



**Notice of the 158th Ordinary General Meeting of Shareholders**

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(Translation)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6361

March 14, 2023

## To Those Shareholders with Voting Rights

Masao Asami  
Director  
President, Representative Executive Officer,  
CEO & COO  
EBARA CORPORATION  
11-1, Haneda Asahi-cho, Ota-ku, Tokyo  
Japan

### Notice of the 158th Ordinary General Meeting of Shareholders

We hereby inform you of the 158th Ordinary General Meeting of Shareholders of EBARA CORPORATION (the “Company”) to be held as follows:

In convening this General Meeting of Shareholders, the Company has taken the electronic provision measure of information (Electronic Provision Items), which is the contents of the reference materials for the General Meeting of Shareholders, etc. The information is posted on the Company’s website on the Internet as the “Notice of the 158th Ordinary General Meeting of Shareholders.” Please access the Company’s website below to confirm the information.

#### The Company’s website:

<https://www.ebara.co.jp/en/ir/stock/shareholdersmeeting/index.html>

In addition to the above website, the Electronic Provision Items are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website (TSE Listed Company Search), enter or search for the issue name (company name) or securities code, and select “Basic Information” and “Documents for Public Inspection/PR Information.”

#### TSE website (TSE Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)

Please study the Reference Document for the General Meeting of Shareholders, and you are requested to exercise your voting rights by 5:15 p.m. on Tuesday, March 28, 2023.

**1. Date and Time:** 10 a.m., Wednesday, March 29, 2023  
(Reception of attendees will begin at 9 a.m.)

**2. Location:** Otemachi One, 3F, Otemachimitsui hall  
1-2-1, Otemachi, Chiyoda-ku, Tokyo, Japan

### 3. Purpose of the Meeting:

#### Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 158th Fiscal Year (from January 1, 2022, to December 31, 2022) and the Report of the Results of the Audits of the Consolidated Financial Statements by the Independent Auditors and the Audit Committee
2. The Non-consolidated Financial Statements for the 158th Fiscal Year (from January 1, 2022, to December 31, 2022)

**Matters to be resolved:**

- |                    |                                          |
|--------------------|------------------------------------------|
| <b>Proposal 1:</b> | <b>Appropriation of Surplus</b>          |
| <b>Proposal 2:</b> | <b>Election of Eleven (11) Directors</b> |
| <b>Proposal 3:</b> | <b>Election of Independent Auditor</b>   |

**4. Decisions Regarding the Convocation of the Ordinary General Meeting of Shareholders**

- (1) The following Electronic Provision Items are not included in the materials delivered to shareholders who requested delivery of the materials in paper-based format pursuant to the provisions of law and Article 15, paragraph 2 of the Articles of Incorporation of the Company.
  - (i) Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements
  - (ii) Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Net Assets, and Notes to the Non-consolidated Financial Statements
  - (iii) Independent Auditor's Audit Report on Consolidated Financial Statements
  - (iv) Independent Auditor's Audit Report on Non-consolidated Financial Statements
  - (v) Audit Committee's Audit ReportTherefore, the materials delivered to shareholders who requested delivery of the materials in paper-based format shall be a part of the documents audited by the Audit Committee and the Independent Auditor in preparing the Audit Report.
- (2) If any shareholder has exercised his/her voting rights both via the Internet, etc. and by mailing the Voting Rights Exercise Form, only the exercise of voting rights via the Internet shall be deemed effective. If any shareholder has exercised his/her voting rights several times via the Internet etc., only the final execution shall be deemed as his/her effective exercise of voting rights.
- (3) If no indication of approval or disapproval is made for each proposal on the returned voting form, it will be treated as approval for the Company's proposal.

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Note: If there are any revisions to the Electronic Provision Items, a statement to that effect and the items before and after the revisions shall be posted on the Company's website on the Internet, website for shareholders' meeting materials, and the TSE website mentioned above.

## Reference Document for the General Meeting of Shareholders

### Proposals and references

#### Proposal 1: Appropriation of Surplus

The Company regards returning a portion of its income to its shareholders as one of its most important management policies, and has set a policy to carry out shareholder returns, linking dividends to performance and aiming for a consolidated payout ratio of 35% or more.

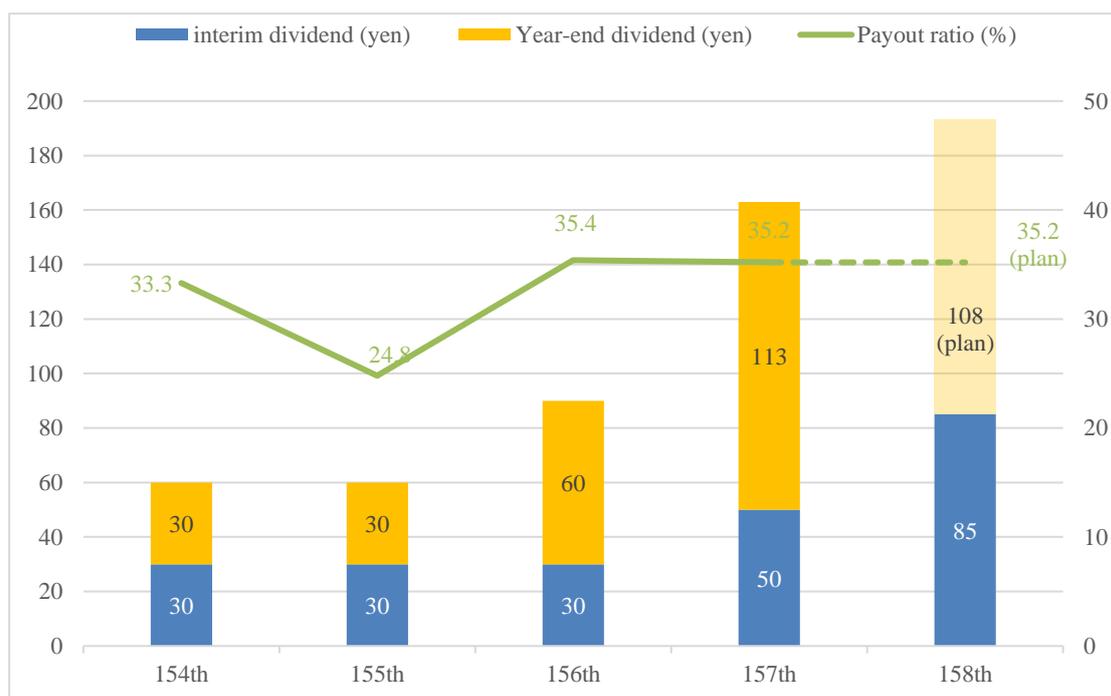
Based on this policy, we would like to pay a year-end dividend of ¥108 per share.

As a result, including the interim dividend of ¥85 per share, the annual dividend will be ¥193 per share.

Matters concerning the year-end dividend

1. Type of dividend property  
Cash
  
2. The matters regarding the assignment of the dividend property to shareholders and the total amount of dividend  
¥108 per share of common stock of the Company      Total amount: ¥9,942,652,044
  
3. Effective date of dividends of surplus  
March 30, 2023

[Reference] Shareholder Returns  
(Dividend per share, Payout Ratio)



	154th	155th	156th	157th	158th
Annual dividend (yen)	60	60	90	163	193 (plan)
Payout ratio (%)	33.3	24.8	35.4	35.2	35.2 (plan)

\*The Group has adopted International Financial Reporting Standards (IFRS) since the 157th period, and the consolidated dividend payout ratio for the 156th period is also presented in accordance with IFRS.

## Proposal 2: Election of Eleven (11) Directors

The term of office of all ten (10) current Directors will expire at the conclusion of this 158th Ordinary General Meeting of Shareholders. Therefore, in order to further enhance effectiveness of the Board of Directors, the Company proposes to increase the number of outside Directors by one (1) and to elect eleven (11) Directors.

If the nominees for Directors are appointed as stated in this proposal, the number of outside Directors will be eight (8) and the number of female Directors will be three (3) out of eleven (11). We believe that this will enable supervisory functions with greater diversity.

The nominees for Directors meet the standards in accordance with the “Role of the Board of Directors and Standards for Election of Directors” and “Role and Standards for Independence of Independent Directors” (pages 21 and 22) established by the Company.

In order to maintain and improve effectiveness of the Board of Directors and Directors, the Company stipulates roles and qualification requirements for Directors based on attributes and posts in “Ebara Corporate Governance Basic Policy” (pages 23 through 26). The Nomination Committee confirms and decides that each nominee has the qualification requirements, knowledge and experiences of several items in “expected fields for Directors” the Company puts emphasis on.

See the Company’s website at the following address for information “Ebara Corporate Governance Basic Policy” <https://www.ebara.co.jp/en/ir/governance/information/governance-policy.html>

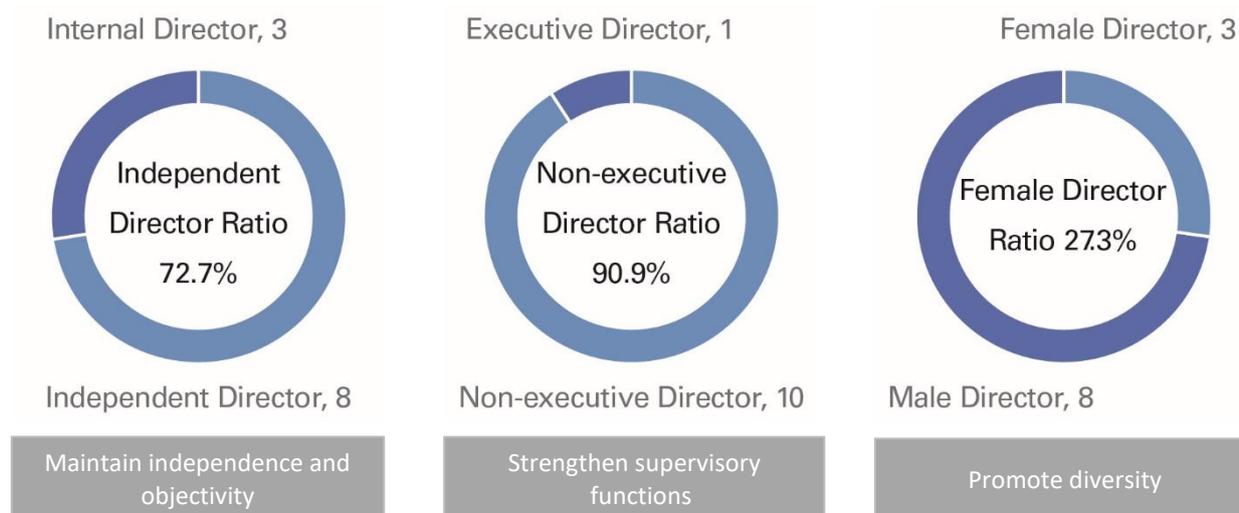
Nominee No.	Name (Age)	Current position and primary area of responsibility in the Company	Attendance at Board of Directors meetings	Nominees for Director		
				Attribute		
1	Toichi Maeda	Chairman of the Company Member of the Nomination Committee	100% (14/14)	Re-election	Non-executive	
2	Masao Asami	Director President and Representative Executive Officer	100% (14/14)	Re-election	Executive	
3	Hajime Sawabe	Director Chief Outside Director Chairperson of the Nomination Committee	100% (14/14)	Re-election	Outside	Independent
4	Hiroshi Oeda	Director Chairperson of the Board of Directors Member of the Nomination Committee	100% (14/14)	Re-election	Outside	Independent
5	Junko Nishiyama	Director Member of the Compensation Committee	100% (14/14)	Re-election	Outside	Independent
6	Mie Fujimoto	Director Chairperson of the Compensation Committee	100% (14/14)	Re-election	Outside	Independent
7	Hisae Kitayama	Director Member of the Audit Committee	100% (14/14)	Re-election	Outside	Independent
8	Akihiko Nagamine	Director Member of the Audit Committee	100% (14/14)	Re-election	Non-executive	
9	Takuya Shimamura	Director Member of the Compensation Committee	100% (10/10)	Re-election	Outside	Independent
10	Teiji Kouge	(New Nominee for Director)	-% (-/-)	New election	Outside	Independent
11	Tsuyoshi Numagami	(New Nominee for Director)	-% (-/-)	New election	Outside	Independent

Notes: As Takuya Shimamura was newly elected at the 157th Ordinary General Meeting of Shareholders held on March 29, 2022, and his attendance to meetings of the Board of Directors held since the same date is provided above.

Re-election: Nominee for re-election as Director  
 New election: New Nominee for Director  
 Outside: Nominee for Outside Director  
 Executive: Nominee for Executive Internal Director  
 Non-executive: Nominee for Non-executive Internal Director  
 Independent: Independent Director notified to the securities exchange

## Composition of the Board of Directors

The Board of Directors will have the following composition after this proposal is approved for election.



Nominee No.	Name (Age)	Committees and Positions to be Appointed*	Areas in which the nominees for Director (Outside and Non-executive) are particularly expected to perform*								
			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	Environment	Social	Internal control and governance
1	Toichi Maeda	Chairman of the Company Nomination Committee					*	*	*	*	*
2	Masao Asami	President and Representative Executive Officer	-	-	-	-	-	-	-	-	-
3	Hajime Sawabe	Chief Outside Director Chairperson of the Nomination Committee		*	*		*			*	*
4	Hiroshi Oeda	Chairperson of the Board of Directors Nomination Committee		*	*		*			*	*
5	Junko Nishiyama	Compensation Committee				*		*	*	*	*
6	Mie Fujimoto	Chairperson of the Compensation Committee	*	*		*				*	*
7	Hisae Kitayama	Chairperson of the Audit Committee	*		*	*				*	*
8	Akihiko Nagamine	Audit Committee	*		*	*				*	*
9	Takuya Shimamura	Compensation Committee		*	*		*			*	*
10	Teiji Kouge	Nomination Committee		*	*		*			*	*
11	Tsuyoshi Numagami	Audit Committee			*	*	*			*	*

\* The above table does not represent all of the knowledge of the nominees.

\* Committees and Positions to be Appointed

Nomination Committee:	Nominee for Member of the Nomination Committee
Compensation Committee:	Nominee for Member of the Nomination Committee
Audit Committee:	Nominee for Member of the Nomination Committee
Chief Outside Director:	Nominee for Chief Independent Director

Nominee No.

1

**Toichi Maeda**Date of birth: December 24, 1955  
(Age: 67)Attendance rate  
(FY ended December 31, 2022)

Board of Directors 100% (14/14)

Nomination Committee 100% (22/22)

Re-election  
Non-executive  
Chairman  
Nomination Committee**■ Message to shareholders**

In FY2022, the Board of Directors and the executive team managed business to capture the recovery in demand associated with the normalization of economic activity while continuing to take proper infection-prevention measures. As a consequence, the Company achieved record-high profits again, exceeding the level in FY2021. We received commendations from a number of outside organizations for our non-financial corporate activities, such as corporate governance. In the current fiscal year, in order to further enhance the effectiveness of corporate governance, we will increase the number of outside Directors by one and we will promote Governance to Value (G to V), which will realize new growth and enhancement of corporate value at the EBARA Group. Thus, we request the understanding and support of our shareholders.

**■ Brief personal history, and assignments and responsibilities in the Company**

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

Number of the Company's shares held	34,018 shares
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Number of years served as Director	11 years and 9 months
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\* At the conclusion of this general meeting

**■ Important concurrent positions**

None

**Concurrent positions as officer in listed companies including the Company (planned)**

Executive	0
Non-executive	1

\* In the event the proposal is approved.

**■ Reasons for selecting the nominee for Director**

Nominee demonstrated strong leadership during his tenure as President with the aim of enhancing corporate value. Upon transition to a company with three committees, he was essential to the creation of the new business execution structure, and endeavored to promote dynamic management through swift decision-making to strengthen competitiveness. Furthermore, he has been promoting reforms with the aim of further strengthening the governance system since appointment as Chairman of the Company.

Nominee meets qualification requirements stipulated by the Company for Directors, and he is expected to contribute in the areas of "corporate management and management strategy," "research development and innovation" and "the environment" in particular. Nomination Committee selected the Nominee as a Director to supervise promotion of governance reform as Chairman of the Company.

Nominee No.

2

**Masao Asami**Date of birth: April 7, 1960  
(Age: 62)Attendance rate  
(FY ended December 31, 2022)

Board of Directors 100% (14/14)

Re-election  
Executive  
President and Representative  
Executive Officer**■ Message to shareholders**

Under E-Pan 2025, our new medium-term management plan, we will further promote the measures taken to grow and improve the profitability realized under E-Plan 2022 as well as adopting a five-company system by market to strengthen our market-in approach based on a theme of “creating value from the customers’ perspective.” We will solidify the path toward “EBARA’s Vision for 2030” set forth in E-Vision 2030 to meet the expectations of our shareholders.

**■ Brief personal history, and assignments and responsibilities in the Company**

April 1986	Joined the Company
April 2010	Executive Officer of the Company
April 2011	Division Executive, Sales and Marketing Division, Precision Machinery Company of the Company
April 2014	Managing Executive Officer of the Company
June 2015	Managing Executive Officer of the Company (Change in Japanese only; English unchanged)
April 2016	President, Precision Machinery Company of the Company
March 2019	Director of the Company (to present)
	President, Representative Executive Officer of the Company (to present)
January 2023	CEO of the Company (to present)
	COO of the Company (to present)

Number of the Company’s shares held	29,135 shares
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Number of years served as Director	4 years
	* At the conclusion of this general meeting

**■ Important concurrent positions**

None

**Concurrent positions as officer in listed companies including the Company (planned)**

Executive	1
Non-executive	0

\* In the event the proposal is approved.

**■ Reasons for selecting the nominee for Director**

Nominee promoted global business expansion as the head of the Precision Machinery Business, and since assuming the post of President, he also steadily achieved the medium-term management Plan E-Plan 2022, which is the start of the long-term E-Vision 2030, subsequently developed a new medium-term management Plan E-Plan 2025, and has demonstrated strong leadership in developing new technologies and businesses and improving the organizational culture for the realization of the Plan.

Nominee meets qualification requirements stipulated by Company for Directors, and Nomination Committee selected him to continue to serve as a Director to demonstrate leadership as a Director concurrently executing business as Representative Executive Officer and President toward the achievement of E-Vision 2030 and E-Plan 2025, as well as his ability to play an appropriate role for deliberation of matters to be resolved and matters to be reported in meetings of the Board of Directors in the aspects of both supervision and execution.

Nominee No. <b>3</b>	<b>Hajime Sawabe</b> Date of birth: January 9, 1942 (Age: 81)	Attendance rate (FY ended December 31, 2022)		Re-election Lead Independent Director Chairperson of the Nomination Committee	
		Board of Directors	100%		(14/14)
		Nomination Committee*	100%		(19/19)
		Compensation Committee*	100%		(3/3)
		Independent Directors' Meeting	100%		(13/13)

#### ■ Message to shareholders

To ensure the sustainable development of EBARA's social value and corporate value, I am committed to selecting and developing the human resources who can embody this purpose by grasping the changes in the business environment and making the most of my own experiences and knowledge.

#### ■ Brief personal history, and assignments and responsibilities in the Company

April 1964	Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)
June 1996	Director, Executive Vice President of Recording Device Business, TDK Corporation
June 1998	President & Representative Director, TDK Corporation
June 2006	Chairman & Representative Director, TDK Corporation
March 2008	Outside Director, Asahi Glass Co., Ltd. (currently AGC. Inc.) (Retired in March 2014)
June 2008	Outside Director, TEIJIN LIMITED (Retired in June 2016)
	Outside Director, Nomura Securities Co., Ltd. (Retired in June 2011)
June 2009	Outside Director, Nomura Holdings, Inc. (Retired in June 2011)
March 2011	Outside Audit & Supervisory Board Member, Nikkei Inc. (Retired in March 2019)
June 2011	Director, Chairman of the Board & Directors, TDK Corporation
October 2011	Councilor, Waseda University
April 2012	Executive Adviser, Japan Management Association (Retired in March 2018)
June 2012	Executive Advisor, TDK Corporation (Retired in March 2019)
July 2014	Vice President, Board of Trustees, Waseda University
June 2015	Outside Director, Japan Display Inc. (Retired in June 2017)
	Independent Director of the Company (to present)
	Member of the Compensation Committee of the Company
July 2018	President, Board of Trustees, Waseda University (Retired in June 2022)
April 2019	Adviser to the Executive Board, Value Creation 21 (to present)
March 2020	Chairperson of Compensation Committee of the Company
June 2021	Outside Director, TV TOKYO Holdings Corporation (to present)
March 2022	Chief Outside Director of the Company (to present)
	Chairperson of the Nomination Committee of the Company (to present)

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Number of the Company's shares held	2,419 shares
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Number of years served as Director	7 years and 9 months
	* At the conclusion of this general meeting

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#### ■ Important concurrent positions

Adviser to the Executive Board, Value Creation 21

Outside Director TV TOKYO Holdings Corporation\*

(\* indicates listed companies at which the candidate serves as an officer.)

#### Concurrent positions as officer in listed companies including the Company (planned)

Executive	0
Non-executive	2

\* In the event the proposal is approved.

#### ■ Reasons for selecting the nominee for Independent Director

Nominee has been involved in the management of a listed company in the electronic components industry for many years, and has extensive experience in general corporate management. In addition, he has abundance of experience as an outside officer at listed companies in various industries. Nominee actively speaks in important meetings such as the Board of Directors, and he has also exhibited leadership in discussions at Independent Directors' meetings as the Chief Independent Director, in addition to contributing to activities of the Nomination Committee as Chairperson, such as the succession planning of President, selection of nominees for management executives and nurturing of such candidates.

Nominee meets qualification requirements stipulated by the Company for Directors and he is expected to play a role in the areas of

“personnel and human resource development,” “finance, accounting, and capital policy” and “corporate management and management strategy” in particular. Nomination Committee selected him to continue to serve as an Independent Director with the expectation for him to demonstrate leadership as the Chairperson of Nomination Committee.

■ Special interests in the Company, and the Company’s subsidiaries, affiliates and major business partners

There are no special interests between Hajime Sawabe and the Group. With regard to the standards of independence, the annual transactions between the Group and TDK Corporation, where the nominee was involved in the execution of business in the past, are as follows, and the nominee meets the Company’s standards of independence.

Subject of transaction, etc.	Recipient of consideration for transaction	Provider of consideration for transaction	Ratio in transaction value	Subject of comparison	Remarks
Precision parts, etc.	TDK Corporation	The Group	Less than 0.1% (Less than 400 million yen)	Consolidated net sales of TDK Corporation for the nine months ended December 31, 2022	The nominee retired from his office as Executive Advisor of TDK Corporation in March 2019.

\* Mr. Hajime Sawabe resigned from the Compensation Committee at the conclusion of the meeting of the Board of Directors held on March 29, 2022, so the following table shows his attendance at the Compensation Committee meetings held prior to that date. Since he was newly elected as a member of the Nominating Committee at the same Board of Directors meeting, the table shows his attendance at the Nominating Committee meetings held on and after the said date.

Nominee No.

4

**Hiroshi Oeda**Date of birth: March 12, 1957  
(Age: 66)

Attendance rate

(FY ended December 31, 2022)

Board of Directors 100% (14/14)

Nomination Committee 100% (22/22)

Independent Directors' Meeting 100% (13/13)

Re-election

Independent Director

Chairperson of the Board of Directors

Nomination Committee

**■ Message to shareholders**

Utilizing the knowledge and experience of management I have accumulated in a food manufacturing company to date, I will engage in the improvement of corporate value and strengthening of corporate governance to actively contribute to further growth and development of EBARA CORPORATION.

**■ Brief personal history, and assignments and responsibilities in the Company**

April 1980 Joined Nisshin Flour Milling Inc. (currently Nisshin Seifun Group Inc.)  
 June 2009 Director, Nisshin Seifun Group Inc.  
 April 2011 Director and President, Nisshin Seifun Group Inc.  
 April 2015 Member of Management Council, Hitotsubashi University  
 April 2017 Director and Executive Adviser, Nisshin Seifun Group Inc.  
 June 2017 Corporate Special Adviser, Nisshin Seifun Group Inc. (to present)  
 President, Seifun Kaikan Inc. (Retired in June 2022)  
 December 2017 Member, The Japanese National Commission for UNESCO  
 March 2018 Director of the Company (to present)  
 Member of the Nomination Committee of the Company  
 June 2018 Outside Director, SEKISUI CHEMICAL CO., LTD. (to present)  
 March 2019 Chairperson of the Nomination Committee of the Company  
 June 2019 President, Hitotsubashi University Koenkai (to present)  
 March 2020 Lead Independent Director of EBARA  
 December 2020 Vice-Chairperson, Japanese National Commission for UNESCO (to present)  
 March 2022 Chairperson of the Board of Directors of the Company (to present)  
 Member of the Nomination Committee of the Company (to present)

Number of the Company's shares held	2,419 shares
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Number of years served as Director	5 years * At the conclusion of this general meeting
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**■ Important concurrent positions**

Corporate Special Adviser, Nisshin Seifun Group Inc.  
 Outside Director, SEKISUI CHEMICAL CO., LTD.\*  
 President, Hitotsubashi University Koenkai  
 Vice-Chairperson, Japanese National Commission for UNESCO  
 (\* indicates listed companies at which the candidate serves as an officer.)

**Concurrent positions as officer in listed companies including the Company (planned)**

Executive	0
Non-executive	2

\* In the event the proposal is approved.

**■ Reasons for selecting the nominee for Independent Director**

Nominee has been involved in the management of a listed company representative of the flour-milling and food industry, and has a track record of improving business performance as a management executive in a manufacturing company. He has abundant experience in general corporate management, in addition to being well-versed in global business. Furthermore, he has exhibited leadership in discussions at the Board of Directors as the Chairperson of the Board of Directors, in addition to contributing to activities of the Nomination Committee as a member, such as selection of Director nominees, the succession planning of President, selection of nominees for management executives and nurturing of such candidates.

Nominee meets qualification requirements stipulated by the Company for Directors, and he is expected to play a role in the areas of "personnel and human resource development," "finance, accounting, and capital policy" and "corporate management and management strategy" in particular. Nomination Committee selected him as an Independent Director to continue to serve as the Chairperson of the Board of Directors to demonstrate leadership in management of the Board and improvement of governance.

**■ Special interests in the Company, and the Company's subsidiaries, affiliates and major business partners**

There are no special interests between Hiroshi Oeda and the Group. With regard to the standards of independence, the nominee meets the Company's standards of independence.

Nominee No.

5

**Junko Nishiyama**Date of birth: January 10, 1957  
(Age: 66)Attendance rate  
(FY ended December 31, 2022)

Board of Directors	100%	(14/14)	Re-election Independent Director Compensation Committee
Compensation Committee	100%	(12/12)	
Independent Directors' Meeting	100%	(13/13)	

**■ Message to shareholders**

FY2022 was a year when in addition to finishing off E-Plan 2022, our medium-term management plan, the Board of Directors discussed the next management plan with the aim of making further significant progress. The Board of Directors has been supporting the executive team to rise to the challenge of the next stage of growth and implement offensive governance practices without tiring of corporate culture reform. Going forward, I am determined to contribute to further enhancing the corporate value of EBARA CORPORATION as an Independent Director and a Compensation Committee member.

