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Corporate Governance Report

Last Update : October 22, 2025

EBARA Corporation

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The corporate governance of EBARA Corporation (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

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

The EBARA Group has also established the “EBARA Corporate Governance Basic Policy,” and will endeavor to ensure the implementation of the basic policy and to further enhance its corporate governance.

→ For further information about the “EBARA Way,” please see Appendix 1.

→ For full disclosure on “EBARA Corporate Governance Basic Policy,” please see Appendix 2

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The EBARA Group agrees with the intent of the Corporate Governance Code, and has adopted all of the principles therein.

Disclosure Based on each Principles of the Corporate Governance Code Updated

This Report is based on the Corporate Governance Code revised in June 2021.

◇ Definitions

- “The Company,” “EBARA,” “our,” “us” or “we”	-----	EBARA Corporation
- “The EBARA Group,” “the Group” or “our Group”	-----	EBARA and its subsidiary and affiliated companies
- “General Principle(s),” “Principle(s)” or “Supplementary Principle(s)”	-----	The General Principle(s), Principle(s) or Supplementary Principle(s) of Japan’s Corporate Governance Code
- “EBARA’s Basic Policy”	-----	EBARA Corporate Governance Basic Policy (See Appendix 2)
- “Independent Directors”	-----	The Company’s Directors who satisfy EBARA’s Independence Standards (See Appendix 3), and are registered as independent directors with the Tokyo Stock Exchange
- “Non-executive Inside Directors”	-----	The Company’s inside Directors who do not concurrently serve as Executive Officers of the Company

- “Executive Directors”

----- The Company’s Directors who concurrently serve as Executive Officers of the Company

◇ Appendixes

- Appendix 1 ----- EBARA Group Corporate Ethics Framework
- Appendix 2 ----- EBARA Corporate Governance Basic Policy
- Appendix 3 ----- Independence Standards of Independent Director of EBARA
- Appendix 4 ----- Corporate Governance Framework
- Appendix 5 ----- System for Ensuring Appropriate Operations and the State of Operation of the System
- Appendix 6 ----- Disclosure Process
- Appendix 7 ----- Flow Chart of Communication with Shareholders & Investors

1. Management Philosophy 《Principle 2.1, 2.2, 3.1 i), Supplementary Principle 2.2.1》

The Company set the "EBARA Way," composed of the following elements, as the Group's identity and values to be shared within, and it has been formally adopted by the Board of Directors as the basis for conducting business activities. In addition, the Company monitors, as appropriate, to ascertain that the EBARA Way is widely disseminated and complied with throughout the Group.

(1) Founding Spirit

The founder, Issey Hatakeyama, was also an excellent tea master. He believed that the spirit of the tea ceremony, “*Ichigo Ichie*, only once in a lifetime” could also be applied to management, and he used to talk about it to our employees with the words, “*Netsu to Makoto* (Passion and Dedication). ” “Work with a spirit of ingenuity and sincerity and accomplish what you have started, rather than just sticking to the work you are given. ” Hatakeyama has preached that each individual's work would be for ourselves, which in turn would finally contribute to the Company, society, and the nation. Our founding spirit of working with passion and dedication in our work has been passed down within the Group globally.

(2) Corporate Philosophy

“*We contribute to society through high-quality technologies and services relating to water, air and the environment.*” Since its establishment as a pump manufacturer in 1912, the EBARA Group has advanced by acquiring technological capabilities that meet society’s needs. Going forward, we will continue to contribute to the creation of a sustainable society through our business, by using energy optimally, mitigating climate change, promoting of resource recycling, and evolving of digital technology.

(3) EBARA Group CSR Policy

The EBARA Group CSR Policy has been established as the basic stance for our corporate activities with the Founding Spirit and Corporate Philosophy in its background. It sets out nine principles for implementing all of business operations based on high ethical standards and building good relationships of trust with all stakeholders.

→ For further information about the “EBARA Way,” please see Appendix 1.

2. Business Strategies and Business Plan

《Principle 1.3, 1.4, 3.1 i), 4.2, 5.2, Supplementary Principle 1.4.1, 1.4.2, 3.1.3, 4.2.2, 5.2.1》

The Board of Directors takes the lead in formulating medium- to long-term management policies (E-Vision 2030 and E-Plan 2025), and the operational divisions are executing these policies. The Board of Directors monitors and verifies the soundness, fairness, and effectiveness of the execution.

(1) Long-term Vision “E-Vision2030”

Since it was founded in 1912, the Group has continued to develop its business activities in accordance with its Founding Spirit of “*Netsu to Makoto*” (Passion and Dedication) and its corporate philosophy of “We contribute to society through high-quality technologies and services relating to water, air, and the environment.” At the time of our founding, we contributed to the development of water infrastructure in Japan and responded to the demands of society with the intention of “shaping Japan through the business of helping realize the safe and reliable supply of water.” During the economic reconstruction from World War II and the prosperity that followed in Japan, there was growing construction demand related to industrial infrastructure and urbanization. The Group responded to such demand with a diverse lineup of fluid machinery and system products and services matched to the various needs that arose during this period, and also offered waste incineration facilities to be used in the disposal of waste, which increased as people’s lives became more sophisticated. Furthermore, we are contributing to the evolving information society by developing semiconductor manufacturing equipment and components to meet the explosive growth in

demand for semiconductors that accompanies the progress of the information society. Recently, we have worked to make our products more energy efficient to meet the demands of a sustainable society, and in this way, we have been contributing to the solutions of diverse social issues through our business activities.

Looking ahead at the next 100 years of human civilization and the global environment, there are many issues to be considered. The Group sees abnormal weather and intensifying natural disasters due to climate change or especially global warming, storm surges due to rising sea levels, land erosion, and depletion of food and water resources as major issues. In addition, the technologies of the information age are expected to evolve even further, bringing drastic change to current lifestyles and the digital world as well as higher demand in semiconductors underpinning the digital society, and pushing the limits of semiconductor manufacturing technologies.

Given this uncertain operating outlook, in order for the Group to achieve further growth while solving social issues, it is essential to have a clear vision with straightforward policies and strategies for realizing that vision, in view of how society will change and what issues will arise as a result, and we have done so within our long-term vision, E-Vision 2030, created in February 2020.

[Five (5) Material Issues (Materiality)]

As we advance into the future, the EBARA Group will continue to make increasingly wide-reaching contributions to society through its business by capitalizing on the “EBARA Way” and the strengths of the technological capabilities and reliability it has cultivated thus far. We have also set five material issues (EBARA’s materiality) that the EBARA Group will address and improve toward 2030, and we will formulate and implement the process of realizing these material issues as a value creation story.

(i) 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.

(ii) 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.

(iii) 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.

(iv) Promote Working Environments That Encourage Challenge

We will promote a corporate group culture of competition and challenge, and provide diverse employees with meaningful work and comfortable working environments.

(v) Enhance Corporate Governance

We will lay out a vision for and pursue growth through offensive and defensive governance that supports high-level management capabilities.

[EBARA in 2030]

Over the 2030, the Group aims to become an excellent global company by making continuous contributions through the realization of five material issues that contribute to solving social issues, including the SDGs, and by enhancing our corporate value by simultaneously improving (i) social and environmental value and (ii) economic value. We have set a target of ¥1 trillion in market capitalization as a guideline for the improvement of corporate value in 2030.

Examples of Outcome Targets

(i) Social and Environmental Value

- Reduce greenhouse gas emissions equivalent to approximately 100 million tons of CO₂
- Deliver water to 600 million people worldwide
- Contribute to the evolution of lifestyles by taking on the challenge of the 14 angstrom (one ten-billionth of a meter) generation of cutting-edge semiconductor devices

(ii) Economic Value

- Return on invested capital (ROIC) of 10.0% or more
- Return on equity (ROE) attributable to owners of the parent company of 15.0% or more
- Revenue of around ¥1 trillion

[Addition of a target for Return on Equity attributable to owners of the parent (ROE)]

In FY2023, we reviewed E-Vision 2030, after the first three years of E-Vision 2030 have passed, and confirmed

that its general directions (e.g., value creation story, materiality issues) should remain unchanged and that no drastic changes at this point were necessary. Meanwhile, we have decided to aim for an ROE of 15% or higher from the perspective of improving the efficiency of equity as well through the ROIC management initiatives we have been promoting.

[ROIC Management]

We view “ROIC management” as a useful management method that bridges the gap between maximizing corporate value, which is important to shareholders, and maximizing business value, which is important to business units. In our “ROIC management,” we set a WACC (hurdle rate) for each business unit to be managed, and develop measures to maximize the ROIC-WACC spread in each business unit. The ROIC tree is broken down into indicators that are easy to manage for each business unit, and these indicators are positioned as evaluation indicators for each person in charge, and progress is monitored monthly as process Key Performance Indicators (KPIs).

(2) Medium-term Management Strategies and Target Performance Indicators

In February 2023, we have formulated the Medium-term Management Plan E-Plan 2025 for three years starting from FY 2023 with the aim of steadily approaching our vision set forth in E-Vision 2030, based on the strategies and issues to be addressed over the next three years and the responses to issues to be resolved that were clarified from the summary of E-Plan 2022.

[Review of E-Plan 2022]

In E-Plan 2022, the Group positioned the time frame (FY2020 - FY2022) as the stage to “reinforce the foundations for further growth toward the achievement of E-Vision 2030” and implemented a variety of measures under the four basic policies: (1) strive for growth, (2) improve profitability of existing businesses, (3) refine management and business infrastructure, and (4) enhance ESG-focused management. As a result, the Group has achieved goals in key indicators, including return on invested capital (ROIC) and operating profit ratio that we defined as the most important management indicators and achieved one year ahead of the schedule. We summarize that the plan has made good progress overall.

[Positioning and Directions of E-Plan 2025]

Based on the achievements of E-Plan 2022, in order to move on to the next stage to further strengthen our competitiveness in each business area, we have set the theme of “creating value from the customer’s perspective” in E-Plan 2025. In addition, we have positioned the E-Plan 2025 period as a three-year period during which we will steadily approach the EBARA’s Vision for 2030 set forth in E-Vision 2030 and ensure the realization of the vision by 2030 and thus determined the following directions.

1. Strengthen the market-in initiatives, move away from product-out approach, and instill a corporate culture of “creating new value from the customer’s perspective.”
2. Reorganize into a five-company system by target market with an aim to establish a system by which each business can maximize business performance in each 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 which was realized in 2022 and set in E-Vision 2030 (e.g., ROIC of 10%).
5. Add an ROE of 15% or higher, set in E-Vision 2030, as a new key indicator to further drive our commitment to achieving “¥1 trillion in market cap by 2030,” while further sophisticating ROIC-focused management.
6. Introduce CxO system to totally optimize the Group and enhance the Group governance by function.

With the implementation of the above 1 through 6, the goal of E-Plan 2025 is to reach a position where we can more certainly foresee the path to realize the EBARA’s Vision for 2030. With regard to business growth, we have set a top-line CAGR of 7% for the E-Plan 2025 period, which we will achieve mainly in the following two businesses of growth areas: Building Service & Industrial and Precision Machinery.

[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: “Business creation” Creating value from the customer’s perspective

We strive 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, we have determined the five key areas to support the realization of the theme as described as follows:

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

In January 2023, the Company Group shifted from the previous organization by product to an organization by target market in order to be more market-facing and create value from a customer perspective. After the transition to the organization by target market, we will continue to promote the Group's overall optimization and upgrade governance by establishing a CxO system and other cross-divisional functions to enable the business side to focus on value creation in their target market. For more information on the initiatives of each CxO, please see the following section in this Corporate Governance Report:

- CFO (Chief Financial Officer) ⇒ I. 2. (3) Financial Strategies
- CTO (Chief Technology Officer) ⇒ I. 2. (4) Manufacturing/Technology/Information Strategy
- CIO(Chief Information Officer) ⇒ I. 2. (4) Manufacturing/Technology/Information Strategy
- CHRO(Chief Human Resources Officer) ⇒ I. 3. (3) Support for Human Capital Management
- CRO(Chief Risk Officer) ⇒ II. 2 [Execution of Business] 3. Risk Management

For more information, please refer to the following:

- Long-term Vision “E-Vision2030, and Medium-term Management PlanE-plan2025”
⇒<https://www.ebara.com/global-en/ir/business/vision/>
- Presentation of Medium-term Management Plan: “E-Plan 2025”
⇒https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/pdf/ir/business/vision/E-Plan2025_E.pdf
- ESG management
⇒3. Issues to be addressed by ESG Management, below.

(3) Financial Strategies

In order to take action from the perspective of total optimization, the EBARA has set the CFO Office as a group-level organization that crosses the fields of finance, taxation and accounting. Each Group company shall carry out appropriate management based on local legislation. In addition to this, the CFO Office will improve the quality of accounts, strengthen governance based on the Group's accounting and tax policies, and maximize the ROIC-WACC spread through the efficient use of the Group's invested capital.

[Strengthen ROIC-WACC based Business Portfolio management]

EBARA formulates and publishes management policies/Medium-term Management Plans including our Group business portfolio; and we verify progress statuses against mid/long-term targets periodically and as needed; we also review our policies when necessary.

In order to optimize our business portfolio, we clearly classify our businesses into “businesses that can be expected to grow in the future” and “businesses in a matured market or with issues in profitability”. As a structure to realize this, we have organized a process to regularly evaluate the growth potential and profitability (ROIC- WACC spread) of businesses as internal indicators, and restructure our business portfolio as necessary based on the evaluation results.

[Planned Investment/Financial Strategies]

During the term of E-Plan2025, the Company will aggressively invest in growth-oriented investments based on our business portfolio-such as facilities to handle increased production, R&D, new businesses, and M&A-to expand our earnings base. In addition, we will strengthen our foundation to support sustainable growth by investing in basic infrastructure (maintenance and upgrading facilities, human capital, IT of ERP, etc., business infrastructure, and ESG related investment). The funding required for investment will be determined and implemented in light of ROIC target of 10% or more, D/E ratio of 0.3 to 0.5 times benchmark, and rating policy: maintenance of the rating A.

[Taxation Governance]

The Company established the EBARA Group Tax Policy, which focuses on maximizing shareholder value while complying with relevant tax-related laws and regulations in each country and jurisdiction. It aims to make contributions to those countries and jurisdictions through appropriate tax payments, while striving to maximize shareholder value.

[Policy on Shareholder Return]

The Company regards the return of its profits to its shareholders as one of its most important management policies. We maintain a policy of linking shareholder returns to business performance for the relevant fiscal year, with a target consolidated dividend payout ratio of 35% or more. We will also flexibly implement the acquisition of treasury shares.

[Basic Policy for Cross-Shareholdings, etc. (See Article 5 of Appendix 2)]

In principle, the Company does not hold cross-shareholdings. However, it is possible that the Company will hold shares of other companies only in cases where it is determined that partnerships with investees through shareholding will contribute to the enhancement of the Group's corporate value. It is the Company policy that the Board of Directors regularly scrutinizes the rationality of cross-shareholdings and terminate its holdings from time to time by means of sale or other measures if the rationality of the holdings has diminished.

[Confirmation of Rationality of Cross-Shareholding]

- (i) The alliance with the company in which the shares are held is important and the continuation of the relationship is necessary.
- (ii) The returns and risks associated with the shareholding are commensurate with the cost of capital.

[Criteria for Exercising Voting Rights in relation to Shares Held by the Company]

When exercising voting rights in relation to cross shareholdings, the Company decides for or against each individual proposal, taking into consideration whether or not it will contribute to the medium- to long-term enhancement of the corporate value of the other party and the Group. In such cases, the Company places emphasis on matters relating to amendments to the Articles of Incorporation, election of Directors, takeover defense measures, appropriation of surplus, etc. and, if necessary, dialogues with the other party about the content of the proposals and other matters.

[Relationship with Policy-Holding Shareholders]

If a company holding shares in the Company as policy shareholdings (hereinafter referred to as "Policy Shareholder") expresses an intention to sell or otherwise dispose of such shares, the Company will unconditionally accept the proposal and request the policy shareholder to sell or otherwise dispose of the shares in a manner that minimizes the impact on the share price. In such a case, if the Company holds the shares of the Policy Shareholder as policy shareholding shares, the Company will proceed with the sale of the shares as soon as possible. In addition, we will not continue transactions with policy-holding shareholders without fully verifying the economic rationality of the transaction.

[Number of issues and total amount on the non-consolidated balance sheet of shares held by the Company not for purely investment purposes]

	End of December 2020	End of December 2021	End of December 2022	End of December 2023	End of December 2024
Number of issues	39	32	27	23	14
Number of issues of listed companies	0	0	0	0	0

Amount on the balance sheet (Millions of yen)	4,918	1,845	1,881	2,265	2,078
[Breakdown] Amount of listed companies (Millions of yen)	-	-	-	-	-

(4) Technology/R&D/Information Strategy

[R&D and Intellectual Property Strategy]

The Company promotes the activities of the CTO Office to create new value by uniting and combining the numerous technologies within the EBARA Group. The CTO Office includes the chief technology officers of each company as well as the chief marketing officers, who actively seek new business opportunities by discussing and deepening their understanding of their respective technologies and the changing market and social situations. Starting in 2024, we have also strengthened communication with each company president, clarifying the priority of business issues to ensure that support from corporate departments is more timely and meaningful.

The Corporate R&D and Intellectual Property departments under the CTO are contributing to business growth by engaging in initiatives such as: developing core technologies from a medium- to long-term perspective that enhance the competitive superiority of existing businesses; building the "Development Navi" to codify the "tacit knowledge" of design and development know-how held by veteran employees; and making recommendations to businesses through IP landscape activities. In addition, we have established the "Research and Development Strategy Formulation Committee," which is formulating technological development strategy scenarios and action plans for exploring new businesses from a longer-term perspective based on megatrends. In our intellectual property activities, we monitor progress using our proprietary "IP ROIC" indicator to improve the quality of these activities.

From 2025, to further accelerate these initiatives, we have established a new CPS (Cyber Physical Systems) Promotion Unit under the CTO. This unit will promote the development and implementation of AI agents, as well as the creation and utilization of digital twins and digital triplets. Furthermore, the use of AI is emphasized Group-wide. Under the leadership of relevant departments, "EBARA AI Chat" was fully rolled out within the Group in 2024, accelerating improvements in operational efficiency and the creation of new value.

Furthermore, to strengthen the foundation for these activities, we are updating and utilizing the "EBARA Group's Strategic Table of Technological Capabilities"^{*1}, which visualizes the technologies and organizational strengths possessed by our Group, and are promoting strategic talent acquisition and development in collaboration with business divisions. We are systematically promoting participation in domestic and international rotations and co-creation projects with external organizations, striving to develop human resources capable of creating innovation.

^{*1} EBARA Group's Strategic Table of Technological Capabilities :

A map created by the Company visualizing the technologies and organizational capabilities possessed by the EBARA Group.

[Digital Transformation (DX) Strategy]

The Company actively promotes "Offensive DX" and "Defensive DX" to further grow and strengthen our competitiveness. We will not only support our existing businesses, but also drive expansion into new business fields by utilizing data and digital technologies to respond to drastic changes in the business environment, as well as transforming our products, services and business models to meet the needs of our customers and society.

