reaching set goals

*2. CDP: An ESG rating agency that evaluates strategies to address climate change and efforts to reduce GHG emissions, among others

*3. A global engagement survey conducted for employees worldwide since 2019 regarding engagement at their companies and workplaces

Corporate Governance

Audit Committee



Reason for
appointment of
chairperson

She will leverage her extensive experience in general corporate management, including her involvement in R&D and promotion of environmental solutions at a listed company and her experience as a full-time auditor involved in Groupwide audits. 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 2024

22

Average duration
of meetings

Approx. 3 hours

Junko Nishiyama

Independent Director, Chairperson of the Audit Committee

Message from the Chairperson

Through the enhancement of the three-pillar audit system, we will improve the effectiveness of Groupwide audits and support governance that strikes a balance between “offensive” and “defensive” strategies.

The role of the Audit Committee is to audit the execution of duties by Executive Officers and Directors, thereby realizing sound and sustainable growth of the Company and the creation of medium- to long-term corporate value, and promote the establishment of a high-quality corporate governance system that fulfills social trust.

The 2024 Audit Committee focused on increasing corporate value by monitoring and verifying the development and improvement of the global Group governance system under the five in-house company system organized by target market and the CxO system, the progress of E-Plan 2025, and the confirmation of business processes related to the collection, analysis, and disclosure of non-financial information to support ESG-focused management. In addition, we clarified the division of roles between full-time Audit Committee members and outside Audit Committee members, conducted valued discussions from their different perspectives and involvement in audits, and focused on creating and enhancing a more efficient and effective audit system focused on monitoring.

In addition, Ebara believes that it is important to enhance the three-pillar audit system through the collaboration of the Audit Committee, the Independent Auditor, and Internal Audit Division to ensure the effectiveness of Groupwide audits. We will continue to promote legal, proper and efficient business execution through the enhancement of our three-pillar audit system, and support governance that strikes a balance between offensive and defensive strategies.

Composition

Committee Chair:
Independent Director



Inside Directors: 1



Independent Directors: 2

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. The role of the Audit Committee is to report the status and results of audits to the Board of Directors and to provide advice or recommendations to the Executive Officers as necessary.

Systems Supporting the Audit Committee

We are working to establish and enhance a system that focuses on monitoring in order to ensure the effectiveness of Groupwide auditing and to further increase the independence of the Audit Committee from business execution. In concrete terms, the Audit Committee is chaired by an Independent Director, and its members consist of two outside members and one full-time inside 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 (12 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 Office.
- (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.

Corporate Governance

Enhancement of the Three-Pillar Audit System

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 regular meetings with the Independent Auditor, as needed, for the mutual exchange of information and opinions.
- If the Independent Auditor holds that office for 10 consecutive years (denoted here as a "reappointed Independent Auditor"), regardless of its annual evaluation, the Audit Committee will conduct a bidding process to select candidates for the next year's auditor. The bidding process shall not preclude a reappointed Independent Auditor from participating in the bidding process, even if that reappointed Independent Auditor will remain in office for an additional five consecutive years. However, the maximum period for which an Independent Auditor may serve consecutively is 20 years. The fiscal year ending December 31, 2025, is the third fiscal year that Deloitte Touche Tohmatsu LLC has been appointed as our Independent Auditor.

Coordination with the 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, CRO, and CFO, who meet to share necessary information and receive business reports from the auditors of subsidiaries.

Status of Activities of the Audit Committee

Discussions with Members of Executive Management

Members of the Audit Committee hold regular and as-needed meetings with the President and Representative Executive Officer, Company Presidents, 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.