**■ Brief personal history, and assignments and responsibilities in the Company**

April 1979	Joined Lion Fat & Oil Co., Ltd. (currently Lion Corporation)
March 2006	Director, Finished Product Department, Purchasing Headquarters, Lion Corporation
March 2007	Director, Finished Product Purchasing, Production Coordinating Department No.2, Production Headquarters, Lion Corporation
January 2009	Director, Packaging Engineering Research Laboratories, Research & Development, Headquarters, Lion Corporation
January 2014	Director, CSR Promotion Department, Lion Corporation
March 2015	Standing Corporate Auditor, Lion Corporation
March 2019	Advisor, Lion Corporation (Retiring March 2021)
	Director of the Company (to present)
	Member of the Audit Committee of the Company
June 2019	Outside Director, JACCS CO., LTD. (to present)
June 2020	Outside Auditor, TODA CORPORATION (to present)
March 2021	Member of the Compensation Committee of the Company (to present)

Number of the Company's shares held	2,119 shares
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Number of years served as Director	4 years * At the conclusion of this general meeting
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**■ Important concurrent positions**

Outside Director, JACCS CO., LTD.\*

Outside Auditor, TODA CORPORATION\*

(\* indicates listed companies at which the candidate serves as an officer.)

**Concurrent positions as officer in listed companies including the Company (planned)**

Executive	0
Non-executive	3

\* In the event the proposal is approved.

**■ Reasons for selecting the nominee for Independent Director**

Nominee has been involved in research and development, promotion of environmental initiatives, and the like, at a listed company representative of the healthcare industry. In addition to auditing of the entire company's business as a standing corporate auditor, she has abundant experience in general corporate management. Furthermore, she actively speaks in important meetings such as the Board of Directors, and also contributes to deliberation of topics, including the discussions on revision of the Company's compensation system and decisions on the compensation standards for Directors and Executive Officers.

Nominee meets qualification requirements stipulated by the Company for Directors, and she is expected to play a role in the areas of "auditing," "research and development" and "the environment" in particular. Nomination Committee selected the Nominee to continue to serve as an Independent Director to demonstrate her expertise as a member of Compensation Committee.

**■ Special interests in the Company, and the Company's subsidiaries, affiliates and major business partners**

There are no special interests between Junko Nishiyama and the Group. With regard to the standards of independence, the nominee meets the Company's standards of independence.

Nominee No. <b>6</b>	<b>Mie Fujimoto</b> Date of birth: August 17, 1967 (Age: 55)	Attendance rate (FY ended December 31, 2022)		Re-election Independent Director Chairperson of the Compensation Committee	
		Board of Directors	100%		(14/14)
		Compensation Committee	100%		(12/12)
		Independent Directors' Meeting	92%		(12/13)

■ Message to shareholders

Many of our efforts under E-Plan 2022 have come to fruition, making steady progress toward E-Vision 2030. In FY2022, the Board of Directors had more opportunities to discuss sustainability and human capital. As an Independent Director and a Compensation Committee member, I will continue to support the Company's initiatives, including further evolution of ESG management and do my utmost for the enhancement of EBARA's corporate value.

■ Brief personal history, and assignments and responsibilities in the Company

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

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Number of the Company's shares held	1,819 shares
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Number of years served as Director	3 years * At the conclusion of this general meeting
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■ Important concurrent positions

Attorney at law  
Partner, TMI Associates  
Outside Audit & Supervisory Board Member, SEIKAGAKU CORPORATION \*  
Outside Audit & Supervisory Board Member, Tokyo Broadcasting System Holdings, Inc. \*  
(Audit & Supervisory Board Member, Tokyo Broadcasting System Television, Inc.)  
(\* indicates listed companies at which the candidate serves as an officer)

Concurrent positions as officer in listed companies including the Company (planned)

Executive	0
Non-executive	3

\* In the event the proposal is approved.

■ Reasons for selecting the nominee for Independent Director

Nominee is an attorney at law well versed in corporate legal affairs centered on labor-related regulations. She utilizes her abundant experience as an outside officer of a listed company. Furthermore, she actively speaks in important meetings such as the Board of Directors, and also she has lead the Compensation Committee activities, including the discussions on revision of the Company's compensation system and decisions on the compensation standards for Directors and Executive Officers, as the Chairperson of the Committee.

Nominee meets qualification requirements stipulated by the Company for Directors, and she is expected to play a role in the areas of "legal affairs and risk-management," "personnel and human resource development," and "auditing" in particular. Nomination Committee selected the Nominee to serve as an Independent Director to continue to demonstrate her leadership as the Chairperson of Compensation Committee. Although she has not been directly involved in corporate management, we have determined that she will be able to fulfill her duties as an Independent Director for the aforementioned reasons.

■ Special interests in the Company, and the Company's subsidiaries, affiliates and major business partners

There are no special interests between Mie Fujimoto and the Group. With regard to the standards of independence, the nominee meets the Company's standards of independence.

Nominee No. <b>7</b>	<b>Hisae Kitayama</b> Date of birth: August 30, 1957 (Age: 65)	Attendance rate (FY ended December 31, 2022)		Re-election Independent Director Chairperson of the Audit Committee	
		Board of Directors	100%		(14/14)
		Audit Committee	100%		(22/22)
		Independent Directors' Meeting	100%		(13/13)

■ Message to shareholders

It is in times of upheaval that new opportunities arise. The Company has been steadily implementing the medium-term management plan aimed at realizing the vision for 2030 and continuing to take on new challenges. Through my duties as an Independent Director and an Audit Committee member, I will leverage my experience in accounting and auditing as a certified public accountant to strengthen the corporate governance system. At the same time, I will do my utmost to evolve ESG management and contribute to the EBARA Group's sustainable growth and further enhance corporate value over the medium to long term.

■ Brief personal history, and assignments and responsibilities in the Company

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

Number of the Company's shares held	1,319 shares
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Number of years served as Director	2 years * At the conclusion of this general meeting
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■ Important concurrent positions

Certified Public Accountant  
Outside Director, Tsubakimoto Chain Co.\*  
Outside Audit & Supervisory Board Member, Daicel Corporation  
Specially Appointed Professor, Graduate School of UNIVERSITY OF HYOGO  
Representative, Kitayama Public Accounting Office  
(\* indicates listed companies at which the candidate serves as an officer)

Concurrent positions as officer in listed companies including the Company (planned)

Executive	0
Non-executive	3

\* In the event the proposal is approved.

■ Reasons for selecting the nominee for Independent Director

Nominee is a certified public accountant with a wide variety of audit experience at audit corporations and has abundant knowledge and a wealth of experience in corporate accounting and audit areas. She participates in activities to promote female accountants and diversity. She has extensively audited the Company and the Group and contributed to the activities of Audit Committee as a member of the Committee.

Nominee meets qualification requirements stipulated by the Company for Directors, and is expected to play a role in the areas of "legal affairs and risk management," "finance, accounting and capital policy," and "auditing" in particular. Nomination Committee selected the Nominee to continue to serve as an Independent Director to demonstrate her leadership as the new Chairperson of Audit Committee. Although she has not been directly involved in corporate management, we have determined that she will be able to fulfill her duties as an Independent Director for the aforementioned reasons.

■ Special interests in the Company, and the Company's subsidiaries, affiliates and major business partners

There are no special interests between Hisae Kitayama and the Group. With regard to the standards of independence, the nominee meets the Company's standards of independence.

Nominee No. <b>8</b>	<b>Akihiko Nagamine</b> Date of birth: May 5, 1958 (Age: 64)	Attendance rate (FY ended December 31, 2022)		Re-election Non-executive Audit Committee	
		Board of Directors	100%		(14/14)
		Audit Committee	100%		(22/22)

#### ■ Message to shareholders

As the world faces challenges that are shaking the very foundations, including the COVID-19 pandemic, antagonism between the U.S. and China, Russia's invasion of Ukraine, and inflation, the Company achieved solid results in the final year of the medium-term management plan and will embark on E-Plan 2025, our new medium-term management plan. Leveraging my experience to date, I am committed to support management in bold risk-taking and appropriate risk-management as an Audit Committee member, thereby contributing to the enhancement of corporate value as the Company advances steadily toward the realization of E-Vision 2030. I will do my utmost to fulfil my responsibilities to our shareholders.

#### ■ Brief personal history, and assignments and responsibilities in the Company

April 1982	Joined EBARA DENSAN LTD.
June 2006	Director, EBARA DENSAN LTD.
July 2010	Joined the Company, General Manager, Investment and Affiliates Supervision Department, Finance & Corporate Accounting Division
April 2014	Division Executive, Finance & Accounting Division
April 2015	Executive Officer ( <i>shikkou-yakuin</i> )
June 2015	Executive Officer ( <i>shikkou-yaku</i> ) Responsible for Finance & Accounting, Group Management, and Internal Control
March 2021	Director of the Company (to present) Member of the Audit Committee (to present)

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Number of the Company's shares held	14,952 shares
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Number of years served as Director	2 years
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\* At the conclusion of this general meeting

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#### ■ Important concurrent positions

None

#### Concurrent positions as officer in listed companies including the Company (planned)

Executive	0
Non-executive	1

\* In the event the proposal is approved.

#### ■ Reasons for selecting the nominee for Director

Nominee has abundant experience in the Finance and Accounting Division of the Company, promoted advancement and streamlining of the Group's accounting and financing systems, and demonstrated strong leadership in strengthening the Company's financial base as the head of the Division. After appointment as a Director, he has contributed to the activities of Audit Committee by broadly auditing the Company and the Group as a member of the Committee.

Nominee meets qualification requirements stipulated by the Company for Directors, and is expected to play a role in the areas of "legal affairs and risk management," "finance, accounting and capital policy," and "auditing" in particular. Nomination Committee selected the Nominee as a Director to continue to serve as a member of the Audit Committee.

Nominee No. <b>9</b>	<b>Takuya Shimamura</b> Date of birth: December 25, 1956 (Age: 66)	Attendance rate (FY ended December 31, 2022)			
		Board of Directors*	100%	(10/10)	Re-election Independent Director Compensation Committee
		Compensation Committee*	100%	(9/9)	
		Independent Directors' Meeting*	90%	(9/10)	

#### ■ Message to shareholders

The past few years have been termed an era of VUCA (volatility, uncertainty, complexity, ambiguity) and with the addition of an unexpected infectious disease pandemic and geopolitical turmoil, we are now living in a time of great upheaval when ways of doing things that are based on the assumptions or successes of the past do not necessarily work anymore. Remembering its founding spirit of “Netsu to Makoto” (Passion and Dedication), the EBARA Group has a corporate culture that allows us to work together to accurately identify the changes in the business environment around us, boldly rise to the challenges of innovation, and constantly create new social value. As an Independent Director, I will strive to meet the expectations of our shareholders and contribute to further enhancement of corporate value.

#### ■ Brief personal history, and assignments and responsibilities in the Company

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

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Number of the Company's shares held	599 shares
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Number of years served as Director	1 year
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\* At the conclusion of this general meeting

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#### ■ Important concurrent positions

Director, Chairman, AGC Inc.\*  
 Outside Audit & Supervisory Board Member, JFE Holdings, Inc.\*  
 (\* indicates listed companies at which the candidate serves as an officer)

#### Concurrent positions as officer in listed companies including the Company (planned)

Executive	0
Non-executive	3

\* In the event the proposal is approved.

#### ■ Reasons for selecting the nominee for Independent Director

Nominee has been involved in the management of listed companies representing the chemical and materials industries for many years. He has demonstrated strong leadership in organizational cultural reforms from the standpoint of senior management in manufacturers, and is also familiar with globally integrated management. Furthermore, he actively speaks in important meetings such as the Board of Directors, and also contributes to deliberation of topics, including the discussions on revision of the Company's compensation system and decisions on the compensation standards for Directors and Executive Officers.

Nominee meets qualification requirements stipulated by the Company for Directors, and he is expected to play a role in the areas of “personnel and human resource development,” “finance, accounting, and capital policy,” and “corporate management and management strategy” in particular. Nomination Committee selected the Nominee to serve as an Independent Director to continue to demonstrate his ability as a member of Compensation Committee.

#### ■ Special interests in the Company, and the Company's subsidiaries, affiliates and major business partners

There are no special interests between Takuya Shimamura and the Group. With regard to the standards of independence, the annual transactions between the Group and AGC Inc, where the nominee was involved in the execution of business in the past, are as follows, and the nominee meets the Company's standards of independence.

Subject of transaction, etc.	Recipient of consideration for transaction	Provider of consideration for transaction	Ratio in transaction value	Subject of comparison	Remarks
Products and after services of the Company	The Group	AGC Inc	Less than 0.1% (Less than 500 million yen)	Consolidated net sales of the Company for the year ended December 31,2022	The nominee has not been involved in the business execution of AGC Inc. since March 2021.

\*Takuya Shimamura was newly elected and appointed as Director and a member of Compensation Committee at the 157th Ordinary General Meeting of Shareholders held on March 29, 2022, and the meeting of the Board of Directors held on the same day, and his attendance to meetings of the Board of Directors, etc. held since that date is provided above.

Nominee No.

10

**Teiji Kouge**Date of birth: November 14, 1953  
(Age: 69)Attendance rate  
(FY ended December 31, 2022)

Board of Directors\* -%

New election  
Independent Director  
(-/-) Nomination Committee**■ Message to shareholders**

I am Teiji Kouge, a new candidate for the position of Independent Director. Through prominence in technology and quality, SEKISUI CHEMICAL Group, where I serve as Chairman of the Board, is contributing to improving the lives of the people of the world and the Earth's environment by continuing to open up new frontiers in "residential and social infrastructure creation" and "chemical solutions" through prominent in technology and quality. Leveraging the experience and knowledge of corporate management and corporate governance I have built to date, I will contribute to enhancement of corporate value and sustainable growth and development at EBARA CORPORATION to meet the expectations of stakeholders, including shareholders.

**■ Brief personal history, and assignments and responsibilities in the Company**

April 1976	Joined Sekisui Chemical Co. Ltd.
June 2005	Director, Sekisui Chemical Co. Ltd. President of Nagoya Sekisui Heim Co. Ltd.
October 2005	Director, Head of President's Office of Housing Company, Sekisui Chemical Co. Ltd.
April 2006	Director, Head of Planning & Control Department of Housing Company, Sekisui Chemical Co. Ltd.
April 2007	Director, Head of Housing Division and Planning & Control Department of Housing Company, Sekisui Chemical Co. Ltd.
July 2007	Director, Responsible for Sales Department, Head of Housing Division of Housing Company, Sekisui Chemical Co. Ltd.
February 2008	Director, President of Housing Company, Responsible for Sales Department, Head of Housing Division, Sekisui Chemical Co. Ltd.
April 2008	Director, Managing Executive Officer, and President of Housing Company, Sekisui Chemical Co. Ltd.
April 2009	Director, Senior Managing Executive Officer, and President of Housing Company, Sekisui Chemical Co. Ltd.
March 2014	Director, Senior Managing Executive Officer, and Head of CSR Department and Corporate Communications Department, Sekisui Chemical Co. Ltd.
March 2015	President Representative Director, and Chief Executive Officer, Sekisui Chemical Co. Ltd.
March 2020	Chairman of the Board and Representative Director, Sekisui Chemical Co. Ltd.
June 2022	Director and Chairperson, Sekisui Chemical Co. Ltd. (to present)

Number of the Company's shares held	0 shares
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Number of years served as Director	- years * At the conclusion of this general meeting
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**■ Important concurrent positions**

Director and Chairperson, Sekisui Chemical Co. Ltd.\*

(\* indicates listed companies at which the candidate serves as an officer)

**Concurrent positions as officer in listed companies including the Company (planned)**

Executive	0
Non-executive	2

\* In the event the proposal is approved.

**■ Reasons for selecting the nominee for Independent Director**

Nominee has long been involved in the management of a listed company representing the chemical and housing industries, and has abundant experience and broad insight in all aspects of corporate management, including improving business performance from a top management position at a manufacturer and being actively involved in ESG management.

Nominee meets qualification requirements stipulated by the Company for Directors, and he is expected to play a role in the areas of "personnel and human resource development," "finance, accounting and capital policy," and "corporate management and management strategy" in particular. Nomination Committee selected the Nominee to newly serve as an Independent Director to demonstrate his ability as a member of Nomination Committee.

**■ Special interests in the Company, and the Company's subsidiaries, affiliates and major business partners**

There are no special interests between Teiji Kouge and the Group. With regard to the standards of independence, the nominee meets the Company's standards of independence.

### ■ Message to shareholders

I have been involved in research and education in the field of business administration, mainly in the area of business strategy and organizational theory. In addition, I have deepened my knowledge of management by engaging in dialogue with many corporate managers through executive programs as well as being involved in university management as university board member. If I am elected as an Independent Director, I am determined to do my utmost to enhance EBARA CORPORATION's governance and corporate value, leveraging the theoretical and empirical knowledge I have acquired to date.

### ■ Brief personal history, and assignments and responsibilities in the Company

April 2000	Professor, Graduate School of Commerce and Management, Hitotsubashi University
January 2011	Dean of Graduate School, Graduate School of Commerce and Management, Hitotsubashi University
December 2014	Board Member/Executive Vice President, Hitotsubashi University
April 2018	Professor, Graduate School of Business Administration, Hitotsubashi University (Retired in March 2023 (planned))
June 2018	Outside Audit & Supervisory Board Member, JFE Holdings, Inc. (to present)
April 2021	Professor, Tokyo Tech Academy of Energy and Informatics, Tokyo Institute of Technology (Retired in March 2023 (planned))
October 2021	President of the Academy of Management Development, Japan Productivity Center (to present)
June 2022	External Director, Tokyo Century Corporation (to present)

Number of the Company's shares held	0 shares
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Number of years served as Director	- years
	* At the conclusion of this general meeting

### ■ Important concurrent positions

Professor, Graduate School of Business Administration of Hitotsubashi University (Retired in March 2023 (planned))  
 Professor, Tokyo Tech Academy of Energy and Informatics of Tokyo Institute of Technology (Retired in March 2023 (planned))  
 Outside Audit & Supervisory Board Member, JFE Holdings, Inc.\*  
 President of the Academy of Management Development, Japan Productivity Center  
 External Director, Tokyo Century Corporation\*  
 (\* indicates listed companies at which the candidate serves as an officer)

### Concurrent positions as officer in listed companies including the Company (planned)

Executive	0
Non-executive	3

\* In the event the proposal is approved.

### ■ Reasons for selecting the nominee for Independent Director

As a researcher in corporate management, the nominee has deep academic knowledge of corporate management strategy and organization, as well as extensive expertise in various industrial fields providing a wide range of recommendations.

Nominee meets qualification requirements stipulated by the Company for Directors, and he is expected to play a role in the areas of "finance, accounting and capital policy," "auditing," and "corporate management and management strategy" in particular. Nomination Committee selected the Nominee to newly serve as an Independent Director to demonstrate his ability as a member of Audit Committee. Although he has not been directly involved in corporate management, we have determined that he will be able to fulfill his duties as an Independent Director for the aforementioned reasons.

### ■ Special interests in the Company, and the Company's subsidiaries, affiliates and major business partners

There are no special interests between Tsuyoshi Numagami and the Group. With regard to the standards of independence, the nominee meets the Company's standards of independence.

Notes:

1. No nominee has any special interest in the Company.
2. Notable matters relating to the nominees for Outside Directors are as follows:
  - (1) The Company has notified the Tokyo Stock Exchange of the designation of Hajime Sawabe, Hiroshi Oeda, Junko Nishiyama, Mie Fujimoto, Hisae Kitayama and Takuya Shimamura as Independent Directors as stipulated by the exchange. In the event that the re-election of the six nominees above is approved at the General Meeting of Shareholders, they will continue in their positions as Independent Directors. In the event that the election of Teiji Kouge and Tsuyoshi Numagami is approved, they will newly become Independent Directors.
  - (2) During the service of Hajime Sawabe, Hiroshi Oeda, Junko Nishiyama, Mie Fujimoto, Hisae Kitayama and Takuya Shimamura since they were last appointed, there were no violations of law at the Company.
  - (3) During the past five (5) years, when Hajime Sawabe, Hiroshi Oeda, Junko Nishiyama, Hisae Kitayama, Takuya Shimamura, Teiji Kouge and Tsuyoshi Numagami were in the post of Officer at other companies, there were no violations of law, etc., at those companies.
  - (4) Kuraray Co., Ltd., where Mie Fujimoto served as an Outside Corporate Auditor until March 2019 and served as an Outside Director from that month until March 2020, received cease and desist orders, etc. from the Japan Fair Trade Commission in (i) March 2017 and (ii) November 2019 for (i) an act in violation of the Antimonopoly Act in relation to a tender for certain vinylon products ordered by the Acquisition, Technology & Logistics Agency and (ii) an act in violation of the Antimonopoly Act in relation to the manufacture and sale of specified activated carbon used in water purification facilities, etc. She was not aware of the facts in advance but had brought attention to the importance of legal compliance on a routine basis. After the facts were revealed, she took steps such as confirming the details of the company's efforts in the Board of Directors, etc., and making proposals to prevent recurrence.
  - (5) Independence as candidate for Independent Director
    - 1) No nominee for Independent Director has ever been in an executive position or a position to execute duties for the Company or any subsidiary of the Company.
    - 2) No nominee for Independent Director is in a position to execute duties for a business entity in a special relationship with the Company. Furthermore, there has been no such relevant relationship during the past ten (10) years.
    - 3) No nominee for Independent Director is going to receive a large amount of money or other assets except for compensation as Director from the Company or any business entity in a special relationship with the Company. Furthermore, there has been no such arrangement in the past two (2) years.
    - 4) No nominee for Independent Director is a spouse, a relative within the third degree, or such a closely related person of a business executor of the Company or any business entity in a special relationship with the Company.
    - 5) No nominee for Independent Director was a business executor of a company with which the Company has merged for the past two (2) years.
3. In relation to "a company with a material business relationship with the EBARA Group" in the "Independence Standards of Independent Director of EBARA," those for which both the following amounts and percentages for each fiscal year are less than 5 million yen and less than 0.1% have been omitted from the descriptions of these business relationships for the relevant fiscal year. (Minor Standards)
  - (1) The transaction amount pertaining to the provision of products or services by the EBARA Group to a business partner, and the percentage of the transaction amount in relation to consolidated net sales of the EBARA Group
  - (2) The transaction amount pertaining to the provision of products or services by a business partner to the EBARA Group, and the percentage of the transaction amount in relation to consolidated net sales of the business partner
4. An overview of the agreements to limit liability for damages is provided below.
  - (1) The Company has entered into agreements with Hajime Sawabe, Hiroshi Oeda, Junko Nishiyama, Mie Fujimoto, Hisae Kitayama and Takuya Shimamura to limit their liability for damages as outlined under Article 423, paragraph 1 of the Companies Act in accordance with Article 427, paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum liability amount stipulated under Article 425, paragraph 1 of the Companies Act. However, this limit will be applicable only when the performance of duties giving rise to such responsibilities is recognized to have been carried out in good faith and with no gross negligence. In the event that the re-election of the six

nominees above is approved at the General Meeting of Shareholders, similar agreements will be continued.

- (2) If the election of Teiji Kouge and Tsuyoshi Numagami is approved, the Company plans to enter into agreements with them to limit their liability for damages as outlined under Article 423, paragraph 1 of the Companies Act in accordance with Article 427, paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum liability amount stipulated under Article 425, paragraph 1 of the Companies Act. However, this limit will be applicable only when the performance of duties giving rise to such responsibilities is recognized to have been carried out in good faith and with no gross negligence.
5. The Company has entered a directors and officers liability insurance policy with an insurance company as provided in Article 430-3, paragraph 1 of the Companies Act, with the Directors, Executive Officers, and statutory auditors of the Company and the Group as the insured persons. This policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or the pursuit of such liability. In the event that the re-election of the nominees above is approved at the General Meeting of Shareholders, will be included in the insured of this insurance policy. In addition, this insurance contract will be renewed with the same contents at the next renewal.
6. The age of each nominee for Director is as of this General Meeting of Shareholders.
7. In the event the proposal is approved, the Nomination, Compensation and Audit Committees will be made up of the following members.
  - Nomination Committee: Hajime Sawabe (Chairperson), Hiroshi Oeda, Toichi Maeda, Teiji Kouge
  - Compensation Committee: Mie Fujimoto (Chairperson), Junko Nishiyama, Takuya Shimamura
  - Audit Committee: Hisae Kitayama (Chairperson), Akihiko Nagamine, Tsuyoshi Numagami

The Board of Directors must make its best effort to realize the mission it has been given by shareholders to “continuously improve corporate value” while giving the greatest consideration possible within reasonable bounds to the positions of all stakeholders. In addition to the perspective of establishing an internal control environment for preventing scandals etc. (defensive posture), the Board needs to exhibit leadership from the perspective of establishing an environment enabling management to boldly face challenges to prevent upside risks in which business opportunities are missed (offensive posture).

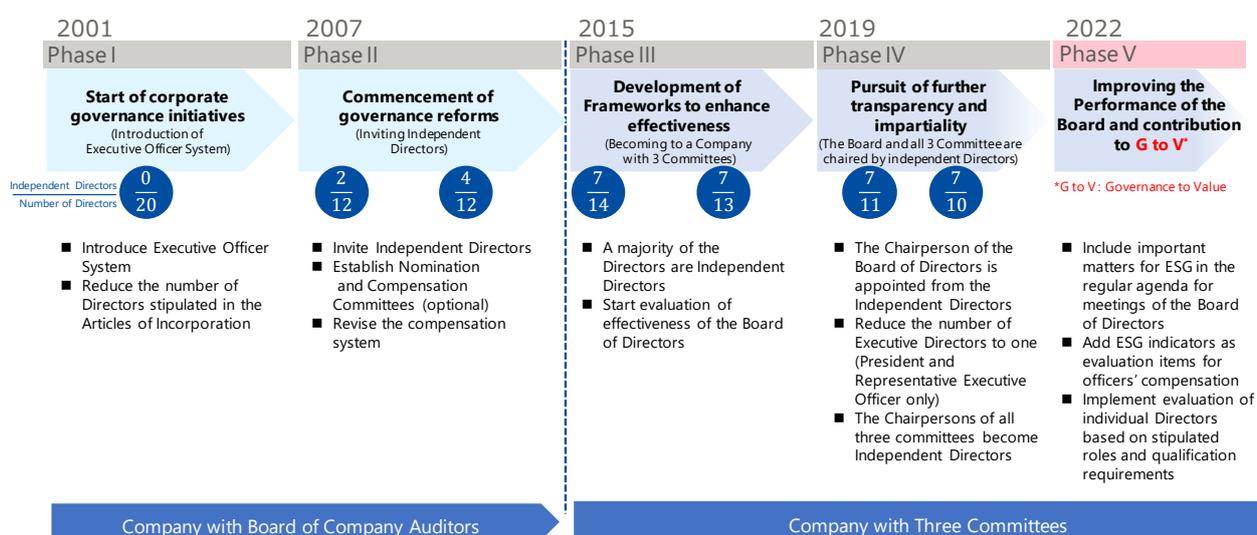
To be able to exhibit both defensive and offensive leadership, the Board of Directors must enable the best conclusion to be reached while avoiding closed discussion through the exchange of diverse opinions. To achieve this, the Board must be made up of personnel with sufficient knowledge and experience inside and outside the Company concerning important matters from the perspective of business management. Directors need to have sufficient expert knowledge at least in one field, in addition to common sense (logical thinking), enabling them to make decisions based on the opinions of members with expert knowledge and information from within and outside the Company.