In recognition of these efforts, the Company was recertified as a "Digital Transformation (DX) Certified Business Operator" (*1) by the Ministry of Economy, Trade and Industry (METI) on April 1, 2025. Additionally, against the backdrop of expanding global business development and accelerating digitalization, the Company is working to further strengthen its global IT governance. As part of this initiative, we have established a new "Governance Promotion Organization" with the aim of developing and strengthening a Group-wide IT control framework that combines both independence and efficiency, based on collaboration between the CIO and CRO. Going forward, we will promote governance across all digital domains, including data and AI, to strongly support the sustainable growth of our business.

(i) Offensive DX

The Data Strategy Team, established in July, 2022, collaborates with operational organizations across EBARA's

direct and indirect departments as an offensive DX organization that CREATES SOMETHING FROM NOTHING, promoting DX in existing businesses and supporting new business creation through new technologies and data, under direction of the CIO. The following are some of specific measures we are currently implementing.

- Company-wide utilization of Generative AI
We released the internally developed "EBARA AI Chat" company-wide in 2024, contributing to operational efficiency. Going forward, we will accelerate support for advanced use cases, such as integration with external applications, global compatibility, and Agents.
- EBARA-D3(TM)
This is a manufacturing DX concept centered on the "Digital Triplet (D3)," which reproduces and utilizes human judgment and senses. Through the "Beyondverse(TM)" knowledge integration platform and the "DOJO(TM)" skill transfer and education system, we realize company-wide knowledge sharing and create reproducible worksites. (*2)
- Maximizing Business Value through Data Science
We support data utilization in each division and strive to solve issues by leveraging insights from machine learning and data science. We go beyond simple data analysis, working alongside divisions to maximize business value and aiming for data-driven decision-making across the Group.
- Fusion of Advanced Technology and Creativity
We are implementing creative measures utilizing cutting-edge technologies, such as neuroscience, as cross-divisional projects. Furthermore, we are promoting the organic use of HR data from a recruitment marketing perspective, and developing xR technologies that mitigate cyber sickness to contribute to the efficiency of training.
- Expanded Promotion Solutions
We fuse virtual (3DCG) and physical elements to promote our corporate value internally and externally. Specifically, we are deploying solutions such as glasses-free 3D (Spatial Display), AR, and virtual production videos.

(ii) Defensive DX

Defensive DX oversees the development, maintenance, and operation of company-wide IT infrastructure and applications. While exploring advanced technologies such as AI, this area also involves streamlining and improving the entire existing IT environment by reviewing the functional allocation of business systems and consolidating legacy systems. The specific activities are as follows:

- Visualizing Management Resources Globally
To facilitate global management and business execution, the company has standardized its operations, established optimized business processes and rules, and introduced an ERP (enterprise resource planning) system throughout the Group as a global digital infrastructure platform. We have built the EBARA Group's standard business templates on the ERP system and have already implemented the system in 17 countries worldwide (as of January 2025). We will continue to roll out and implement the system at all Group companies around the world.
- Promoting System Utilization with Digital Adoption Tools
We have introduced tools that display operation guides without system customization, enabling users to operate systems without manuals. This contributes to user adoption of systems and reduces the number of inquiries.
- Strengthening Cybersecurity
A specialized security team has been set up, and we have joined the Japan CSIRT Association to collect security intelligence. We have established a global CSIRT(*) structure that includes members from overseas subsidiaries, achieving a 24/7/365 monitoring system. *Computer Security Incident Response Team
- Establishing a Data Management Structure
The Data Management Office (DMO) is taking the lead in developing internal data utilization processes. By integrating planning and operation, we aim to build a swift and secure data utilization environment.

For more information, please refer to the following:

- Our DX Strategy

⇒https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/ir/library/annual-report/int25%E5%88%86%E5%89%B2/INT25_sec2_EN.pdf#page=21

*1 Initiative Example: Issued April 16, 2025

Renewed certification as a "DX Certified Business" as specified by the Ministry of Economy, Trade and Industry

⇒https://www.ebara.com/global-en/newsroom/2025/1224251_1673/

*2 Initiative Example: Promoting DX in manufacturing with Ebara-D3 and Beyondverse

3. Issues to be addressed by ESG Management «Principle 2.3, 2.4, Supplementary Principle 2.3.1, 2.4.1, 3.1.3»

The Company regards sustainability management as a management that contributes sustainably through its business to solve social issues, including SDGs, and enhances corporate value over the medium to long term. Environmental issues (E), social connections (S), and strengthening governance (G) are the pillars of our advanced ESG management (sustainability management), and we have established and operate a system that enables Board of Directors and each of the Nomination, Compensation and Audit Committees to appropriately supervise E, S, G related initiatives. Based on the recognition of the need to further strengthen the supervision of initiatives regarding "Environment" and "Society," the Board of Directors has been holding regular discussions on ESG since 2022. Key themes include efforts to address climate-related risks and opportunities and human capital. Furthermore, Directors also attend meetings of the Sustainability Committee, which is a meeting structure for business execution, allowing them to provide opinions and advice from an objective viewpoint to contribute to the enhancement of E, S, and G value. The President, Representative Executive Officer serves as Chairperson for the Sustainability Committee, and all Executive Officers participate as members to hold deliberations on the sustainable development of the Company and society. External experts also participate in this committee as advisors, providing up-to-date information on ESG and offering advice on activities. Deliberations at the Sustainability Committee are reported to the Board of Directors. The Board of Directors then discusses the implementation and promotion of the executive's response, and a mechanism is in place to feed back the results to the Sustainability Committee.

(1) Non-Financial Targets FY2023-2025

Category		FY2023-2025 Target
E: Environment	CDP*1 score (climate change)	Maintain B or above
	SCOPE 1, 2: GHG*2 emissions	Reduce by 32% compared to FY2018
	SCOPE 3: Avoided emissions/Others*3	Establish a practical measurement method of reduced GHGs in value chain
S: Social	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: 30.0% or higher FY2030: 50.0% or higher
	Resolve gender pay gap (1) Percentage of female employees in GKP (consolidated) (2) Percentage of female employees in key positions*4 (non-consolidated)	(1) FY2025: 8.0% or higher FY2030 10.0% or higher (2) FY2025: 8.0% 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)	FY2025: 100%
	- Percentage of employees with special needs (non-consolidated + four 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
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*1 CDP: ESG evaluation organization for climate change strategies and initiatives to reduce specific greenhouse gas emissions.

*2 GHG: Greenhouse Gas

*3 Others: Include CO₂ equivalent of GHG produced by EBARA products

*4 Employees in key position: Refers to a position with subordinate or equivalent position, and it is called *Kikan-shoku* at EBARA.

Details of non-financial targets are available in the Integrated Report.

“EBARA Group Integrated Report 2025 (p.23)”

⇒ https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/ir/library/annual-report/int25%E5%88%86%E5%89%B2/INT25_sec1_EN.pdf#page=16

(2) Responding to Climate Change

[To Achieve Carbon Neutrality]

The EBARA Group has set “the practice of advanced ESG management” as one of the goals to be achieved by 2030, and has identified the response to climate change as a key theme. We aim to achieve carbon neutral by 2050 through reducing GHG emissions by the Group and in its value chain to achieve both a sustainable society and growth for the Group.

To achieve the above, the Sustainability Committee deliberates on the Group's policies, strategies, targets and KPIs and monitors their progress and results.

With regard to GHG emissions resulting from our own activities (Scope 1 and 2), we are working to improve energy efficiency at each of our sites and are continuing to install solar power generation equipment and procure CO₂-free electricity at our sites in Japan and overseas.

For GHG emissions in the value chain (Scope 3), we have set our target for 2030 based on the emission from use of our products (category 11), which accounts for the majority of Scope 3 in our case. As measures to reduce Scope 3 emissions, we will develop energy efficient products and strengthen collaboration with suppliers and customers.

The 2030 targets for Scope 1, 2, and 3 have obtained validation from the SBTi (a joint initiative by WWF, CDP, World Resources Institute (WRI), and the UN Global Compact) as science-based near-term targets. We have also obtained third-party assurance for Scope 1, 2, and 3 emissions for 2023, and plan to continue this practice in the future.

We have organized measures that contribute to GHG reduction at our customers as “customer GHG reduction contribution targets” and set three goals: “Avoided Emissions,” “EBARA-Specific GHG Reduction,” and “business creation supporting carbon-neutrality society.” We manufacture energy-efficient pumps and exhaust gas treatment devices that neutralize PFCs (perfluorocarbons), which have a high global warming potential, without using fossil fuels. Furthermore, we will support the realization of a carbon-neutral society by developing and providing products and services that contribute to reducing GHG emissions, such as those for hydrogen and ammonia.

[Target for 2030]

- Scope 1, 2: Reduce GHG emissions by 55% compared to FY2018
- Scope 3 (Category 11): Reduce GHG emissions by 25% compared to FY2021
- Reduce avoided emissions (Refer to WBCSD “Guidance on Avoided Emissions” by WBCSD) by 43 million tons cumulatively from 2023 to 2030
- Reduce GHG emissions by EBARA customer (as defined by EBARA) by 100 million tons cumulatively from 2023 to 2030
- Create business supporting carbon-neutrality society

For full disclosure on “Carbon Neutrality Efforts by the EBARA Group,” please see:

⇒ <https://www.ebara.com/global-en/sustainability/environment/carbon-neutrality/>

[Climate-related Disclosure]

We have analyzed climate-related risks and opportunities based on TCFD recommendations, which we endorsed in 2019, and have reflected the results of the scenario analysis in our Medium-term Management Plan E-Plan 2025. As TCFD's monitoring function for corporate climate-related information disclosure was transferred to IFRS® Sustainability Disclosure Standards S2 Climate-Related Disclosures (hereinafter, "IFRS® S2") in 2024, we have referred to IFRS® S2 in our climate-related information disclosure updated in June 2024. We plan to review climate-related risks and opportunities in the same cycle as our Medium-term Management Plan, and with the aim of incorporating climate-related strategies into the next Medium-term Management Plan starting in 2026, we completed a review of our climate-related scenario analysis by the end of April 2025. The results were disclosed in June 2025. Detailed information is available on our website.

(Note) "IFRS" is a registered trademark of the IFRS Foundation.

- Governance

The Board of Directors supervises the progress of action plans for non-financial management issues, including climate-related risks and opportunities. Upon disclosure and updating of climate-related information, the matter is deliberated by the Sustainability Committee or the Management Meeting, which are executive bodies, and then reported to the Board of Directors, and disclosed after receiving advice as necessary.

- Strategy

We are conducting climate-related scenario analysis for each major target market (building and industrial equipment market, energy market, water infrastructure market, solid waste treatment market, and semiconductor manufacturing market) based on the assumption that temperature rise will be limited to 1.5°C and 4°C. The results of the scenario analysis have been incorporated into the strategies of each company in the Medium-term Management Plan E-Plan 2025.

- Risk Management

Progress on various measures based on the important risks and opportunities identified through climate-related scenario analysis is reported by each company president to the "Management Issues Action Plan Monitoring Meeting" chaired by the President, Representative Executive Officer. Overall progress on non-financial indicators and targets, including those related to climate change, is reported to the Sustainability Committee for review. The findings and deliberations of the Sustainability Committee are reported to the Board of Directors

- Indicator and targets

As specified in [To Achieve Carbon Neutrality] above, we have set targets for 2030. Backcasting from these 2030 targets, we are advancing carbon neutrality by establishing indicators and targets for the most recent three year period, as described in [Non-financial targets (2023-2025)] Environment (E).

For more information, please refer to the following:

"Climate-related Disclosures (TCFD recommendations)"

⇒ <https://www.ebara.com/global-en/sustainability/think/tcfid/>

GPiF's "Domestic Equity Managers' Choice for Outstanding TCFD Disclosure (2025)" - Evaluation for 2024 disclosure

⇒ https://www.gpif.go.jp/esg-stw/202501_excellent_TCFD_disclosure_j.pdf

*Please note that the linked reference is in Japanese.

(3) Support for Human Capital Management

The EBARA Group will focus on acquiring diverse, creative, and ambitious people unafraid of competition or of taking on challenges from around the world, and will ensure that we provide our people with comfortable, safe, and stimulating working environments that encourage this spirit of challenge and ambition, while conducting fair evaluations that promote the growth of each individual. Under this policy, we have set the CHRO office to realize specific initiatives to promote the success of our diverse human resources and to establish a global human resources management infrastructure. We will strengthen human capital management across the Group and globally by implementing measures to address the human resource needs from each business and management issues related to human resources, with a focus on the Group-wide human resource strategy, ONE EBARA HR. We view human resources as capital, to maximize their value, further accelerate the development of the foundations for realizing sustainable global growth, develop human resources who are willing to 'compete and take on challenges', and strengthen optimal allocation across the Group through improved global mobility. Specific actions are as listed below:

- For employees who want to learn and take on challenges, we provide opportunities such as early selection and training of leadership candidates. Besides, we will also build systems that enable employees to aim for career change on their own and support them to continue working with high motivation.

- To enable local employees of overseas Group companies to play an active role in more important position, we will introduce a globally unified role grading system, roll out global human resource development programs company-wide, and strategically execute domestic and international succession plans.
- We will continue our referral hiring and alumni system to attract diverse human resources. In addition, we will further expand the EBARA New Workstyle (ENW) program to provide a more comfortable working environment for diverse human resources.
- In order to accelerate the visualization of human resources globally, we will build a Global Human Capital Management (HCM) Platform, which will serve as the foundation for our human resources on a global scale and build a system that enables quantitative monitoring of the effects of each human resource measure.

For more information, please refer to the following:

“Personnel and human resource development policies”

⇒ <https://www.ebara.com/global-en/sustainability/social/talent-management/>

[Measures to Promote Diverse Human Resources]

(i) Current Status of Hiring of Employees in Key Positions and Future Challenges

As of December 31, 2024, the Company had 123 females in key positions, and the percentage of the Company's employees in key positions was 7.5%. Our goal is to achieve 8% or more by 2025. In addition, the Company has been actively hiring foreign new graduates since 2011. As of December 31, 2024, the Company had 184 foreign employees, which accounted for 3.6% of the Company's total employees. Of these, employees in key positions are 24, accounted for 1.5% of employees in key positions. We plan for continuous improvement. As of December 31, 2024, the Company had 2,302 mid-career employees which accounted for 45.1% of the Company's total employees. Of these 568 accounted for 34.7% are employees in key positions. We are actively recruiting for mid-career positions, as well as implementing a fair grading system based on a role grading system, regardless of employment history, and providing the fair opportunities for promotion to key positions.

The Company plans to monitor the percentage of foreign employees and mid-career employees within key position as a part of our recruiting strategy. In the examinations for employees in key positions, we have expanded the scope of eligibility to take the examinations and, by further reviewing the examination schedule, we have established a system that enables early selection of diverse talents. We plan to provide more learning opportunities from an early stage to brush up employees' skills and establish a system where employees are able to even more clearly plan their mid to long-term career, by offering seminars by age range, etc.

(ii) Promoting Success of People with Disabilities

We aim to ensure that all Group employees, regardless of disability, can work together and continue to provide value to the world by expanding their participation in the Group's business processes. To ensure that we can respond to the increase in the statutory employment rate and changes in the external environment, we will unify the EBARA Group's management of people with disabilities and promote the employment and business of people with disabilities as a unified Group. EBARA Ernest, our special subsidiary company, plans to expand its business within the Group and develop employees with disabilities from career development perspective and continue to provide opportunities where they can challenge to grow.

We had set a target for the percentage of employees with disabilities to be 2.6% or higher by 2025 at four companies (the Company, our special subsidiary company, and group affiliates to which the system applies), and as of June 1, 2024, the percentage of employees with disabilities was 2.68%, achieving the target ahead of schedule.

(iii) Promoting Diversity

we will promote DE&I (diversity equity and inclusion), focusing not only of visible diversities such as gender, nationality, and age (demographic diversity), but also of invisible diversities such as experience and ability (task diversity). In particular, we believe that organizational change is essential for promoting understanding of DE&I, and we are working to raise employee awareness and foster a corporate culture through the use of change management methodologies. Our major initiatives are as follows.

- We conduct a company-wide e-learning session under the themes of “Diversity,” “Psychological Safety” and “Unconscious Bias” to raise employee awareness and realize an organization with high psychological safety.
- We hold regular study sessions to raise awareness and improve knowledge of DE&I within the Company.
- We promote the advancement of working women through training for managers, workshops for female

employees, and cross-industry networking events.

- We distributed a message from the President and held study sessions with the aim of increasing the uptake of childcare leave by male employees and fostering understanding in the workplace. In addition, aiming for a 100% paternity leave uptake rate, we conduct monthly surveys of all employees regarding their intention to take leave. We also hold consultation with those who have not yet taken it and take action to support their acquisition.
- As part of our initiatives to develop the next generation, we participated in "Girls Meet STEM," a STEM workplace experience program for junior high and high school girls offered by the Yamada Shintaro D&I Foundation (a public interest incorporated foundation). We held an event at our Fujisawa Plant for junior high and high school girls, featuring a technology experience using VR and a networking session with female employees.
- We sponsored "Tokyo Pride 2025," one of Asia's largest LGBTQ+ events organized by the specified non-profit organization Tokyo Rainbow Pride, as a Bronze Sponsor.
For other Pride Month initiatives, please see: ⇒ <https://www.ebara.com/jp-ja/newsroom/2025/20250630-02/>
*Please note that the linked reference is in Japanese.
- We have introduced "Cradle," a DE&I promotion support service offered by Cradle Inc., to support the mental and physical health of our employees and their diverse working styles.
- We have updated the "Promoting Diversity, Equity & Inclusion (DE&I)" page on our corporate website to raise awareness of our DE&I initiatives both internally and externally.

(iv) Human Resource Development

The EBARA Group plans and provides human resource development programs based on the personnel and human resource development policy of "acquiring diverse human resources from all over the world who are creative and ingenious with a challenging spirit, and aiming to create a corporate culture in which their abilities are maximized and evaluated fairly by appropriate competition and challenges in a comfortable work environment, and in which individual employees are fulfilled and grown."

Starting in fiscal 2025, we will create new four pillars: hierarchical programs, next-generation leadership development programs (selection), skill-up programs, and career design programs. We will provide various opportunities for the training of all EBARA Group employees, as well as for those who want to learn and want to take on challenges. We will also help employees work in the right place with a high level of motivation by establishing a system that enables them to aim for career changes.

- In line with the global expansion of our business, we have expanded our global human resource development programs since FY2023. we have evolved our next-generation leader development, which was previously centered in Japan, into a program for cultivating global leaders who will support the future of the EBARA Group.
- We held a Career Design Workshop for employees in their 30s, 40s, and 50s to help them broaden their life choices and realize their own unique ways of working and living.
- To support the growth and skill development of our employees, we introduced "Udemy Business," a self-learning system offered by Benesse Corporation, which responds to a variety of reskilling needs.

For more information, please refer to the following:

"Human Resource Development"

⇒ <https://www.ebara.com/global-en/sustainability/social/development/>

[Initiatives toward Human rights]

The EBARA Group clearly states in the EBARA Group CSR Policy that we respect the human rights of our stakeholders and put them into practice. The Company respects the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and have established the EBARA Group Human Rights Policy in line with the UN Guiding Principles on Business and Human Rights. The Company has also set out measures to implement the above policy and the Human Rights Committee to promote activities based on the same policy.