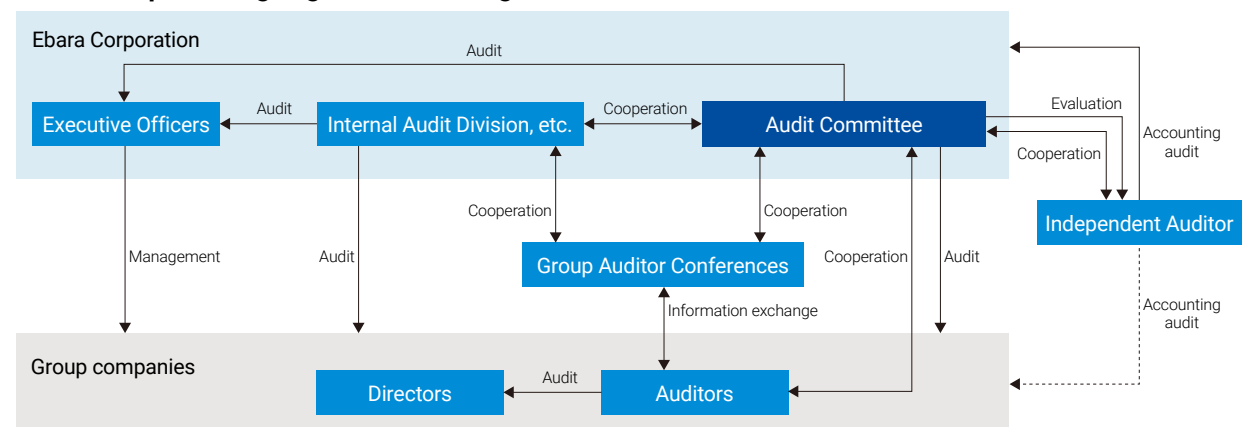
On-Site Audits

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, 2024, we focused on conducting on-site audits while also utilizing remote auditing techniques, such as web conferencing and joint audits with local external experts. We actively conducted on-site audits and had them witnessed by the Independent Auditor.

Major Areas Assessed by the Audit Committee in 2024

- 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
- Operational status and preparations for compliance with revised internal control standards
- Enhanced collaboration with the Independent Auditor and the Internal Audit Division, strengthening of the three-pillar audit system, and the establishment and strengthening of the audit system to focus on monitoring
- Appropriateness of accounting treatments related to important accounting matters under IFRS Accounting Standards and status of response to changes in the quarterly disclosure system
- The status of the global Group governance system under the five in-house company system by target market, the CxO system, and the status of E-Plan 2025, our medium-term management plan
- Confirmation of business processes related to the collection, analysis, and disclosure of non-financial (sustainability) information
- Confirmed the effectiveness of the design and operation of internal whistle-blowing hotlines and responses to reported incidents

Ebara Group Auditing Organizational Diagram



Executive Officers (As of March 26, 2025)

REFERENCE Leadership (Biographies of Executive Officers) <https://www.ebara.com/global-en/ir/business/executive/>**Shugo Hosoda**

Director, CEO & COO
President, Representative Executive Officer

**Shu Nagata**

Executive Officer,
President, Building Service & Industrial
Company

**Takanobu Miyaki**

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

**Teruyuki Ota**

Executive Officer,
President, Infrastructure Company

**Hideki Yamada**

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

**Isao Nambu**

Executive Officer,
President, Precision Machinery Company

**Seiichi Tsuyuki**

Executive Officer,
Component Business / Advanced
Technology / Safety, Environment & Quality
Assurance, Precision Machinery Company

**Sungyong Lee**

Executive Officer,
Division Executive, Management Strategy
Control Division, Precision Machinery
Company

**Tetsuya Fuchida**

Executive Officer,
CFO
Chairman, EBARA (CHINA) CO., LTD.

**Akihiro Osaki**

Executive Officer,
CHRO

**Toru Nakayama**

Executive Officer,
CRO

**Hiroyuki Kowase**

Executive Officer,
Division Executive,
CIO

**Norihisa Miyoshi**

Executive Officer,
CTO

**Kazunori Suda**

Executive Officer,
Division Executive, Marketing Division

**Miwa Tachiyama**

Executive Officer,
Division Executive, Operations Innovation
Division