In addition, the Board of Directors must realize a clear division of roles between supervision and execution in order to enable effective supervision of the management team responsible for business execution, and to enable the Board of Directors to objectively evaluate and express opinions on the progress and results of business execution from a standpoint independent of business execution. In order to achieve this, a company with Nomination, Compensation, and Audit Committees, which can delegate the authority and responsibility for business execution to the executive officers, is adopted as an organizational design, minimizing the number of Executive Officers and effectively utilizing Non-executive Directors (Independent Directors\* and Directors from within the company who do not concurrently serve as executive officers). To ensure the independence and objectivity of the Nomination, Compensation, and Audit Committees, which form the cornerstone of corporate governance, they shall be composed solely of Non-executive Directors, and the majority of the members of each committee shall be Independent Directors, and the chairperson of each committee shall also be an Independent Director in principle.

From this perspective, the Board of Directors shall be composed of at least a majority of Independent Directors.

\* Independent Directors: Independent Directors that satisfy the Company’s independence standards and for which notification as independent officers has been submitted to the Tokyo Stock Exchange. All of the Company’s Independent Directors are registered as independent directors.

## Changes in Corporate Governance - Evolution into a New Phase



One of the principal roles of Independent Directors is to express opinions based on the decision of whether it is appropriate to entrust management to current Executive Officers from the perspective of the common interests of shareholders by examining and assessing the results of the Company's management and the performance of Executive Officers as needed in light of the management strategies and management plans determined by the Board of Directors.

All nominees for Independent Director are chosen from personnel with a high level of independence and adequate specialized knowledge in areas expected to be important in company management to enable them to participate in discussion on the essence of management from a position that is completely independent of the execution of business.

In addition, the Company has established its own independence standards based on the independence standards specified by the Tokyo Stock Exchange.

[Independence Standards of Independent Director of EBARA]

Independent persons with no material interests in the Company are to be appointed as Independent Directors. "Independent persons with no material interests" refer to persons to whom none of the following items applies.

- 1) An internal employee or former internal employee of the Company or its subsidiaries who do not meet the requirements for Outside Directors stipulated in Article 2, item 15, of the Companies Act.
- 2) A person who has been a director (excluding outside director), statutory auditor (excluding outside audit & supervisory board member), executive officer, or employee executing the business of a company with a material business relationship with the Company and its consolidated subsidiaries (hereinafter referred to as the "EBARA Group" or "the Group" in this part) in the past five years. "A company with a material business relationship with the EBARA Group" refers to any of the following
  - i. A company to which sales were made accounting for 2% or more of consolidated net sales of the EBARA Group in any of the fiscal years in the past three years.
  - ii. A company that made sales to the EBARA Group accounting for 2% or more of its consolidated net sales in any of the fiscal years in the past three years of procurement by the EBARA Group.
  - iii. The two financial institutions with the highest average balance of borrowings by the EBARA Group at the end of the fiscal year over the past three years.
- 3) A person who is a major shareholder of the Company or the representative of the interests thereof.

Specifically, a shareholder of the Company holding 10% or more of the total shares issued, or a director, an executive, an executive officer, a manager or other employee of a company representing the interests thereof within the two years preceding the appointment of Director nominees.
- 4) A person providing professional services to the EBARA Group.

"Professional services" refer to the following categories according to the services provided.

  - i) Certified public accountant  
A person who has been directly engaged in the financial auditing of the EBARA Group in the past five years.
  - ii) Attorney, tax accountant, patent attorney, judicial scrivener, or management consultant  
A person who has provided services to the EBARA Group in the past three years and has received annual compensation of ¥10 million (including tax) or more.
- 5) A person who has received or belongs to a for-profit group that has received donations, financing, or guarantee of debt from the EBARA Group.
- 6) A person within two degrees of relationship with a relative who falls under any of item 1 through item 4, or a person of another degree of relationship who resides with the relative.
- 7) A person who currently serves as a director, a statutory auditor or an executive officer of a company that has accepted a director or a statutory auditor from the EBARA Group.

Roles, qualifications and competencies required for directors (excerpted from EBARA Corporate Governance Basic Policy chapter 6)

	Roles	Qualifications and Competencies
Directors	<ul style="list-style-type: none"> <li>• Strive to make the best efforts at deliberations at the Board of Directors meetings and monitor business execution, so that the Board of Directors is able to fulfill its role as a monitoring board to “show the general direction of the business such as corporate strategies, etc.,” “create an environment that enables appropriate risk-taking in business execution,” and “conduct highly effective supervision of business execution from an independent and objective standpoint”</li> <li>• 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</li> <li>• Express not only approval or disapproval on issues, but also present new issues for growth of the Company during deliberations</li> </ul>	<ul style="list-style-type: none"> <li>• Has outstanding personality, high ethical standards, a spirit of exploration, and a spirit of independence</li> <li>• Has demonstrated outstanding results, because of his/her excellent knowledge in corporate management, experience in decision-making from a responsible position or demonstrating professional skills</li> <li>• Has or willing to acquire the latest information on industries and/or peripheral/relevant domains related to the strategic direction and/or medium-to long term issues of the Company</li> <li>• 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</li> <li>• Committed to the governance reform of the Company and motivated to develop himself/herself by contributing to the process of its evolution</li> </ul>
Chairperson of the Board of Directors	<p>1) Conduct to facilitate agenda setting for the Board of Directors meetings, and effective decision-making and problem-solving deliberations</p> <ul style="list-style-type: none"> <li>• Set the agenda for the Board of Directors meetings</li> <li>• Strive to understand issues related to the business execution, for example, by sitting with important meetings such as Management Meetings, etc.</li> <li>• Make decisions on the policy for handling unknown risks, and take the lead in internal discussions in the event of scandals, etc.</li> </ul> <p>2) Conduct to facilitate smooth operation of the Board of Directors and promote specific business execution</p> <ul style="list-style-type: none"> <li>• Facilitate active discussion to determine the Group’s overall strategic direction, and play an active role in the business development</li> </ul>	<ul style="list-style-type: none"> <li>• Lead the Board of Directors in a fair, objective and self-restraint manner</li> <li>• Fully realize his/her responsibility and demonstrate leadership as the chief of the highest decision-making body of the Company</li> <li>• 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</li> </ul>

	Roles	Qualifications and Competencies
Chairperson of the Board of Directors	<ul style="list-style-type: none"> <li>• Lead deliberation to ensure that Board of Directors operates with an effective decision-making process and to encourage adequate challenges in business execution</li> <li>• Ensure that the Board of Directors receives accurate, timely, and clear information</li> <li>• Lead the follow-up of matters resolved by the Board of Directors to supervise effective implementation by Executive Officers</li> <li>• Properly communicate with the Board of Directors' Secretariat and establish a support system required for smooth operations of the Board of Directors</li> </ul> <p>3) Demonstrate leadership in implementing the PDCA cycle of the Board of Directors including leading the evaluation of effectiveness of the Board of Directors as a whole, each Committee and Director, and take the initiative in improving governance at all times</p> <p>4) Demonstrate leadership in disseminating information to the stock market and necessary information gathering</p>	
Lead Independent Director	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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 understanding of specific issues</li> </ul>	<ul style="list-style-type: none"> <li>• Lead the Independent Directors in a fair, objective and self-restraint manner and earn trust from the stakeholders</li> <li>• Has broad insight and able to develop appropriate improvement measures for Independent Directors to fulfill their roles</li> </ul>

	Roles	Qualifications and Competencies
Independent Directors	<ul style="list-style-type: none"> <li>• Enhance the quality of deliberations at the Board of Directors meetings by providing opinions and recommendations of problem-solving thinking from an objective and diversity perspective</li> <li>• At Executive Sessions, strive to determine the true nature of the issue by actively making efforts to understand the Company and its business as its background</li> <li>• Assume the duties as a member of the Nomination Committee, Audit Committee and/or Compensation Committee</li> <li>• 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</li> <li>• In the event an evaluation and/or judgment independent from the Executive Officers with respect to the Company compliance, etc. is required, participate in such evaluation and/or judgment</li> <li>• Supervise and verify key business measures, result of management, and the Executive Officers’ performance in light of the management strategy and plan determined by the Board of Directors, and provide candid opinions and recommendations based on problem-solving thinking regarding the appropriateness of entrusting management to the current Executive Officers from an objective standpoint</li> <li>• provide appropriate opinions and recommendations from the standpoint of shareholders and other stakeholders</li> </ul> <p>* Independent Directors’ Meeting: A meeting body that solely consists of Independent Directors. Held a few days prior to the Board of Directors meeting</p>	<p>Independent Directors are expected to have superior knowledge and experiences in one or more of the following domains</p> <ul style="list-style-type: none"> <li>• Has experience of serving at a responsible position in corporate management and demonstrated leadership in corporate transformation</li> <li>• Has demonstrated leadership in implementing and enhancing the ESG-based management</li> <li>• Has demonstrated leadership in personnel, human resource development, and corporate culture reform</li> <li>• Has intimate knowledge of solving issues related to finance, accounting and/or capital policy</li> <li>• Has intimate knowledge of auditing</li> <li>• Has intimate knowledge of legal affairs, internal control, and governance reforms</li> <li>• Has intimate knowledge of technical development and R&amp;D</li> <li>• Has intimate knowledge of global environment</li> <li>• Has intimate knowledge with regard to adequate conduct of an enterprise as a social entity such as respect for human rights, diversity, health and working environment, and supply chain management</li> <li>• Has intimate knowledge of areas which are anticipated to rapidly evolve in the future, such as digitization and AI technology</li> </ul>

	Roles	Qualifications and Competencies
Non-Executive Inside Directors	<ul style="list-style-type: none"> <li>Express opinions from an objective perspective based on his/her prior experience of business execution</li> <li>Monitor the status of business execution as appropriate, and provide appropriate supervision for execution of important matters</li> <li>Serve a necessary role to deepen the understanding of issues related to business execution and the organization among the Independent Directors</li> </ul>	<ul style="list-style-type: none"> <li>Has the same qualifications and competencies required of Independent Directors</li> <li>Has broad knowledge of business execution of the Company and is capable of supervising and supporting business execution through proper communications</li> </ul>
Chairman of the Company	<ul style="list-style-type: none"> <li>Demonstrate leadership in the process required for the change and make recommendations to the Board of Directors in coordination with the Chairperson of the Board of Directors</li> <li>In case an Independent Director serves as the Chairperson of the Board of Directors, assist the Chairman and function as a good advisor as required</li> <li>Serve the roles required in the Group's external activities as required</li> </ul>	

### Proposal 3: Election of Independent Auditor

At the conclusion of this 158th Ordinary General Meeting of Shareholders, Ernst & Young ShinNihon LLC, the Company's independent auditor, will resign due to the expiry of its term of office. Therefore, we ask you to approve the election of Deloitte Touche Tohmatsu LLC as the new independent auditor in accordance with the decision of the Audit Committee.

#### 1. Reasons for selecting Deloitte Touche Tohmatsu LLC as the nominee for independent auditor

The Company has determined that Deloitte Touche Tohmatsu LLC is qualified considering that the accounting firm has an auditing structure which is suitable for the future global business development and governance structure of the EBARA Group as well as the desired expertise, independence and quality management system in light of the Company's election standards for nominees for Independent Auditor and that audits from a new perspective can be anticipated as a result of the change in Independent Auditors.

#### 2. Name, etc. of nominee for independent auditor

(As of November 30, 2022)

Name	Deloitte Touche Tohmatsu LLC	
Location of principal business office	Marunouchi Nijubashi Building, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo	
Corporate history	May 1968	Tohmatsu Awoki & Co. established
	May 1975	Joined Touche Ross International ("TRI") alliance (now Deloitte Touche Tohmatsu Limited "DTTL")
	February 1990	Changed name to Tohmatsu & Co.
	July 2009	Converted to a limited liability company and changed company name in English to Deloitte Touche Tohmatsu LLC
Overview	Paid in capital:	¥1,138 million
	Partners (Certified Public Accountants):	496
	Specified employees:	61
	Staff Certified Public Accountants:	2,643
	Persons who have passed the CPA exam, etc. (including assistant accountants):	1,050
	Other professional staff:	3,044
	Clerical staff:	88
	Total:	7,382

Note: The candidate has received compensation, etc. from the Company in the past two (2) years for advisory services concerning climate-related financial disclosures in accordance with the TCFD recommendations.

**Business Report for the 158th Period**  
**(From January 1, 2022 to December 31, 2022)**  
**EBARA CORPORATION**

**1. Condition of the Corporate Group**

**(1) Business Developments and Results**

**1) Overall Review of Operations**

During the fiscal year ended December 31, 2022, the global economy showed signs of recovery due to the gradual relaxation of countermeasures against COVID-19 and the normalization of economic activity. In the Japanese economy as well, capital investment showed signs of picking up as normalization of COVID-19 measures and economic activities advanced. Meanwhile, the outlook for the domestic and overseas economies remained uncertain due to factors such as soaring raw material prices, lacks of semiconductors, Ukraine situation impact on resource prices, and exchange rate fluctuations.

In the construction equipment market and the oil and gas market, which are the major markets of our group, demand recovered due to the mitigation of countermeasures against COVID-19. On the other hand, some investment projects were delayed due to inflationary concerns and the prolonged situation in Ukraine. In the semiconductor market, overall demand for semiconductors and capital investment by customers remained at high levels, while the recent decline in memory prices and the strengthening of export regulations against China by the U.S. sees the postponement of capital investment in some areas. In addition, public investment related to national resilience continued to be firm.

Under these circumstances, orders received for the fiscal year under review fell below the previous fiscal year in the Environmental plant (“EP”) Business, but were offset by stable result of the Fluid Machinery & Systems (“FMS”) Business and the Precision Machinery (“PM”) Business. As a result, orders received for the entire company increased from the previous fiscal year. Revenues increased in all three business compared to the previous fiscal year. In the FMS business, steady progress in improving sales prices and capturing demand for services and support led to steady revenue growth both domestically and overseas. In the EP business, revenue increased from the previous fiscal year due to steady development in EPC sales by the percentage-of-completion method. In the PM business, although material shortages and shipment delay continue, strengthened personnel structure, increased production capacity and response to customer’s high level plant operations lead to revenue growth for both products and services & support.

Operating profit as a whole increased from the previous fiscal year due to higher revenue and improved profitability in the FMS and PM business, as well as the positive contribution of the yen’s depreciation, despite the impact of soaring raw material prices and negative factors resulting from increased fixed costs, mainly personnel expenses.

As a result, in the Fiscal Year ended December 31, 2022, consolidated orders received amounted to ¥815,218 million (an increase of 5.7% year-on-year), revenue amounted to ¥680,870 million (an increase of 12.9% year-on-year), operating profit amounted to ¥70,572 million (an increase of 15.0% year-on-year), profit attributable to owners of parent amounted to ¥50,488 million (an increase of 15.8% year-on-year). All of them replaced the past highest records.

**Financial Highlights**

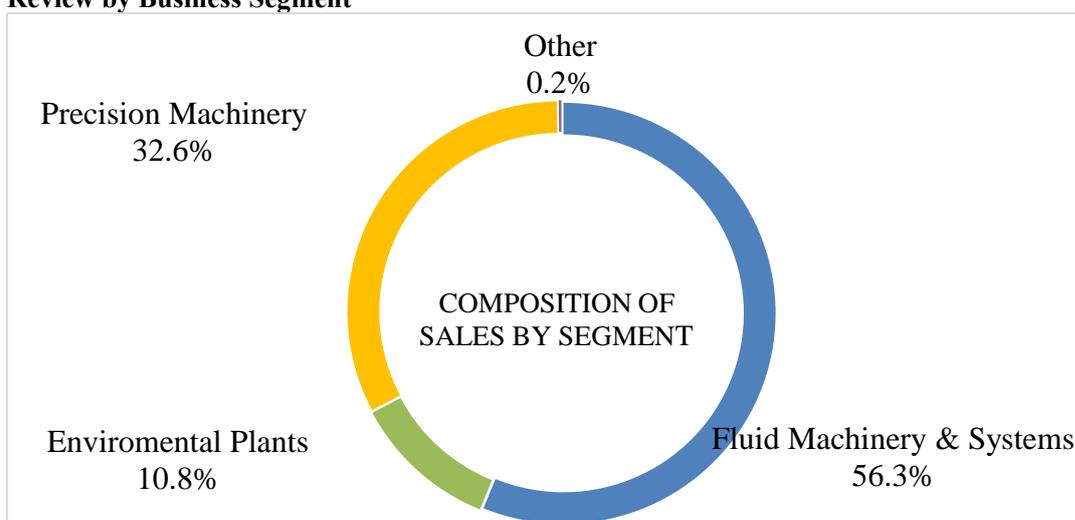
<b>Orders Received</b>	<b>Revenue</b>	<b>Operating Profit</b>	<b>Profit attributable to Owners of Parent</b>
¥815,218 million	¥680,870 million	¥70,572 million	¥50,488 million
Up 5.7% from the same period of the previous FY	Up 12.9% from the same period of the previous FY	Up 15.0% from the same period of the previous FY	Up 15.8 % from the same period of the previous FY

## 2) Financial Results

Item	Fiscal Year (FY)	Japanese GAAP		IFRS		
		155th Period (FY ended December 31, 2019)	156th Period (FY ended December 31, 2020)	156th Period (FY ended December 31, 2020)	157th Period (FY ended December 31, 2021)	158th Period (FY ended December 31, 2022) (FY under review)
Orders Received (Millions of yen)		552,225	511,921	511,221	771,483	815,218
Revenue (Millions of yen)		522,424	523,727	522,478	603,213	680,870
Operating Profit (Millions of yen)		35,298	37,879	37,566	61,372	70,572
Profit Attributable to Owners of Parent (Millions of yen)		23,349	24,473	24,236	43,616	50,488
Basic Earnings per Share (Yen)		241.79	256.85	254.36	463.44	548.61
Total Assets (Millions of yen)		595,239	621,578	644,771	719,736	828,049
Total Equity (Millions of yen)		291,827	304,470	296,877	321,655	369,725
ROIC (%)		6.5	6.6	6.4	10.7	11.2
ROE (%)		8.3	8.4	8.6	14.5	15.0

Note: The Group adopts IFRS from 157th period.

## 3) Review by Business Segment



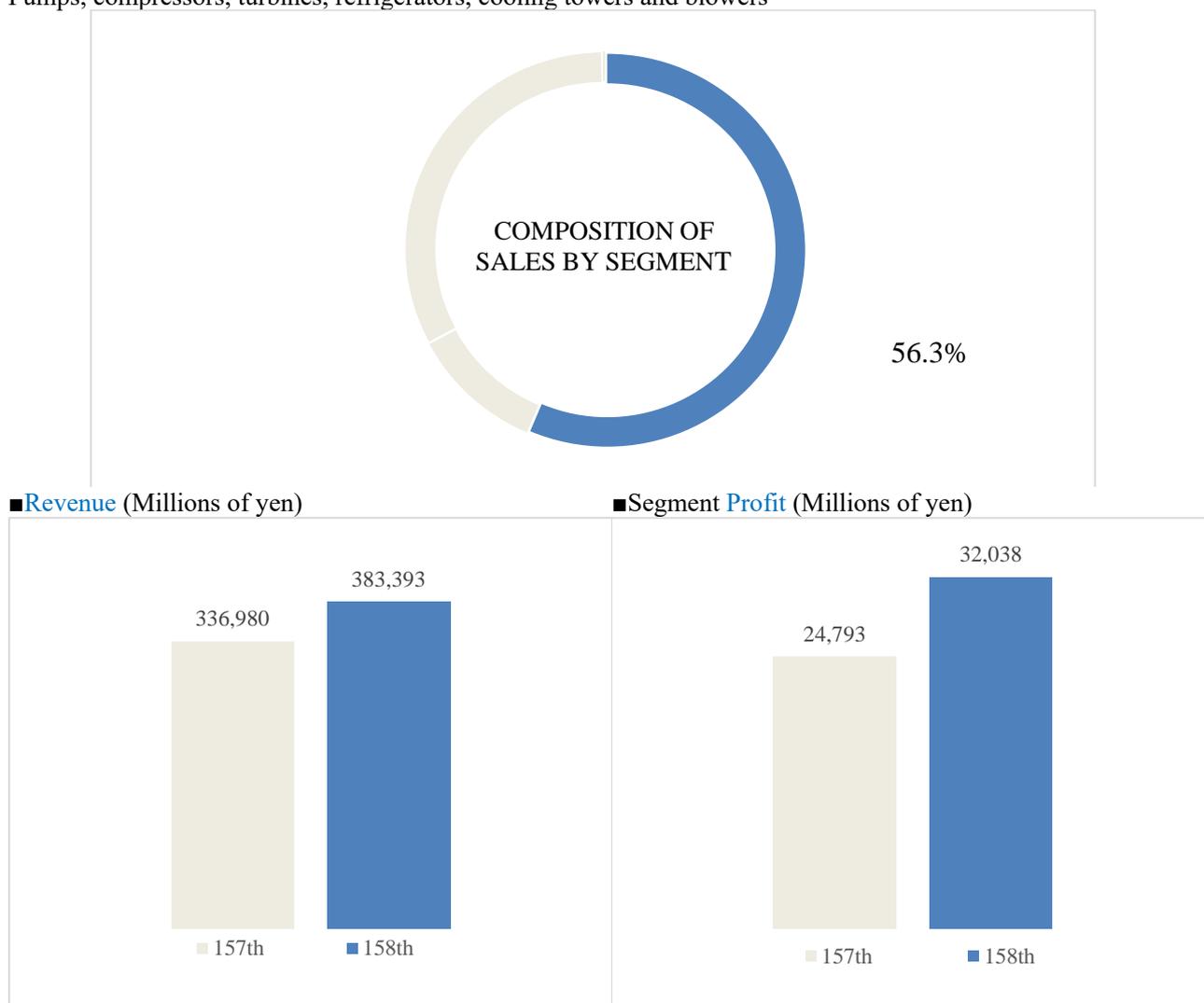
### Revenue by Segment

	157th Period	158th Period (FY under review)	Year-on-year change
Fluid Machinery & Systems	¥336,980 million	¥383,393 million	Up 13.8%
Environmental Plants	¥71,824 million	¥73,738 million	Up 2.7%
Precision Machinery	¥192,791 million	¥222,259 million	Up 15.3%

## Fluid Machinery & Systems

### Main Items

Pumps, compressors, turbines, refrigerators, cooling towers and blowers



### Pumps

In the oil and gas market, the market situation improved compared to the previous fiscal year although planned projects such as ultra-large petrochemical complex and the integration and improvement of an old-fashioned small-scale refinery have been delayed due to adjustment of CO2 emissions in China. In addition, large-scale projects began mainly in Saudi Arabia and Qatar. As a result, oil and gas related orders received were larger than the previous fiscal year. The water infrastructure market is on a recovery trend with projects progressing in China and Southeast Asia. In North America, while renovation projects of deteriorated facilities resumed, price competition has been severe, and orders received declined from the previous fiscal year. In the construction equipment market, investment tends to be slow outside Japan mainly due to soaring raw material prices. In China, demand continues to recover slowly even after the termination of the zero-COVID policy. Meanwhile, in Japan, the number of new construction starts is on a recovery trend. Orders received for construction equipment were steady both in Japan and overseas thanks to the price revision effect and capturing acquisition projects abroad. Investment in renovation and maintenance for social infrastructure is strong in Japan. Orders received fell short of the level of the previous fiscal year when orders for large projects were received.

### Compressors & Turbines

In the new product market, there have been movements in projects such as the petrochemical market in the Middle East, and also in North America, there have been moves in some projects. On the other hand, the Chinese market has been sluggish due to growing uncertainty about the economic outlook. The volume of orders received for products declined from that of the previous fiscal year due to a review of the timing of orders for some projects in addition to the impact mainly of the situation in Ukraine and inflation. In the service market, demand

for maintenance, repair and parts was firm. The volume of orders received for service fields significantly exceeded that of the previous fiscal year due to the easing of mobility restrictions. The LNG market (cryogenic pump) is recovering as some projects are starting to move.