The Company is continually working to improve its human rights management mechanism, including dissemination of the EBARA Group Human Rights Policy, human rights due diligence and relief measures.

The Human Rights Committee includes the heads of the Human Resources, Procurement, Legal, General Affairs and whistleblowing contacts, as well as the heads of the Human Resources and Administration departments of each Group company. In addition, external lawyers with extensive knowledge in human rights and business participate as advisers. With regard to employees' human rights due diligence, the Human Rights Committee monitors the

points on questions in the Global Engagement Survey, which is conducted annually by the HR department, relating to ‘fairness and equity in the workplace’, ‘discrimination and diversity’ and ‘occupational health and safety’, for each organization, and identifies organizations that fall below a certain level. The Human Rights Committee instructs organizations that do not meet certain standards to formulate and implement a human rights action. In addition, the Procurement Department regularly conducts a CSR procurement survey of the Group’s global primary suppliers with the aim of seeking suppliers’ understanding and implementation of the EBARA CSR Procurement Guidelines, which include respect for human rights. The survey includes questions on human rights, and the Human Rights Committee shares the results of the survey on human rights, such as whether efforts are being made to prevent child labor, forced labor and discrimination at suppliers and whether the working environment is appropriate, with the procurement department to build sound supply chain management, to promote sound supply chain management. As a grievance mechanism, the "Global Hotline" has been established as a common consultation desk for the entire Group, in addition to the internal desks at domestic and overseas Group companies. This hotline accepts and addresses complaints, including those related to human rights. All Group companies in Japan have started operating the Global Hotline, and overseas Group companies are scheduled to begin operation by the end of December. Inquiries from suppliers outside the Group are accepted via our website. When we receive complaints or consultations regarding human rights, the Compliance Consultation Desk acts as the main point of contact and responds as necessary in collaboration with related departments. Furthermore, in April 2024, we joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) to establish a framework for responding to complaints and consultations from suppliers outside the Group.

For more information, please refer to the following:

“EBARA Way”

⇒ Appendix 1

“EBARA Group Human Rights Policy”

⇒ <https://www.ebara.com/global-en/sustainability/social/respect/>

“EBARA CSR Procurement Guidelines”

⇒ <https://www.ebara.com/global-en/sustainability/social/supply-chain/>

(4) Efforts on Corporate Governance

The Board of Directors will continuously strengthen and improve corporate governance based on the following policy. By enhancing its effectiveness, we aim to realize “Governance to Value (G to V),” where governance contributes to the enhancement of corporate value and produces concrete results.

- (i) Supporting the EBARA Group’s growth to solve medium- to long-term issues
- (ii) Supervision of sustainability by the Board of Directors and each committee
- (iii) Dialogue between the Board of Directors and stakeholders
- (iv) Continued efforts to improve effectiveness

As the global management progresses, we will evolve the feedback-loop between the Outcome Goals and execution status of our management strategies and policies, to establish a highly effective Group governance system. In addition, we will strengthen comprehensive risk management from a global perspective in order to respond to diversifying risks.

4. Basic Views on Corporate Governance «Principle 3.1 ii)» (See Article 1 of Appendix 2)

The EBARA Group’s basic views on corporate governance are as follows.

- (1) The Company respects shareholders’ rights, and is engaged in establishing an environment which enables shareholders to appropriately and effectively exercise their rights and ensures equality among shareholders. In addition, the Company establishes the IR Basic Policy and exchanges constructive dialogues with shareholders and investors to facilitate the growth and medium- to long-term enhancement of corporate value.
- (2) The Company strives to co-create values with various stakeholders, including shareholders, customers, business partners, creditors, employees and local communities in an appropriate manner.
- (3) The Company strives to ensure management transparency through appropriate disclosure of its corporate information.
- (4) The Company has developed a governance system in which Independent Directors play important roles, and that is centered on Independent Directors and Non-executive Inside Directors. The Company has adopted the organizational form of a “Company with a Nomination Committee, etc.,” with the Nomination Committee, the Compensation Committee and the Audit Committee as statutory committees under the Board of Directors, to achieve clear separation between supervision and business execution in

management.

- (5) The Company clearly stipulates expected roles and required qualifications and competencies for each Director, and strives to enhance effectiveness of the Board of Directors, etc. by utilizing them for selection of Candidates and training for the Directors, etc.

5. Separation between Supervision and Business Execution in Management

(1) Adoption of a Company with a Nomination Committee, etc.

《 Principle 4.10, Supplementary Principle 4.10.1 》

Based on the EBARA Corporate Governance Basic Policy, the Company has adopted the organizational form of a “Company with a Nomination Committee, etc.,” to achieve clear separation between supervision and business execution in management. This enables the Board of Directors to effectively oversight the management responsible for business execution, and to objectively evaluate and comment on the status of business execution and the outcomes from a standpoint independent of business execution to support the management.

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.

(2) Scope of Delegation to the Management

《 Principle 4.6, Supplementary Principle 4.1.1 》 (See Article 12 of Appendix 2)

In order to clearly separate between supervision and business execution, the Board of Directors has established the Board of Directors’ Rules, specifying the matters to be resolved and reported to the Board of Directors, and stipulates the scope of matters for which decision-making authority is delegated to Executive Officers.

The decision-making authority on matters concerning business execution is delegated to the Executive Officers, except those categorized as the exclusive jurisdiction of the Board of Directors by laws and regulations as well as the Articles of Incorporation, including basic management policies (management philosophy, Long-term Vision, medium- to long-term management plan, and annual budget, etc.) and those that may have a significant impact on the management of the Group (for example, capital policies which inappropriately harm the interest of current shareholders (change of the control right and/or significant stock dilution). The Board of Directors delegates the authority over an extensive range of business execution to the executive organizations, thereby promoting flexible and swift business management, strengthening competitiveness and allowing an appropriate level of risk to be taken in the execution of business.

6. Roles and Diversity of the Board , etc.

To ensure that the Directors are able to demonstrate their supervisory functions effectively and that their effectiveness can be clearly assessed, the roles and qualifications and competences required for, not only the Board of Directors as a whole, but also each Committee and Director, are clearly stipulated.

(1) Main Roles of the Board of Directors, etc.

《 Principle 4.1, 4.4, 4.5, Supplementary Principle 4.1.2, 4.3.4, 4.4.1 》

[Board of Directors (See Article 12 of Appendix 2)]

The Board of Directors shall realize the mission it has been entrusted by the shareholders to “continuously improve corporate value” through practice of efficient and effective corporate governance, while giving the greatest consideration possible within reasonable extent to the positions of all stakeholders. The Board of Directors recognizes that practice of sophisticated sustainability management based on ESG, improvement of the Group’s social and environmental values through continuous contribution to solving social issues, including SDGs, through its business, and, at the same time, improvement of its economic value by ROIC-based management and portfolio- based management, is the essential management issue. The Board of Directors establishes the Basic Management Policy for the long-term business environment and oversee its continuous implementation so that the Group can sustainably produce capital for growth and further create values.

In addition to the perspective of establishing an internal control environment for preventing scandals, etc., (i.e., defensive leadership), the Board shall also maintain the perspective of establishing an environment enabling management to boldly face challenges to prevent the loss of business opportunities (i.e., offensive leadership).

[Nomination Committee(See Article 13 of Appendix 2)]

Nomination Committee is primarily responsible for policy for election and dismissal of President, Representative Executive Officer and its succession planning, as well as preparing proposals for the General Meeting of Shareholders with regard to the election and dismissal of Directors, and for making recommendations to the Board of Directors

with regard to the election and dismissal of President, Representative Executive Officer, the election and dismissal of Executive Officers, appointment and dismissal of Directors with special titles, appointment and dismissal of the Chairman of the Board of Directors and a Non-executive Inside Director to assist the Chairman and the appointment and dismissal of members and the Chairperson of each of the Nomination Committee, Compensation Committee, and Audit Committee.

The Nomination Committee comprises three (3) or more Independent Directors and Non-executive Inside Directors. The majority of the Nomination Committee shall be Independent Directors and the Chairperson thereof shall be an Independent Director in principle.

[Compensation Committee (See Article 14 of Appendix 2)]

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 perform their duties 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 this Policy, including supervision of execution of their duties.

The Compensation Committee comprises three (3) or more Independent Directors and Non-executive Inside Directors. The majority of the Compensation Committee shall be Independent Directors and the Chairperson thereof shall be an Independent Director in principle.

[Audit Committee (See Article 15 of Appendix 2)]

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, to realize sound and sustainable growth and the creation of corporate value of EBARA Corporation and Group 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. Please refer to "Cooperation among Audit Committee, Independent Auditors, and Internal Audit Division" for the detail of the supporting system.

The Audit Committee comprises three (3) or more Independent Directors and Non-executive Inside Directors. The majority of the Audit Committee shall be Independent Directors and the Chairperson thereof shall be an Independent Director in principle.

(2) Policy on diversity and balance of knowledge, experience and skills of the Board of Directors

« Principle 4.11, Supplementary Principle 4.11.1 » (See Article 12, 15, 17, 18 and 19 of Appendix 2)

To fulfill the roles described in the above (1), the Board of Directors must be a place enabling the best conclusion to be reached while avoiding closed discussion through the exchange of diverse opinions. Directors are expected to have the following qualifications and competencies.

- Has a superior personality, high ethical standards, a spirit of inquiry and an independent spirit
- Has knowledge of corporate management, experience of making decisions in a responsible position or demonstrating specialized skills, and achieving excellent results as a result
- Has or has the desire to obtain the latest information in the industry or related fields regarding strategic direction and medium- to long-term issues
- Has the insight and logical thinking ability to make decisions based on the opinions of other Directors and newly acquired information from inside and outside the Company, rather than relying on his or her own past experience and knowledge
- Has desire to grow by committing to governance reform and contributing to the process of evolution

Furthermore, the Board of Directors shall have well-balanced personnel with sufficient knowledge, experience and skills inside and outside the Company in the areas related to business management, and be structured with both appropriate diversities, including gender, international aspects, internal and external experiences, age and years of service, and an appropriate size. In particular, the Audit Committee shall include several members with appropriate knowledge of finance and accounting.

(3) Composition of the Board of Directors

As of March 27, 2025, the Board of Directors is composed of ten (10) members, including seven (7) Independent

Directors, including three(3) females, with a diverse composition in terms of experiences, gender, age and years of service. (See pages 6-20 of “the Notice of the 160th Ordinary General Meeting of Shareholders”) The skill matrix (indicating the correspondence between each Director's knowledge and experiences and the business domains the Company has high expectation based on its medium- to long-term management strategies) is disclosed on pages 4-5 of “the Notice of the 160th General Meeting of Shareholders.” The structure of the Board includes multiple personnel with adequate knowledge with regard to international transactions and global business and management experiences at other enterprises. Future appointment of foreign-national Director(s) is under consideration to promote further diversity.

For more information, please refer to the following:

“Notice of the 160th General Meeting of Shareholders (pages4-20) ”

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

7. Effective Use of Independent Directors and System to Achieve the Purpose 《Principle 4.6》

Based on the basic views of clear separation between supervision and business execution and the role of the Board of Directors, the Company has developed a governance system comprising mainly Independent Directors and Non-executive Inside Directors. The roles the Company expects from the Independent Directors and systems for them are as follows.

(1) Roles of Independent Directors 《Principle 4.7》 (See Article 18 of Appendix 2)

One of the principal roles of the Independent Directors is verifying and assessing as appropriate the business results of the Company and performance of the Executive Officers in light of the management strategies or management plan set out by the Board of Directors, and determining and expressing opinions on whether it is appropriate to delegate management responsibilities to the incumbent Executive Officers from the perspective of the common interests of shareholders.

(2) Independence Standards and Qualifications for Independent Directors 《Principle 4.9》 (See Article 18 of Appendix 2)

To fulfill the roles described in the above (1), it is essential that the Independent Directors be able to participate in the discussion on the essence of management from all perspectives including personal, economic, and mindset perspectives, by maintaining a position that is completely independent from the execution of business. For this purpose, the Company has established the Independence Standards of Independent Director of EBARA based on the independence standards specified by the Tokyo Stock Exchange. Only those who meet such standards shall serve as the Company's Independent Directors.

Also, upon election of the Independent Directors, the Company require Independent Directors to possess superior knowledge and experiences in one or more of the following domains, and also extensive insight and ability of logical thinking enabling them to make decisions based on the opinions of other Board members and expert knowledge and information from within and outside the Company. Note that these domains shall be revised as appropriate based on the external environment and the condition of the Company.

- Has experience of serving at a responsible position in corporate management and demonstrated leadership in corporate transformation
- Has demonstrated leadership in implementing and enhancing the ESG-based management
- Has demonstrated leadership in personnel, human resource development, and corporate culture reform
- Has intimate knowledge of solving issues related to finance, accounting and/or capital policy and has experienced such problem solving from a business management perspective
- Has intimate knowledge of auditing
- Has intimate knowledge of legal affairs, internal control, and governance reforms
- Has intimate knowledge of the latest issues regarding technical development and R&D, and has experienced such development from a business management perspective
- Has intimate knowledge of global environment issues such as climate change caused by the greenhouse effect gas
- 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
- Has intimate knowledge of areas which are anticipated to rapidly evolve in the future, such as digitization and AI technology

For more information, please refer to the following:

- The Independence Standards of Independent Director of EBARA, ⇒ see Appendix 3
- The reasons of appointment for Independent Directors, please see ⇒ III. [Outside Directors] Outside Directors' Relationship with the Company (2)

(3) Policy for the Chairman of the Board of Directors (See Article 19, 20 of Appendix 2)

To ensure transparent and fair supervision, an Independent Director shall serve the position of the Chairman of the Board of Directors. Furthermore, to ensure the respective responsibilities of the Board of Directors, the Nomination Committee, the Audit Committee, the Compensation Committee and the Executive Sessions to be appropriately fulfilled, the Chairman of the Board of Directors shall not concurrently serve as the Chairperson of each of the committees and the Lead Independent Director unless there are special circumstances.

The Chairman of the Board of Directors sets out the proposals to be deliberated and reported at Board of Directors' meetings, and conducts the proceedings of the Board meetings to ensure that the best possible conclusion is reached efficiently, based on reasonable debate. The Chairman of the Board of Directors receives reports as appropriate from the President, Representative Executive Officer on whether the Board of Directors' opinions are adequately reflected in business execution. The Chairman of the Board of Directors reports, as necessary, the status of such reports to the Board of Directors, and asks the Board to deliberate for possible correction of the general direction of business execution, etc. The Director, Chairman of the Company (or a Non-executive Inside Director in the absence of the Chairman of the Company) shall serve as an assistant to the Independent Director who is serving as a Chairman of the Board of Directors, so that the Chairman is able to effectively fulfill his/her roles.

(4) Independent Directors Meeting «Supplementary Principle 4.8.1» (See Article 16 of Appendix 2)

The Company establishes the "Independent Directors Meeting," a meeting structure comprising only Independent Directors, as a forum for Independent Directors to deepen their understanding of matters necessary to enhance quality of deliberation at the Board of Directors meetings and to freely discuss matters in order to enhance the effectiveness of the Board of Directors.

For more information, please refer to the following:

"Supporting System for Independent Directors" ⇒ III. [Supporting System for Independent Directors]

(5) Election of Lead Independent Director «Supplementary Principle 4.8.2» (See Article 22 of Appendix 2)

The Lead Independent Director is elected from among the Company's Independent Directors. The Lead Independent Director serves as the Chairperson of the Executive Session. In addition, the Lead Independent Director summarizes opinions of other Independent Directors as necessary, and reports to the Chairman of the Board of Directors or the President, Representative Executive Officer for further consultation.

(6) Composition of Independent Directors «Principle 4.8» (See Article 18 of Appendix 2)

As of March 27, 2025, seven (7) out of the ten (10) Directors (70% of the total) are Independent Directors, including three (3) females, and all of them meet the Independence Standards. The number of members of each committee established by the

Board of Directors is three (3) each for the Nomination Committee, the Compensation Committee, and Audit Committee. In the Nomination Committee and Audit Committee, two (2) out of three (3) members are Independent Directors. With regard to the Compensation Committee, all three (3) members have been Independent Directors since June 2017. In addition, the Chairperson of each Committees is served by an Independent Director.

8. Policies and Procedures for Election and Dismissal of Directors and Executive Officers (See Article 13 of Appendix 2)

The policies and procedures related to the election and dismissal of directors and executive officers in the Company are determined by a Nomination Committee chaired by an Independent Director and comprising a majority of Independent Directors.

(1) Process for the Election and Dismissal of Directors «Principle 4.11.1»

The Nomination Committee selects Candidates for Director from a strategic perspective based on management philosophy and management strategy, deliberates whether they have suitable qualities and capabilities as Directors based on the perspective above, and prepares proposals with regard to the election and dismissal of Directors after consideration of the result of the evaluation of effectiveness of the Board of Directors as a whole, each Committee, each Director, and the Chairman of the Board and the predefined qualifications of the Directors required to enhance the effectiveness of the Board. The Candidates for Director are reported to the Board of Directors by the Nomination Committee and elected by resolution of the General Meeting of Shareholders.

(2) Process for the Election and Dismissal of Executive Officers «Principle 4.3, Supplementary Principle 4.3.1»

The Nomination Committee deliberates whether Candidates for Executive Officer selected by the President, Representative Executive Officer have suitable qualities and capabilities as Executive Officers, and present the results of deliberation to the Board of Directors based on the Executive Officer appointment criteria and appointment procedures

established by the Nomination Committee. The Board of Directors makes a decision after receiving the deliberation results from the Nomination Committee.

Furthermore, in the event the performance does not meet the criteria specified in the Company's regulation when the Nomination Committee periodically checks the aptitude of each current Executive Officer, the Nomination Committee will propose to the Board of Directors not to re-appoint the current Executive Officer.

(3) Process for the Election and Dismissal of the President, Representative Executive Officer and Succession Planning «Principle 3.1 iv), v), Supplementary Principle 4.1.3, 4.3.2, 4.3.3»

The Company has positioned the establishment and implementation of the succession planning and the criteria and policies for the election and dismissal of the President, Representative Executive Officer who serves in a particularly central role in top management as the most important strategic decision in the Company.

[Process for the Election and Dismissal of the President, Representative Executive Officer]

The Nomination Committee proposes final candidates for the appointment of the President, Representative Executive Officer to the Board of Directors and the Board of Directors makes a decision based on the criteria and policies for the appointment and dismissal of the President, Representative Executive Officer established by the Nomination Committee.

The Nomination Committee checks that the current President, Representative Executive Officer meets the requirements concerning the qualities of the President, Representative Executive Officer specified in the succession plan periodically and as needed, and makes proposals to the Board of Directors on the successor for President, Representative Executive Officer based on the succession plan when the President, Representative Executive Officer steps down.

Furthermore, the Board of Directors has established an independent and objective process for discussion whether or not to dismiss the President, Representative Executive Officer when it is found that the President, Representative Executive Officer is not functioning adequately based on an appropriate evaluation of the Company's performance, etc. Specifically, in the event the consolidated performance of a single fiscal year does not meet the criteria specified by the Nomination Committee for three consecutive years when the Nomination Committee periodically checks the aptitude of the current President, Representative Executive Officer, the Nomination Committee proposes to the Board of Directors not to re-appoint the current President, Representative Executive Officer unless there are special circumstances, and the Board of Directors conducts discussion on whether or not to dismiss the President, Representative Executive Officer.