#### **Chillers**

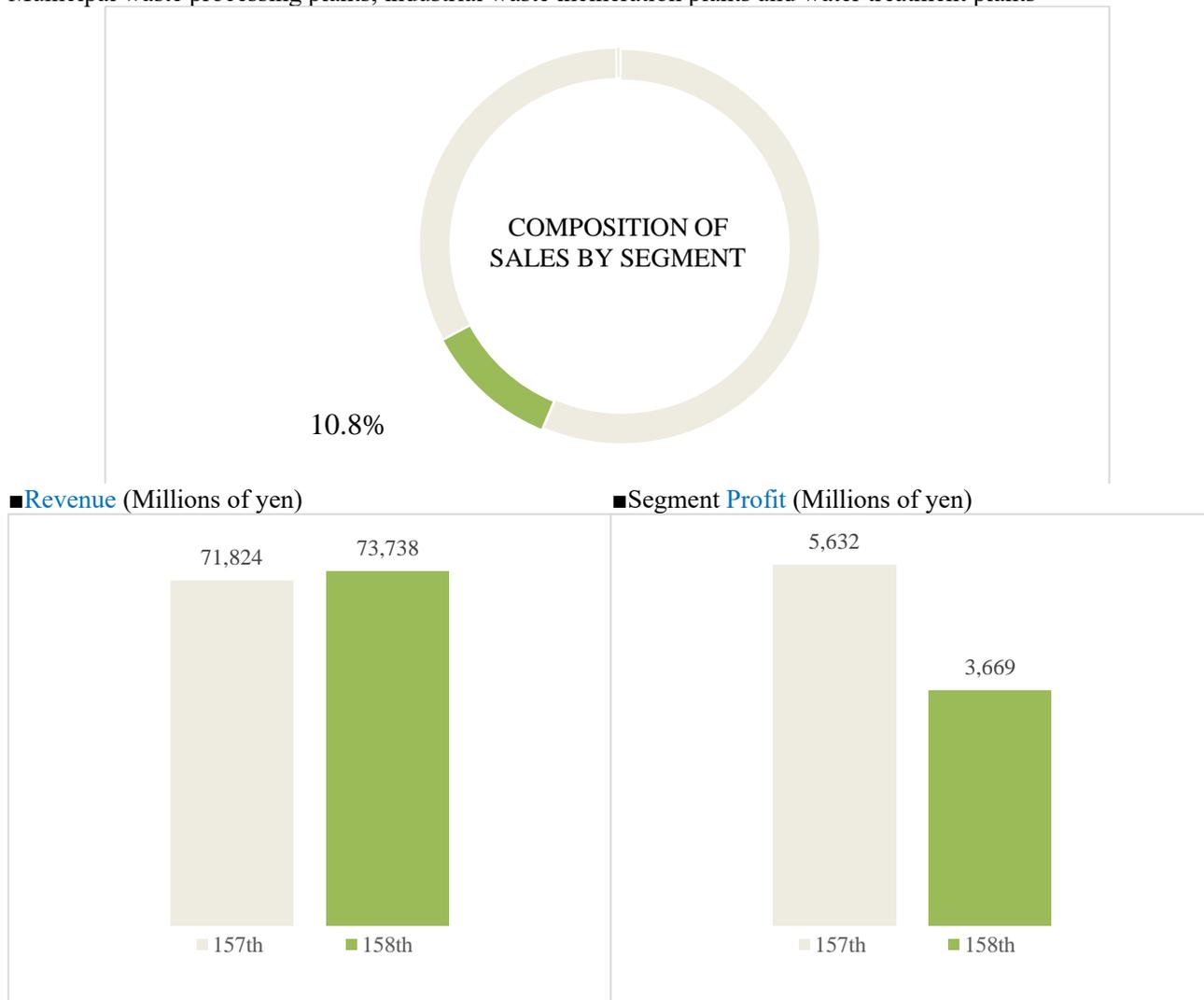
In Japan, capital investment is recovering in the construction market as well, following the industry-related market. In China, capital investment is becoming active in anticipation of the decarbonization regulations. The volume of orders received exceeded that of the previous fiscal year, driven by the performance in China.

Revenue in the FMS Business for the fiscal year ended December 31, 2022, amounted to ¥383,393 million (an increase of 13.8% from previous fiscal year). The segment profit amounted to ¥32,038 million (an increase of 29.2% from the previous fiscal year).

## Environmental Plants

### Main Items

Municipal waste processing plants, industrial waste incineration plants and water treatment plants



### Environmental Plants

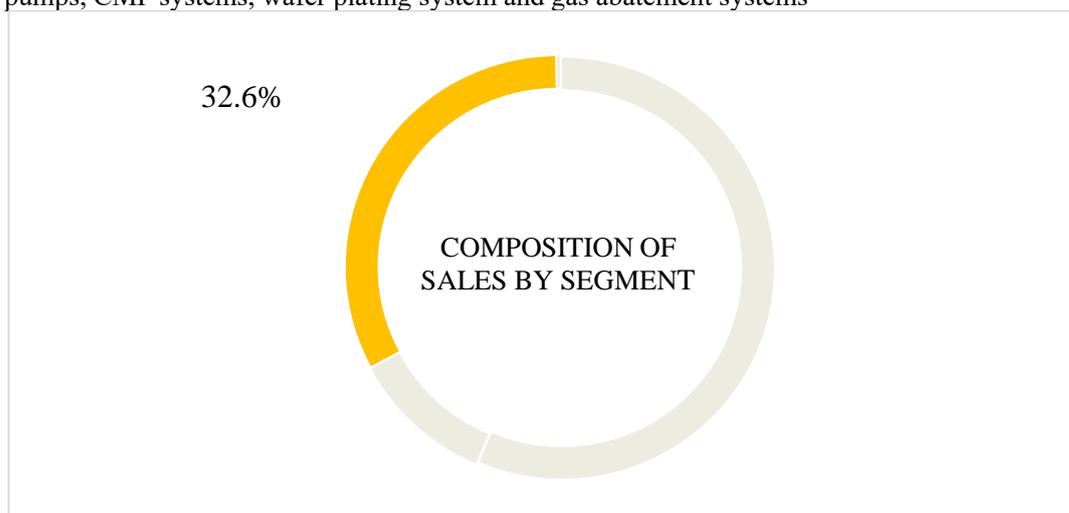
Demand for new constructions of waste incineration facilities for the public sector and the volume of O&M orders placed for existing facilities ran at about the same level as in a typical year. Construction demand for power generation facilities with woody biomass fuel for private companies and industrial waste incineration facilities for plastic waste, etc., continued at a certain level. Under these circumstances, despite having received seven orders for large-scale projects, an increase from the previous fiscal year, the volume of orders received was lower than that of the previous fiscal year when the scale of projects per project was large.

Revenue in the EP Business for the fiscal year ended December 31, 2022, amounted to ¥73,738 million (an increase of 2.7% from the previous fiscal year). The segment profit amounted to ¥3,669 million (a decrease of 34.9% from the previous fiscal year).

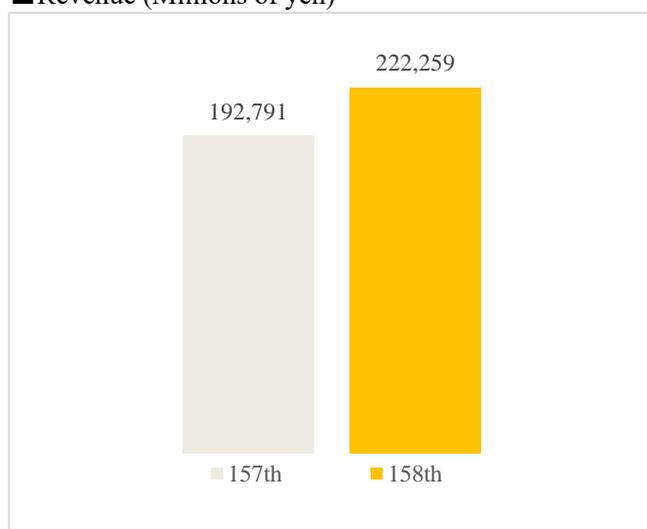
## Precision Machinery

### Main Items

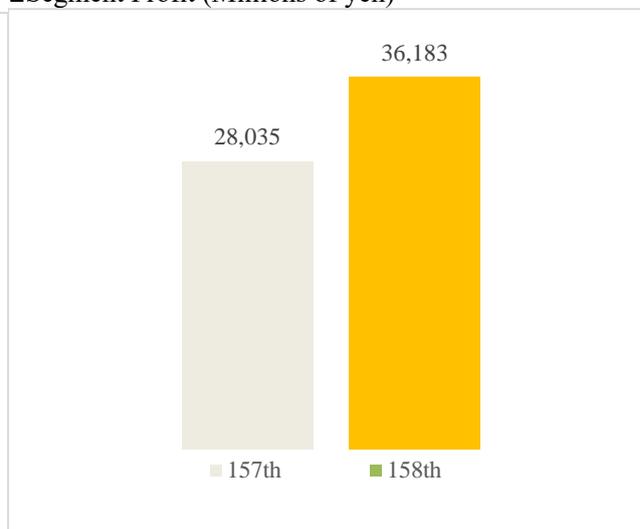
Vacuum pumps, CMP systems, wafer plating system and gas abatement systems



■ Revenue (Millions of yen)



■ Segment Profit (Millions of yen)



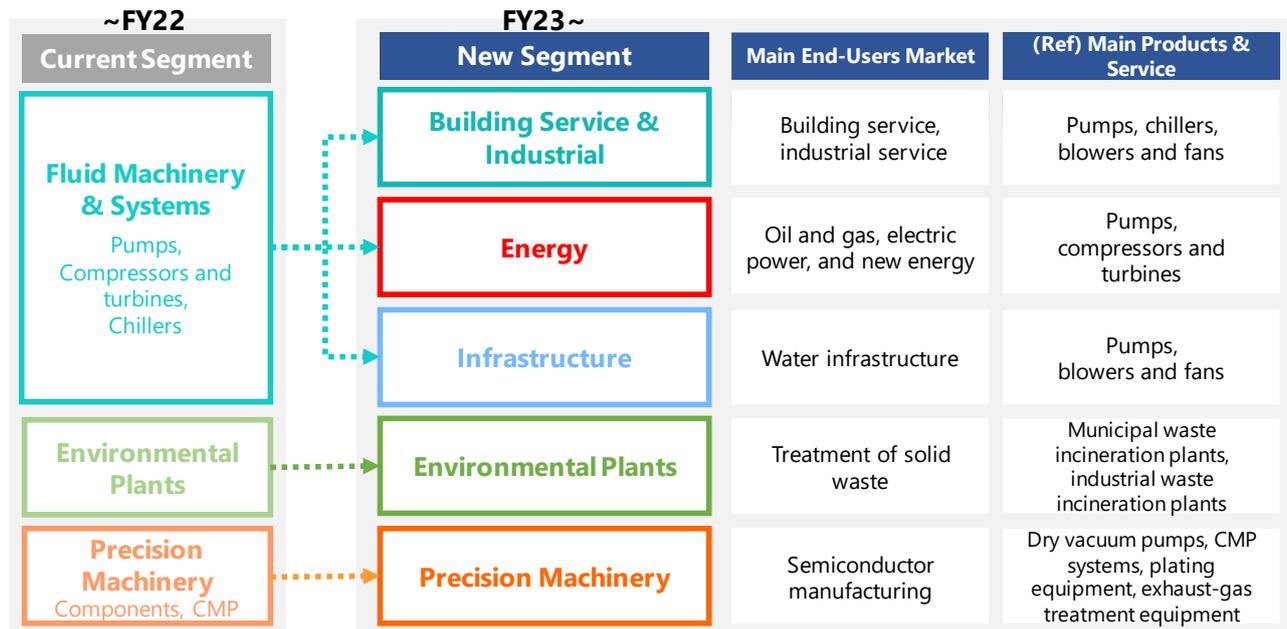
## Precision Machinery

Against the backdrop of the semiconductor shortage, semiconductor manufacturers are actively investing, and the semiconductor manufacturing equipment market was larger than the scale of the previous fiscal year. Recently, however, there have been some delays in capital investment due to the fall in memory prices and the strengthening of export regulations against China by the U.S. Despite a slowdown in investment by some semiconductor manufacturers, the overall market remained strong, and orders received were up from the previous fiscal year due to the impact of increased investment by Chinese customers.

Revenue in the PM Business for the fiscal year ended December 31, 2022, amounted to ¥222,259 million (an increase of 15.3% from the previous fiscal year). The segment profit amounted to ¥36,183 million (an increase of 29.1% from the previous fiscal year).

**(Reference)**

On January 1, 2023, the Company changed its business segments from the existing product-based segments to market-based segments with the aim of strengthening target market-specific strategy in order to create value from the customer's perspective.



## (2) Capital Expenditures

Regarding investments, during the fiscal year, the Group implemented capital investments amounting to ¥27,597 million. These were primarily for the expansion of production capacity and the installation of equipment to enhance productivity. Note that the investment amount includes tangible fixed assets and intangible assets.

Principal capital investments by business segment were as follows. Please note that these investment figures include inter-segment transactions.

Business Segment	Capital Expenditures (Millions of yen)	Depreciation (Millions of yen)	Breakdown of Capital Expenditures
Fluid Machinery & Systems	10,994	11,942	Investments were made primarily for the maintenance and enhancement of production capability and the improvement of productivity.
Environmental Plants	2,013	843	Investments were made principally for information equipment and the development of technology aimed at upgrading products.
Precision Machinery	6,328	7,385	Investments were made principally for the enhancement of production capacity.

## (3) Fund-Raising and Capital Resources

During the fiscal year ended December 31, 2022, the Group raised funds through the issuance of unsecured bonds (Series 11 and 12) totaling ¥20,000 million, long-term loans payable amounting to ¥11,138 million, and short-term loans payable totaling ¥76,881 million. Meanwhile, the Company redeemed unsecured bonds (Series 9) and repaid long-term loans payable amounting to ¥6,513 million and short-term loans payable totaling ¥89,535 million.

## (4) Status of acquisition or disposal of shares or other equity or stock acquisition rights of other companies

Pursuant to the equity transfer agreement executed on September 28, 2022, the Company acquired 100% equity of Hayward Gordon Holdings, L.P. a manufacturer of industrial pumps and mixers with bases in Canada and the United States, and made it a consolidated subsidiary as of September 30, 2022.

## (5) Issues Being Addressed

The Group announced our long-term vision, “E-Vision 2030,” which established a vision and path for ten years from fiscal year (FY) 2020, simultaneously with the Medium-term Management Plan “E-Plan 2022,” which set the management direction and strategies to be implemented for the first three-year period from FY2020 to FY2022, and we have implemented various measures. As a result, we have been able to achieve the targets for the main KPIs, including achieving the targets for ROIC and operating profit ratio that we have positioned as the key management indicators, a year ahead of the schedule. Based on this, as the next stage, we have established the Medium-term Management Plan “E-Plan 2025” with its final year in FY2025, in February 2023, and we have positioned this as a three-year period for steadily moving closer to “EBARA’s Vision for 2030” set out in our long-term vision and ensuring its realizing in 2030. Under the Medium-term Management Plan “E-Plan 2025,” we have set the direction outlined below with a theme of “creating value from the customer’s perspective,” and we will formulate and implement plans for each business.

<Direction of Medium-term Management Plan E-Plan 2025>

- 1) Strengthen the market-in initiatives, move away from product-out approach, and install a corporate culture of “creating new value from the customer’s perspective.”
- 2) Maximize business performance through reorganization into a five-company system by target market.
- 3) Aggressively invest capital for business growth and infrastructure to further ensure the realization of the vision for 2030.
- 4) For efficiency and profitability indicators (ROIC and operating profit ratio), maintain the target level or more which was realized in 2022 and set in E-Vision 2030 (e.g., ROIC of 10%).
- 5) Add ROE of 15% or higher, set in E-Vision 2030, as a new key indicator as part of our commitment to achieving “1 trillion yen in market cap by 2030,” while further sophisticating ROIC-focused management with ROIC and operating profit ratio as the most important indicators.

- 6) Introduce CxO system to totally optimize the Group and enhance the Group governance for each function.

With the implementation of the above 1) through 6), the goal of E-Plan 2025 is to reach a position where the Group can more certainly foresee the path to realize the EBARA's Vision for 2030. For the business growth, the Group has set a CAGR of 7% for revenue during the period of E-Plan 2025, which will be achieved mainly in the following two businesses of growth areas: Building Service & Industrial and Precision Machinery.

[1] Theme of E-Plan 2025 and key areas

In E-Plan 2025, organization by target market will develop new businesses by creating value from the customer's point of view.

<Theme of E-Plan 2025>

Business creation: Creating value from the customers' perspective

The Group strives for sustainable "entrepreneurship" and the creation of value, while fostering an organizational culture that supports a mindset of taking on challenges and transforming the entire company into a structure that truly addresses customer needs and issues, as well as creating a series of flows that generate business.

In addition, the Group has determined the five key areas to support the realization of the theme as described as follows:

<Five key areas>

- 1) Target markets & customer-orientation
- 2) New value creation
- 3) Global expansion
- 4) Advanced and efficient management infrastructure
- 5) Advances in ESG-focused management

[2] Indicators and targets (financial and non-financial)

The Group has set the following as the targets to be achieved by FY2025, the final year of E-Plan 2025.

Financial targets

Category	Item	FY2025 Target
Profitability	Operating profit ratio	10% or higher
	(Operating profit ratio by business segment)	
	Building Service & Industrial	7% or higher
	Energy	12% or higher
	Infrastructure	6% or higher
	Environmental Solutions	7% or higher
	Precision Machinery	17% or higher
Efficiency	ROIC*	10% or higher
	ROE	15% or higher
Growth	Building Service & Industrial Revenue CAGR (FY2022 – FY2025)	6% or higher
	Precision Machinery Revenue CAGR (FY2022 – FY2025)	15% or higher
Financial health	Debt-to-equity ratio	0.3 – 0.5 (management guideline)

\* ROIC: (from FY2023)

$\text{NOPLAT (Net Operating Profit Less Adjusted Taxes)} \div \text{invested capital \{interest-bearing debt (average amount of the beginning and end of fiscal year) + Equity attributable to owners of parent (average amount of the beginning and end of fiscal year)\}}$

## Non-financial targets

Item	Description	FY2023 – FY2025 3-year target
E: Environment	CDP score (climate change)	Maintain B or above
	SCOPE 1, 2: GHG emissions	Reduce by 32% compared to FY2018
	SCOPE 3	Establish a practical measurement method to reduce 100 million tons by 2030
S: Social	Transform into a culture of competition and challenge, and strive to create an environment where diverse employees can comfortably work and perform well -Improve Engagement Survey Score (consolidated)	FY2025: 83 or higher FY2030: 86 or higher
	Aim for global mobility improvement -Percentage of non-Japanese employees (consolidated) in Global Key Position (GKP)	FY2025: 30% or higher FY2030: 50% or higher
	Resolve gender pay gap (1)Percentage of female employees in GKP (consolidated) (2)Percentage of female employees in key positions (non-consolidated)	(1)FY2025: 8% or higher FY2030: 10% or higher (2)FY2025: 8% or higher
	Cultivate a company culture where employees can work and raise children at the same time regardless of gender -Percentage of male employees taking parental leave (non-consolidated)	Establish data collection methods by the end of 2023 and set targets based on an action plan to improve the acquisition ratio
	Promote good performance of employees with special needs -Percentage of employees with special needs (non-consolidated + 4 group affiliates)	FY2025: 2.6% or higher
	Implement necessary measures based on the results of human rights due diligence for suppliers	
G: Governance	Deepen the performance of the Board of Directors and contributions to G to V: Governance to Value	

## Estimated cash allocation over the E-Plan 2025 period (3-year cumulative total)

Item	Description	FY2023 –FY 2025 3-year cumulative total
Growth investment	Growth investment based on business portfolio (facilities for increased production, R&D, new business, M&A, etc.)	180.0 to 225.0 billion yen (including R&D expenses of 65 billion yen)
Infrastructure investment	Strengthen bases that underpin sustainable growth, etc. (maintenance and renewal equipment, human capital, IT such as ERP, business infrastructure, ESG investments)	50 to 80 billion yen
Shareholder returns	Dividend policy: Consolidated Dividend Payout Ratio of 35.0% or higher Repurchase of treasury stock: Implement flexibly at appropriate times, carefully considering the level of equity attributable to owners of parent, other investment targets, cash and deposits on hand, stock price trends, business performance trends, and other factors	

### [3] Positioning and basic policies by business segment

#### 1. Building Service & Industrial

Positioned as a “growth business,” aim for growth while ensuring profitability

The segment will break away from the cost-competition situation by matching the customer needs from the customer’s real voices with the functions of the Group’s products and services, assembling solutions, and appealing to customers.

#### 2. Energy

Shift to a new “growth business” to respond to changes in customers and society

Based on the megatrend of decarbonization, the segment will grasp the changing needs of customers correctly and make a change with the customers. It will provide solutions that can leverage the Group’s strengths through the integration of compressors & turbines and custom pumps.

### 3. Infrastructure

Positioned as a core business that secures stable revenue, seek efficiency while supporting social infrastructure

Within Japan, the segment will strengthen its product development capabilities in collaboration with manufacturing plants and ensure robust public sector demand without opportunity loss, thereby maintaining a high market share and securing profits. For overseas, it will focus on Southeast Asia and China in particular, provide pump facilities and peripheral technologies instead of undertaking EPC (engineering, procurement, and construction) work entirely, and create new value through engineering technologies.

### 4. Environmental Solutions

Positioned as a core business that secures stable revenue, seek efficiency while supporting social infrastructure

The segment will strengthen efforts to solidify the foundation of the core business and develop as well as provide the technologies and services demanded by existing and potential customers, while properly grasping changes in the market as a waste resource recycling solution provider based on life cycle assessment.

### 5. Precision Machinery

Positioned as a “growth business,” aim for growth while ensuring profitability

The segment will provide value to customers through total optimization of global by introducing an account system and deliver value through the resolution of requests and issues in customer’s processes and utilities.

#### [4] Corporate basic policy

The Group will strongly support the organization by target market while ensuring integrated group management. Further, the Group will proceed with upgrading and streamlining the management infrastructure, as it implements advanced ESG-focused management for a sustainable society, improves the recognition of the EBARA brand and its penetration internally and externally, strengthens fundamental technological capabilities to enhance the continued competitiveness, and creates a framework capable of developing new businesses.

#### [5] Corporate governance

The Board of Directors will continue to supervise and encourage the executive officers to speed up their efforts and reforms to realize E-Vision 2030 and E-Plan 2025, while strengthening and improving corporate governance to further enhance its effectiveness. That makes the Board of Directors contribute to the continued growth and value of the Group.

(Reference)

## 1. Long-term Vision: E-Vision 2030 (10-Year Vision)

We aim to further our contributions toward the SDGs through the pursuit of solutions to our identified material issues to contribute to the creation of a sustainable society while simultaneously increasing the (1) social/environmental value and (2) economic value we generate. We believe this will earn us greater corporate value and recognition as an excellent global company. We have set market capitalization of 1 trillion yen by 2030 as an indicator of our corporate value.

### Representative examples of outcome goals

#### (1) Social/Environmental Value

- Reduce GHG emissions by the equivalent of about 100 million tons of CO<sub>2</sub>
- Deliver water to 600 million people
- Contribute to smarter living by challenging the 14Å (angstrom, 1/10 billionth) generation, state-of-the-art semiconductor devices.

#### (2) Economic Value

- ROIC over 10.0%
- ROE over 15.0% \*added
- Roughly 1 trillion yen in revenue

## 2. Review of Medium-term Management Plan: E-Plan 2022

Key Performance Indicators (KPI)	156th (FY20)	157th (FY21)	158th (FY22)	E-Plan 2022 Targets
ROIC*	6.4%	10.7%	11.2%	7.6% or more
Operating Profit Ratio	7.2%	10.2%	10.4%	8.5% or more

\* ROIC: Profit attributable to owners of parent ÷ invested capital {interest-bearing debt (average amount of the beginning and end of fiscal year) + Equity attributable to owners of parent (average amount of the beginning and end of fiscal year)}

Target Achievement Indicators	156th (FY20)	157th (FY21)	158th (FY22)	E-Plan 2022 Targets
ROE	8.6%	14.5%	15.0%	11.2% or more
Debt-to-Equity Ratio	0.34 times	0.36 times	0.33 times	0.4-0.6 times
<b>(Operating Profit Ratio by Business)</b>				
Fluid Machinery & Systems Business	6.3%	7.4%	8.4%	7.0% or more
Pumps Business	5.5%	7.4%	7.7%	6.5% or more
Compressors and Turbines Business	8.0%	9.7%	11.8%	8.0% or more
Chillers Business	5.4%	4.1%	3.5%	5.0% or more
Environmental Plants Business	10.2%	7.8%	5.0%	9.5% or more
Precision Machinery Business	8.3%	14.5%	16.3%	13.0% or more

Growth Investment	156th (FY20)	157th (FY21)	158th (FY22)	E-Plan 2022 Targets
Capital Investment	35.0 billion yen	22.7 billion yen	27.5 billion yen	100.0 billion yen
R&D	12.5 billion yen	13.5 billion yen	15.2 billion yen	40.0 billion yen

Shareholder Returns	156th (FY20)	157th (FY21)	158th (FY22)	E-Plan 2022 Targets
Consolidated Dividend Payout Ratio	35.4%	35.2%	35.2%	35.0% or more

**(6) Important Matters Related to the Parent Company and Subsidiaries****1) Matters Related to the Parent Company**

None

**2) Principal Subsidiaries**

Company Name	Location of Head Office	Capital	EBARA Ownership Percentage (%)	Main Lines of Business
Elliott Ebara Turbomachinery Corporation	Sodegaura, Chiba	¥450 million	100.0*	Manufacture, sale, after-sales service of compressors, turbines and blowers
EBARA REFRIGERATION EQUIPMENT & SYSTEMS CO., LTD.	Ota-ku, Tokyo	¥450 million	100.0	Manufacture, sale, installation of refrigerators and cooling towers and after-sales service
EBARA DENSAN LTD.	Ota-ku, Tokyo	¥450 million	100.0	Manufacture and sale of electrical machinery and fixtures, and construction work for electrical machinery and instrumentation
EBARA FAN & BLOWER CO., LTD.	Suzuka, Mie	¥445 million	100.0	Manufacture, sale and after-sales service of industrial fans
Ebara Environmental Plant Co., Ltd.	Ota-ku, Tokyo	¥5,812 million	100.0	Design, construction work, operation and maintenance of waste processing systems
EBARA FIELD TECH.CORPORATION	Fujisawa, Kanagawa	¥475 million	100.0	Sale of dry vacuum pumps, sale, test operation and after-sales service of CMP equipment
EBARA AGENCY CO., LTD.	Ota-ku, Tokyo	¥80 million	100.0	Business support services, internal agency service for insurance, travel agency services
Hayward Gordon Holdings, L.P.	Canada	CAD22,062 thousand	100.0	Manufacture, sale and after-sales service of industrial pumps, mixers, and monitoring systems
EBARA BOMBAS AMÉRICA DO SUL LTDA.	Brazil	R\$99,106 thousand	100.0*	Manufacture and sale of submersible motors and pumps for deep wells, and land pump products
Ebara Machinery (China) Co., Ltd.	China	US\$61,938 thousand	100.0	Manufacture, sale and after-sales service of standard pumps
EBARA MACHINERY ZIBO CO., LTD.	China	US\$41,000 thousand	100.0*	Manufacture and sale of large-scale pumps and high-pressure pumps
EBARA GREAT PUMPS CO., LTD.	China	US\$11,000 thousand	51.0	Manufacture and sale of process pumps and high-pressure pumps
EBARA ENGINEERING SINGAPORE PTE. LTD.	Singapore	S\$6,625 thousand	100.0	Sale and after-sales service for custom pumps and standard pumps; sale and after-sales service for dry vacuum pumps and CMP equipment
Vansan Makina Sanayi ve Ticaret A.Ş.	Turkey	US\$1,500 thousand	100.0	Manufacture and sale of submersible motors and pumps for deep wells, vertical pumps
EBARA PUMPS EUROPE S.p.A.	Italy	€22,400 thousand	100.0	Manufacture and sale of stainless pumps and metallic mold pumps
ELLIOTT COMPANY	U.S.A.	US\$1 thousand	100.0*	Manufacture, sale and after-sales service of air and gas turbo-compressors and steam turbines Manufacture and sale of cryogenic submersible pumps
ELLIOTT EBARA SINGAPORE PTE. LTD.	Singapore	S\$340 thousand	100.0*	After-sales service of compressors and turbines
EBARA REFRIGERATION EQUIPMENT & SYSTEMS (CHINA) CO., LTD.	China	¥1,888 million	100.0*	Manufacture and sale of refrigerators and cooling towers
EBARA QINGDAO CO., LTD.	China	¥3,150 million	100.0*	Manufacturing and sale of boilers and heat exchangers
EBARA TECHNOLOGIES INCORPORATED	U.S.A.	US\$44,560 thousand	100.0*	Sale and after-sales service for dry vacuum pumps and CMP equipment
Shanghai Ebara Precision Machinery Co., Ltd.	China	¥495 million	100.0	Sale and after-sales service for dry vacuum pumps and CMP equipment
EBARA PRECISION MACHINERY KOREA INCORPORATED	Korea	KRW5,410 million	100.0	Sale and after-sales service for dry vacuum pumps and CMP equipment
Ebara Precision Machinery Taiwan Incorporated	Taiwan	TWD330,000 thousand	100.0	Sale and after-sales service for dry vacuum pumps and CMP equipment

Company Name	Location of Head Office	Capital	EBARA Ownership Percentage (%)	Main Lines of Business
Ebara Precision Machinery Europe GmbH	Germany	€11,145 thousand	100.0	Sale and after-sales service for dry vacuum pumps and CMP equipment

Notes:

1. An asterisk (\*) indicates a figure that includes indirect ownership.
2. Ebara Agency Co., Ltd. was dissolved as of December 31, 2022.
3. Hayward Gordon Holdings, L.P. became a consolidated subsidiary effective September 30, 2022 and is added to principal subsidiaries from the fiscal year under review.