[Succession Planning for the President, Representative Executive Officer]

In order to select the next President, Representative Executive Officer, the Nomination Committee is taking the lead in formulating a succession plan for the President, Representative Executive Officer and establishing a program to continuously and systematically develop a pool of candidates with the necessary qualifications to serve as a business leader, with the aim of ensuring a system that enables the recommendation of suitable candidates.

The Nomination Committee identifies the abilities, qualities (potential), experience, knowledge and skills required of the President, based on the current and future business environment and management strategies, 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 reviews the status of development.

In addition to the above, the Board of Directors has established a business continuity plan (BCP) in case of unforeseen events affecting the President, Representative Executive Officer, and has clearly defined the process for selecting a successor in the event of an emergency.

(4) Explanations with respect to Individual Election and Dismissal

«Principle 3.1 v)» (See Article 11 of Appendix 2)

The names and reasons for nomination for each Director are disclosed and explained in the Notice of the 160th General Meeting of Shareholders, in accordance with the policy and procedures with regard to the election and dismissal of Directors and Executive Officers as described above.

For more information, please refer to the following:

“Notice of the 160th General Meeting of Shareholders, (pages6-20)”

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

9. Effectiveness of the Board of Directors

(1) Evaluation of the Effectiveness

«Principle 4.11, Supplementary Principle 4.11.3» (See Article 25 of Appendix 2)

The Company pursues the best possible corporate governance structure and strives for its further enhancement at all times. In fiscal 2015, Board of Directors itself began conducting annual Evaluation of the Effectiveness of the entire Board of Directors (including the Nomination, Compensation, and Audit Committees) to verify how Board of Directors is contributing to the effective functioning of corporate governance and to identify and improve issues. A summary of the findings is disclosed. In annual evaluations, 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.

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 and with the aim of reviewing and discussing the board effectiveness at a substantially deeper level than before from FY2022 under review. In FY2024, the effectiveness of the Board of Directors was evaluated by external experts' interviews with all directors for the purpose of neutral and objective assessment, for the first time in three years.

The Board of Directors will continue to enhance its effectiveness by pursuing the following initiatives, together with the reforms it has been promoting.

[Future Action based on the result of Effectiveness of the Board of Directors (FY2024)]

- Thorough discussion on management visions and management plans from long term perspective
Organization of policies and ideas with regard to important issues (business portfolio, ROIC management, effect of shift to organization by target market, domain and scope of new business investment, Group-wide brand strategy), taking into account the progress of the current Medium-term Management Plan “E-Plan2025” and changes of internal/external environment, and deliberate productive discussion.
- Deeper discussion on sustainability issues
Discussion on important sustainability issues (establishment of a global HR system, securing and developing talent to accommodate rapid expansion, instilling corporate culture, and further promoting diversity) from the perspective of how to specifically link the Company's profitability, long-term sustainability and enhancement of corporate value.
- Deliberation and verification to further strengthen group governance structure
Verification from the perspective of operation of the audit system and CxO system, and discussion and verification of internal control systems, such as compliance, and mechanisms related to safety and quality.
- Regular assessment of appropriateness of the Committee's structure and activities

For more information, please refer to the following:

“Evaluation of the Effectiveness of the Board of Directors 2024”

⇒ https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/ir/governance/corporate-governance-library/pdf/FY2024EEofBoDJ_1.pdf

[Major Governance-Reforming Based on Evaluation of the Effectiveness]

(a) Board of Directors agenda and discussion	
i) Strengthening Discussions on Medium- to long-term issues	<p>In line with the perception that Board of Directors needs to further increase the weight of discussions on the Company's medium- to long-term issues, we began to incorporate discussion of our long-term management vision and medium-term management plan to the BoD agenda.</p> <p>In the 2023 evaluation, it was recognized that the agenda should be narrowed down to items that need to be monitored and that two-way discussions should be enhanced. Accordingly, we reviewed the threshold for the reporting matters, which had the highest number among agenda items, and simplified the reporting method for mainly regular reporting items.</p>

ii) Deepening sustainability discussions	<p>The 2021 evaluation recognized the need for the Board of Directors to regularly discuss ESG and sustainability issues, and as a result, starting in 2022, the Board began setting the agenda twice a year, leading to more substantive discussions on sustainability.</p> <p>Since 2022, the Company has strongly focused on enhancing the effectiveness of the Board of Directors and contributing to corporate value under its unique slogan, “Governance to Value.” In the 2023 evaluation, it was recognized that further evolution is necessary, and that it is important to place greater emphasis on sustainability management in the practice of “Governance to Value.” Accordingly, in 2024, the Company formalized this approach to the Board of Directors in the “Corporate Governance Basic Policy” (CG Basic Policy). As a result, the role and stance of the Board of Directors toward sustainability have been clearly stated both internally and externally.</p>
iii) Improving and deepening the quality of discussions	<p>A few days before Board of Directors meetings, Executive Session met with the executive officer in charge to explain the main topics of the Board of Directors meeting and to deepen their understanding of these topics, and to hold free discussions among Independent Directors. Board of Directors has a shared awareness that the quality of discussions at the Board would be enhanced by having each Independent Director aware of the issues and make comments from their own perspectives and responsibilities. Evaluation of the Effectiveness also confirmed the significance of this Executive Session.</p>
(b) Composition and Size of Board of Directors	
i) Composition and size of Independent Director	<p>Regarding Independent Director, the background and the diversity of experiences are important, and the importance of free exchange of diverse views in the invisible social climate in the future was recognized. Evaluation of the Effectiveness confirmed the adequacy of the current structure of having seven Independent Directors out of ten members of Board of Directors.</p>
ii) Inside Director who are also in charge of business execution	<p>With regard to the current system, in which the number of directors who are also in charge of business execution has been gradually reduced to one (1) Representative Executive Officer, Evaluation of the Effectiveness shared the view that the separation of supervision and execution has been promoted and the roles of execution responsibilities and Board of Directors have been further clarified.</p>
iii) Board of Directors assumes chairmanship	<p>In 2019, Independent Director became Board of Directors Chairman of the Board to ensure further fairness and transparency and to set agenda items from the shareholder's perspective. To check its effectiveness, the Chairman's Assessment was included in Evaluation of the Effectiveness's frame and reviewed annually at Board of Directors.</p>
(c) Committee's Effectiveness Evaluation of the Committee's Effectiveness	
i) Evaluation of the Committee's Effectiveness	<p>The Nomination, Compensation, and Auditing Committees shared their functions and roles through Evaluation of the Effectiveness and made progress in self- assessing whether they were sufficiently independent and capable of achieving their objectives. In the 2022 evaluation, it was recognized that it was necessary to clarify the scope of information shared by the committees to the Board of Directors. In response, the Board of Directors reviewed its approach in 2023 and clarified it in the Board of Directors Rules, thereby ensuring transparency in the activities of the Committees going forward.</p>

ii) Composition and size of the Audit Committee and support system	The Audit Committee has undergone a gradual decrease in the total number of members and the number of Internal Directors, resulting in a structure with four members including one Internal Director from 2020, and a structure with a total of three members including one Internal Director chaired by an Independent Director was adopted from 2021 to ensure further independence and realize audit oversight based on external viewpoints. With the transition to this system, the Audit Committee recognized that it is necessary to strengthen the system for supporting Audit Committee in the evaluation of effectiveness, and the systems and allocation of personnel for this were expanded. For this reason, this will continue to be evaluated in the evaluation of effectiveness to review its effectiveness. In the 2023 evaluation, it was recognized that it was necessary to confirm the current activities and roles of the Audit Committee, and to examine and verify the future structure and desired activities. The roles, structure, and activities of the Committee were clarified through discussions by the Audit Committee and deliberations by the Board of Directors in 2024. Evaluation of the Effectiveness shared the view that operations were appropriate based on this clarification.
(d) Effectiveness of Directors	
i) Clarification of roles and qualification requirements	In the FY2020 evaluation of effectiveness, it was found that the clarification of roles and qualification requirements of each Director and the confirmation based on the clarification through self-evaluation and peer evaluation contribute to the improvement of the capabilities of the Board as a whole and individual Directors. In order to realize this, the roles and qualification requirements required of Directors including attributes (Independent Director, etc.) and positions (Chairman of the Board, Committee Chairman, etc.) were explicitly stated in the Basic Policy on Corporate Governance (EBARA Corporate Governance Basic Policy) after sufficient discussion in the Board. In the FY2021 evaluation of effectiveness, it was shared that the recognition that the EBARA Corporate Governance Basic Policy is an important policy for future activities of the Board, Committees and individual Directors.

(2) Concurrent Positions of Directors and Attendance Rate of the Board

Principle 4.11.2 (See Article 18 of Appendix 2)

The Company's Basic Policy has provided that if a Director of the Company is to concurrently serve as a director or a statutory auditor of other listed companies, such service shall not be demanding to the extent that it may impede the roles and functions expected of a Director of the Company, and the standard for the number of concurrent boards has been set. We also have set standards pertaining to attendance rates of the Board of Directors meetings to ensure the effectiveness.

We have determined that the current concurrent status of all Directors is within the extent of fulfilling the roles and functions expected of the Director of the Company. The status of concurrent posts of Directors is disclosed in the explanation of the proposal for election of Directors of the Notice of the General Meeting of Shareholders.

For more information, please refer to the following:

“Notice of the 160th General Meeting of Shareholders (page 4-20)”

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

(3) Training for Directors

《Principle 4.14, Supplementary Principle 4.14.1, 4.14.2》 (See Article 24 of Appendix 2)

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

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

[Trainings Conducted for 2023 - 2025]

- July 2023: Site visit of major domestic location (Infrastructure Company, Energy Company)
- October 2023: Site visit of major domestic location (Precision Machinery Company)
- October 2024: Site visit of waste management facilities (Environment Company)
- December 2024: Seminar on corporate governance with experts from overseas
- May 2025: Site visit of major domestic location (Building Service & Industrial Company, Precision Machinery Company)

10. Policy on executives' compensations and procedure

《Principle 3.1 iii), 4.2, Supplementary Principle 4.2.1》 (See Article 26 of Appendix 2)

The Compensation Policy for Directors and Executive Officers (the "Compensation Policy") is determined by Compensation Committee chaired by an Independent Director and comprising of Independent Directors only.

Compensation policies are determined under our Long-term Vision "E-Vision2030" and Medium-term Management Plan "E-Plan2025", and the contents of these policies are as follows.

(1) Compensation for Directors

Since Directors supervise the execution of duties by Executive Officers in line with the Company's management philosophy and strategy, the Company has adopted a compensation level and remuneration system that reflects the roles played by Board of Directors and its committees, with the purpose of achieving sustainable growth of the Company and increasing corporate value over the medium- to long-term. A Director who concurrently serves as an Executive Officer is paid with compensation as an Executive Officer only, and not compensation as a Director.

(2) Compensation for Executive Officers

Compensation for Executive Officers is designed to encourage the Executive Officers to perform their duties in accordance with the management philosophy and management strategies and to strongly motivate them to achieve challenging management targets with appropriately controlled risks, with the purpose of achieving sustainable growth of the Company and increasing corporate value over the med to long-term

For more information, please refer to the following:

"Indicators related to the performance-linked stock compensation plan, reasons for selecting such indicators, and the method of determining the amount of performance-linked compensation"

⇒ Posted later "III. [Incentive] Supplementary Explanation of "Incentive Policies for Directors and/or Executive Officers" later in this report."

"Policy on Determination of Payment Ratio of Compensation, etc. Other Than Performance-Linked Compensation and Performance-Linked Compensation"

⇒ Posted later "III. [Compensation for Directors and Executive Officers] Disclosure of Policy on Determining Compensation Amounts and Calculation Methods."

11. Dialogue with Shareholders and Investors

《Principles 5.1, Supplementary Principle 5.1.1, 5.1.2》 (See Article 4 of Appendix 2)

The Company recognizes the establishment of a long-term trusting relationship with shareholders and investors as one of the most important management matters. The Company provides appropriate corporate information necessary for shareholders and investors to make investment decisions, and strives to further strengthen the trusting relationship on a continuous basis by engaging in IR activities for enhancing its corporate value through constructive dialogue.

In the current framework, the President, Representative Executive Officer is the chief of IR activities of the Company, which are, in principle, carried out by the Executive Officer in charge of IR and the department in charge of IR. In addition, Directors (including Independent Directors), Executive Officers and other senior executives arrange, as appropriate, opportunities for direct dialogue with shareholders and investors. We develop a framework for internally sharing information and knowledge gained through such dialogue with shareholders and investors, which shall be utilized for the management of the Company.

The Company has established and discloses its IR Basic Policy as a basic policy with regard to the system development and initiatives to promote constructive dialogues with shareholders and investors.

For more information, please refer to the following:

“Dialogue with Shareholders and Investors”

⇒ <https://www.ebara.com/global-en/sustainability/think/stakeholders/>

“IR activities”

⇒ please refer to "III 2. IR Activities".

“IR Basic Policy”

⇒ <https://www.ebara.com/global-en/ir/business/ir-basic-policy/>

“Flow Chart of Communication with Shareholders & Investors, please see Appendix 7”

12. Functions as a Corporate Pension Asset Owner «Principle 2.6»

The Group has established a Pension Committee as an organization for ensuring pension benefits are provided to members in the future in the management of defined benefit pension^{*1} assets of the Group. The Pension Committee has defined a “Basic Policy on Management of Pension Assets” to secure total earnings required in the long term within an acceptable range of risk, and is engaged in the management and administration of pension assets by determining strategic asset composition ratios from a medium- to long-term perspective.

The Pension Committee is made up of Executive Officers and employees from the Human Resources Division and the Finance and Accounting Division who have specialized knowledge in the areas of human resources systems, management of financial assets and accounting and taxes, and also hires external experts as advisors to receive the necessary advice on pension asset management and the establishment of systems. Conflicts of interest that may arise in the management of corporate pensions are appropriately avoided by respecting the decisions of the relevant trustees when, for example, they exercise their voting rights over the Company.

In August 2023, the Company announced its commitment to the Japanese version of the Stewardship Code in order to fulfil its responsibilities as an asset owner. Specifically, we have set up a Stewardship Activities Assessment Committee, which monitors and assesses our fiduciary institutions in accordance with the policies and rules governing the Committee's activities. The Committee members comprise employees from the human resources and accounting and finance departments, and external experts are appointed as advisers to provide necessary advice on stewardship activities.

From the standpoint of an asset owner of a corporate pension plan, the Company fulfils its stewardship responsibilities appropriately in accordance with the Code.

^{*1} Group companies that make up the EBARA Group Defined Benefit Pension Plan:

EBARA CORPORATION, EBARA REFRIGERATION EQUIPMENT & SYSTEMS CO., LTD., Elliott Ebara Turbomachinery Corporation, EBARA DENSAN CO., LTD, EBARA FIELD TECH CORPORATION

For more information, please refer to the following:

“Policy and Activity Report for Fulfilling Stewardship Responsibilities”

⇒ <https://www.ebara.com/jp-ja/sustainability/governance/stewardship/>

*Please note that the linked reference is in Japanese.

13. Related Party Transactions « Principle 1.7 » (See Article 6 of Appendix 2)

The Company’s Basic Policy has provided that the Company’s Directors and Executive Officers shall obtain prior approval of the Board of Directors when they are to “carry out transactions that belong to the line of business of the Company (competitive transactions) for themselves or for a third party” or “carry out transactions with the Company, or transactions that involve conflicts of interest between themselves and the Company (transactions involving conflicts of interest), including transactions between the Company and a third party for which they receive a commission, etc.”

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure Updated	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update Updated	June 30, 2025

Explanation of Actions Updated

The EBARA Group has implemented such actions and disclosed the status in the following materials

“1-2. Business Strategies and Business Plan”

“Integrated Report 2025 (p.32-36) ”

⇒ https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/ir/library/annual-report/INT25_all_EN_1.pdf
“Results Presentation for FY2023 Ended December 31, 2023 (Second Quarter) (p.20-24) ”
⇒ https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/pdf/ir/library/earnings/briefings-documents/presentation_20230814_1.pdf
“Long-term Vision and Medium-term Management Plan ”
⇒ <https://www.ebara.com/global-en/ir/business/vision/>
“Mid-term Business Plan, E-Plan 2025”
⇒ https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/pdf/ir/business/vision/E-Plan2025_E.pdf

2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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Status of Major Shareholders Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	79,490,700	17.20
ICHIGO TRUST PTE. LTD. (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo branch, Custody Department)	40,500,000	8.77
Custody Bank of Japan, Ltd. (Trust Account)	36,065,200	7.81
BNYM AS AGT/CLTS NON TREATY JASDEC (Standby proxy: MUFG Bank, Ltd.)	14,620,729	3.16
JPMorgan Securities Japan Co., Ltd.	11,684,766	2.53
STATE STREET BANKANS TRUST COMPANY 505301 (Standing proxy: Mizuho Bank Ltd., Settlement & Clearing Services Division)	11,106,430	2.40
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank Ltd., Settlement & Clearing Services Division)	7,972,387	1.73
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank Ltd., Settlement & Clearing Services Division)	6,612,300	1.43
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank Ltd., Settlement & Clearing Services Division)	5,922,500	1.28
SMBC Nikko Securities Inc.	5,673,696	1.23

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
Name of Parent Company, if applicable	No

Supplementary Explanation **Updated**

- 1) Capital structure indicated here reflects the status as of June 30, 2025.
- 2) The Company holds 140,520 shares of treasury stock, which has been eliminated from the total number of shares issued in calculating the percentage above.
- 3) In a change report pertaining to a report of possession of large volume, available for public inspection as of April 21, 2025, it is stated that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its one joint holder held 27,215 thousand shares (equivalent to a 5.89% holding ratio of share certificates, etc.) as of April 15, 2025. However, the Company could not verify the number of shares substantially held by the aforementioned parties as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.
- 4) In the change report pertaining to a report of possession of large volume, made available for public inspection on May 20, 2025, it is stated that Nomura Asset Management Co., Ltd., a joint holder of Nomura Securities Co., Ltd., owns 24,002 thousand shares as of May 15, 2025 (5.19% shareholdings, etc.). However, the Company has not been able to verify the number of shares substantially held by the aforementioned parties as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.
- 5) In the report of possession of large volume, made available for public inspection as of November 4, 2022, it is stated that BlackRock Japan Co., Ltd. And its seven joint holders collectively held 5,160 thousand shares (equivalent to a 5.60% holding ratio of share certificates, etc.) as of October 31, 2022. However, the Company has not been able to verify the number of shares substantially held by the aforementioned parties as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.
- 6) In the change report pertaining to a report of possession of large volume, made available for public inspection on July 18, 2023, it is stated that Mitsubishi UFJ Trust and Banking Corporation and its three joint holders owns 4,403 thousand shares as of July 10, 2023 (4.77% shareholdings, etc.). However, the Company has not been able to verify the number of shares substantially held by the aforementioned parties as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.
- 7) In the change report pertaining to a report of possession of large volume, made available for public inspection on October 3, 2019, it is stated that Newton Investment Management Limited and its five joint holders owns 4,224 thousand shares as of September 30, 2019 (4.14% shareholdings, etc.). However, the Company has not been able to verify the number of shares substantially held by the aforementioned parties as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.
- 8) In the change report pertaining to a report of possession of large volume, made available for public inspection on February 15, 2021, it is stated that Silchester International Investors LLP owns 3,907 thousand shares as of February 12, 2021 (4.10% shareholdings, etc.). However, the Company has not been able to verify the number of shares substantially held by the aforementioned party as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.
- 9) In the change report on large shareholdings made available to the public on December 22, 2021, it is stated that Asset Management One Co., Ltd., a joint holder of Mizuho Securities Co., Ltd., owned 3,663 thousand shares as of December 15, 2021 (3.84% shareholdings, etc.). However, the Company has not been able to verify the number of shares substantially held by the aforementioned parties as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.
- 10) In the Large Shareholdings Report, made available for public inspection on April 5, 2024, it is stated that Black Creek Investment Management, Inc. owns 3,563 thousand shares as of March 29, 2024 (3.86% shareholdings, etc.). However, the Company has not been able to verify the number of shares substantially held by the aforementioned party as of June 30, 2025. Thus, they are not included in the aforementioned status of major shareholders.

3. Corporate Attribute

Listed Stock Market and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-end	December
Business Sector	Machinery
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	100 billion or more but less than \1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	100 or more but fewer than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

The Company does not have a parent company or listed subsidiaries; thus, there are no matters to report under this item.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with Three Committees (Nomination, Audit and Compensation)
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Directors

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairman of the Board	Independent Director
Number of Directors	10

Outside Directors

Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hiroshi Oeda	From Other Company											
Junko Nishiyama	From Other Company											
Mie Fujimoto	Attorney											
Takuya Shimamura	From Other Company								△			
Teiji Kouge	From Other Company											
Tsuyoshi Numagami	Scholar											
Kaeko Kitamoto	CPA											

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Hiroshi Oeda	○			○	Hiroshi Oeda does not fall under any of these relationship categories.	<p>Hiroshi Oeda has been involved in the management of a listed company in flour-milling and food industry, and has a track record of improving business performance as a management executive in a manufacturing company, and extensive experience in general corporate management. He also has extensive knowledge in global business. He has exhibited leadership as the Chairman of the Board of Directors. He is contributing to activities of the Nomination Committee as a member of the Committee, such as selection of Director candidates, succession planning of President, selection of nominees for management executives and nurturing of such candidates. He 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 Chairman of the Board of Directors to demonstrate his leadership in the operation the Board and enhancement of governance.</p> <p>Attribute information on his eligibility as an Independent Director and outside director is as shown on the left, and as we determined that there were no special conflicts of interest with general shareholders, we have reported him as an independent officer.</p>

Name	Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Junko Nishiyama			○	○	Junko Nishiyama does not fall under any of these relationship categories.	<p>Junko Nishiyama has been involved in research and development and environmental initiatives of a listed healthcare company, and has served and a fulltime corporate auditor conducting a company-wide audits, and possess abundant experience in corporate management in general. She is actively participating to discussions at the Board of Directors, in addition to contributing to activities of the Audit Committee as a member by conducting audits widely at the Company and the Group. Junko Nishiyama meets qualification requirements stipulated by the Company for Directors, and she is expected to play a role in the areas of “auding” and “technological R&D” and “environment” in particular. Nomination Committee selected her as a Chair of Audit Committee to demonstrate her leadership.</p> <p>Attribute information on her eligibility as an Independent Director and outside director is as shown on the left, and as we determined that there were no special conflicts of interest with general shareholders, we have reported her as an independent officer.</p>

Name	Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Mie Fujimoto		○		○	Mie Fujimoto does not fall under any of these relationship categories.	<p>Mie Fujimoto is an attorney at law well versed in corporate legal affairs centered on labor-related regulations and has served as an outside officer of a listed company.</p> <p>She actively speaks in important meetings such as the Board of Directors meetings utilizing her abundant experience and expertise, and also leads 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.</p> <p>She 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 her to continue to serve as an Independent Director to demonstrate her leadership as 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.</p> <p>Attribute information on her eligibility as an Independent Director and outside director is as shown on the left, and as we determined that there were no special conflicts of interest with general shareholders, we have reported her as an independent officer.</p>

Name	Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Takuya Shimamura		○		○	<p>Takuya Shimamura falls under the “h” relationship category with the Company because he had engaged in the execution of business at AGC Inc. However, he has not been involved in business execution since he took office as the Chairman of the Board of Directors in March 2021. Although the Group has business transactions including sale of products and after-sale service with AGC, the amount of these transactions was less than ¥500 million, or an amount that accounted for less than 0.1% of the consolidated net sales of the Company for the year ended December 31, 2024.</p>	<p>Takuya Shimamura 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.</p> <p>He meets qualification requirements stipulated by the Company for Directors, and 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 to demonstrate his expertise as a member of Compensation Committee.</p> <p>Attribute information on his eligibility as an Independent Director and outside director is as shown on the left, and as we determined that there were no special conflicts of interest with general shareholders, we have reported him as an independent officer.</p>

Name	Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Teiji Kouge	○			○	Teiji Kouge does not fall under any of these relationship categories.	<p>Teiji Kouge 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.</p> <p>Furthermore, he actively speaks in important meetings such as the Board of Directors meetings, and also leads the Nomination Committee activities, including the discussions on President succession planning and development of the candidates, as a Chairperson of the Committee.</p> <p>He 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 to excel his leadership as the Chairperson of the Nomination Committee.</p> <p>Attribute information on his eligibility as an Independent Director and outside director is as shown on the left, and as we determined that there were no special conflicts of interest with general shareholders, we have reported him as an independent officer.</p>

Name	Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Tsuyoshi Numagami		○		○	Tsuyoshi Numagami does not fall under any of these relationship categories.	<p>As a researcher in corporate management, Tsuyoshi Numagami 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. He actively speaks at important meetings such as the Board of Directors meetings, and contribute to the discussions on revision of the Company's compensation system and decisions on the compensation standards for Directors and Executive Officers as a member of the Compensation Committee.</p> <p>He 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 him to continue to serve as an Independent Director to demonstrate his ability as a member of Compensation 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.</p> <p>Attribute information on his eligibility as an Independent Director and outside director is as shown on the left, and as we determined that there were no special conflicts of interest with general shareholders, we have reported his as an independent officer.</p>

Name	Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Kaeko Kitamoto			○	○	Kaeko Kitamoto does not fall under any of these relationship categories.	Kaeko Kitamoto is a certified public accountant with a wide variety of audit experience at a major audit corporation and has abundant knowledge and a wealth of experience in corporate accounting and audit areas. She 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,” “finance, accounting and capital policy,” and “auditing” in particular. Nomination Committee selected her to serve as an Independent Director to demonstrate her ability as a member 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. Attribute information on her eligibility as an Independent Director and outside director is as shown on the left, and as we determined that there were no special conflicts of interest with general shareholders, we have reported her as an independent officer.

Supervisory Committees

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nomination Committee	3	1	1	2	Independent Director
Compensation Committee	3	0	0	3	Independent Director
Audit Committee	3	1	1	2	Independent Director

Executive Officers

Number of Executive Officers

15

Status of Concurrent Duties

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Shugo Hosoda	Yes	Yes	No	No	No
Shu Nagata	No	No	No	No	No
Takanobu Miyaki	No	No	No	No	No
Teruyuki Ota	No	No	No	No	No
Hideki Yamada	No	No	No	No	No
Isao Nambu	No	No	No	No	No
Seiichi Tsuyuki	No	No	No	No	No
Sungyong Lee	No	No	No	No	No
Tetsuya Fuchida	No	No	No	No	No
Akihiro Osaki	No	No	No	No	No
Toru Nakayama	No	No	No	No	No
Hiroyuki Kowase	No	No	No	No	No
Norihisa Miyoshi	No	No	No	No	No
Kazunori Suda	No	No	No	No	No
Miwa Tachiyama	No	No	No	No	No

Auditing Structure

Appointment of Directors and/or staff to Support the Audit Committee	Appointed
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Matters Related to the Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The Audit Committee has established the following in the “Audit Committee Audit Standards” and “Basic Policy on Internal Controls” and implements these to ensure the independence of persons who assist the duties of the Audit Committee (hereinafter referred to as “Assistants to the Audit Committee”).

- (1) Assistants to the Audit Committee shall not concurrently engage in any work involved in the execution of duties by Executive Officers of the Company.
- (2) Assistants to the Audit Committee shall act solely under the instruction of the Audit Committee, thereby ensuring the effectiveness of instructions of the Audit Committee.
- (3) Assistants to the Audit Committee may engage in other business operations, subject to the prior approval of the Audit Committee, but in the event that instructions given by an Executive Officer or a head of such other business operations are in conflict with instructions from the Audit Committee, the instructions from the Audit Committee shall prevail.
- (4) As a principle, the personnel transfer and evaluation, etc. of Assistants to the Audit Committee shall be determined with the consent of the Audit Committee.

→ For full disclosure on “Basic Policy for Internal Controls and Overview of Operation,” see Appendix 5.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department Updated

The Audit Committee is engaged in coordination with the Independent Auditor and the Corporate Audit Department as follows to ensure its audits are conducted effectively and efficiently based on the Audit

1. Coordination with the Independent Auditor

The Company recognizes that the Independent Auditor holds responsibility to ensure the credibility of the Company's financial information disclosed to the shareholders and investors, and secures sufficient time and system for the Independent Auditor to conduct proper audits. Furthermore, the Audit Committee coordinates with the Independent Auditor and confirms that the Independent Auditor maintains a position of independence and conducts audits appropriately, and also receives reports from the Independent Auditor on a regular and as-needed basis on the status execution of its duties. Furthermore, the Audit Committee conducts efficient audits by holding meetings with the Independent Auditor regularly and as needed for the mutual exchange of information and opinions. In case the Independent Auditor discovers any improper conduct and requests a proper countermeasure against it, or identifies insufficiency or issues, the Company shall investigate the matter without delay and take a proper countermeasure.

[Policies regarding the dismissal or refusal of reappointment of the Independent Auditor]

(1) Dismissal policy

In the event that the Independent Auditor is found to fall under any of the items under Article 340, Paragraph 1 of the Companies Act, the Audit Committee shall dismiss the Independent Auditor with the unanimous consent of the Audit Committee members.

(2) Policy on refusal of reappointment

In the event that it is determined that an audit is clearly inadequate in light of the eligibility, independence or overall capabilities of the Independent Auditor based on the results of the assessment whether or not to reappoint the Independent Auditor conducted each fiscal year, the Audit Committee shall propose the refusal of reappointment of the Independent Auditor to the General Meeting of Shareholders.

As a restriction on reappointment of the Independent Auditor, if the Independent Auditor serves for ten years in succession, the Audit Committee conducts a tender to appoint the candidates for the next Independent Auditor regardless of the assessment of the Independent Auditor (hereinafter referred to as "Reappointed Independent Auditor") conducted every year. The Reappointed Independent Auditor is not prohibited from participating in the tender, but if the Reappointed Independent Auditor serves for a further five years in succession, another tender shall be conducted. FY2025 is the third year for Deloitte Touche Tohmatsu LLC to serve as Independent Auditor for the Company.

(3) Reappointment of Independent Auditor

As a result of the evaluation of the suitability for reappointment of the Independent Auditor, the Audit Committee decided to reappoint Deloitte Touche Tohmatsu LLC as the Independent Auditor for FY2024 in accordance with "(2) Policy on refusal of reappointment."

2. Coordination with the section responsible for internal audits, etc.

The Audit Committee coordinates with Internal Audit Division, division responsible for internal control, internal reporting and risk management and auditors of affiliated companies, etc. as follows.

- (1) Implementation of mutual exchange of information on the internal audit plan formulated by the Internal Audit Division, on a regular basis and as needed.
- (2) Implementation of mutual exchange of information with the departments in charge of internal control, internal reporting and risk management.
- (3) Attendance of Audit Committee members, CRO and CFO at Group Auditor Conferences which are attended by auditors of affiliated companies.
- (4) Audit Committee members observing audits conducted by the Internal Audit Division, as necessary.

3. Supporting system for the Audit Committee

In order to increase Audit Committee's independence from business execution and to ensure the effectiveness of Group-wide audits, we are working to establish and strengthen a monitoring-centered auditing system. Specifically, Audit Committee's Chairperson is served by Independent Director, and the Committee consists of two Independent Directors and one full-time member served by Non-executive Inside Director. The following organizations are working under the control of the Audit Committee to assure effectiveness of audits.

- (1) An Audit Committee Office has been established under the control of the Audit Committee, with five full-time staff members appointed to assist in the operation of Audit Committee meetings, planning of audit policy and audit plans, liaison and coordination with the accounting auditors, and assistance with audits and on-site visits by Audit Committee members.

(2) To promote collaboration with the internal audit departments, the Audit Department was established under the supervision of the Audit Committee, and the general manager and members (12) of the internal audit departments are concurrently assigned to such Audit Department.

(3) To facilitate closer cooperation between the Audit Committee and auditors of affiliated companies, four standing corporate auditors of major affiliates (Elliott Ebara Turbomachinery Corporation, Ebara Environmental Plant Co., Ltd., EBARA FIELD TECH CORPORATION and Swing Corporation) are concurrently serving under the jurisdiction of the Audit Committee Office.

(4) Because of the importance of monitoring and supervising the internal control of the corporate group, decisions on candidates for auditors of affiliated companies are made only after obtaining the consent of the Audit Committee.

Matters Concerning Independent Directors

Number of Independent Directors	7
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Other Matters Concerning Independent Directors

The Company has established its own independence standards for selection of candidates for Independent Director based on the independence standards specified by the Tokyo Stock Exchange.

→ For full disclosure on “Independence Standards of Independent Director of EBARA,” see Appendix 3

[Minor Standards]

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.

- (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.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Performance-linked Compensation
--------------------------------------------------------------------------------------------------------	---------------------------------

Supplementary Explanation for Applicable Items

[Introduction of a Restricted Stock Compensation Plan and a Performance-linked Stock Compensation Plan]

Restricted stock compensation plan and a performance-linked stock compensation plan (collectively hereinafter referred to as “Compensation Plan”) have been introduced to Directors, Executive Officers, and employees of the Company and Executives and employees of its subsidiaries who bear certain roles (collectively hereinafter referred to as “Directors, etc.”).

1. Purpose of the introduction of the Compensation Plan

The Compensation Plan is introduced in order to further promote shared value with shareholders and provide an incentive for the Company and its subsidiaries’ Directors, etc., to sustainably increase the Company’s corporate value.

2. Overview of the Compensation Plan

Under the Compensation Plan, the restricted stocks to be provided consist of “tenure-based restricted stock” which requires continuous service for the Company and its subsidiaries’ Directors, etc., and “performance-linked stock,” which requires the attainment of the Company’s mid- to long-term business performance targets.

(1) Restricted Stock Compensation

As a principle, certain numbers of restricted shares will be given to the Company and its subsidiaries' Directors, etc. corresponding to their roles per year. Because the objectives are to promote shareholding by Directors, etc., 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 Directors, etc. To ensure compliance with the transfer restriction rules during the transfer restriction period, the allotted shares shall be managed in a dedicated account opened by Directors, etc., at a certain security company.

(2) Performance-linked Stock Compensation

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 a number of shares of the Company is granted to eligible Corporate Officers in accordance with the degree of achievement of consolidated ROIC in the final fiscal year of the medium-term management plan, the fiscal year ending December 31, 2025. In addition, the Company will make a monetary payment to the Corporate Officers of an amount corresponding to 40% of the above granted shares.

Furthermore, with regard to the sale of shares, the Company has established guidelines encouraging the holding of a given number of the Company's shares, thereby promoting management that is conscious of shareholder value.

(i) Performance Indicator

The Company has adopted consolidated ROIC as its performance Indicator for Performance-linked Stock Compensation. It is paid within a range of 0% to 200% based on the level of achievement of the consolidated ROIC (target 10% or higher) of the Company for the year ended December 31, 2025, the last fiscal year of the Medium-term Management Plan "E-Plan 2025".

(ii) Reason for setting ROIC as performance indicator

Based on the approach to key indicators in E-Plan 2025, the Company made a decision to adopt the key indicator ROIC as a performance indicator, as the plan is to continue to deepen the Company's ROIC management following E-Plan 2022.

(iii) Calculation Method of Performance-linked Stock Compensation

Calculation Method of the number of common shares and monetary:

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

Standard number \times supply rate \times 60%

1 unit = 500 shares^{*1} 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 \times payment rate \times 40% \times share price^{*2} of our common stock

1 unit = 500 shares^{*1} of the Company's common stock

^{*1} Reflecting the result of share split (1:5) made effective as of June 1, 2024

^{*2} Simple average of the closing prices of our common stock on the Tokyo Stock Exchange for the month before the board of directors meeting to resolve the allocation for the final year of the Medium-term Management Plan

Payment Rate

Payment rate (%) = Consolidated return on invested capital (ROIC) \times 20-100

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) = {Operating profit — Income tax expense + Share of profit (loss) of investments accounted for using equity method — Profit attributable to non-controlling interests} \div {Interest-bearing debt (the average of beginning and ending balances) + Total equity attributable to owners of parent (the average of beginning and ending balances)} \times 100

Persons Eligible for Stock Options	N/A
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Supplementary Explanation for Applicable Items

N/A

Compensation for Directors and Executive Officers

Status of Disclosure of Individual Director's Compensation	No Individual Disclosure
Status of Disclosure of Individual Executive Compensation	Selected Disclosure

Supplementary Explanation for Applicable Items

[Disclosure of Individual Executive Officers' Compensation]

Amount by type of compensation of the Executive Officers who received a total amount of 100 million yen or more in compensation, etc., disclosed in the securities report based on the Financial Instruments and Exchange Act during FY2024 (2024.1.1-2024.12.31) is as follows.

(Millions of yen)

Name	Total Amount of Compensation, etc. (Millions of yen)	Company	Total Amount of Compensation, etc. by items (Millions of yen)				
			Basic compensation	Short term Performance-linked compensation	Restricted share-based compensation	Performance-linked share-based compensation	Other
Masao Asami President Representative Executive Officer	167	EBARA Corporation	54	36	16	59	-

Notes:

1. Short-term performance-linked compensation shown is the total amount of short-term performance-linked compensation for FY2024, to be paid (scheduled for March 2025)
2. Restricted share-based compensation shown is the restricted share-based compensation (including phantom stock) granted in FY2024 and prior fiscal years and to be recorded as an expense in each applicable fiscal year.
3. Performance-linked share-based compensation shown is the amount to be recorded as an expense in FY 2024 out of the amount planned to be paid in May 2026. In calculating the FY2024 amount, the Company used the most recent price of the Company's stock and the forecast value for consolidated return on invested capital (ROIC) in the management plan for the period ending December 31, 2025, which is the final year of the medium-term management plan, E-Plan 2025. The difference compared to the amounts recorded for the previous fiscal year is also calculated and added.