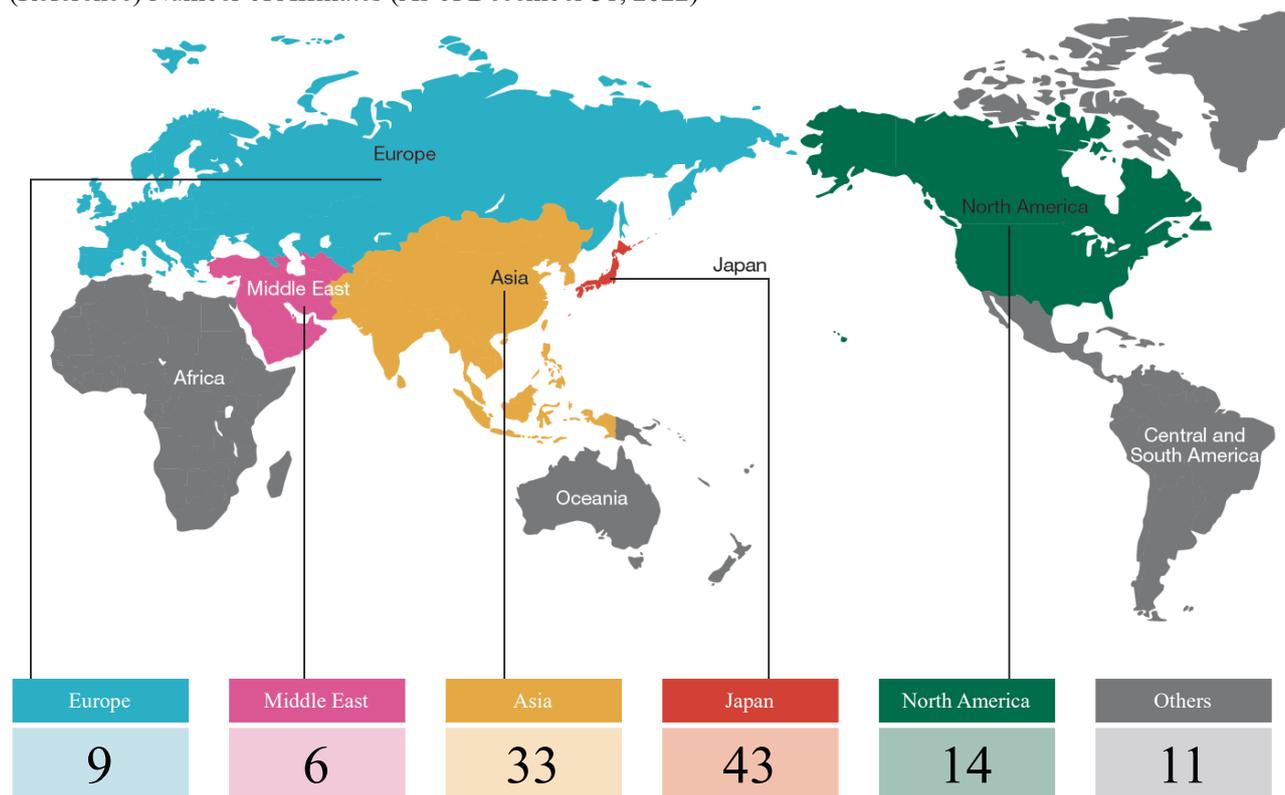
### 3) Specific Wholly-owned Subsidiaries

None

### 4) Principal Affiliated Companies

Company Name	Location of Head Office	Capital	EBARA Ownership Percentage (%)	Main Lines of Business
Swing Corporation	Minato-ku, Tokyo	¥5,500 million	33.3	Design, installation, operation and maintenance of water treatment facilities and environmental and sanitary facilities

(Reference) Number of Affiliates (As of December 31, 2022)



### (7) Main Lines of Business (As of December 31, 2022)

Business	Main Items
Fluid Machinery & Systems	Pumps, compressors, turbines, refrigerators, cooling towers and blowers
Environmental Plants	Municipal waste processing plants, industrial waste incineration plants and water treatment plants
Precision Machinery	Vacuum pumps, CMP systems, wafer plating system and gas abatement systems

**(8) Principal Business Offices and Factories (As of December 31, 2022)****1) EBARA CORPORATION**

Name	Location	Name	Location
Head Office	Ota-ku, Tokyo	Futtsu District	Futtsu, Chiba
Hokkaido Branch	Shiroishi-ku, Sapporo	Fujisawa District	Fujisawa, Kanagawa
Muroran Office	Muroran, Hokkaido	Chubu Branch	Nishi-ku, Nagoya
Tohoku Branch	Miyagino-ku, Sendai	Suzuka District	Suzuka, Mie
Hokuriku Branch	Chuo-ku, Niigata	Osaka Branch	Kita-ku, Osaka
Haneda Office	Ota-ku, Tokyo	Chugoku Branch	Nishi-ku, Hiroshima
Tokyo Branch	Ota-ku, Tokyo	Kyushu Branch	Hakata-ku, Fukuoka
Kitakanto Branch	Kita-ku, Saitama	Kumamoto District	Tamana-gun, Kumamoto
Sodegaura District	Sodegaura, Chiba		

**2) Principal Subsidiaries**

See “(6) Important Matters Related to the Parent Company and Subsidiaries 2) Principal Subsidiaries” above.

**3) Principal Affiliated Companies**

See “(6) Important Matters Related to the Parent Company and Subsidiaries 4) Principal Affiliated Companies” above.

**(9) Employees by Business Segment (As of December 31, 2022)**

Business Segment	Number of Employees	Change from the end of Previous Fiscal Year
Fluid Machinery & Systems	12,142	+272
Environmental Plants	2,727	+13
Precision Machinery	3,151	+362
Corporate Departments, etc.	1,075	+76
Total	19,095	+723

Note:

The number of employees shown is the number of workers.

**(10) Principal Lenders (As of December 31, 2022)**

Principal Lenders to the Group	Outstanding Loans (Millions of yen)
Mizuho Bank, Ltd.	20,664
MUFG Bank, Ltd.	12,734
Development Bank of Japan Inc.	11,000
The Shoko Chukin Bank, Ltd.	3,500
Banca Nazionale del Lavoro S.p.A.	2,414
Sumitomo Mitsui Banking Corporation	2,411

Note:

Apart from the above, a syndicated loan (total ¥10,000 million) exists.

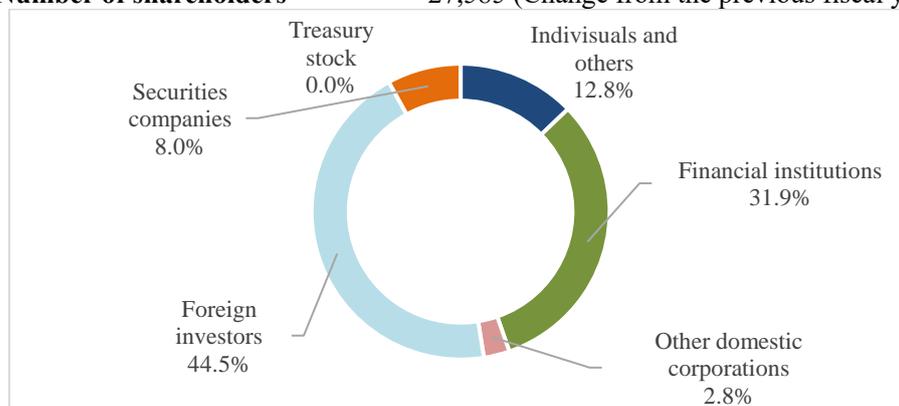
**(11) Other Important Matters Related to the Condition of the Corporate Group**

On October 23, 2015, a fire broke out at the bulky waste treatment facility at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, when Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. EEP is responsible for the operation and management of a waste incinerating facility that is located adjacent to the bulky waste treatment facility where the fire occurred. Regarding this incident, while the Company had been discussing with Gifu City the compensation for related damages, a lawsuit against EEP was filed by Gifu City at the Gifu District Court on January 31, 2019 claiming compensation for damages of ¥4,362 million and late charges for such compensation. Afterwards, Gifu City amended its amount of the compensation claim for damages to ¥4,474 million and late charges for such compensation on July 22, 2019 (received on July 25, 2019). On July 17, 2020, the amount of the compensation claim for damages was amended to ¥4,582 million and late charges for such compensation (received on July 20, 2020), and on August 10, 2021, the compensation claim for damages was amended to ¥4,692 million and late charges for such compensation (received on August 25, 2021). At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated financial results.

## 2. Shares of the Company (As of December 31, 2022)

### (1) Matters Related to Shares Issued by the Company

- 1) **Number of shares authorized** 200,000,000 shares
- 2) **Total number of shares issued** 92,086,015 shares  
(Change from the previous fiscal year: -3,427,618 shares)  
(Including 24,422 shares of treasury stock)
- 3) **Paid-in capital** ¥79,804,245,933  
(Change from the previous fiscal year: +¥160,816,610)
- 4) **Number of shareholders** 27,585 (Change from the previous fiscal year: +2,718)



### 5) Principal shareholders

Name of Shareholders	Number of Shares Held (thousand shares)	Percentage against Total Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,359	17.8
Ichigo Trust Pte. Ltd.	9,890	10.7
Custody Bank of Japan, Ltd. (Trust Account)	5,918	6.4
Nikko Securities Inc.	2,702	2.9
BNYM AS AGT/CLTS NON TREATY JASDEC	2,486	2.7
BBH (LUX) FOR FIDELITY FUNDS - SUSTAINABLE WATER AND WASTE POOL	2,142	2.3
JAPAN SECURITIES FINANCE CO., LTD.	1,527	1.7
Natixis Japan Securities Co. Ltd	1,300	1.4
JP MORGAN CHACE BANK 385781	1,217	1.3
STATE STREET BANK WEST CLIENT – TREATY 505234	1,122	1.2

Note: Treasury shares are eliminated from total number of shares issued in calculating the percentage.

### 6) Important notes on other shareholdings

#### Issuance of restricted shares

In the meeting of the Compensation Committee held on March 8, 2018, a resolution was passed to introduce a restricted share-based compensation system and a performance-linked share-based compensation system as compensation systems aimed at providing medium- to long-term incentives and sharing of shareholder value to the Company's Directors, Executive Officers, and some employees and Directors and some employees of the Company's subsidiaries. In response to this, the Company resolved in the meeting of the Board of Directors held on April 13, 2022, to issue new shares as restricted share-based compensation and issued 32,582 common shares on May 12, 2022. Based on this, the capital and legal capital surplus increased by ¥97,908,910 each. Numbers of allotted restricted shares to Directors and Executive of the Company is as follows.

Type of Corporate Officers	Number of allotted people	Number of allotted shares
Directors (excluding Independent Directors)	2	5,031 shares
Independent Directors	7	4,193 shares
Executives Officers	14	14,138 shares

## 7) Important notes on other shareholdings

### A. Issuance of new shares through exercise of subscription rights to shares

The total number of issued shares increased by 53,200 shares and capital and legal capital surplus increased by ¥62,907,700 each as a result of the exercise of subscription rights to shares during the fiscal year under review.

### B. Cancellation of treasury shares

At the meeting of the Board of Directors held on May 14, 2021, the Company resolved to cancel its treasury shares in accordance with Article 178 of the Companies Act, and completed it as follows.

- Type of shares cancelled: Common shares of the Company
- Number of shares cancelled: 3,513,400 shares
- Date of cancellation: January 31, 2022

## (2) Matters Related to Shares Owned by the Company

### 1) Policy on Cross-shareholdings

In principle, the Company does not own cross-shareholdings. However, the Company may hold shares of other companies as cross-shareholdings only when the Company determines partnerships with investees through such shareholdings will contribute to the enhancement of the Group's corporate value.

Furthermore, the Board of Directors periodically reviews the rationality of holding these cross-shareholdings and has a policy of dissolving shareholdings that are no longer rational by disposal or other means.

[Confirming rationality of shareholdings]

- The partnerships with the investee are important, and it is necessary to maintain those relationships.
- The returns and risks associated with the shareholding match the capital cost.

### 2) Standard for the Exercise of Voting Rights in Cross-shareholdings

The Company exercises its voting rights in cross-shareholdings, subject to consideration of the pros and cons of individual proposals to determine whether they contribute to the medium- to long-term enhancement of the corporate value of the Group and investees. In such a case, the Company consults with investees as necessary with emphasis on the following matters:

- Amendments to the Articles of Incorporation
- Election of Directors, etc.
- Takeover Defense Measures
- Appropriation of Surplus

### 3) Number of Issues and Total Amount on the Non-consolidated Balance Sheet of Shares Held by the Company Not for Purely Investment Purposes

Item	Fiscal Year (FY)	155th Period (FY ended December 31, 2019)	156th Period (FY ended December 31, 2020)	157th Period (FY ended December 31, 2021)	158th Period (FY ended December 31, 2022) (FY under review)
Number of issues		41 issues	39 issues	32 issues	27 issues
Number of issues of listed companies		2 issues	0 issue	0 issue	0 issue
Amount on the balance sheet (Millions of yen)		7,082	4,918	1,845	1,881
[Breakdown] Amount of listed companies (Millions of yen)		2,164	-	-	-

### 3. Subscription Rights to Shares, etc. of the Company

#### (1) Subscription rights to shares issued in compensation for the execution of duties and held by the Company's Corporate Officers who were in office at the end of the fiscal year (As of December 31, 2022)

Name (Date of issuance)	Conditional upon the achievement of results	Subscription rights to shares held by Corporate Officers			Class and number of shares purchasable with rights	Amount to be paid upon exercise of rights	Period during which rights may be exercised
		Directors (excluding Independent Directors)	Independent Directors	Executive Officers			
1st Subscription Rights to Shares (November 5, 2009)	Yes	0 (0 person)	/	1 (1 person)	Common stock of the Company 200 shares	¥1.00 per share	July 1, 2011 to November 5, 2024
2nd Subscription Rights to Shares (September 28, 2010)	Yes	0 (0 person)	/	3 (1 person)	Common stock of the Company 600 shares	¥1.00 per share	July 1, 2011 to November 5, 2024
3rd Subscription Rights to Shares (September 27, 2011)	Yes	60 (1 person)	/	61 (2 persons)	Common stock of the Company 24,200 shares	¥1.00 per share	July 1, 2014 to June 30, 2026
4th Subscription Rights to Shares (October 1, 2012)	Yes	0 (0 person)	/	18 (1 person)	Common stock of the Company 3,600 shares	¥1.00 per share	July 1, 2014 to June 30, 2026
5th Subscription Rights to Shares (October 1, 2013)	Yes	25 (1 person)	/	0 (0 person)	Common stock of the Company 5,000 shares	¥1.00 per share	July 1, 2014 to June 30, 2026
6th Subscription Rights to Shares (October 1, 2014)	Yes	96 (1 person)	/	94 (3 persons)	Common stock of the Company 38,000 shares	¥1.00 per share	July 1, 2017 to June 30, 2029
7th Subscription Rights to Shares (October 1, 2015)	Yes	6 (1 person)	/	28 (3 persons)	Common stock of the Company 7,200 shares	¥1.00 per share	July 1, 2017 to June 30, 2029
	No	0 (0 person)	2 (1 person)	/			October 1, 2018 to June 30, 2029
8th Subscription Rights to Shares (October 1, 2016)	Yes	0 (0 person)	/	0 (0 person)	Common stock of the Company 400 shares	¥1.00 per share	July 1, 2017 to June 30, 2029
	No	0 (0 person)	2 (1 person)	/			October 1, 2019 to June 30, 2029
9th Subscription Rights to Shares (October 1, 2017)	Yes	48 (1 person)	/	59 (4 persons)	Common stock of the Company 10,900 shares	¥1.00 per share	April 1, 2020 to March 31, 2032
	No	0 (0 person)	2 (1 person)	/			October 1, 2020 to March 31, 2032

#### Notes:

- Subscription rights to shares held by Directors and Executive Officers include those issued while they served as Senior Officers. Furthermore, the portion held by Executive Officers concurrently serving as Directors is listed in the section on Executive Officers.
- On October 1, 2016, the Company implemented a consolidation of shares at a ratio of one share for every five common shares. In association with this, the class and number of shares purchasable with the 1st to 8th Subscription Rights to Shares have been 200 shares per subscription right, and the class and number of shares purchasable with the 9th Subscription Rights to Shares is 100 shares per subscription right.
- Holders of the subscription rights to shares can exercise the rights during the period in which they serve as Directors, Executive Officers, and/or Officers of the Company or subsidiaries of the Company, or within five years after their retirement.

#### (2) Subscription rights to shares issued to the Company's employees and the Corporate Officers and employees of the Company's subsidiaries in compensation for the execution of their duties during the fiscal year

None

#### (3) Other matters related to subscription rights to shares, etc.

None

#### **4. Corporate Officers**

##### **(1) The Company's Corporate Governance**

##### **1) Basic views on corporate governance**

The Company has established the “EBARA Way,” composed of its “Founding Spirit,” “Corporate Philosophy,” and “EBARA Group CSR Policy” as the EBARA Group’s identity and set of values to be shared across the Group. Under the EBARA Way, the Company upholds the enhancement of corporate value and shareholder return through sustainable business development as its most important management objectives. To achieve such objectives, the Company pursues the best possible corporate governance structure and strives for its further enhancement at all times.

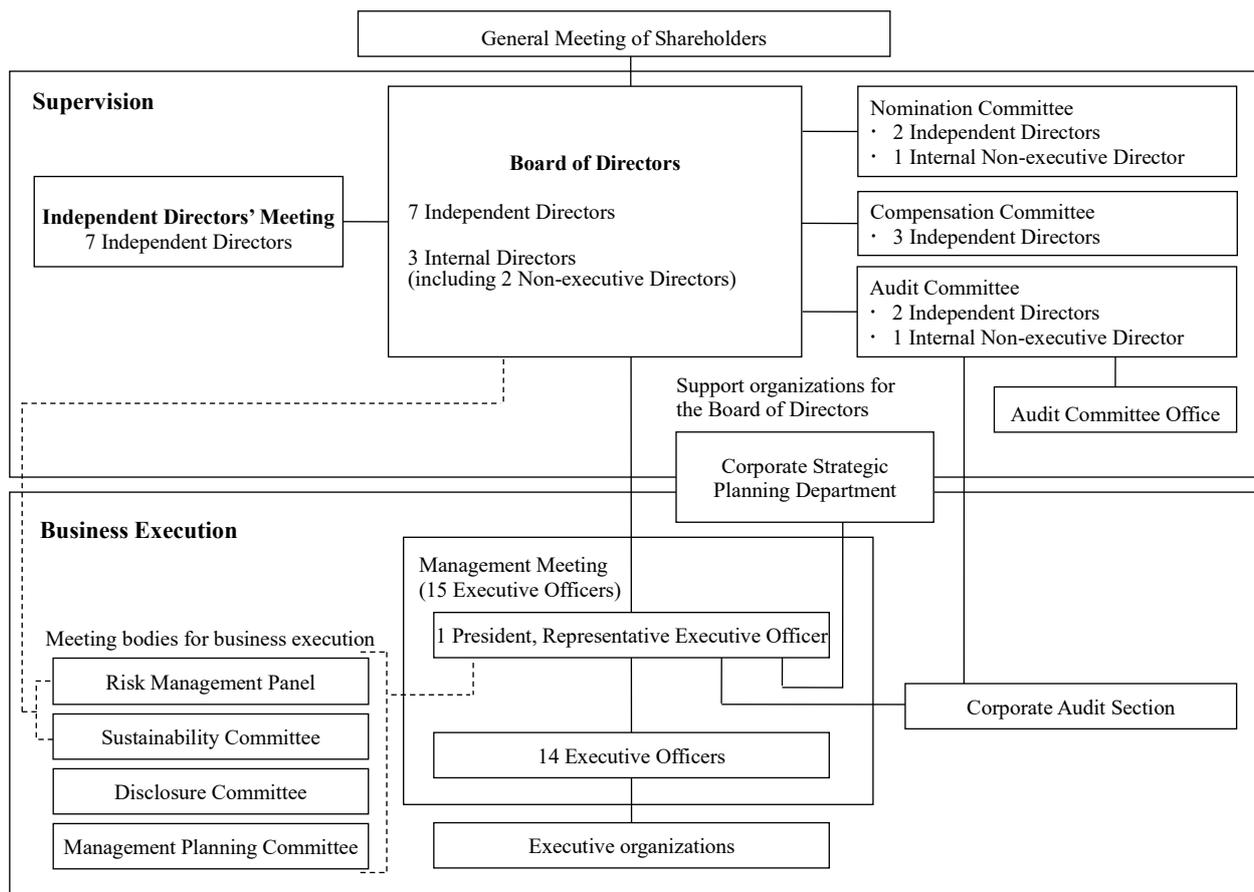
The Company has established the “EBARA Corporate Governance Basic Policy” and is committed to enhancing corporate governance based on the following basic views:

- a. The Company respects shareholders’ rights and fosters an environment for shareholders to effectively exercise their rights while ensuring equality among shareholders.
- b. The Company strives to appropriately cooperate with various stakeholders, including customers, business partners, employees, and local communities. The Company also strives to develop a corporate culture and climate in which such stakeholders’ rights and viewpoints are respected, and business is effectively executed.
- c. The Company strives to ensure management transparency through adequate disclosure of its corporate information.
- d. The Company has developed a governance system comprising mainly Non-executive Directors, including Independent Directors who play important roles. The Company has adopted the organizational form of a “Company with Three Committees,” with the Nomination Committee, the Compensation Committee, and the Audit Committee as statutory committees under the Board of Directors, with a view to achieving clear separation between supervision and execution in management.
- e. The Company engages in constructive dialogue with shareholders and investors on the basis of a separately formulated “IR Basic Policy,” with a view to contributing to sustainable growth and the medium- to long-term enhancement of corporate value.

\* Independent Directors: Independent Directors that satisfy the Company’s independence standards and for which notification as independent officers has been submitted to the Tokyo Stock Exchange. All of the Company’s Independent Directors are registered as independent directors.

## 2) Roles and composition of each organ

The corporate governance framework as of December 31, 2022, is shown below.



### a. Supervision

#### (a) Board of Directors

The Board of Directors shall make its best effort to realize the mission it has been entrusted by the shareholders to “continuously improve corporate value” while giving the greatest consideration possible within reasonable extent to the positions of all stakeholders. The Board of Directors establishes the Basic Management Policy for the long-term business environment so that the Group can enhance its corporate value. To achieve this goal, the Board of Directors strives to improve its social and environmental values through the sophisticated ESG-based management and continuous contribution to solving social issues, including SDGs, through its business. For the same reason, the Board of Directors also makes best efforts to improve its economic value by the ROIC-based management and portfolio-based management at the same time. Furthermore, the Board of Directors exercises its leadership based on the perspective of developing an environment in which the management can take bold action to prevent the loss of business opportunities (offensive posture), in addition to the perspective of developing an environment that incorporates controls for preventing scandals (defensive posture). The Company has adopted the organizational form of a “Company with a Nomination Committee, etc.,” under which authority and responsibility for business execution can be delegated to Executive Officers to achieve clear separation between supervision and business execution in management. It has also minimized the number of Directors serving concurrently as Executive Officers and makes effective use of Non-executive Directors (Independent Directors and Inside Directors who do not serve concurrently as Executive Officers). The composition of the Board of Directors is structured so that Independent Directors make up more than half of the number of all Directors, and the [Chairperson](#) of the Board of Directors is an Independent Director.

As of December 31, 2022, the Board of Directors comprises 10 Directors, nine of whom are Non-executive Directors (seven of whom, including three women, are Independent Directors). The [Chairperson](#) of the Board of Directors is Hiroshi Oeda, an Independent Director. 14 meetings were held in the fiscal year under review.

(b) Nomination Committee

The Nomination Committee is primarily responsible for establishing a policy for election and dismissal and a succession plan for the President and Representative Executive Officer, in addition to deciding on proposals for the General Meeting of Shareholders with regard to the election and dismissal of Directors, and making recommendations to the Board of Directors with regard to the election and dismissal of President and Representative Executive Officer, the election and dismissal of Executive Officers, appointment and dismissal of Directors with special titles, appointment and dismissal of the Chairperson of the Board of Directors and a Non-executive Inside Director to assist the Chairperson and the appointment and dismissal of members and the Chairperson of each of the Nomination Committee, Compensation Committee, and Audit Committee. The Nomination Committee is comprised only of Non-executive Directors, with a majority of Independent Directors, and the Chairperson is also an Independent Director, in principle. The Chairperson is decided by the Board of Directors.

As of December 31, 2022, the Nomination Committee comprises two Independent Directors (Hiroshi Oeda and Hajime Sawabe) and one Non-executive Inside Director (Toichi Maeda). Chairperson of the Nomination Committee is Hajime Sawabe, an Independent Director. 22 meetings were held in the fiscal year under review.

(c) Compensation Committee

The Compensation Committee strives to achieve sustainable growth and to increase corporate value over the medium- to long-term through compensation, by encouraging the Executive Officers to conduct business execution in accordance with the management philosophy and management strategies and by fostering human resources and cultivating a culture by strongly motivating them to achieve challenging management targets with appropriately controlled risks, and by establishing a compensation system and standards that reflect the roles of the Directors defined in the policy, including supervision of the business execution. The Compensation Committee is comprised only of Non-executive Directors, and the majority is made up of Independent Directors. The Chairperson is also an Independent Director, in principle. The Chairperson is decided by the Board of Directors.