[Total Amount of Compensation for Directors and Executive Officers]

Total amount of compensation by position and type of compensation, as well as the number of recipients during FY2024 (2024.1.1-2024.12.31)

(Millions of yen)


Position	Total Amount of Compensation, etc. (Millions of yen)	Total Amount of Compensation, etc. by items (Millions of yen)									
		Basic compensation		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				
Independent Directors	134	8	108			8	26				
Executive Officers	967	14	356	12	232	14	92	14	286		
Total	1,232	24	564	12	232	24	148	14	286		

Notes:

1. The above shows the compensation paid to Directors and Executive Officers as of December 31, 2024 according to their term of office for FY2024, and the compensation paid to one (1) Non-executive Director who retired at the conclusion of the 159th Ordinary General Meeting of Shareholders held on March 27, 2024 and three (3) Executive Officers who retired at the conclusion of the meeting of the Board of Directors held on the same day, from January 2024 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 ¥136 million (Basic compensation: ¥60 million, Short term Performance-linked compensation: ¥47 million, Performance-linked share-based compensation: ¥28million) 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 2025), in relation to Executive Officers serving in those roles as of December 31, 2024, for FY2024.
6. Restricted share-based compensation shown is the restricted share-based compensation granted in FY2024 and the amount of restricted share-based compensation granted in the previous fiscal year to be recorded as an expense in FY2024.
7. Performance-linked share-based compensation shown is the amount planned to be paid in May 2026 of performance-linked share-based compensation to be recorded as an expense in FY2024. In calculating the amount for FY2024, the Company used the most recent price of the Company's stock and the forecast value for consolidated return on invested capital (ROIC) in the management plan for the period ending December 31, 2025, which is the final year of the medium-term management plan, E-Plan 2025. The difference compared to the amounts recorded for the previous fiscal year is also calculated and added.

Policy on Determining Compensation Amounts and Calculation Methods	 Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

1. Outline of institutions and procedures that determine the amount of compensation for Directors and Executive Officers or the policy regarding the calculation method

The compensation policy of Directors and Executive Officers is determined by the Compensation Committee. All three members of the Compensation Committee are Independent Directors, which puts greater emphasis on transparency and the importance of an objective viewpoint. The current Compensation Committee members have been selected from among the Independent Directors for their experience in corporate legal affairs, corporate strategy and as a corporate management researcher.

The primary task of the Compensation Committee is to supervise the compensation systems for Directors and Executive Officers from a strategic viewpoint. 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 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 selecting such consultants, 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.

In addition to the business performance of the Company and the background and history of the Company's compensation systems, newly appointed committee members are received explanations on the relevant rules (Basic Policy on Officers' Compensation) stipulated by the Compensation Committee. Furthermore, a full-time committee secretariat has been established to provide information on such as applicable laws, regulations, rules and standards, and to support appropriate operation of the Committee.

Fourteen (14) meetings were held in FY2024, and resolved the compensation policies, as well as the amount of basic compensation and short-term performance-linked compensation for each Director and Executive Officer based on the Basic Policy on Officers' Compensation, and the content and number of restricted stock and performance-linked stock to be granted.

2. Compensation for Directors

(1) Non-executive Directors (including Independent Directors)

Compensation for Directors shall be base salary and long-term incentive, as they are expected to play a role and be responsible for supervising the lawful execution of business operations from a standpoint independent from the execution of business operations, and the amount 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 Chairman 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.

(2) 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.

(3) Combination of compensation

The combination of Directors' compensation is as follows.

	Monetary pay		Share based Compensation (Long-term incentives)	
	Basic compensation	Short-term Performance-linked Compensation	Restricted stock compensation	Performance-linked stock compensation
Non-executive Directors (including Independent Directors)	1	--	0.3	--

Note: The above figures show the ratio of compensation of Director, not the amount actually paid to each Director.

3. Compensation for Executive Officers

(1) Compensation system

The compensation for Executive Officers comprises basic compensation according to the role of President, 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.

Executive Officers are expected to play key roles in the achievement of numerical targets in their business execution. For this reason, we have set a higher proportion of performance-linked compensation for those in higher positions with greater responsibility for performance.

(2) Combination of different types of compensation

The combination of different types of compensation for Executive Officers shall be as follows.

	Monetary pay		Share based Compensation (Long-term incentives)	
	Basic compensation	Short-term Performance-linked Compensation	Restricted stock compensation	Performance-linked stock compensation
President, Representative Executive Officer	1	0.6	0.3	0.3
Executive Officers	1	0.6	0.2~0.25	0.2~0.25

Note: 1. The above figures show the ratio of compensation of Executive Officers, not the amount actually paid to each Executive Officer.

2. 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.

3. Performance-linked compensation is paid within a range of 0 to 200% based on the level of achievement of performance targets.

(3) 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).

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.

4. Payment items

(1) 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 the performance of the Company 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.

As company-wide and business performance indicators for short-term performance-linked compensation consolidated return on invested capital (ROIC) and consolidated operating profit have been adopted, based on the E-Plan 2025 policy. In addition, in order to implement advanced ESG management towards a sustainable society through business activities, ESG indicators have been introduced and the evaluation items are "E" (Environment): CDP (climate change) *1: S (Society): and GES (Global Engagement Survey)*2. The ratio of these indicators is 10% of the evaluation indicators for short-term performance-linked compensation.

For Executive Officers other than the President, Representative Executive Officer, individual goals are set, in addition to the Company-wide performance or business performance, and the achievement rate against the target will be evaluated, and the individual payment will be determined through discussion at the Compensation Committee.

(2) Overview of Long-term incentives, index of the performance-linked compensation, reasons for adopting the index, method of determining the amount of performance-linked compensation)

→ Please refer to "Incentive Policies for Directors and/or Executive Officers." above

*1. CESG evaluation organization for climate change strategies and initiatives to reduce specific greenhouse gas emissions.

*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.

5. Malus and Clawback Policy

In order to deter misconduct such as legal violations or serious wrongful acts by Directors and Executive Officers, to ensure the soundness of remuneration, and to maintain the trust of our shareholders and other stakeholders, the Company has introduced a malus and clawback policy. This policy allows the Compensation Committee to take actions such as the forfeiture or recoupment of remuneration in the event of such misconduct.

Support System for Outside Directors

For Independent Directors to understand the Group deeper and conduct quality deliberation at Board meetings to further enhance effectiveness of the Board, the secretariat of the Board of Directors, under the Corporate Strategic Planning Division, distributes materials for deliberation prior to each meeting of the Board of Directors and provides explanations on content of the respective agenda items to Independent Directors. Executive Session can hire independent advisors specializing in areas including legal affairs, accounting and finance at the cost of the Company without prior approval of the Board of Directors and Executive Officers, if it is deemed necessary for its activities.

Meanwhile, a permanent committee secretariat for each Committee has established, and supported, the activities of Independent Directors serving as a member of the Committee to enable each Committee to exhibit its functions efficiently and appropriately.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (Sodanyaku, Komon, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
N/A	-	-	-	-	-

Number of Persons Holding Advisory Positions (Sodanyaku, Komon, etc.) After Retiring as Representative Director and President, etc.	0
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Other Related Matters

The Company has not had any advisors (“*sodanyaku*,” “*komon*,” etc.) who are retired Presidents or Directors, Chairman (collectively hereinafter referred to as “Retired Presidents or Chairmen”).

The Company may, as necessary, entrust Retired Presidents or Chairmen to supervise or advise the EBARA Group’s social contribution initiatives in the areas of culture, academia, and the arts.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

[Recommendations from the Japan Fair Trade Commission]

On February 20, 2025, the Company received a recommendation from the Japan Fair Trade Commission pursuant to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (hereinafter, the “Subcontract Act”). The Company outsources the manufacturing of certain parts of its products (hereinafter the “Parts”) to business partners that fall under subcontractors under the Subcontract Act (hereinafter, the “Target Subcontractors”) and has been lending company-owned wooden patterns, metal molds, jigs, etc. (hereinafter, the “Wooden Patterns, Etc.”) to some of the Target Subcontractors for use in manufacturing the Parts.

According to the recommendation, the Company was found to have violated Article 4, Paragraph 2, Item 3 of the Subcontract Act (Prohibition of Unreasonable Requests for Economic Benefits) by having the Target Subcontractors store the Wooden Patterns, Etc. free of charge despite placing no orders for the Parts to be manufactured using the Wooden Patterns, Etc. for an extended period.

The Company took this recommendation seriously and passed a resolution regarding the recommendation at the Board of Directors meeting held on February 21, 2025. Based on this resolution, the Company will take the necessary steps to strengthen internal structures, such as conducting internal training on the Subcontract Act, and will ensure thorough awareness among officers and employees to prevent future violations. The Company will promptly implement the measures required under the recommendation and work to further strengthen compliance and prevent recurrence.

For more information, please refer to the following:

"Initiatives in Response to Recommendations from the Japan Fair Trade Commission" EBARA Group Integrated Report 2025 (p.65)

⇒ https://www.ebara.com/content/dam/ebara/grand-masters/entities/en/ir/library/annual-report/INT25_all_EN_1.pdf#page=66

[Activities of the Board of Directors and Each Committee]

As of March 27, 2025, the Company’s framework for the corporate governance is refer to Appendix 4 and activities of the Board of Directors and Committees are described below.

→ For more detail on the Corporate Governance Framework, please see Appendix 4. 【Supervision】

1. Board of Directors

The number of Directors comprising the members of the Board of Directors shall not exceed fifteen (15). At least the majority of the Board members shall be Independent Directors, and the number of Directors who concurrently serve as Executive Officers is kept to a minimum.

As of March 27, 2025, the Board of Directors comprises ten (10) Directors, and seven (7) of whom are Independent Directors (including three (3) females). *Hiroshi Oeda*, an Independent Director, serves as Chairman of the Board of Directors. The Company is considering the appointment of Directors of foreign nationality in the future from the standpoint of diversity.

(1) Major Issues Discussed in FY2024

- Status monitoring and follow-up of Long-Term Vision and Medium-Term Management Plan: E-Plan 2025
- Verification and recommendations regarding legal compliance systems and internal reporting systems
- Verification and monitoring of mid to long-term issues with regard to sustainability (talent development, DE&I, DD in the supply chain, information disclosure related carbon neutrality and TCFD*, labor safety, quality assurance, compliance activities, etc.)
- Development of new businesses and marketing activities
- Establishment of annual management plan and KPIs for each Business Division
- Revision of Corporate Governance Basic Policy (including clarification of roles and function of the Board regarding sustainability)
- Evaluation of Effectiveness of Board of Directors and its follow-up

*As TCFD’s monitoring function for corporate climate-related information disclosure was transferred to IFRS® Sustainability Disclosure Standards S2 Climate-Related Disclosures (hereinafter, “IFRS® S2”) in 2024, we have updated our information disclosure as of June 2024 by referring to the IFRS® S2 disclosure standards.

(Note) "IFRS®" is a registered trademark of the IFRS Foundation.

(2) Attendance of each Director (FY2024)

Toichi Maeda	Masao Asami	Hiroshi Oeda	Junko Nishiyama	Mie Fujimoto	Hisae Kitayama	Akihiko Nagamine	Takuya Shimamura	Teiji Kouge	Tsuyoshi Numagami
100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)	100% (15/15)

Notes: 1. Seven (7) Directors, Hiroshi Oeda, Junko Nishiyama, Mie Fujimoto, Hisae Kitayama, Takuya Shimamura, Teiji Kouge and Tsuyoshi Numagami are Independent Directors.

2. Nomination Committee

The Nomination Committee is made up of Independent Directors and Non-executive Inside Directors, and a majority of the committee is made up of Independent Directors. As of March 27, 2025, the Nomination Committee comprises two (2) Independent Directors (*Teiji Kouge and Hiroshi Oeda*) and one (1) Non-executive Inside Director (*Masao Asami*). *Teiji Kouge*, an Independent Director, acts as Chairperson of the Nomination Committee.

(1) Major Issues Discussed in FY2024

- Implementation of and monitoring of programs to train final candidates for the next President
- Succession planning of Directors
- Deliberation on Director candidates
- Deliberation on Executive Officer candidates
- BCP for Directors

(2) Attendance of each Director (FY2024)

Teiji Kouge	Hiroshi Oeda	Toichi Maeda
100% (18/18)	100% (18/18)	100% (18/18)

3. Compensation Committee

The Compensation Committee is made up of Independent Directors and Non-executive Inside Directors, and a majority of the committee is made up of Independent Directors.

As of March 27, 2025, the Compensation Committee comprises three (3) Directors, all of whom are Independent Directors (*Mie Fujimoto, Takuya Shimamura and Tsuyoshi Numagami*). *Mie Fujimoto*, an Independent Director, acts as Chairperson of the Compensation Committee.

(1) Major Issues Discussed in FY2024

- Compensation System for Directors and Executive Officers
- Individual compensation for Directors and Executive Officers
- Short-term performance-linked compensation based on performance evaluation results for Executive Officers
- Review of rules for change of compensation for Executive Officers
- Review of introduction of malus claw back clause

(2) Attendance of each Director (FY2024)

Mie Fujimoto	Takuya Shimamura	Junko Nishiyama	Tsuyoshi Numagami
100% (14/14)	100% (14/14)	100% (3/3)	100% (11/11)

Notes:

1. Director Junko Nishiyama resigned as a member of the Compensation Committee upon completion of her term at the conclusion of the Board of Directors meeting held on March 27, 2024. Therefore, her attendance record at Compensation Committee meetings held prior to this date is listed

2. Director Tsuyoshi Numagami was appointed as a member of the Compensation Committee by the Board of Directors on March 27, 2024. Therefore, his attendance record at Compensation Committee meetings held after this date is listed

4. Audit Committee

The Audit Committee is made up of Non-executive Inside Directors and Independent Directors, and a majority of the committee is made up of Independent Directors.

As of March 27, 2025, the Audit Committee comprises three (3) Directors, two (2) of whom are Independent Directors (*Junko Nishiyama* and *Kaeko Kitamoto*) and one (1) of whom is Non-executive Inside Director (*Akihiko Nagamine*).

Having a majority of the Committee to be served by the Independent Directors and having an Independent Director serve as the Chairperson ensures independence of audits. 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.

Junko Nishiyama, an Independent Director, acts as Chairperson of the Audit Committee. *Junko Nishiyama* has audited IFRS-based consolidated financial statements as a standing corporate auditor, and *Kaeko Kitamoto* is a certified public accountant. *Akihiko Nagamine*, a full-time member of the Committee 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.

(1) Major items discussed in FY2024

- Audit of Executive Officers' business execution and legal compliance systems
- Status of development and operation of the Group internal controls pertaining to the Companies Act and the Financial Instruments and Exchange Act, and preparation status for revised internal control standards
- Stronger collaboration between accounting auditors and internal audit department and enhancement of "three-party audit system," and establishment and enhancement of monitoring-based audit system
- Appropriate accounting process with regard to material IFRS accounting matters and status of response to change to quarterly disclosure system
- Establishment of a global group governance system in line with business operation and the five-company system by target market and CxO system, and progress of the Medium-term Management Plan E-Plan 2025
- Review of business processes with regard to collection, analysis and disclosure of non-financial (sustainability) information
- Establishment and monitoring of internal reporting desk and effective handling of reported cases.

(2) Attendance of each Director (FY2024)

Hisae Kitayama	Akihiko Nagamine	Tsuyoshi Numagami	Junko Nishiyama
100% (22/22)	100% (22/22)	100% (6/6)	100% (16/16)

Notes:

1. Director Tsuyoshi Numagami resigned as a member of the Audit Committee upon completion of his term at the conclusion of the Board of Directors meeting held on March 27, 2024. Therefore, his attendance record at Audit Committee meetings held prior to this date is listed
2. Director Junko Nishiyama was newly appointed as a member of Audit Committee by the Board on March 27, 2024, therefore her attendance since the above date is listed.

5. Independent Directors Meeting

The Independent Directors Meeting, comprising only Independent Directors, has been established as a venue for Independent Directors to recognize necessary issues, deepen understanding of such issues and discuss on them freely. The Lead Independent Director, who is elected by mutual voting, serves as Chairperson of the Meeting. As of March 27, 2025, Teiji Kouge, an Independent Director, acts as the Lead Independent Director. Thirteen (13) meetings were held in FY2024. Contents of deliberation and attendance were as follows.

(1) Major Issues Discussed in FY2024

- Monitoring and follow-up of progress on Long-term Vision and Medium-term Management Plan
- Verification and recommendations regarding legal compliance system and internal reporting system
- Verification and monitoring of medium- to long-term sustainability issues (human resource development, diversity, equity, and inclusion (DE&I), human rights due diligence (DD) in the supply chain, carbon neutrality, measures to respond to TCFD recommendations, occupational safety, quality assurance, compliance activities, etc.)
- New business development and group-wide marketing activities
- Formulation of annual management plans and setting of KPIs for each business division
- Revision of Corporate Governance Basic Policy
(Clarification of the role and functions of the Board of Directors with regard to sustainability, etc.)
- Evaluation of the Effectiveness of the Board of Directors and follow-up

(2) Attendance of each Director (FY2024)

Hiroshi Oeda	Junko Nishiyama	Mie Fujimoto	Hisae Kitayama	Takuya Shimamura	Teiji Kouge	Tsuyoshi Numagami
100% (13/13)	100% (13/13)	100% (13/13)	100% (13/13)	100% (13/13)	100% (13/13)	100% (13/13)

6. External Independent Auditor

The Company has entered into an audit agreement with Deloitte Touche Tohmatsu LLC, which conducts the Company's accounting audits with respect to audits required by the Companies Act and the Financial Instruments and Exchange Act. In FY2024, the continuous period of performing the Company's accounting audits by Deloitte Touche Tohmatsu LLC is two (2) years, and names of its engagement partners and their respective periods of performing the Company's accounting audits as of March 31, 2025 are as follows: *Yoshiaki Kitamura* (2 years), *Takuya Sumita* (2 years), *Akiko Fujiharu* (2 years)

There are twenty-one (21) certified public accountants and fifty-three (53) others who assist to the Company's accounting audits work.

[Execution of Business]

1. Executive Officers

Executive Officers are elected by a resolution of the Board of Directors based on the proposal by the Nomination Committee. Executive Officers determine the execution of duties as delegated by the Board of Directors and perform such duties in line with the overall direction of management philosophy and strategies such as Long-term Vision "E-Vision2030" and Medium-term Management Plan "E-plan2025" as determined by the Board of Directors.

2. Internal Audit System

The Corporate Audit Division conducts internal audits, the results of which are reported to the President, Representative Executive Officer. The role of internal audits is, in accordance with the Internal Audit Rules, to develop and strengthen the corporate governance system, compliance, risk management and internal controls of each business execution division of the Company and its subsidiaries, and the Corporate Audit Division checks, assesses and evaluates whether business is being executed appropriately in line with management policy and rules and regulations, and gives advice and recommendations toward improvement. In order to provide stronger support to business execution departments and subsidiaries, improvement suggestions from the Corporate Audit Division are shared with relevant supervising corporate departments and the internal control departments of the in-house companies.

3. Risk Management

In order to strengthen group governance and risk management systems, including those of overseas subsidiaries that support the EBARA Group's global business development, we are thoroughly implementing Group administration basic policy, establishing a risk management system, and establishing a communication system in the event of an emergency. In addition, we regularly conduct risk assessments to update our risk response system in response to changes in the risk situation surrounding the Group. Based on the results of these reviews, the Risk Management Panel deliberates on the departments in charge of responding to such issues, monitoring methods, and other matters.

As a key initiative of E-Plan 2025, we have introduced a Chief Risk Officer (CRO) structure and are striving to enhance it. We have established a system of collaboration between the Corporate, the Risk Officers (ROs) in each company and other CxOs, to ensure that we can share risk incidents across the Group and issue directions on countermeasures in a timely and appropriate manner.

As part of the risk response system, a task force headed by the President, Representative Executive Officer is set up when a company-wide response is required, depending on the level of importance, so that the Company can report, communicate and make decisions quickly.

In recent years, the business environment has been changing even more rapidly, and it is now more important than ever to be able to respond sensitively to these changes. We are working to build a risk management system that enables us to respond proactively by gathering and analyzing information not only on risks that have already become apparent, but also on future risks.

For more information on “EBARA Group’s Risk Management System,” please see:

⇒ <https://www.ebara.com/global-en/sustainability/governance/risk-management/>

4. Compliance

We practice compliance based on the EBARA Group CSR Policy, which calls on us to conduct business with a strong sense of ethics and foster relationships of trust with such valued stakeholders as customers, suppliers, shareholders, investors, local communities, and employees. In addition to legal compliance, the Group makes conscientious efforts to conform to in-house regulations, social norms, and other rules in its business activities. The Group is well aware of the fact that a scandal resulting from a failure to guarantee compliance would undoubtedly have a severe adverse impact on its management foundations. The Corporate Audit Division works with Corporate departments and subsidiaries to promote compliance activities. Within Japan, we hold the “EBARA Group Compliance Liaison Committee,” and overseas, we exchange information on compliance status and compliance-related matters through the CRO Liaison Meeting. Additionally, we operate the “Compliance Liaison System” and “Internal Reporting Desk,” through which subsidiaries’ corporate ethics officers and Companies’ corporate ethics officers report compliance-related matters to the Group Ethics Officer. These activities are reported to the Sustainability Committee and Audit Committee. An overview of our compliance system is available on our website below.

For more information on “EBARA Group’s Compliance System,” please see:

⇒ <https://www.ebara.com/global-en/sustainability/governance/compliance/>

[Internal Reporting Desk]

The EBARA Group has established compliance consultation hotlines for the Group’s stakeholders to directly report to the department in charge of compliance or the Audit Committee, with the aim of detecting and preventing fraud, fostering comfortable working environments, and enhancing its capacity to autonomously resolve issues within the Company. To ensure these hotlines can be used with confidence, we thoroughly communicate to employees that the privacy of the whistleblower, the alleged violator, and any related parties will be protected, and that whistleblowers will not suffer a disadvantage because of the fact of reporting, by clearly stipulating this in company rules, etc. In addition, we provide training for hotline staff to improve their understanding of relevant laws and regulations, the hotline system, and their consultation-handling skills, thereby establishing a system that users can trust. In FY2025, we are establishing the “Global Hotline” as a common consultation desk for all Group officers and employees, including those at overseas Group companies, in compliance with local laws and regulations. All Group companies in Japan have started operating the Global Hotline, and overseas Group companies are scheduled to begin operation by the end of December. By operating the Global Hotline, we aim to further strengthen the EBARA Group’s governance by contributing to the enhancement of Group-wide transparency and the sound, autonomous operation of each Group company.

5. Meeting Bodies for Business Execution

(1) 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. Each Executive Officer actively expresses their opinions and discusses not only their own scope of duties delegated by the Board of Directors, but also all other matters for deliberation in the Management Meeting from the perspective of optimization for the EBARA Group as a whole, based on their own experience and knowledge. The Management Meeting is held every month. Twelve (12) meetings were held in FY2024.

(2) 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. Four (4) meetings were held in FY2024.

(3) Sustainability Committee

The Sustainability Committee operates for the purpose of deliberating on response policies for business and supporting activities, determining KPIs and targets, and confirming results. Through these activities, the Group aims to contribute to a sustainable society and environment while continuously enhancing corporate value. The Sustainability Committee is chaired by the President and Representative Executive Officer and is composed of Executive Officers as members, with outside experts in sustainability management participating as advisors. To facilitate effective supervision, Non-executive Directors are encouraged to attend meetings as observers and provide advice as necessary. The Sustainability Committee reports its deliberations to the Board of Directors, enabling the Board to exercise its supervisory function based on accurate information. The Sustainability Committee meets on a quarterly basis, and four (4) meetings were held in FY2024.

(4) Risk Management Panel

The Risk Management Panel (hereinafter referred to as “RMP”) is in place as a body responsible for coordinating risk management activities of the Group, 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 Inside Directors attend the panel as observers 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 four (4) periodic meetings every year, RMP meetings are held as required. Six (6) meetings were held in FY2024.

(5) 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 all company information subject to the decision on whether or not to disclose the information without omission, deliberates on whether or not to disclose the information, the content and timing of the disclosure, and disclose the information after obtaining the approval of President, Representative Executive Officer. Ten (10) meetings were held in FY2024.

→ For further information on of the Disclosure Committee, please refer to "V 2. (2) Internal system relating to timely disclosures".

[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.

[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.

3. Reasons for Adoption of Current Corporate Governance System

The Company, in the interest of enhancing its corporate governance system, established the Nomination Committee and the Compensation Committee as voluntary committees while adding two (2) Independent Directors in 2008, and further increased the number of Independent Directors to four (4) in 2011, which accounts for one-third (1/3) of the maximum number of Directors set forth in the Company's Articles of Incorporation. In June 2015, the Company adopted the new organizational form of a "Company with the Nomination Committee, etc.," which has the Nomination Committee, the Compensation Committee and the Audit Committee as statutory committees to enhance its corporate governance from the aspects (1) through (3) described below.

As a key vehicle for ensuring corporate governance, the new organizational form ensures the well- balanced assignment of roles and responsibilities among the Committees and a clear division of functions between the supervision of corporate management and the execution of business operations by appointing a majority of each Committee from Independent Directors.

[Key Points of Transition to a Company with the Nomination Committee, etc.]

(1) Reinforce supervisory functions and enhance transparency in corporate management by the Board of Directors.

With the Board of Directors consisting mainly of Non-executive Inside Directors and Independent Directors, we intend to reinforce the Board's function to supervise corporate management from the perspective of enhancing its independence, objectivity and transparency.

(2) Expand authority of the executive organizations and enhance competitiveness regarding business execution.

We intend to promote flexible and swift business management and establish an environment that will support the reinforcement of competitiveness and appropriate risk-taking in business execution by ensuring the clear division of roles and responsibilities between the Board of Directors and the organizations of business execution, and by delegating authority to the executive organization over an extensive range of business execution.

(3) Establish a corporate governance framework that can be easily understood by global stakeholders.

With a rise in the percentage of overseas sales and efforts by foreign shareholders to encourage a corporate governance framework that is more comprehensive from a global perspective, we intend to improve our corporate governance system, which separates supervisory and executive functions, so that it becomes more clearly understandable to global stakeholders.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanations
Early Posting of Notice of the General Meeting of Shareholders	For the 160th Ordinary General Meeting of Shareholders (the fiscal year ended December 31, 2024), the notice was distributed electronically on the website on February 26, 2025, 27 days prior to the date of the meeting. Also, we posted the PDF data of the notice on the Tokyo Stock Exchange website on February 27, 2025. The Company sent the notice of convocations (access notification) on March 10, 2025, 15 days prior to the date of the Ordinary General Meeting of Shareholders.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company is making efforts to hold the meeting earlier and avoid the Peak Period. The 160th Annual General Meeting of Shareholders was held on March 26, 2025.
Electronic Exercise of Voting Rights	From the 142th Ordinary General Meeting of Shareholders held on June 2007, the exercise of voting rights via the Internet has been adopted.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	From the 142th Ordinary General Meeting of Shareholders held on June 2007, the Company has been participating in the electronic voting platform operated by ICJ.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	For facilitating foreign shareholders' exercise of voting rights, an English version of the notice of convocation of the Ordinary General Meeting of Shareholders was prepared and posted on the websites of the Tokyo Stock Exchange on March 6, 2025 and on the EBARA website on March 5, 2025.
Other	At the 160th Ordinary General Meeting of Shareholders (for the fiscal year ended December 31, 2024), we held a live broadcast of the Ordinary General Meeting of Shareholders to create a system that allows more shareholders to participate it. In conclusion, we posted the business report video, which was shown at the Meeting, on the EBARA website promptly after the Meeting.

2. Status of IR-related Activities Updated

	Supplementary Explanations	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	<p>Stated in "V. Other, 2. Other Matters Concerning the Corporate Governance System."</p> <p>In addition, the Company prepares the "IR Basic Policy" as policies for executing IR activities for enhancing its corporate value through constructive dialogue with shareholders and investors and disclose it EBARA's website.</p> <p>For more information on "IR Basic Policy," please see: ⇒ https://www.ebara.com/global-en/ir/business/ir-basic-policy/</p>	N/A

Regular Investor Briefings held for Individual Investors	<p>We hold briefings for individual investors. In FY2025, as of the submission date of this report, we held four briefings for individual investors.</p> <p>Online briefing and other event materials are posted on the Company's website.</p> <p>For more information on "EBARA as an investment," please see: ⇒ https://www.ebara.com/global-en/ir/shareholder/</p>	No
Regular Investor Briefings held for Analysts and Institutional Investors	<p>The Company holds quarterly financial results briefing. President, Representative Executive Officer and the respective business managers explained business performance and management strategies at the second quarter briefing and full-year briefing this year. The officer in charge of investor relations explained the Company's business performance at the briefings for the first and third quarter. These presentation videos (including scripts and Q&As) are available on the Company website.</p> <p>In addition, we hold IR events as appropriate, such as ESG Briefings, business briefings, and plant tours, focusing on topics that analysts and institutional investors may have great interest. In October 2024, we held IR events on the businesses that are attracting the most interest, including business performance of our energy business, initiatives for carbon-neutral society and status of our hydrogen-related business.</p> <p>Besides, at a small meeting for institutional investors hosted by security analysts in April, 2025 and ESG briefing held in November 2024, one of our Independent Directors provided explanations on governance. In this way, we are actively increasing opportunities to dialogue and disseminate about the non-financial indicators.</p>	Yes
Regular Investor Briefings held for Overseas Investors	<p>The Company participates in conferences organized by securities companies. For major overseas shareholders and institutional investors, the President, Representative Executive Officer and the Executive Officer(s) in charge of investor relations are available for individual interviews and small meetings, providing regular opportunities to explain performance and management strategies and to engage in constructive dialogue.</p>	Yes
Online Disclosure of IR Information	<p>The Company's website publishes the Company's timely disclosure materials, including financial results, presentation materials and medium-term management plans, as well as annual securities reports, integrated reports and financial data, among others. We strive to proactively disclose important information that contributes to investment decisions by investors.</p> <p>For more information on "IR Library," please see: ⇒ https://www.ebara.com/global-en/ir/library/</p> <p>For more information on "Long-term Vision and Medium-term Management Plan", please see: ⇒ https://www.ebara.com/global-en/ir/business/vision/</p> <p>For more information on "Sustainability", please see: ⇒ https://www.ebara.com/global-en/sustainability/</p>	N/A
Establishment of Department and/or Placement of a Manager in Charge of IR	<p>Executive responsible for IR: Executive Officer & CFO</p> <p>Department responsible for IR: Investor Relations Dept., Investor Relations and Public Relations Division</p>	N/A
Other	<p>Latest news releases are distributed by e-mail in a timely manner to investors registered.</p>	N/A

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanations
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	In the EBARA Group CSR Policy and the EBARA Group Code of Conduct, the Company, in order to maintain fair and appropriate relationships with its various stakeholders, articulates its respect for the position of each stakeholder including shareholders, investors, customers, suppliers, local communities, and employees.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>Of the six layers that form the framework of the EBARA Group's Corporate Ethics (see Appendix 1 "Framework of the EBARA Group's Corporate Ethics"), we define "the EBARA Way" as the combination of the Founding Spirit, Corporate Philosophy, and CSR policy of the top three layers. We continue activities to improve the value with the EBARA Way as the very basis. The following is the external evaluations of ESG's efforts in recognition of the Company's activities.</p> <p>(1) External evaluations of ESG initiatives</p> <p>“FTSE 4 Good Index”</p> <p>“FTSE Blossom Japan Index”</p> <p>“FTSE Blossom Japan Sector Relative Index”</p> <p>“MSCI Nihonkabu ESG Select Leaders Index,”</p> <p>“MSCI Japan Empowering Women Index (nickname: WIN)”</p> <p>“S&P/JPX Carbon Efficient Index”</p> <p>“Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)”</p> <p>“The Minister of Health, Labor and Welfare of Japan – Eruboshi”</p> <p>“Sompo Sustainability Index”</p> <p>“iSTOXX MUTB Japan Platinum Career 150 Index</p> <p>“MSCI ESG Ratings AAA”</p> <p>ISS ESG "ESG Corporate Rating" - "Prime" status</p> <p>“2024 NIKKEI Smart Work” - 4 stars</p> <p>“2024 NIKKEI SDGs” - 4 stars</p> <p>“Corporate Governance of the Year 2022-Minister of Economy, Trade and Industry Award”</p> <p>“Corporate Governance of the Year 2023-Grand Prize Company</p> <p>“2024 JCGIndex Survey Report” – Awarded 2nd place</p> <p>“Asia-Pacific Climate Leaders 2024”</p> <p>“Eco-First Company”</p> <p>2024 CDP “Climate Change” – A-</p> <p>2024 CDP “Water Security” – A-</p> <p>“DBJ Environmentally Rated Loan Program 2022”</p> <p>“2025 Health & Productivity Management Outstanding Organizations (Enterprise Section, White500)”</p> <p>“Sports Yell Company 2025” (Certified as Bronze)</p> <p>“PRIDE Index 2024” (Certified as Silver)</p> <p>“D&I AWARD 2024 ” (Certified as Best Workplace)</p> <p>Encouragement Award at the "14th Japan HR Challenge Award"</p> <p>Special Award at the "JAPAN HR DX AWARDS"</p> <p>“Third Nikkei Integrated Report Award (Enterprise Class, White 500)”</p> <p>“Excellent Integrated Reports” selected by GPIF’s asset managers entrusted with domestic equity investment</p> <p>“Excellent TCFD Disclosure” selected by GPIF’s asset managers entrusted with domestic equity investment</p> <p>“Excellent IR Company 2023”</p> <p>“IR Improvement Company Premium”</p> <p>External evaluation:</p> <p>⇒ https://www.ebara.co.jp/en/ir/business/information/sri.html</p> <p>(2) Institutions that EBARA has signed up</p>

- We support the Ministry of Economy, Trade and Industry's GX (Green Transformation) League basic concept.
- We are a founding member company of the Semiconductor Climate Consortium (SCC) of the International Semiconductor Equipment and Materials Institute (SEMI). We aim not only to reduce GHG emissions through our business activities, but also to reduce GHG emissions in the entire value chain, from the procurement of raw materials to the use and disposal of our products by our customers.
Furthermore, we will work to contribute to the absorption of GHGs through the use of our products and technologies, thereby achieving 'real' carbon neutrality.
- In terms of internal initiatives, we signed the United Nations Global Compact, practicing its 10 principles covering the areas of human rights, labor, the environment and anti-corruption.
- With the aim of maximizing the value of our human resources and increasing our corporate value, we endorse and participate in the aim of the Human Capital Management Consortium, which promotes human capital management from the dual aspects of practice and disclosure.
- We endorsed the intent of the Women's Empowerment Principles (WEPs) and signed a statement to act in accordance with these Principles.
- The company supports Business for Marriage Equality, which promotes marriage equality (legalization of same-sex marriage) in Japan, and provides company-wide training to promote LGBTQ+ understanding.
- We sponsored Tokyo Pride 2025 event, one of the largest LGBTQ+ events in Asia, as a bronze sponsor.
- In order to support diverse work styles of our employees, we have positioned “the take-up rate of male maternity leave” as an important indicator and endorse the “100% Paternity Leave Declaration.”

For more information, please refer to the following:

- TCFD
⇒ <https://www.ebara.com/global-en/sustainability/think/tcfd/>
- We support GX (Green Transformation) League Basic Concept announced by the Ministry of Economy, Trade and Industry
⇒ https://www.ebara.com/global-en/newsroom/2022/1205654_1673/
- “EBARA Participates in the Semiconductor Climate Consortium (SCC)”
⇒ https://www.ebara.co.jp/en/corporate/newsroom/release/company/detail/1206157_10220.html
- We participate in the Human Capital Management Consortium
⇒ https://www.ebara.com/global-en/newsroom/2022/1204701_1673/
- We support the Business for Marriage Equality
⇒ https://www.ebara.com/global-en/newsroom/2023/1210854_1673/
- We endorse the 100% Paternity Leave Declaration
⇒ https://www.ebara.com/global-en/newsroom/2024/1216753_1673/
- We joined Valuable 500
⇒ https://www.ebara.com/global-en/newsroom/2021/1195007_1673/

(3) Other

For a description of our Environmental Activities, please refer to "3. Issues to be addressed by ESG Management (1) Responding to Climate Change: Climate-related Scenario Analysis Based on TCFD Recommendations".

Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>Under the EBARA Group CSR Policy and the EBARA Group Code of Conduct, the Company provides for the timely and appropriate disclosure of information to stakeholders based on transparency.</p> <p>Additionally, the Company has in place a cross-sectional Disclosure Committee with specific administrative rules to provide a framework to enable the fair, timely and appropriate disclosure of corporate information.</p>
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IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The Company sets out the Basic Policy for Internal Control and strives to realize the content resolved by the Board of Directors of the Company as a system for ensuring appropriate operations.

→ Read more on the Basic Policy for Internal Control and Overview of Operation, see Appendix 5.

Every year, Executive Officers perform self-evaluations on the development and operation status of internal controls, and the areas that should be improved are reflected in the next year's plan based on the results in this fashion the Company will continue making improvements. These self-evaluations by Executive Officers are reported to the Board of Directors, and the Board of Directors establishes a system enabling it to exhibit supervisory functions by accurately grasping information.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development Updated

The Company's basic policy is to "be keenly aware of social responsibility of the Company and its subsidiaries, and the Company shall intercept any relationship with anti-social forces at all levels of business activities," and we are implementing measures as described in (1) and (2) below.

(1) The company has established policies and systems to intercept any relationship between the Company/subsidiaries and anti-social forces and implement them.

(2) The Company has established the Anti-social Force Countermeasure Headquarters to centrally collect and accumulate information with regard to anti-social forces, and cooperate with external special agencies etc., and we support their initiatives to intercept any relationship between the Company/its subsidiaries and anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Item

N/A

2. Other Matters Concerning the Corporate Governance System Updated

The status of the Company's internal system relating to the timely disclosure of corporate information is as follows.

(1) Basic Policy for Timely Disclosure

The Company recognizes that the disclosure of information in compliance with the laws and regulations regarding financial information, including the Company's financial position and business performance, management strategies and management issues, and regarding non-financial information, including risk and governance, as well as the proactive provision of information which is not in compliance with laws and regulations, to its

stakeholders including shareholders and investors in a fair, appropriate and timely manner, is both fundamental and crucial in order for the Group to gain society's trust as a listed company and to continue as a going concern. The Company has established the Disclosure Committee as a body that exhaustively gathers corporate information subject to the decision of disclosure, deliberates whether such information should be disclosed, and determines the details of the corporate information to be disclosed and the timing for such disclosure. The Company has also set forth the Disclosure Committee Operating Rules regarding the procedures for implementing the disclosure of information.