As of December 31, 2022, the Compensation Committee comprises three Non-executive Directors (Mie Fujimoto, Junko Nishiyama and Takuya Shimamura), all of whom are Independent Directors. Chairperson of the Compensation Committee is Mie Fujimoto, an Independent Director. 12 meetings were held in the fiscal year under review.

(d) Audit Committee

The Audit Committee strives to establish a high-quality corporate governance system that responds to social trust by serving as a part of the Board of Directors' supervisory function and properly auditing execution of duties of the Executive Officers and Directors, and by considering the interests of various stakeholders from an enterprise and business group perspectives, collaborating with these stakeholders, realizing sound and sustainable growth and the creation of corporate value over the medium- to long-term. The Audit Committee sets out basic policies and plans of audits based on the progress of the development of internal control systems, including risk management, in an effort to carry out efficient and effective audits through close coordination with the Internal Audit Division. The Company establishes a supporting system for the Audit Committee to enable the Committee to appropriately fulfill its roles and functions. The Audit Committee is comprised only of Non-executive Directors with a majority of Independent Directors, and the Chairperson is also an Independent Director, in principle, to ensure independence of audits. The Chairperson is decided by the Board of Directors. In addition, although the Companies Act does not require a full-time Audit Committee member, a Non-executive Inside Director is serving as a full-time member of the Audit Committee of the Company. The full-time Audit Committee member collects high-quality information within the Group through his sophisticated information gathering capabilities and shares the information with other Audit Committee members who are external Independent Directors. He also plays an important role in utilizing the internal control system and collaborating with Independent Auditors and departments in charge of internal control, etc., to ensure effective audits.

As of December 31, 2022, the Audit Committee comprises two Independent Directors (Masahiro Hashimoto and Hisae Kitayama) and one Non-executive Inside Director (Akihiko Nagamine). Chairperson of the Audit Committee is Masahiro Hashimoto, an Independent Director. Members of the Audit Committee include, external member Masahiro Hashimoto, who has held the position of Division Executive of Finance of another company, Hisae Kitayama, a certified public accountant and full-time member Akihiko Nagamine, who has held the position of Division Executive of Finance & Corporate Accounting Division of the Company. All of them have considerable knowledge of finance and accounting. 22 meetings were held in the fiscal year under review.

(e) Independent Directors' Meeting

The Independent Directors' Meeting, comprising only Independent Directors, has been established as a venue for Independent Directors to freely discuss matters required for obtaining sufficient information to fulfill their responsibilities and sharing awareness of issues. The Chief Independent Director, who is elected by vote of the members, serves as Chairperson of the meeting.

As of December 31, 2022, Chief Independent Director is Hajime Sawabe. 13 meetings were held in the fiscal year under review.

**b. Execution of Business**

(a) Management Meeting

The Management Meeting made up of all Executive Officers is in place as a business execution meeting structure for deliberation necessary for facilitating decision making by the President, Representative Executive Officer about important matters concerning the execution of business in management. Executive Officers actively express opinions and discuss not only the scope of duties delegated by the Board of Directors but also all matters for deliberation in the Management Meeting from the perspective of optimization for the Group as a whole based on their own experience and knowledge. The Management Meeting is held every month. 12 meetings were held in the fiscal year under review.

(b) Management Planning Committee

In order to specifically implement the Medium-term Management Plan each year, a Management Planning Committee chaired by the President, Representative Executive Officer and made up of all Executive Officers has been established as a business execution meeting structure for deliberating, determining, and following up on the budgets and management issue action plans of each organization every year. After phased deliberation for each business unit, the Management Planning Committee determines the budgets and management issue action plans to clarify the responsibility of divisions and promote management efficiency. The Management Planning Committee reviews the progress of the annual consolidated management plans on a quarterly basis. 5 meetings were held in the fiscal year under review.

(c) Sustainability Committee

The Sustainability Committee has been established to discuss policies of businesses and supporting activities (Environmental protection in production activities, etc., labor practices, supply chain management, information management and disclosure, human rights protection, diversity promotion, etc.), and decide on key performance indicators (KPIs) and targets, as well as verify outcomes, so that the EBARA Group may contribute to building a sustainable society and environment through business activities and continue to raise its corporate value. The Sustainability Committee is chaired by the CEO and includes all executive officers as members, and outside experts participate as advisors to provide the latest information and advice on sustainability management. Furthermore, Non-executive Directors are encouraged to attend meetings of the committee to exhibit supervisory functions contributing to the objectives of the Sustainability Committee, and Non-executive Directors provide advice and the like as necessary regarding measures of sustainability from an objective perspective. The Sustainability Committee reports its deliberations to the Board of Directors, and the Board of Directors establishes a system enabling it to exhibit supervisory functions by accurately grasping information. The Sustainability Committee periodically holds meetings once every quarter, and 4 meetings were held in the fiscal year under review.

(d) Risk Management Panel

The Risk Management Panel (hereinafter referred to as "RMP") is in place as a body responsible for coordinating risk management activities while carrying out deliberation, guidance for improvement, and support. The RMP is chaired by the President, Representative Executive Officer, and made up of all Executive Officers. Furthermore, Non-executive Directors sit on the panel for exhibiting supervisory functions in risk management and providing advice and the like as necessary. The RMP reports its deliberations to the Board of Directors, and the Board of Directors establishes a system enabling it to exhibit supervisory functions by accurately grasping information. In addition to quarterly meetings, RMP meetings are held as required. 10 meetings were held in the fiscal year under review.

(e) Disclosure Committee

The Disclosure Committee has been established as a companywide organization to provide fair, timely, and appropriate disclosure of corporate information such as the occurrence of incidents, decisions, and financial information pertaining to the EBARA Group as a whole. The Disclosure

Committee collects without omission corporate information subject to determining whether or not to be disclosed and discusses whether to disclose the information, disclosed contents thereof and the timing of the disclosure, and discloses the contents after the President and Representative Executive Officer approves them. 10 meetings were held in the fiscal year under review.

**3) Process of Electing and Dismissing President and Representative Executive Officer, and Successor Plan**

The Company positions the establishment and implementation of criteria and policies on the election and dismissal of the President and Representative Executive Officer, who plays a central role in management as one of the most important strategic decisions for the Company.

[Process of Electing and Dismissing President and Representative Executive Officer]

The election of the President and Representative Executive Officer is determined by the Board of Directors after the Nomination Committee presents final candidates to the Board of Directors based on the election criteria and policies for the President Representative Executive Officer established by the Nomination Committee. The Nomination Committee checks the adequacy of the current President and Representative Executive Officer concerning the necessary qualifications of the President and Representative Executive Officer specified in the successor plan periodically and as needed, and makes recommendations to the Board of Directors on the successor of the President and Representative Executive Officer based on the successor plan when the President and Representative Executive Officer is retiring. Furthermore, the Board of Directors has established an independent and objective process for discussing the pros and cons of dismissing the President and Representative Executive Officer in the event it is found that the President and Representative Executive Officer is not adequately functioning based on an appropriate evaluation of factors such as the Company's performance. Specifically, if single-year consolidated results do not satisfy the criteria established by the Nomination Committee for three consecutive fiscal years when the Nomination Committee periodically checks the adequacy of the current President and Representative Executive Officer, the Nomination Committee proposes to the Board of Directors it would not recommend the reappointment of the current President and Representative Executive Officer, and the Board of Directors discusses the pros and cons of dismissal.

[Successor Plan for the President and Representative Executive Officer]

In order to appoint the next President and Representative Executive Officer for engaging in the realization of the Company's management strategy and putting the vision of growth on track, mainly the Nomination Committee establishes a succession plan for the President and Representative Executive Officer, establishes programs for the continued and deliberate development of candidates with the aptitude to serve in management, and works to ensure there is a system enabling the recommendation of appropriate personnel at any time. The Nomination Committee identifies the abilities, qualities (potential), experience, knowledge, and skills required of the President as the Ebara style of an "ideal manager" based on the succession plan, establishes the specific methods and criteria for determining these, selects candidates from a broad age group, develops them and actively checks the status of development.

**4) Policy on training for Directors**

As part of the establishment of an environment for ensuring that the Board of Directors functions effectively, the Company offers opportunities for newly elected Directors to obtain knowledge of, and insight into, the subjects necessary to perform their responsibilities as Directors, including finance, legal affairs, and corporate governance prior to or immediately after their election. In an effort to promote understanding of the Group, the Company offers opportunities as appropriate for newly elected Independent Outside Directors to gain knowledge of and insight into important matters such as the Group's management strategies, financial position, and management issues, through a briefing by Executive Officers, etc., in charge of respective areas, and inspection tours, etc., at the Group's business sites. Furthermore, the Company strives to provide Directors with opportunities for adequate training after their election as appropriate, including lectures by external experts.

## 5) Initiatives to enhance the effectiveness of the Board of Directors

### A. Purpose of Board Evaluation

The Company pursues the best possible corporate governance structure and strives for its further enhancement at all times. As the Company transitioned to a company with three committees (Nomination, Compensation, and Audit) in FY2015, the Board of Directors conducts an annual evaluation of its own effectiveness to review how the Board of Directors contributes to the effective functioning of corporate governance, to identify issues, and to seek improvements. An overview of the results is then disclosed. In annual assessment, an examination of the state of improvement of matters recognized as issues in the previous fiscal year is carried out, and the next issues are identified based on the results in a continuous PDCA cycle for governance reform.

### B. Effectiveness of the Board of Directors (FY2022)

The Chairperson of the Board of Directors, assumed by an Independent Director, discussed the awareness of problems, the current conditions and issues, etc., of the Company's Directors, with the external experts and established the direction and method of review for the evaluation of effectiveness for FY2022. With respect to the method of evaluation, considering that progress has been made in the establishment of a governance platform based on thorough verification of the board effectiveness both neutrally and objectively driven by external experts to date, the Company has decided to shift to the method of having the Chairperson of the Board of Directors, who has a good understanding of the circumstances of the Board, lead the evaluation process. This decision was made based on deliberation by the Board of Directors in June and with the aim of reviewing and discussing the board effectiveness at a substantially deeper level than before from the fiscal year under review.

#### (a) Evaluation process

The results of the questionnaires and the results of individual interviews conducted by the Chairperson of the Board of Directors, assumed by an Independent Director, were analyzed and shared with all Directors. The effectiveness of the Board of Directors was discussed at the Board of Directors meetings in December 2022 and January 2023. Self-evaluation and peer evaluation were conducted for each individual Director based on the roles and qualification requirements of Directors clarified last year. At the same time, an evaluation of the Chairperson of the Board of Directors was conducted by all Directors excluding the Chairperson in light of the results of the evaluation of effectiveness.

#### (b) Overview of the results

As a result of discussions held by the Board of Directors based on the results obtained from the questionnaires, it was confirmed that the Board of Directors and Committees were properly operated, with adequate discussions held upon setting appropriate agendas and proceeding with the meeting and that progress was made with the initiatives for the matters addressed as issues for the last year. Consequently, it was evaluated that the effectiveness of the Company's Board of Directors was adequately ensured. 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.

#### (c) Future action

The Board of Directors determined that it would further enhance the effectiveness of the Board by continuing to have discussions on each of the following matters by the Board, etc., going forward while advancing the reforms that have been pursued to date.

- 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.)
- Confirmation and verification of the state of the governance system enabling the resolution of such issues

- Confirmation and verification of the scope of information sharing from committees to the Board
- Improvement of discussion on dialogue with capital markets as the Board

See the Company's website at the following address for the entire text of the "Evaluation of the Effectiveness of the Board of Directors (FY2022)."

<https://www.ebara.co.jp/en/ir/governance/information/Board-of-Directors.html>

**(2) Names and other information on Directors and Executive Officers (As of December 31, 2022)****1) Directors**

Name	Position	Assignment and important concurrent positions
Toichi Maeda	Chairman, Board of Directors	Member of the Nomination Committee
Masao Asami	Director Representative Executive Officer	President
Hajime Sawabe	Director	Chief Outside Director Chairperson of the Nomination Committee Adviser to the Executive Board, Value Creation 21 Outside Director, TV TOKYO Holdings
Hiroshi Oeda	Director	Chairperson of the Board of Directors Member of the Nomination Committee Corporate Special Adviser, Nisshin Seifun Group Inc. Outside Director, SEKISUI CHEMICAL CO., LTD. President, Hitotsubashi University Koenkai Member, The Japanese National Commission for UNESCO
Masahiro Hashimoto	Director	Chairperson of the Audit Committee
Junko Nishiyama	Director	Member of the Compensation Committee Outside Director, JACCS CO., LTD Outside Corporate Auditor, Toda Corporation
Mie Fujimoto	Director	Chairperson of the Compensation Committee Attorney at law Partner, TMI Associates Outside Audit & Supervisory Board Member, SEIKAGAKU CORPORATION Outside Audit & Supervisory Board Member, Tokyo Broadcasting System Holdings, Inc. (Audit & Supervisory Board Member, Tokyo Broadcasting System Television, Inc.)
Hisae Kitayama	Director	Member of the Audit Committee Certified Public Accountant Outside Director, Tsubakimoto Chain Co. Outside Audit & Supervisory Board Member, Daicel Corporation Specially Appointed Professor, Graduate School of UNIVERSITY OF HYOGO Representative, Kitayama Public Accounting Office
Akihiko Nagamine	Director	Member of the Audit Committee (Full-Time Member)
Takuya Shimamura	Director	Member of the Compensation Committee Director, Chairman, AGC Inc. Outside Audit & Supervisory Board Member, JFE Holdings, Inc.

## Notes:

- Seven Directors, Hajime Sawabe, Hiroshi Oeda, Masahiro Hashimoto, Junko Nishiyama, Mie Fujimoto, Hisae Kitayama and Takuya Shimamura are Independent Directors as stipulated in Article 2, item 15 of the Companies Act.
- Seven Directors, Hajime Sawabe, Hiroshi Oeda, Masahiro Hashimoto, Junko Nishiyama, Mie Fujimoto, Hisae Kitayama and Takuya Shimamura satisfy the qualifications for Independent Directors stipulated by the Tokyo Stock Exchange. The Company has filed notification to the Tokyo Stock Exchange for appointing those seven members as its Independent Directors.
- Masahiro Hashimoto, a member of the Audit Committee has experience servicing as General Manager of Financial Department, Dainippon Screen Mfg. Co., Ltd. (currently SCREEN Holdings Co., Ltd.). Hisae Kitayama, a member of the Audit Committee is a certified public accountant. Akihiko Nagamine, a member of the Audit Committee has held the position of Division Executive of Finance & Corporate Accounting Division of the Company. They all have respectable knowledge in finance and accounting.
- Director Takuya Shimamura was newly elected at the 157th Ordinary General Meeting of Shareholders held on March 29, 2022, and assumed his position thereafter.
- Director Sakon Uda completed his term of office at the end of the 157th Ordinary General Meeting of Shareholders held on March 29, 2022, and retired from his position.
- The Company has no special relationship with the organizations at which the Outside Directors hold important concurrent positions.

7. In order to improve the effectiveness of the activities of the Audit Committee, the Company has elected Non-executive Director Akihiko Nagamine from within the Company as a full-time member of the Audit Committee due to the need for continuously and effectively gathering information from executive management by a Director familiar with the Company's internal controls, receiving reports from the Internal Audit Division, understanding information from audits of subsidiaries, and attending various meetings.

## 2) Executive Officers

Name	Position	Assignment and important concurrent positions
Masao Asami	Representative Executive Officer	President
Shu Nagata	Executive Officer	President, Fluid Machinery & Systems Company Responsible for Chillers Business, Fluid Machinery & Systems Company Chairman of the Board of Directors, Representative Director, Vansan Makina Sanayi ve Ticaret A.Ş.
Yoshiaki Okiyama	Executive Officer	Division Executive, Standard Pump Business Division, Fluid Machinery & Systems Company Chairman, Ebara Machinery (China) Co., Ltd.
Hideki Yamada	Executive Officer	Division Executive, Custom Pump Division, Fluid Machinery & Systems Company Chairman, EBARA GREAT PUMPS CO., LTD.
Teruyuki Ota	Executive Officer	Division Executive, System Business Division, Fluid Machinery & Systems Company
Takanobu Miyaki	Executive Officer	Responsible for Compressors and Turbines Business, Fluid Machinery & Systems Company Director CEO, Elliott Group Holdings, Inc. CEO, Elliott Company
Atsuo Ohi	Executive Officer	President, Environmental Engineering Company Chairman and Representative Director, EBARA Environmental Plant Co., Ltd.
Tetsuji Togawa	Executive Officer	President, Precision Machinery Company
Isao Nambu	Executive Officer	Division Executive, CMP Division, Precision Machinery Company
Seiichi Tsuyuki	Executive Officer	Division Executive, Components Division, Precision Machinery Company
Shugo Hosoda	Executive Officer	Division Executive, Corporate Strategic Planning and Finance & Accounting Division
Yoji Sato	Executive Officer	Division Executive, Human Resources Division
Toru Nakayama	Executive Officer	Division Executive, Legal, Internal Control, Risk Management and General Affairs Division
Hiroyuki Kowase	Executive Officer	Division Executive, Information & Communication System Division
Hiroshi Sobukawa	Executive Officer	Responsible for Technologies, R&D & Intellectual Property Division Executive, Advanced Technology Division, Precision Machinery Company

### Notes:

1. Masao Asami, President, Representative Executive Officer, concurrently serves as a Director.
2. Executive Officers, Teruyuki Ota, Takanobu Miyaki, Isao Nambu, Seiichi Tsuyuki and Yoji Sato were newly elected at the meeting of the Board of Directors held on March 29, 2022, and assumed their positions thereafter.
3. Executive Officers, Nobuharu Noji, Akihiro Kida, Michael T. Lordi and Seiji Katsuoka completed their terms of office at the end of the meeting of the Board of Directors held on March 29, 2022, and retired from their positions.

**(Reference)**

The status of Executive Officers is shown below as of January 1, 2023.

Name	Position	Assignment and important concurrent positions
Masao Asami	Representative Executive Officer	President, CEO & COO
Shu Nagata	Executive Officer	President, Construction and Industry Company
Takanobu Miyaki	Executive Officer	President, Energy Company Chairman, EBARA GREAT PUMPS CO., LTD. Chairman and CEO, Elliott Group Holdings, Inc. CEO, Elliott Company
Teruyuki Ota	Executive Officer	President, Infrastructure Company
Hideki Yamada	Executive Officer	President, Environmental Plants Company President and Representative Director, EBARA Environmental Plant Co., Ltd. Director, Swing Corporation
Atsuo Ohi	Executive Officer	Environmental Plants Company Chairman and Representative Director, EBARA Environmental Plant Co., Ltd.
Tetsuji Togawa	Executive Officer	President, Precision Machinery Company
Isao Nambu	Executive Officer	Division Executive, CMP Division, Precision Machinery Company
Seiichi Tsuyuki	Executive Officer	Division Executive, Components Division, Precision Machinery Company
Shugo Hosoda	Executive Officer	Division Executive, Corporate Strategic Planning and Finance & Accounting Division, and CFO
Yoji Sato	Executive Officer	Division Executive, Human Resources Division, and CHRO
Toru Nakayama	Executive Officer	Division Executive, Legal, Internal Control, Risk Management and General Affairs Division, and CRO
Hiroyuki Kowase	Executive Officer	Division Executive, Information & Communication System Division, and CIO
Hiroshi Sobukawa	Executive Officer	Corporate Project Hydrogen Business Project Responsible for Technology Development
Yoshiaki Okiyama	Executive Officer	China Regional Headquarters Preparation Office

### (3) Overview of the Agreements to Limit Liability for Damages

The Company has stipulated in its Articles of Incorporation that it may enter into agreements with Directors (excluding Executive Directors) to limit their liability for damages as outlined under Article 423, paragraph 1 of the Companies Act in accordance with Article 427, paragraph 1 of the Companies Act, and has entered into agreements limiting liability with all Independent Directors. The limit of liability for damages under the agreement is the minimum liability amount stipulated under Article 425, paragraph 1 of the Companies Act. However, this limit will be applicable only when the performance of duties giving rise to such responsibilities is recognized to have been carried out in good faith and with no gross negligence.

### (4) Overview of the Directors and Executive Officers Liability Insurance Policy

The Company has entered a directors and officers liability insurance policy with an insurance company as provided in Article 430-3, paragraph 1 of the Companies Act, with the Directors, Executive Officers, and statutory auditors of the Company and the Group as the insured persons. This policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or the pursuit of such liability.

The entire amount of the insurance premiums for the policy is paid by the Company, and the insured persons effectively do not bear any of the premiums.

### (5) Amount of Compensation Paid to Directors and Executive Officers

#### 1) Amount of compensation paid to Directors and Executive Officers

Position	Total Amount of Compensation, etc. (Millions of yen)	Total Amount of Compensation, etc. by items (Millions of yen)									
		Base Pay		Short term Performance-linked compensation		Restricted share-based compensation		Performance-linked share-based compensation		Others	
		Number Of Persons	Amount	Number of Persons	Amount	Number of Persons	Amount	Number of Persons	Amount	Number of Persons	Amount
Directors (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. The above shows the compensation paid to Directors and Executive Officers as of December 31, 2022 according to their term of office for the fiscal year under review, and the compensation paid to one Non-executive Director who retired at the conclusion of the 157th Ordinary General Meeting of Shareholders held on March 29, 2022 and four Executive Officers who retired at the conclusion of the meeting of the Board of Directors held on the same day, from January 2022 to the time of their retirement.
2. Compensation paid to Executive Officers concurrently serving as Directors is shown in the column for Executive Officers.
3. Amount of compensation paid to Executive Officers includes ¥126 million (Base Pay: ¥61 million, Short term Performance-linked compensation: ¥34 million, Performance-linked share-based compensation: ¥15 million, and Others: ¥15 million) as compensation that subsidiaries paid to Executive Officers who served concurrently as the Corporate Officers of the subsidiaries.
4. Short-term performance-linked compensation for Executive Officers is linked to company-wide or business-level performance, in addition to which individual targets are set, the level of achievement against these targets is evaluated, and an amount for the individual is determined after deliberation by the Compensation Committee.
5. Short-term performance-linked compensation shown is the total amount of short-term performance-linked compensation to be paid (scheduled for March 2023), in relation to Executive Officers serving in those roles as of December 31, 2022, for the fiscal year under review.
6. Restricted share-based compensation shown is the restricted share-based compensation paid in the current fiscal year and the amount of restricted share-based compensation paid in the past fiscal years to be recorded as an expense in the fiscal year under review.
7. Performance-linked share-based compensation shown is the amount planned to be paid in May 2023 of performance-linked share-based compensation to be recorded as an expense in the fiscal year under review. In calculating the amount for the fiscal year under review, the Company used the most recent price of the Company's stock and the consolidated return on invested capital (ROIC) in the management plan for the

period ended December 31, 2022, which is the final year of the medium-term management plan, E-Plan 2022.

The difference compared to the amounts recorded for the previous fiscal year is also calculated and added.

8. “Other” shows the total of ¥10 million, consisting of the portion of performance-linked share-based compensation scheduled to be paid by a subsidiary to an Officer who retired at the 157th period in 2023 that was recorded as an expense in the fiscal year under review, and pension contributions of ¥5 million paid in the fiscal year under review.

**2) Amount by category of compensation of officers who received a total amount of ¥100 million or more in compensation, etc.**

Name	Total amount of compensation, etc. (Millions of yen)	Company	Total amount of compensation, etc. by items (Millions of yen)			
			Base pay	Short term performance-linked compensation	Restricted share-based compensation	Performance-linked share-based compensation
Masao Asami President, Representative Executive Officer	143	EBARA Corporation	54	34	16	38

Notes:

- Short-term performance-linked compensation shown is the total amount of short-term performance-linked compensation to be paid (scheduled for March 2023) for the fiscal year under review.
- Restricted share-based compensation shown is the restricted share-based compensation paid in the current fiscal year and the amount of restricted share-based compensation paid in the past fiscal years to be recorded as an expense in the fiscal year under review.
- Performance-linked share-based compensation shown is the amount planned to be paid in May 2023 of performance-linked share-based compensation to be recorded as an expense in the fiscal year under review. In calculating the amount for the fiscal year under review, the Company used the most recent price of the Company’s stock and the consolidated return on invested capital (ROIC) in the management plan for the period ended December 31, 2022, which is the final year of the medium-term management plan, E-Plan 2022. The difference compared to the amounts recorded for the previous fiscal year is also calculated and added.

**3) Policies regarding Determination of Compensation for Corporate Officers**

The Company has shifted to a company with three committees as of June 24, 2015. The amount of compensation paid to Directors and Executive Officers is determined in the Compensation Committee, which consists solely of three Independent Directors, pursuant to the provisions of Article 22 and Article 31 of the Articles of Incorporation of the Company.

**A. Compensation for Directors**

(a) Purpose and Basic Policy on the Compensation System

The compensation levels and compensation system reflect the roles of each Director in the Board of Directors and each Committee to ensure that Directors promote and supervise the execution of business by Executive Officers in conformance with the Company’s management philosophy and management strategy for the purpose of sustained growth of the Company and increasing corporate value in the medium to long term.

(b) Compensation system

a. Non-executive Directors

Compensation for Non-executive Directors is comprised of basic compensation and long-term incentive since they are expected to take on the role and responsibility of supervision from a standpoint that is independent from business execution to see that business execution is carried out lawfully, and it is determined by the Compensation Committee. The long-term incentive shall be in the form of restricted share-based compensation (RS) to promote the sustainable improvement of corporate value and to encourage the Directors to share values with shareholders through the ownership of shares. Furthermore, the Company pays allowances to the Chairperson of the Board of Directors, the Lead Independent Director, and the Chairpersons of the Committees based on the extent of their roles and responsibilities and the number of hours spent on their execution of duties.

b. Executive Directors

The Company pays compensation as Executive Officers to Executive Directors concurrently serving as Executive Officers, and does not pay them compensation as Directors.

(c) Combination of compensation

The combination of Directors' compensation is as follows.

	Monetary compensation		Share-based compensation (long-term incentives)	
	Base Pay	Short term Performance-linked compensation	Restricted share-based compensation	Performance-linked share-based compensation
Non-Executive Directors	1.0	-	0.3	-

**B. Compensation for Executive Officers**

(a) Purpose and Basic Policy on the Compensation System

The compensation system for Executive Officers is linked to short-term and medium- to long-term performance to encourage the execution of business in line with the management philosophy and management strategies and to provide strong motivation for the achievement of management targets.

This system also provides an appropriate level of compensation when targets are met for the purpose of sustained growth of the Company and medium- to long-term enhancement of corporate value.

(b) Compensation system

The compensation for Executive Officers comprises basic compensation according to the role of President and Representative Executive Officer or each Executive Officer, a short-term performance-linked compensation, restricted stock compensation, and performance-linked stock compensation, and is determined by the Compensation Committee. As the Executive Officers are expected to play key roles in the achievement of numerical targets in their business execution, the compensation system is designed that the portion of the short-term performance-linked compensation may be larger than the portion of the basic compensation if performance targets are achieved.

As for the companywide index of the short-term performance-linked compensation, the consolidated ROIC and consolidated operating profit, which are consistent with the management goal of profitability improvement, will be adopted for Executive Officers except for President and Representative Executive Officer. In addition, in order to practice advanced ESG management toward a sustainable society through our business activities, we have introduced ESG indicators with the "E" (Environment): CDP (Carbon Disclosure Project), and the "S" (Society): GES (Global Engagement Survey) as the evaluation items. In addition to the Group-wide business results, individual targets are set, and the achievement rate against the target will be evaluated, and the pay rate will be determined through discussion at the Compensation Committee.

Also, as for the index of the performance-linked stock compensation, the consolidated ROIC of the Company for the year ended December 31, 2022, the last fiscal year of the Medium-term Management Plan E-Plan 2022, will be adopted.

(c) Combination of compensation

The combination of Executive Officers' compensation is as follows.

[Ratio of Compensation of Executive Officers (If 100% of the target for performance-linked compensation is achieved)]

	Monetary compensation		Share-based compensation (long-term incentives)	
	Base Pay	Short-term Performance-linked compensation	Restricted share-based compensation	Performance-linked share-based compensation
President, Representative Executive Officer	1.0	0.6	0.3	0.3
Executive Officers	1.0	0.6	0.2-0.25	0.2-0.25

Notes:

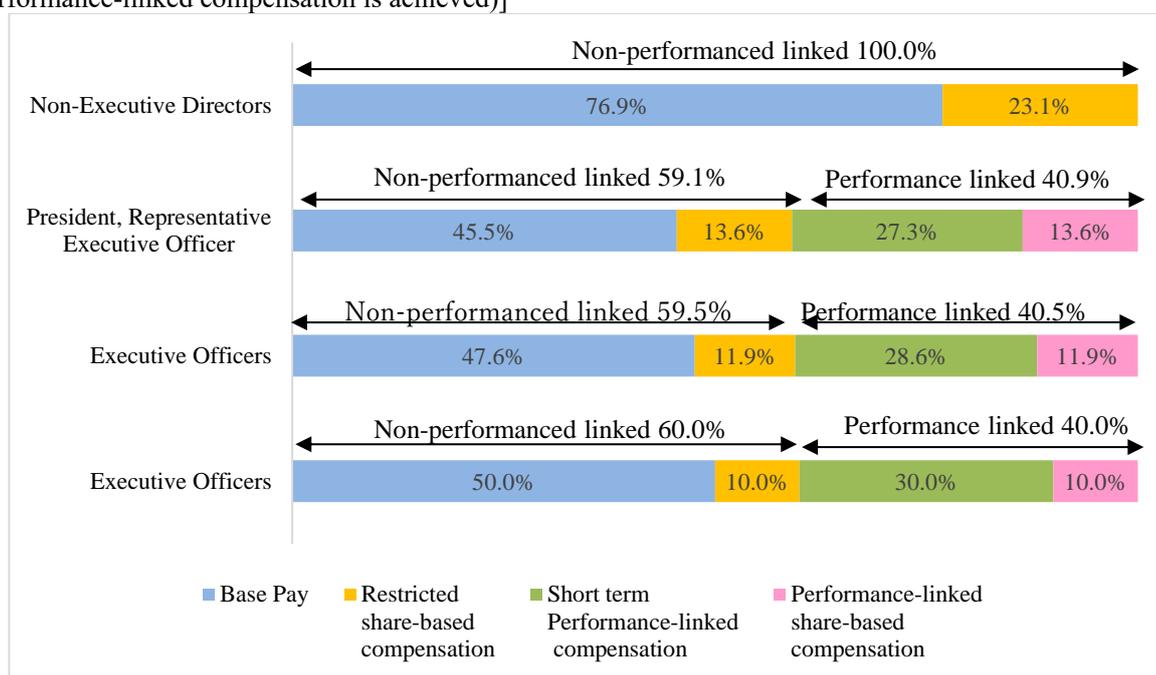
1. Short-term Performance-linked compensation is paid within the range of 0 to 200% based on the level of achievement of companywide performance targets and the individual performance targets of each Executive Officer.
2. Performance-linked compensation is paid within a range of 0 to 200% based on the level of achievement of performance targets.

(d) Compensation Levels

The basic compensation is aimed at a level that is comparable with competing companies assumed to have similar businesses and human resources (hereinafter referred to as “peers”). The compensation levels of domestic peers shall be regularly checked and, at the same time, compensation levels according to the roles of each Executive Officer shall be adjusted and determined with attention also given to employees’ compensation levels (such as disparity with officers, deviation from publicly accepted levels, etc.).

By implementing these measures, the level of total compensation (the sum of the basic compensation, short-term performance-linked compensation, restricted stock compensation, and performance-linked stock compensation) for Executive Officers of the Company shall be designed to be higher than the level of domestic Peers if the targets of strategies and business performance have been successfully achieved and be lower than the compensation level of officers of domestic Peers if such performance targets fail to be achieved.

[Composition of Compensation Paid to Directors and Executive Officers (If 100% of the target for performance-linked compensation is achieved)]



[Evaluation Indicators for Short-Term Performance-Linked Compensation]

Indicator		Weight
Performance indicators	Consolidated ROIC	45%
	Consolidated operating profit	
	Service & Support revenue	
MBO	Set based on KPIs for the relevant business	45%
ESG indicators	“E” (Environment): CDP (Carbon Disclosure Project) <sup>*1</sup>	10%
	“S” (Society): GES (Global Engagement Survey) <sup>*2</sup>	

\*1 CDP is an international NGO in which institutional investors collaborate to require companies to disclose their climate change strategies and specific greenhouse gas emissions. CDP participants (approximately 9,600 companies including the Company) account for more than 50% of total global market capitalization.

\*2 GES is an EBARA survey, involving employees of both domestic and overseas Group companies, conducted since 2019 to assess the status of employee engagement in the workplace to achieve the medium- to long-term vision.

**C. Reason that the Compensation Committee judges that the individual compensation, etc. of Directors and Executive Officers for the fiscal year under review is in accordance with the determination policy**

The Compensation Committee determined the individual compensation, etc., for Directors and Executive Officers for the fiscal year under review based on (a) Purpose and Basic Policy on the Compensation System described under A. Compensation for Directors and B. Compensation for Executive Officers, after careful consideration of the following points: (1) for basic compensation, whether the amount is commensurate with the role based on levels of domestic peer companies and employee wage levels, (2) for short-term performance-linked compensation, whether the individual amounts are commensurate with the degree of achievement of Companywide performance targets and individual targets for the fiscal year under review, and (3) for restricted share-based compensation, whether the prescribed number of shares for the role has been granted. Accordingly, the Compensation Committee judged that the content of the individual compensation, etc. of Directors and Executive Officers for the fiscal year under review is in accordance with the determination policy.

**4) Procedures for the determination of compensation**

As the organization that determines the policy on compensation of Directors and other officers, the Compensation Committee is comprised of three Independent Directors, so as to emphasize an objective perspective and transparency. Specifically, the members have been selected from among the Outside Directors for their experience in corporate management and expertise in corporate legal affairs.

The purpose of the Compensation Committee is to take a strategic approach to supervising the compensation system for Directors and Executive Officers. Specifically, the Compensation Committee is in charge of examining and determining the compensation systems prepared in line with the management policy of the Company, and in addition to determining the compensation policy, it also deliberates not only compensation for the Company's Directors and Executive Officers but also the compensation systems for officers of Group companies, and provides its opinions to the Board of Directors. The Committee may collectively request the external opinion of an expert such as a compensation consultant, if it is deemed necessary for the activities of the Committee. When such consultants are selected, attention is taken and checks are made in order to ensure independence.

To engage in such activities, the Committee holds regular meetings, as well as extraordinary meetings as the need arises and the results of Compensation Committee deliberations are reported to the Board of Directors by the Committee Chairperson.

Newly appointed members of the Compensation Committee are provided with explanations of the rules stipulated by the Compensation Committee (Basic Policy on Officers' Compensation), the business performance of the Company, and the background and history of the Company's compensation systems. A full-time Committee secretariat has been established, which provides appropriate support for the operation of the Committee by providing information on such matters as laws and regulations, rules, and standards.

The Compensation Committee met 12 times in fiscal 2022. It resolved the compensation policy as well as amounts of basic compensation and short-term performance-linked compensation for individual Directors and Executive Officers based on the compensation policy, along with the content and number of shares to be granted for restricted share-based compensation.

**5) Payment Items**

**A. Short-term performance-linked compensation**

The mechanism of the short-term performance-linked compensation focuses on incentives for achieving the medium-term management plan, directly determining compensations according to Companywide performance or business performance and to the degree achievement of targets by individuals. However, in cases such as profit attributable to owners of parent being extremely low or no dividends being paid, the Compensation Committee shall decide on measures such as reducing the short-term performance-linked compensation.

### Target and Result of Business Performance Indicator of the Company in 2022

Performance Indicator	2022 Target	2022 Result
Consolidated ROIC	10.7%	11.2%
Operating Profit	¥67,100 million	¥70,500 million
Service & Support Revenue	¥244,900 million	¥265,800 million

#### B. Long-term incentives (Share-based compensation)

Long-term incentives are share-based compensation linked to the Company's share price from the perspective of preventing shortsighted management behavior and ensuring interests match with those of shareholders.

##### (a) Restricted share-based compensation

As a principle, certain numbers of restricted shares will be given to Corporate Officers and subsidiaries corresponding to their roles per year. Because the objectives are to promote shareholding by Corporate Officers, and increase value sharing with shareholders, the transfer restricted period is from the share giving date to the day of retirement; thus the transfer restriction will be released when he/she retires from the position of Corporate Officers

##### (b) Performance-linked share-based compensation (PSU)

Performance-linked share-based compensation is calculated as follows: in the first fiscal year of the medium-term management plan, the Company presets the standard number according to the roles of Corporate Officers eligible to receive payment, and in the final fiscal year of the medium-term management plan, the Company delivers its common shares to Corporate Officers in accordance with the extent to which consolidated ROIC, which has been set as targets in the medium-term management plan, has been achieved. The Company will make a monetary payment to the Corporate Officers of an amount corresponding to 40% of the above granted shares. The Company has adopted consolidated return on invested capital (ROIC) as an indicator for performance-linked share-based compensation. Depending on the degree of achievement of the consolidated return on invested capital (ROIC) target (IFRS 7.6%) for the fiscal year ended December 31, 2022, which is the final year of the medium-term management plan E-Plan 2022, the payment rate is 0% to 200%. The ROIC for the fiscal year ended December 31, 2022 was 11.2%.

<<Method of calculation of the number of shares for payment and individual payment amounts>>

- Number of Performance-linked Stock Compensation payments by shares (rounded down to less than one)

Standard number × payment rate × 60%

1 unit = 100 shares of the Company's common stock

- Payment amount of Number of Performance-linked Stock Compensation by money (rounded down to less than 100 yen)

Standard number × payment rate × 40% × share price of our common stock\*

1 unit = 100 shares of the Company's common stock

\* Simple average of the closing prices of our common stock on the Tokyo Stock Exchange for the month two months before the Board of Directors meeting to resolve the allotment for the final year of the medium-term management plan

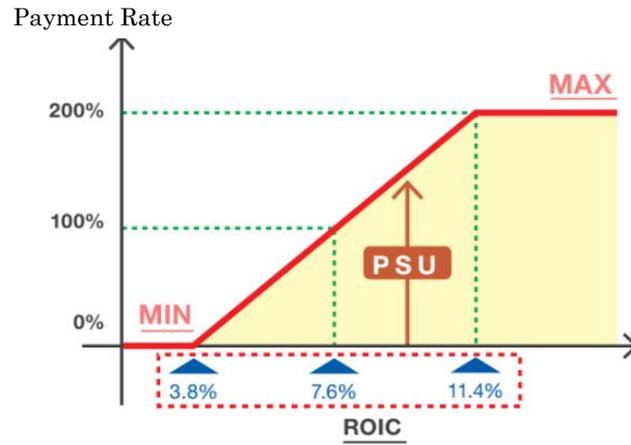
<<Payment rate>>

Payment rate (%) = Consolidated return on invested capital (ROIC) × 500 ÷ 19-100

Rounds the second decimal point. However, if the result of the calculation is 0% or less, it should be 0% (non-payment), and if it is more than 200%, it should be 200%.

Consolidated return on invested capital (ROIC) = profit attributable to owners of parent ÷ {interest-bearing debt (average of balances at beginning and end of period) + equity attributable to owners of parent (average of balances at beginning and end of period)}

[Payment rate according to level of achievement of ROIC]



Company aligns the interests of recipients of such compensation with those of shareholders by establishing guidelines that encourage a certain level of the shares of the Company to be held.

**(6) Matters Related to Independent Directors****1) Important other positions held concurrently and their relationship with the Company**

As stated in the table, “(2) Names and other information on Directors and Executive Officers.”

**2) Specific relationships with major business partners and others**

None

**3) Principal activities during the fiscal year under review**

Name	Attendance					Status of statements
	Board of Directors	Nomination Committee	Compensation Committee	Audit Committee	Independent Directors' Meeting	
Hajime Sawabe	100% (14/14)	100% (19/19)	100% (3/3)	—	100% (13/13)	Mr. Sawabe attended the Board of Directors meetings and other such important meetings and expressed his opinions from the viewpoint of general management based on his ample experience and a wide range of knowledge of corporate management at a listed company. Mr. Sawabe also served as the Chairperson of Nomination Committee and fulfilled his responsibilities by actively expressing his opinion and leading deliberations at the Committee to select management personnel and train candidates, etc., including Director candidate selection and President's succession plan, etc.
Hiroshi Oeda	100% (14/14)	100% (22/22)	—	—	100% (13/13)	Mr. Oeda attended the Board of Directors meetings and other such important meetings and expressed his opinions from the viewpoint of general management based on his ample experience and a wide range of knowledge of corporate management at a listed company. He also led the Board of Directors as the Chairperson of the Board. Mr. Oeda also served as a member of Nomination Committee and fulfilled his responsibilities by actively expressing his opinion at the Committee to select management personnel and train candidates, etc., including Director candidate selection and President's succession plan, etc.
Masahiro Hashimoto	100% (14/14)	—	—	100% (22/22)	100% (13/13)	Mr. Hashimoto attended the Board of Directors meetings and other such important meetings and expressed his opinions from the viewpoint of general management based on his ample experience and a wide range of knowledge of corporate management at a listed company. Mr. Hashimoto also served as the Chairperson of Audit Committee and fulfilled his responsibilities by conducting audits of the Company and Group businesses from independent standpoint based on his knowledge and experiences, and leading deliberations at the Committee.
Junko Nishiyama	100% (14/14)	—	100% (12/12)	—	100% (13/13)	Ms. Nishiyama attended the Board of Directors meetings and other such important meetings and expressed her opinions from the viewpoint of general management based on her ample experience and wide range of knowledge of corporate management at a listed company. Ms. Nishiyama also served as a member of Compensation Committee and fulfilled her responsibilities by actively expressing her opinion at the Committee to review the compensation systems and decide compensation levels of Directors and Executive Officers.

Name	Attendance					Status of statements
	Board of Directors	Nomination Committee	Compensation Committee	Audit Committee	Independent Directors' Meeting	
Mie Fujimoto	100% (14/14)	—	100% (12/12)	—	92% (12/13)	Ms. Fujimoto attended the Board of Directors meetings and other such important meetings and expressed her opinions from the viewpoint of general management based on her extensive knowledge and high-level insight as an attorney. Ms. Fujimoto also served as the Chairperson of Compensation Committee and fulfilled her responsibilities by actively expressing her opinion and leading deliberations at the Committee to review the compensation systems and decide compensation levels of Directors and Executive Officers.
Hisae Kitayama	100% (14/14)	—	—	100% (22/22)	100% (13/13)	Ms. Kitayama attended the Board of Directors meetings and other such important meetings and expressed her opinions from the viewpoint of general management based on his extensive knowledge and high-level insight as a certified public accountant. Ms. Kitagawa also served as a member of Audit Committee and fulfilled her responsibilities by conducting audits of the Company and Group businesses from independent standpoint based on her knowledge and experiences
Takuya Shimamura	100% (10/10)	—	100% (9/9)	—	90% (9/10)	Mr. Shimamura attended the Board of Directors meetings and other such important meetings and expressed his opinions from the viewpoint of general management based on his ample experience and wide range of knowledge of corporate management at a listed company. Mr. Shimamura also served as a member of Compensation Committee and fulfilled his responsibilities by actively expressing his opinion at the Committee to review the compensation systems and decide compensation levels of Directors and Executive Officers.

Notes:

- Hajime Sawabe was retired from the position of the member of the Compensation Committee at the meeting of the Board of Directors held on March 29, 2022, and his attendance to meetings of the committee held before that date is provided above. In addition, he was newly appointed as a member of the Nomination Committee at the same meeting of the Board of Directors, and his attendance to meetings of the committee held since that date is provided above.
- Takuya Shimamura was newly elected and appointed as Director and a member of the Compensation Committee at the 157th Ordinary General Meeting of Shareholders held on March 29, 2022, and the meeting of the Board of Directors held on the same day, and his attendance to meetings of the Board of Directors and the committee held since that date is provided above.

**4) Amount of compensation received as Corporate Officer of a subsidiary of the Company during the fiscal year under review**

None

## 5. Independent Auditors

### (1) Name of Independent Auditors

Ernst & Young ShinNihon LLC

### (2) Outline of Contracts Limiting Responsibility

None

### (3) Overview of the Directors and Executive Officers Liability Insurance Policy

None

### (4) Amount of Compensation Paid to the Independent Auditors

1)	Compensation to be paid by the Company to the Independent Auditors	¥165 million
2)	Other monetary and other payments to be paid by the Company and its subsidiaries	¥205 million

Notes:

1. In the agreement between the Company and the Independent Auditor, the amount of compensation is determined as a lump-sum payment without breakdown for the audit etc., in accordance with the Companies Act and the Financial Instruments and Exchange Act. Accordingly, etc., the amount shown in 1) above represents the total amount of compensation.
2. Elliott Company and 16 other companies, among the Company's principal overseas subsidiaries, are subject to audits by those other than the Company's Independent Auditors (certified public accountants overseas or those who have any qualification equivalent to the qualification that audit firms have).

### (5) Reason for the Audit Committee Consenting to the Compensation Paid to the Independent Auditors

As a result of considering the Independent Auditors' audit team arrangement, audit plan, state of implementation of auditing, establishment of an audit firm quality control system, the estimation of audit compensation, and other matters, the Company's Audit Committee determined that the compensation to be paid to the Independent Auditors was at a reasonable level, and provided the consent under Article 399, paragraph 1 of the Companies Act.

### (6) Description of Other Services Provided by the Independent Auditors

The Company has made a request for services from the Independent Auditor, such as the preparation of comfort letters associated with bond issuance, as services other than the audit certification services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

### (7) Policy Regarding Dismissal or Nonrenewal of the Contract with the Independent Auditors

#### 1) Dismissal policy

When it is recognized that the provisions of Article 340, paragraph 1 of the Companies Act are applicable, the Audit Committee will dismiss the Independent Auditors by unanimous approval.

#### 2) Nonrenewal policy

If based on the results of the assessment whether or not to renew the appointment of the Independent Auditors conducted each fiscal year, it is determined that an audit is clearly inadequate in light of the qualifications, independence, and overall capabilities of the Independent Auditors, a proposal for the nonrenewal of the appointment of the Independent Auditors will be submitted to the General Meeting of Shareholders by the Audit Committee.

As a restriction on renewal, if the Independent Auditors serve for ten years in succession, the Audit Committee conducts a tender offer to select the next Independent Auditors regardless of the assessment of the Independent Auditors (hereinafter referred to as "Renewed Independent Auditors"). The Renewed Independent Auditors are not prohibited from participating in the tender, but if the Renewed Independent Auditors serve for a further five years in succession, another tender offer will be made.

However, the same Independent Auditors may only serve for a period of twenty years in succession. Also, fifteen years will have elapsed since Ernst & Young ShinNihon LLC was appointed as the Company's Independent Auditors in the 158th fiscal year under review.

#### 3) Procedures for the reappointment of Independent Auditors

As a result of evaluation of the reappointment of the Independent Auditor based on the "(ii) Nonrenewal policy," the Audit Committee decided to reappoint Ernst & Young ShinNihon LLC as the Independent Auditors for the 158th period under review.

## 6. The Company's Systems and Policies

### (1) System for Ensuring Appropriate Operations and the State of Operation of the System

An overview of the content resolved by the Company in the Board of Directors as a system for ensuring appropriate operations (basic policy) and the state of operation of the system is provided below.

Every year, Executive Officers perform self-evaluations on the establishment and operation of internal controls, and the areas that should be improved are reflected in the next year's plan based on the results, and we will continue to make improvements in the future.

Basic Policies for Internal Control	Overview of Operation
<b>1. System to Ensure that the Execution of Duties by Executive Officers and Employees of the Company and Directors, Audit &amp; Supervisory Board Members and Employees of Subsidiaries Complies with Laws and Regulations and the Articles of Incorporation</b>	
Develop, maintain and operate systems to realize the EBARA Group CSR Policy and the EBARA Group Code of Conduct.	<ol style="list-style-type: none"> <li>(1) The Company has established a division for promoting compliance, which supports the creation of systems for raising awareness of compliance and preventing misconduct and the establishment of a friendly and open work environment in the Company and its subsidiaries.</li> <li>(2) Disciplinary provisions on violations of the "EBARA Group Code of Conduct" and internal rules are stipulated in the service rules and employment regulations, etc., of the Company and its subsidiaries.</li> <li>(3) The Sustainability Committee, chaired by the President and Representative Executive Officer, deliberates on policies, strategies, targets and KPIs for activities that contribute to society, the environment and the Group's sustainability, and confirms and reviews the results. The Committee also monitors the compliance status of the Company and its subsidiaries and gives instructions for corrective actions and improvements as appropriate. Four meetings of the committee were held in the fiscal year under review.</li> <li>(4) The Compliance Consultation Counter that can be used by the Company and domestic subsidiaries and the "Regulations for the Operation of the Compliance Consultation Counter" has been established to promptly address any reports or inquiries on violations of the "EBARA Group Business Ethics Framework," internal regulations and laws, etc. in the Ebara Group. Furthermore, whistleblowing contacts via external law firms (Overseas EBARA Group hotlines) are established for a total of twenty-two subsidiaries in ten countries overseas.</li> <li>(5) The EBARA Group Compliance Network periodically holds meetings in accordance with the "Regulations for the Operation of the EBARA Group Compliance Network" to share compliance information between the Company and its subsidiaries. Overseas, Compliance Network meetings are periodically held for Chinese subsidiaries. In addition, Network meetings with Vietnamese and Thai subsidiaries were held in the fiscal year under review.</li> <li>(6) The Company has established an Internal Audit Division, which conducts activities in accordance with the annual audit plan in accordance with the "I Internal Audit Rules." It conducts audits and monitoring of the operations of the Company and its subsidiaries independent of the business execution departments. We have our subsidiaries establish internal auditing and monitoring systems, and the status of implementation of these systems is confirmed by Internal Audit Division. Co-sourcing audits using outside experts were conducted for overseas subsidiaries.</li> </ol>

Basic Policies for Internal Control	Overview of Operation
<b>2. Systems for Storage and Management of Information concerning the Execution of Duties by Executive Officers</b>	
<p>Develop, maintain and operate a system for appropriately storing and managing information concerning the execution of duties by Executive Officers in accordance with laws, regulations, and internal rules.</p>	<ol style="list-style-type: none"> <li>(1) Information concerning the execution of duties by Executive Officers is appropriately stored and managed in accordance with “Information Security Basic Rules” and related regulations.</li> <li>(2) The “Five Principles of EBARA Group on the Handling of Important Information” stipulating measures for the prevention of information leaks and countermeasures to take in the event of a leak have been established in the “Information Security Basic Rules” of the Company and its subsidiaries.</li> <li>(3) For insider information (limited to material facts) related to insider trading regulations, the “Material Fact Management Committee” has been established to identify “material facts” for the entire Ebara Group and manage information up to disclosure.</li> <li>(4) The Company confirms the level of information management of the entire EBARA Group and conduct a survey of the actual situation in order to make improvements.</li> </ol>
<b>3. Systems for Reporting to the Company on Matters concerning the Execution of Duties by Directors of its Subsidiaries</b>	
<p>Develop, maintain and operate appropriate rules for reporting to the Company on matters concerning the execution of duties by Directors of its subsidiaries.</p>	<ol style="list-style-type: none"> <li>(1) Matters established throughout the EBARA Group and matters that the Company requires a review in advance or report to the Company after the fact are stipulated in the “Group Administration Basic Rules” and related regulations, and material matters pertaining to the execution of duties by Directors of subsidiaries are reported to the Company.</li> <li>(2) The “Crisis Management Rules” have been established in subsidiaries as a system for reporting to the Company in the event a crisis occurs or an event that may lead to a crisis occurs in subsidiaries, which are required to provide reports.</li> </ol>
<b>4. Regulations and Other Systems Related to Management of the Risk of Losses at the Company and Its Subsidiaries</b>	
<p>Establish policies on risk management in the Company and its subsidiaries as well as rules pertaining to their operation. Also develop, maintain and operate systems for implementing risk management.</p>	<ol style="list-style-type: none"> <li>(1) Authority responsibilities, and procedures are set out in the “Authority Rules,” etc., of the Company and its subsidiaries, whereby risk management is conducted.</li> <li>(2) Departments responsible for promoting risk management activities are in place, while policies and systems for risk management at the Company and its subsidiaries are set out under the “Risk Management Regulations,” whereby risk management activities are carried out.</li> <li>(3) The Risk Management Panel (hereinafter referred to as “RMP”) for the overall Group is in place as a body responsible for coordinating risk management activities while carrying out deliberation, guidance for improvement, and support. The RMP is chaired by the President, Representative Executive Officer, and made up of all Executive Officers. In addition to quarterly meetings, meetings are held as required. A total of ten meetings were held in the fiscal year under review.</li> <li>(4) With regard to the spread of the new coronavirus infection, we have set up a task force in accordance with the regulations and are continuing activities such as collecting information and deploying countermeasures to the EBARA Group.</li> <li>(5) The Company continues to strengthen the information security management system of the entire EBARA Group in preparation for cyber attacks from outside.</li> </ol>

Basic Policies for Internal Control	Overview of Operation
<b>5. Systems to Ensure the Efficient Execution of Duties by Executive Officers of the Company and by Directors of Its Subsidiaries</b>	
<p>(1) The administrative authority of Executive Officers of the Company and Directors of its subsidiaries in the execution of operations is clarified.</p> <p>(2) Develop, maintain and operate systems to enable efficient execution of duties by the Company's Executive Officers and Directors of its subsidiaries through the formulation of basic management policies and the monitoring of their progress.</p>	<p>(1) The Board of Directors of the Company entrusts the authority and responsibility for the execution of business to Executive Officers and ensures the efficient execution of duties by Executive Officers by supervising the execution of duties by Executive Officers.</p> <p>(2) The administrative authority of Executive Officers of the Company and Directors of its subsidiaries is set out in the "Regulations on the Division of Duties" of the Company and its subsidiaries.</p> <p>(3) The Company's Board of Directors formulates basic management policies, and these policies are reflected in the annual management plans of the Company and its subsidiaries. As for return on invested capital (ROIC), the most important management indicator (KPI), we confirm the progress at KPI monitoring meetings.</p> <p>(4) Executive Officers of the Company review the progress of annual management plans and measures for their achievement on a quarterly basis in the Management Planning Committee.</p> <p>(5) The Management Meeting made up of all Executive Officers is in place as a meeting structure for deliberation necessary for facilitating prompt decision making by the President and Representative Executive Officer. The Management Meeting is held once every month.</p>
<b>6. Systems for Shutting Out Anti-social Elements</b>	
<p>The Company establishes, maintains, and operates systems for preventing the Company and its subsidiaries from engaging in any activities that may provide profits to anti-social forces in whatever name.</p>	<p>The Anti-social Forces Countermeasure Headquarters has been established to oversee countermeasures against anti-social forces in the Company and its subsidiaries, a manual has been established for cases in which there has been contact from anti-social forces, and a system has been developed for handling cases as an entire company in coordination with legal counsel and external expert organizations in the event there has been contact. Furthermore, investigations of business partners, internal education, and the like are conducted based on the "Guidelines on Shutting Out Anti-social Elements," in addition to periodically holding liaison meetings attended by personnel responsible for preventing undue claims in the Company and domestic subsidiaries. One meeting was held in the fiscal year under review.</p>
<b>7. Systems to Ensure the Appropriate Operations of the EBARA Group, Comprising the Company and Its Subsidiaries</b>	
<p>Establish a policy on the operation of the EBARA Group comprising the Company and its subsidiaries, and develop, maintain and operate systems for ensuring appropriate operations of the Group.</p>	<p>(1) An internal control system is in place according to the scale and characteristics of the business of the Company and its subsidiaries. The Executive Officers of the Company are responsible for the establishment of internal control systems in subsidiaries.</p> <p>(2) The Company performs evaluations on the state of maintenance and operation of internal controls in the Company and its subsidiaries, and corrections are made when problems are found.</p>
<b>8. Systems for Assigning Employees to Assist the Audit Committee in the Execution of Its Duties</b>	
<p>Establish a division that assists the Audit Committee in the execution of its duties.</p>	<p>(1) The Audit Committee Office has been established as a department that assists the Audit Committee in the execution of its duties.</p> <p>(2) The Company appoints employees who are to assist the Audit Committee in its duties (hereinafter referred to as "assistant employees of the Audit Committee" or "assistant employees") and assign them to the Audit Committee Office. In the fiscal year under review, 16 employees belonged to the Audit Committee Office, of which 5 were engaged in administrative work related to the Audit Committee as full-time assistant employees. The other 11 employees were mainly engaged in the internal audit division or as auditors of affiliated companies, and were concurrently employed by the Audit Committee Office as assistant employees. The assistant employees of the Audit Committee may also serve as auditors of affiliated companies for the purpose of ensuring the internal control of the corporate group.</p>

Basic Policies for Internal Control	Overview of Operation
<b>9. Matters Related to the Independence from Executive Officers of the Employees Who Assist the Audit Committee's Execution of Its Duties, and Matters Related to Ensuring the Effectiveness of the Instructions by the Audit Committee to Such Employees</b>	
<p>(1) Appoint assistant employees to the Audit Committee subject to the consent of the Audit Committee.</p> <p>(2) Full-time assistant employees shall not concurrently perform duties related to the execution of the duties of the executive officers of the Company, and the independence of the assistant employees to the Audit Committee from the executive officers shall be ensured.</p> <p>(3) In the case that instructions from the Audit Committee conflict with instructions from the Executive Officers or the general manager of the department in which the concurrent assistant employees serves, the instructions from the Audit Committee shall take precedence, thereby ensuring the effectiveness of the Audit Committee's instructions.</p> <p>(4) With the prior consent of the Audit Committee, assistant employees to the Audit Committee shall be engaged by the auditors of Group companies.</p> <p>(5) Personnel transfer, appraisal, and the like of the assistant employees to the Audit Committee shall be determined upon obtaining the consent of the Audit Committee.</p>	<p>(1) The appointment of assistant employees to the Audit Committee is determined with the consent of the Audit Committee.</p> <p>(2) Full-time Assistant employees to the Audit Committee are not concurrently engaged in business operations concerning the execution of duties by Executive Officers of the Company. Assistant employees to the Audit Committee act under the instruction of the Audit Committee, thereby ensuring the effectiveness of instructions of the Audit Committee.</p> <p>(3) In case the instructions from the Audit Committee conflict with the instructions from the Executive Officers or the general manager of the department to which they are concurrently assigned, the internal rules stipulate that the instructions from the Audit Committee shall take precedence, thereby ensuring the effectiveness of the instructions from the Audit Committee.</p> <p>(4) With the prior consent of the Audit Committee, assistant employees to the Audit Committee are engaged by the auditors of affiliated companies.</p> <p>(5) Personnel transfer, appraisal, and the like of the assistant employees to the Audit Committee are determined upon obtaining the consent of the Audit Committee.</p>

Basic Policies for Internal Control	Overview of Operation
<b>10. Systems for Reporting to the Audit Committee of the Company by Executive Officers and Employees, etc., of the Company and by Directors, Audit &amp; Supervisory Board Members and Employees, etc., of Its Subsidiaries, and Other Reporting to the Audit Committee of the Company</b>	
<p>(1) Develop, maintain and operate a system whereby the Audit Committee members are able to attend important meetings of departments engaging in business execution, and to receive reports from Executive Officers and employees, etc.</p> <p>(2) Develop, maintain and operate a system whereby Directors, Audit &amp; Supervisory Board Members and employees, etc., of affiliated companies in addition to persons receiving reports therefrom report to the Audit Committee.</p> <p>(3) Any person having made a report under the two preceding paragraphs shall not be subject to disadvantageous treatment because of such reporting.</p>	<p>(1) Audit Committee members view important documents and receive reports on the execution of duties from Executive Officers and employees, etc., by attending important meetings of departments engaging in business execution such as the Management Meeting, the Sustainability Committee, and the RMP.</p> <p>(2) Executive Officers promptly report to the Audit Committee pursuant to the “Executive Officer Rules” in the event they discover a fraudulent act in the course of executing their duties, and such act is not redressed immediately.</p> <p>(3) In the course of audits by the Audit Committee, the Company and its subsidiaries provide information on the handling of management tasks and the legality and appropriateness of their business operations upon the request of the Audit Committee.</p> <p>(4) The Compliance Consultation Counter that can be used by the Company and domestic subsidiaries and the “Regulations for the Operation of the Compliance Consultation Counter” has been established to promptly address any reports or inquiries on violations of the framework of corporate ethics, internal regulations, and laws, etc. in the EBARA Group. Furthermore, in the fiscal year under review, whistleblowing contacts via external law firms (Overseas EBARA Group hotlines) have been established for a total of twenty-two subsidiaries in ten overseas countries. Reports on the state of implementation of these are made to the Audit Committee as appropriate.</p> <p>(5) The Audit Committee established the Audit Committee helpline, allowing reports to be received on the violation of laws and regulations in the Company and its subsidiaries, in addition to other issues concerning corporate ethics, and a system is in place for employees, etc. of the Company and its subsidiaries to report to the Audit Committee if the Company’s Directors, Executive Officers, or Directors of its subsidiaries commit fraud, violate laws, regulations or the Articles of Incorporation, conduct improper accounting practices, have corporate ethics issues or are otherwise found to be grossly inappropriate for management of the Company.</p> <p>(6) The Company thoroughly ensures a system whereby any person having reported to the Audit Committee is not subject to disadvantageous treatment because of such reporting.</p>

Basic Policies for Internal Control	Overview of Operation
<b>11. Other Systems for Ensuring the Effectiveness of Audits by the Audit Committee</b>	
<p>(1) Ensure the effectiveness of audits by exchanging opinions and collaborating as necessary with the departments in charge of Internal Control, Risk Management and Compliance, the Internal Audit division and the Corporate Auditors of affiliated companies.</p> <p>(2) In case of request by the Audit Committee, the head or a member of the Internal Audit Division or Corporate Auditors of affiliated companies shall serve concurrently in a department under the control of the Audit Committee. In addition, candidates for Corporate Auditors of affiliated companies shall be determined with the consent of the Audit Committee.</p> <p>(3) Establish a policy concerning the handling of expenses and debts arising from the execution of duties by the Audit Committee and ensure that the Audit Committee's audits are conducted effectively.</p>	<p>(1) The President, Representative Executive Officer and Executive Officers in charge of the Fluid Machinery &amp; Systems, Environmental Plant, and Precision Machinery Companies regularly exchange information and opinions with the Audit Committee.</p> <p>(2) Departments responsible for internal controls, risk management, and compliance, the Internal Audit Division, and corporate auditor of affiliated companies regularly exchange information and opinions with the Audit Committee and also exchange information on important matters as needed in an effort to promote collaboration.</p> <p>(3) At the request of the Audit Committee, the head of the Internal Audit Division or a member of the division, or a corporate auditor of affiliated companies, concurrently serves in a department established under the control of the Audit Committee. In addition, when nominating candidates for corporate auditors of affiliated companies, decisions are made only after obtaining the consent of the Audit Committee.</p> <p>(4) The Company has established a policy regarding the handling of expenses and debts arising from the execution of duties by the Audit Committee to ensure that the Audit Committee's audits are conducted effectively.</p>
<b>12. Systems for Ensuring the Credibility of Financial Reports</b>	
<p>Internal controls to ensure the reliability of financial reporting shall be established and operated in accordance with the "Standards for Assessment and Audit of Internal Control over Financial Reporting" and the "Implementation Standards for Assessment and Audit of Internal Control over Financial Reporting."</p>	<p>(1) To ensure the credibility of consolidated financial reports, the "Standards for the Enforcement of Internal Controls over Financial Reporting" have been established for the purpose of maintaining and operating internal controls based on the Financial Instruments and Exchange Act, and their effectiveness is assessed every fiscal year.</p> <p>(2) In the assessment, the scope of assessment is set each fiscal year in consideration of the impact on financial reporting, management importance, etc., and the assessment is conducted by an assessment team independent of operations to improve and promote internal control.</p>

**(2) Policy on the Determination of the Distribution of Surplus**

The Company regards returning a portion of its income to its shareholders as one of its most important management policies and has set a policy to carry out shareholder returns, linking dividends to performance and aiming for a consolidated payout ratio of 35% or more, during the term of E-Plan 2022. In addition, the Company will flexibly implement share repurchases.

**Dividends**

Fiscal Year (FY)	155th Period (FY ended December 31, 2019)	156th Period (FY ended December 31, 2020)	157th Period (FY ended December 31, 2021)	158th Period (FY ended December 31, 2022) (FY under review)
Annual dividend per share (yen)	60.0	90.0	163.0	<b>193.0 (planned)</b>
Annual dividends (Millions of yen)	5,730	8,582	15,127	<b>17,765 (planned)</b>
Consolidated total payout ratio (%)	24.8	35.4	35.2	<b>35.2 (planned)</b>
Purchase of treasury stock (Millions of yen)	14,999	-	19,999	-

Notes:

1. “Annual dividend per share” and “Annual dividends” for the 158th period are amounts assuming the approval of Proposal 1 “Appropriation of Surplus” by the 158th Ordinary General Meeting of Shareholders.
2. The Group has adopted International Financial Reporting Standards (IFRS) since the 157th period, and the consolidated dividend payout ratio for the 156th period is also presented in accordance with IFRS.

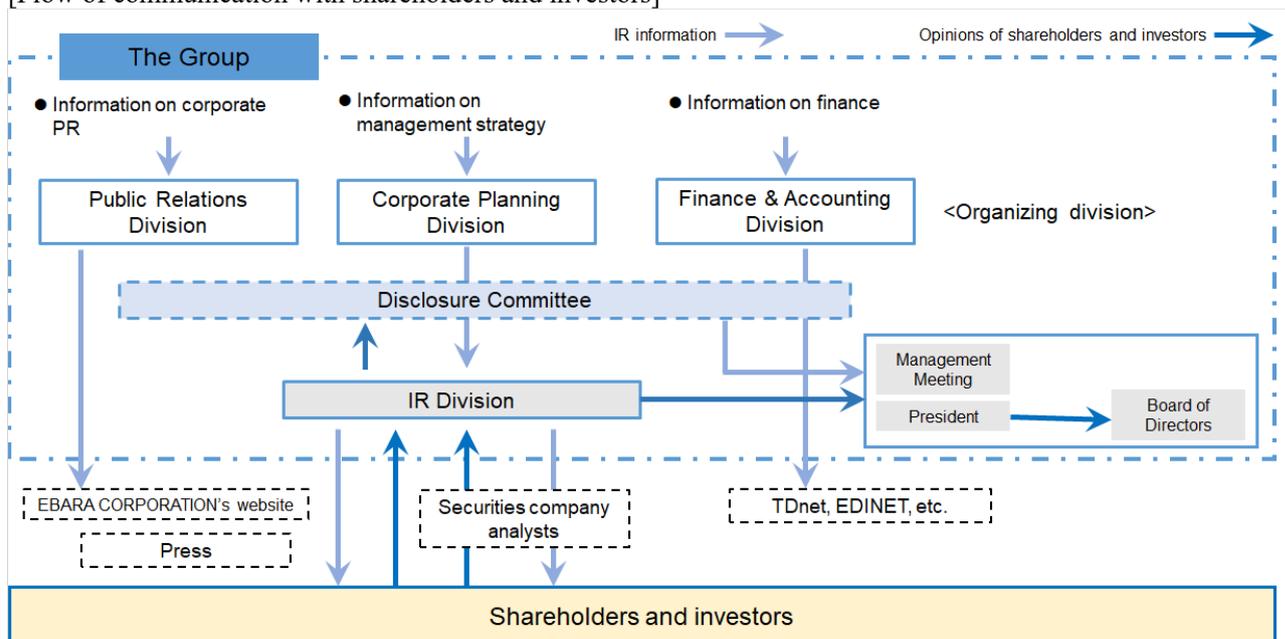
### (3) Dialogue with Shareholders and Investors

The Group positions building long-term relationships of trust with shareholders and investors as one of the most important matters in management. In addition to appropriately providing corporate information required for investment decisions, an effort is made to continually foster relationships of trust by conducting IR activities that contribute to the enhancement of corporate value through constructive dialogue.

To enable the Board of Directors to appropriately oversee dialogue with shareholders and investors as an important matter related to management, the responsible departments report to the Board of Directors on IR activities each quarter, and the Board of Directors provides advice, etc., as needed.

The President and Representative Executive Officer heads the Group’s IR structure, and IR is basically implemented by the Executive Officer in charge of IR and the division in charge of IR. Furthermore, opportunities for Directors (including Independent Directors), Executive Officers, and other management executives to directly dialogue with shareholders and investors are provided as needed.

[Flow of communication with shareholders and investors]



- \* TDnet: The timely disclosure information viewing system operated by the Tokyo Stock Exchange.
- EDINET: The electronic disclosure system on disclosure documents such as annual securities reports based on the Financial Instruments and Exchange Act

[State of implementation of IR and SR activities]

Details of Activities	Actual status in 158th Period
Individual meetings	269 times
Conferences held by securities companies	50 times
Financial results briefings	4 times
Presentation for individual investors held by securities companies	4 times
Management meeting	1 time
IR Day	1 time
ESG presentation	1 time
Presentation for individual shareholders	1 time

#### (4) Sustainability

With the EBARA Way as the bedrock of its business activities, the EBARA Group has continued to contribute to the resolution of social issues with the strengths of its technological capabilities and reliability guided by “*Netsu to Makoto*” (Passion and Dedication). The Group will further build on these strengths while advancing business activities based on our desired vision for EBARA. This is how the Group will continue to support the globe into the future and ensure growth while providing social value over the next century.

In February of 2020, the Group unveiled E-Vision 2030, a new long-term management policy that illustrates its vision for the Group a decade from now, and the value creation story that will serve as the roadmap toward realizing this vision. Under the slogan of E-Vision 2030, “Technology. Passion. Support our Globe,” E-Vision 2030 identifies five material issues to be addressed leading up to 2030. By addressing these material issues through our business activities, we will enhance our corporate value by improving both our social and environmental value and our economic value.

##### Five Material Issues (Materiality)

1. Contribute to the creation of a sustainable society  
We will utilize our technologies to passionately support the creation of a sustainable, environmentally friendly world with ample food and water, and safe and reliable social infrastructure.  
(For people and society)
2. Elevate standards of living and support abundant lifestyles for all  
We will utilize our technologies to passionately support economic development that enables the world to end poverty and realize ever-evolving and abundant lifestyles.  
(For industry)
3. Conduct comprehensive environmental management  
We will promote the reduction of CO2 emissions from our business operations and maximize our use of renewable energy to move toward a carbon-neutral world.  
(For our business activities and supply chain)
4. Promote working environments that encourage challenge  
We will promote a Group culture of competition and challenge, and provide diverse employees with meaningful work and comfortable working environments.  
(For our employees)
5. Enhance corporate governance  
We will lay out a vision for and pursue growth through offensive and defensive governance that supports high-level management capabilities.  
(For sustainable management)

#### 1) Environmental Initiatives

Based on the survey conducted under our “Carbon Neutral Project” launched in January 2022, in December 2022, we announced our goal to achieve “net zero GHG emissions,” or “carbon neutrality,” in 2050 by reducing GHG emissions in our value chain.

In order to realize the goal, we have committed to “reducing GHG emissions from our business activities within the Group (Scope 1 and 2)” by 55% compared to FY2018 and “GHG emissions across the Group’s value chain (Scope 3)” by 100 million tons CO2 equivalent by 2030 as the GHG reduction targets for the EBARA Group.

In our future initiatives, to address Scope 1 and 2 emissions, we will promote a switch to green power, energy conservation and production innovation for business activities within the Group, as well as defossilization of fossil fuels. To address Scope 3 emissions, we will develop energy- and resource-saving products, provide energy-saving and low-GHG services and support, collaborate with suppliers and customers, and expand sales of GHG removal products, among other measures.

We have also continued to implement environmental management based on ISO 14001 at our business sites, making efforts to improve water usage efficiency and waste management in addition to reducing GHG emissions.

By taking such initiatives, the EBARA Group will make concerted efforts to balance contributing to the decarbonization of society, conservation of water resources, and waste recycling with business growth. The EBARA Group “2030 Environmental Targets,” our long-term targets for the environment, are as shown below.

#### <2030 Environmental Targets>

- I. Reduce total greenhouse gas emissions from business activities within the Group by 55% compared to FY2018.
- II. We will maximize the rational use of water in the Group’s business activities and ensure that the water consumption per unit of production does not exceed the previous fiscal year’s level.
- III. To contribute to resource recycling and the establishment of a circular economy society, we will maintain a domestic waste recycling rate of 95% or higher.

#### < Climate Change Response Measures>

Recognizing that climate change is a serious challenge facing the world, the Ebara Group signed in support of the TCFD in 2019 and made its first disclosure in line with the TCFD framework in 2021. We then embarked on a scenario analysis for each of our face-to-face markets, with the purpose of reflecting the feedback we received during our dialogue with investors and to better clarify the climate-related risks and opportunities for each of our businesses. Starting with businesses for the oil & gas and semiconductor manufacturing markets, we analyzed how each business would be affected by a 4°C scenario, where the temperature increase is kept to less than 4°C, and a 1.5°C scenario, where the increase is kept to less than 1.5°C, and updated the information in July 2022. The details of the updated information are posted on the Company’s website below.

<https://www.ebara.co.jp/en/sustainability/think/information/tcf.html>

## 2) Social Initiatives

The EBARA Group CSR Policy defines our commitment to foster trust with our valued stakeholders by conducting our business with a strong sense of ethics. This policy delineates a dedication to creating and delivering social value by co-creating value with stakeholders for society, industry, and everyday life and supplying safe, reliable, and convenient products and services through our business activities. We also recognize the importance of contributions to community development, respect for human rights, and other ties with society in our business activities.

### A) Respecting Human Rights

In addition to endorsing and signing the United Nations Global Compact, we respect the International Bill of Human Rights, the International Labour Organization’s (ILO) ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

EBARA Group has clearly stated in its CSR Policy that it respects the human rights and diversity and has formulated “the EBARA Group Human Rights Policy.” Along with the three basic policies, EBARA Group Human Rights Policy sets forth the corresponding policies to put them into practice.

As a system for human rights management, the EBARA Group Human Rights Committee has been established for the purpose of continuously improving the human rights management system in accordance with the Human Rights Policy. The committee is chaired by the executive officer in charge of corporate strategic planning, and operated by the executive officers in charge of risk management and in charge of human resources as vice chair.

The Human Rights Committee has identified respecting the human rights of employees and suppliers as an important theme. We continuously conduct human rights due diligence with regard to employees as well as working to identify issues through CSR procurement questionnaires on human rights at suppliers.

<https://www.ebara.co.jp/en/sustainability/social/information/respect.html>

## **B. Human Resource Management Strategy**

We have set the promotion of human resources as one of the key issues in E-Vision 2030. In order for our Group to continue to grow as a corporation, we must view human resources as “capital,” maximize their value, and furthermore strengthen “human capital management” throughout the Group and globally. To achieve further growth, we will implement human resource policies that enhance the engagement of all Ebara Group employees globally and refine our “corporate culture of competition and challenge.”

### **[Main initiatives]**

- (a) Promoted the One EBARA HR project to strengthen human resource management in the Group and globally, and expand the HR system globally
- (b) Conducted a global engagement survey of all employees of the Group companies in Japan and overseas from 2019, and formulate and implement an action plan to improve engagement based on the results.
- (c) Consider the EBARA New Workstyle based on the policy of “changing the way employees work so that they can thrive, and aim for an environment where the company and employees can grow together”
- (d) Launched a global human resources dispatch system for the realization of Ebara Group’s bi-directional exchange of human resources both in Japan and overseas, including among overseas companies, aiming at career autonomy for Ebara Group employees on a global basis
- (e) Shifted from the conventional level-specific and mandatory training to mainly training programs based on voluntary participation (e.g., by public selection). Started global management candidate development training, the E-LEAD Program
- (f) Promote diversity of human resources by utilizing various recruitment channels (referral, job-specific for new graduates, Alumni relations).

## **C. Promotion of diversity**

The EBARA Group is committed to “promoting a Group culture of competition and challenge, and providing diverse employees with meaningful work and comfortable working environments” in our long-term vision E-Vision 2030. We launched the Diversity Project in January 2022, in the belief that inclusion not only of visible differences such as gender and nationality, but also of invisible differences such as experience and type of work, is essential for the growth of the company and the growth of each employee. The project is directly led by the President, and members have been recruited from the open application process. The first phase of the project started with 20 members. In order to accelerate this initiative throughout the Ebara Group, the project became a full-time organization under the direct supervision of the President in July.

The Diversity Project aims for the realization of a world in which diverse human resources can bring about various innovations by connecting their knowledge people to people. We want to bring about innovation by “expanding,” “finding,” “fostering,” and “connecting” human resources who can flexibly respond to a rapidly changing business environment where there is no right answer, and deliver results. The key to this end is task diversity of invisible differences in each employee’s experience, approach, major, and work history. In the task diversity approach, everyone plays a leading role. The more diverse the workforce, the greater the diversity of knowledge in the organization and the more opportunities for innovation.

To promote task diversity, a diversity survey of all employees was conducted in March 2022. We are working in a data-driven manner to learn about the experiences and thoughts of all our employees and to use this information to increase the options available to each and every employee.

## **[Main initiatives]**

### **(a) Psychological safeguards**

Based on the results of the diversity survey, we have established a policy for psychological safeguards as the first step. The first is to avoid using words that are associated with hierarchical relationships, such as “superior” and “subordinate.” We found that many people consider flat relationships, such as team or member, to be ideal, regardless of position, and we thought that using ideal language was the first step toward a flat organization. The other is, in an online meeting, to be camera-on and responsive to the other person. Creating an environment where people feel comfortable talking to each other leads to psychological safeguards.

### **(b) Recruiting activities**

To promote task diversity, we also focused on recruitment activities. Project members played a central role in publishing a video introducing job descriptions that was produced in-house. Project members also appeared on stage at company information sessions to promote the company by expressing diversity. In addition, questions were read out during recorded interviews, which were incorporated into the first round of new graduate hiring. This is an attempt to express “enthusiasm and sincerity” with warm messages of support for students in their job search, and to motivate them, which is lacking compared to online interviews. By having members with passion speak directly to the students through these activities, we aim to make them feel attracted to working at Ebara with a competitive and challenging spirit.

### **(c) Leadership Academy**

In order to nurture human resources who will lead diversity in the future, we have started a training program called Leadership Academy. In cooperation with the Human Resource Development Department, the existing skill-based training programs that were conducted independently have been revamped into a six-day set of training sessions. In addition to motivating and encouraging skill development of human resources who are willing to take on new challenges, the program also serves as a venue for diverse talents to connect with each other.

### **(d) Introduction of “Aill goen,” an AI matchmaking navigation app**

In the belief that improving the wellbeing of each and every employee will lead to the corporate revitalization and enhance engagement, we have introduced “Aill goen,” a matchmaking navigation app, together with the like-minded Ebara Workers’ Union members. This application is exclusively for single employees affiliated to trusted companies, and the AI assists them in communicating with good matches outside the company. We hope it will increase options for those who want to fulfill both work and life.

## **D. People analytics initiatives**

We engage in data-driven decision-making on human resource measures in an objective and scientific manner. In the area of recruitment, we have developed an original AI that performs people analytics to build a diverse human resource portfolio model. Through data-driven recruitment, we have successfully focused on securing human resources that have been difficult to recruit in the past. In order to implement comprehensive data-driven operations for management human resources as a whole in addition to recruitment, we will design the organization and operations while developing the data infrastructure, designing the databases required for operation, visualizing problems, standardizing tasks, and automating operations. We will continue to facilitate data-driven decision-making using people analytics.

## **E. Hiring of people with disabilities**

The Company are working together with the community and society to create opportunities for vocational independence and social participation for people with disabilities, and to improve the employment rate of people with disabilities in our Group. As part of these efforts, in FY2012, we established a special subsidiary, Ebara Ernest Corporation, to promote and stabilize the employment of people with disabilities. The employees play a part in the EBARA Group’s operations according to their abilities and aptitudes, contributing to the enhancement of corporate value by increasing the operational efficiency and productivity of the entire group.