(2) Internal system relating to timely disclosures

(a) Disclosure Committee

The Company has established the Disclosure Committee as a cross-sectional body to handle disclosures of corporate information including events that involve the entire Group and matters that have been decided, as well as financial closing information, in a fair, timely and appropriate manner.

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 disclose the information after obtaining the approval of President, Representative Executive Officer.

(b) Internal system relating to the implementation of timely disclosures

In order to conduct disclosures in a fair, timely and appropriate manner, the Company has set forth the Disclosure Committee Operating Rules, and has developed and operated an internal system for the implementation of timely disclosures as follows. The Company conducts appropriate and timely disclosure and going forward intends to make every effort to maintain this internal system.

→ For an overview, please see Appendix 6.

[Gathering information subject to disclosure]

The EBARA Group has system to comprehensively gather and consolidate information on timely disclosure through the departments of corporate headquarters, administration departments of each internal company, and the Critical Information Control Committee, which manages material facts related to insider trading regulations. Under this system, information that has been gathered and consolidated is reported to the Disclosure Committee.

[Deliberation of whether to be disclosed]

The secretariat of the Disclosure Committee requests the Disclosure Committee to decide whether disclosure is necessary each and every time it receives information from the information gathering divisions; and prepares and deliberates disclosure drafts regarding information, which has been determined to be disclosed.

[Implementation of timely disclosure]

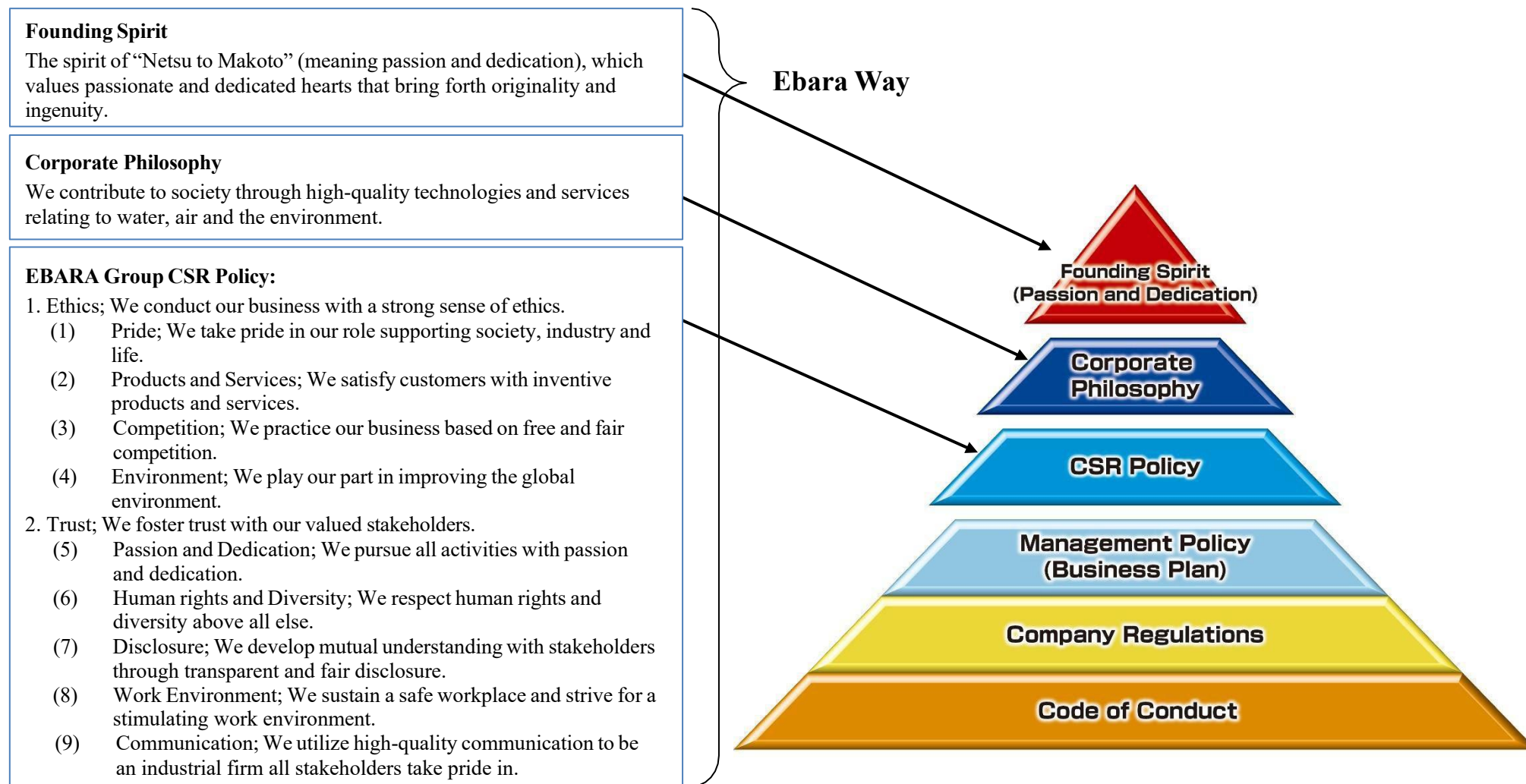
Investor Relations Department, upon approval by the President, Representative Executive Officer and the resolution of the Board of Directors, depending on the contents of the information, promptly conducts timely disclosure of information that has been determined by the Disclosure Committee.

As for disclosures to parties other than the stock exchanges, notification to the Kanto Finance Bureau is the responsibility of the Accounting Department; disclosures related to the Companies Act, including those for the Ordinary General Meeting of Shareholders and postings on the Company's website are the responsibility of the Investor Relations Department.

◇ *Appendixes*

- 1 EBARA Group Corporate Ethics Framework
- 2 EBARA Corporate Governance Basic Policy
- 3 Independence Standards of Independent Director of EBARA
- 4 Corporate Governance Framework
- 5 System for Ensuring Appropriate Operations and the State of Operation of the System
- 6 Disclosure Process
- 7 Flow Chart of Communication with Shareholders & Investors

“EBARA Group Corporate Ethics Framework”



Notes:

- 1) 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.
- 2) The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

EBARA Corporate Governance Basic Policy

Preface

This basic policy (hereinafter “**the Policy**”) is set to establish the basic approach on the corporate governance of EBARA CORPORATION (hereinafter “**the Company**”), with the aim of contributing to the sustainable growth and medium- to long-term enhancement of the corporate value of the Company and the EBARA Group (hereinafter “**the Group**”).

Chapter 1 General rules

Basic approaches on corporate governance

Article 1

1. The Company has established the “EBARA Way,” composed of its “Founding Spirit,” “Corporate Philosophy” and the “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 sharing of the results with various stakeholders including shareholders through sustainable business development as its most important management objectives. To achieve such objectives, the Company constantly seeks the best possible corporate governance and strives towards its further enhancement.

EBARA Way

- Founding Spirit

The spirit of “Netsu to Makoto” (meaning “passion and dedication”), which values passionate and dedicated hearts that bring forth originality and ingenuity

- Corporate Philosophy

We contribute to society through high-quality technologies and services relating to water, air and the environment.

- EBARA Group CSR Policy

The Company’s basic stance for the purpose of clarifying and practicing the Group’s social responsibility

- (1) Ethics: We conduct our business with a strong sense of ethics.
 - 1) Pride: We take pride in our role supporting society, industry and life.
 - 2) Products and Services: We satisfy customers with inventive products and services.
 - 3) Competition: We practice our business based on free and fair competition.
 - 4) Environment: We play our part in improving the global environment.
- (2) Trust: We foster trust with our valued stakeholders.

- 5) Passion and Dedication: We pursue all activities with passion and dedication.
 - 6) Human Rights and Diversity: We respect human rights and diversity above all else.
 - 7) Disclosure: We develop mutual understanding with stakeholders through transparent and fair disclosure.
 - 8) Work Environment: We sustain a safe workplace and strive for a stimulating work environment.
 - 9) Communication: We utilize high-quality communication to be an industrial firm all stakeholders take pride in.
2. The Company is committed to enhancing corporate governance based on the following basic views:
- (1) The Company respects shareholders' rights and is engaged in establishing an environment which enables shareholders to appropriately and effectively exercise their rights and ensures equality among shareholders. In addition, the Company establishes the IR Basic Policy and exchanges constructive dialogues with shareholders and investors to facilitate the sustainable growth and medium- to long-term enhancement of corporate value.
 - (2) The Company strives to co-create values with various stakeholders, including shareholders, customers, business partners, creditors, employees and local communities in an appropriate manner.
 - (3) The Company strives to ensure management transparency through appropriate disclosure of its corporate information.
 - (4) The Company has developed a governance system in which Independent Directors (Directors who are invited from outside the Company and meet the standards with regard to the independency of the Outside Directors as stipulated by the Company, hereinafter "**the Independent Directors**") play important roles, and that is centered on Independent Directors and non-executive inside Directors who do not concurrently serve as Executive Officers (hereinafter "**Non-executive Inside Directors**"). The Company has adopted the organizational form of a "Company with a Nomination Committee, etc.," as defined under Article 2 (ii) of the Japanese Companies Act, a stock company with a nomination committee, a compensation committee and an audit committee as statutory committees under the Board of Directors, to achieve clear separation between supervision and business execution in management.
 - (5) The Company clearly stipulates expected roles and required qualifications and competencies for each Director, and strives to enhance effectiveness of the Board of Directors, etc. by utilizing them for selection of candidates and training for the

Directors, etc.

Chapter 2 Ensuring shareholders' rights and equality among shareholders and dialogue with shareholders and investors

General Meeting of Shareholders

Article 2

1. The Company, in convening the Ordinary General Meeting of Shareholders, distributes the notice of convocation approximately three weeks prior to the date of the meeting, in order for shareholders to appropriately and effectively exercise their voting rights based on a sufficient period of time for reviewing the proposals for the meeting. Meanwhile, the notice of convocation is posted on the Company's website following a resolution by the Board of Directors on the convocation of the General Meeting of Shareholders, and preceding the distribution date of the notice. In addition, for the purpose of convenience for non-Japanese shareholders, an English version of the notice of convocation is prepared and posted on the Company's website.
2. The Company strives to create an environment (including efforts to schedule the General Meeting of Shareholders on a different date from that of other companies) in which all shareholders, including those who cannot attend the General Meeting of Shareholders in person, can appropriately and effectively exercise their voting rights, through the use of such means as an electronic voting platform.

Ensuring equality among shareholders

Article 3

The Company treats all shareholders fairly, according to their respective shareholding. In addition, the Company discloses its corporate information in a timely and sufficient manner, in an effort to eliminate any potential information gap among shareholders.

Dialogues with shareholders and investors

Article 4

The Company recognizes the establishment of long-term relationships of mutual trust with its shareholders and investors to be one of its most important management objectives. The Company strives to continuously strengthening the relationships of trust by providing appropriate corporate information necessary for investment decisions based on the basic policy concerning disclosure as defined under Article 11, while conducting IR activities that contribute to enhancing corporate value through constructive dialogue.

2. The Company establishes the IR system with the President and Representative Executive

Officer (hereinafter “**the President & REO**”) as the chief, and operated by the Executive Officer in charge of IR and department in charge of IR, in accordance with the IR Basic Policy as defined under Article 1, Paragraph 2 (1). The Company also provides opportunities to shareholders and investors to engage in direct dialogue with the Directors, Executive Officers and other executives as required. The Company establishes a mechanism to share information and knowledge acquired through dialogue with shareholders and investors within the Company, and utilizes them in its corporate management.

Basic policy for cross-shareholdings, etc.

Article 5

1. In principle, the Company does not hold cross-shareholdings. However, it is possible that the Company will hold shares of other companies only in cases where it is determined that partnerships with investees through shareholding will contribute to the enhancement of the Group’s corporate value. The rationale for cross-shareholding relationships is subject to regular examination by the Board of Directors based on the following items (1) and (2), and shareholdings deemed by the Board of Directors to no longer be feasible shall be dissolved when appropriate by disposal or other means.
[Matters checked in examination of shareholding rationale]
(1) The partnership with the investee is important and the relationship must be continued.
(2) The return and risk associated with the shareholding are commensurate with the capital cost.
2. The Company exercises its voting rights in cross-shareholdings, determining whether to vote for or against each individual agenda item after consideration of whether it contributes to the medium- to long-term enhancement of the corporate value of the Group and investees, and particularly emphasizes matters related to amendment of articles of incorporation, election of directors, anti-takeover measures, and appropriation of surplus, etc. of the investees, and conducts dialogue with investees on the content, etc. of agenda items as required.
3. If a company holding the Company’s shares as a cross-shareholding (hereinafter “**cross-shareholder**”) indicates the intention of the sale, etc. of the shares, the Company shall unconditionally authorize this, and ask the cross-shareholder to perform the sale, etc. in a way that limits the impact on share price as much as possible. Furthermore, in such cases, when the Company holds shares in the company that is the cross-shareholder as cross-shareholdings, it shall promptly proceed to sell these. In addition, the Company shall not continue the transactions with cross-shareholders without carefully examining the underlying economic rationale.

Chapter 3 Respect for interest of stakeholders and practice of co-creation with them

Ethical standards and restrictions on competitive transactions and transactions involving conflicts of interest

Article 6

1. The Company separately establishes and discloses ethical standards, the “EBARA Group CSR Policy” and the “EBARA Group Code of Conduct,” by the Board of Directors to ensure that the Company’s Directors, Executive Officers and employees, etc., act ethically at all times.
2. The Company’s Directors and Executive Officers shall obtain prior approval of the Board of Directors when they are to “carry out transactions that belong to the line of business of the Company (competitive transactions) for themselves or for a third party” or “carry out transactions with the Company, or transactions that involve conflicts of interest between themselves and the Company (transactions involving conflicts of interest), including transactions between the Company and a third party for which they receive a commission, etc.”

Relationship with stakeholders

Article 7

1. The Company fosters a corporate culture of sound business practice and respects the rights, viewpoints and interests of all stakeholders, including shareholders, customers, business partners, creditors, employees and local communities. In addition, the Company practices co-creation of values with the stakeholders for the sustainable growth and medium- to long-term enhancement of the corporate value of the Group.

Improvement of working environment and respect for human rights and diversity

Article 8

1. The Company clearly stipulates in the EBARA Group CSR Policy that it respects human rights and diversity of the Group’s employees, including improvement of their working conditions, etc., and abides by the policy.
2. The Company establishes the EBARA Group Human Rights Policy, and its philosophy on respect for human rights is based on the International Bill of Human Rights, including prohibition of child labor and forced labor, and occupational safety, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nation's Guiding Principles on Business and Human Rights. The Company shall also establish a policy to implement its human rights strategy and the Human Rights Committee to promote activities based on the

Human Rights Policy. The Company strives for continuous improvement on its human rights management mechanism, including human rights due diligence and relief measures.

3. The Company recognizes that having diverse perspectives and values contributes to the medium- to long-term enhancement of the corporate value of the Group. Based on the above, the Company strives to develop diversity of employees in terms of gender, internationality, experiences within and outside of the Company, age, etc., and implement a policy for promoting diversity that includes the encouragement of active participation of diverse workforce.

Whistle-blowing

Article 9

The Company establishes a system that enables employees, etc., of the Group to directly report questionable issues to the department in charge of compliance or the Audit Committee, along with a system for directly reporting to an external attorney's office. Whistle-blowers shall not be subject to any disadvantageous treatment by the Company and the Group, because of using these whistle-blowing systems, which are clearly stated in the employment regulations and other relevant internal rules.

Promoting Sustainability Governance

Article 10

The Board of Directors sets out the Basic Management Policy of the Company in accordance with Article 12, Paragraph 4 of the Policy in order for the Company to contribute to the creation of a sustainable society and environment through business activities and to continuously improve corporate value. The Company also establishes a Sustainability Committee, for promotion and implementation of the policy, as a meeting body for business execution to deliberate on the Company's business and supporting activities, to determine the Company's most important management indicators (KPIs) and targets, and to confirm results.

2. The Sustainability Committee is chaired by the President & REO and attended by Executive Officers as its members. Sustainability Committee invites external experts in the field of sustainability to serve as advisors to the Committee to receive advice on matters to be discussed, thereby reflecting outside expertise in the Company's sustainability efforts.
3. Directors observe the Sustainability Committee meetings to monitor the status of the executive's sustainability initiatives and provide advice, etc., as necessary. Deliberations of the Sustainability Committee is reported to the Board of Directors, which discusses the specifics and promotion of the Executive's actions and feeds back the results to the

Sustainability Committee, thereby fulfilling its overseeing function in an appropriate manner. The Board of Directors also verifies the Group's sustainability initiatives on a regular or ad hoc basis, and provides opinions and recommendations, etc., as necessary.

Chapter 4 Ensuring adequate disclosure and transparency

Basic policy concerning disclosure

Article 11

1. The Company implements timely and adequate disclosure of both financial and non-financial information, as required by laws and regulations such as the Companies Act and the Financial Instruments and Exchange Act, rules and regulations established by financial instruments exchanges, and disclosure standards and systems related to sustainability.
2. The Company actively discloses any information deemed to be useful to stakeholders such as management philosophies, medium- and long-term management policies and management plans, including basic policies on initiatives related to sustainability issues, such as climate and nature, human rights and human capital, and intellectual capital (hereinafter collectively “**the Basic Management Policy**”) through various media such as the Company’s website and integrated reports, etc.
3. The Company, in accordance with the Companies Act and other laws and regulations, develops at Board of Directors’ meetings the policies concerning risk management, internal control systems and legal compliance, etc., of the Company and the Group, and discloses the information in a timely and sufficient manner.
4. The Company, in principle, discloses its major information in more than two languages, including Japanese and English.

Chapter 5 Roles and responsibilities of Board of Directors, etc.

Board of Directors

Article 12

1. The Company has adopted the organization form of a Company with Nomination Committee, etc., in accordance with Article 1, Paragraph 2 (4) to clearly separate management supervision and business execution. In doing so, the Board of Directors acts as a monitoring board, and the Company realizes its mission of “continuous enhancement of corporate value,” entrusted by shareholders by implementing efficient and effective corporate governance.
2. The number of Directors comprising the members of the Board of Directors shall not exceed fifteen (15). At least the majority of the Board members shall be Independent Directors, and the number of Directors who concurrently serve as Executive Officers shall be kept to a

minimum. The Board of Directors comprises personnel who satisfy the requirements, qualifications and competencies for Directors as defined under Chapter 6 in a balanced manner, while maintaining both appropriate size and diversity from various perspectives, including gender, internationality, internal and external experiences, age, and years of service.

3. The Board of Directors recognizes three tasks as its principal roles and responsibilities: 1) indicating the general direction of the Company such as corporate strategies, etc.; 2) developing an environment that can support adequate risk-taking in business execution; and 3) carrying out highly effective supervision of business execution from an independent and objective standpoint. The Board of Directors shall consider the viewpoints of all stakeholders.
4. The Board of Directors recognizes that implementation of highly sustainable ESG-based management, and improvement of social and environmental values through continuous contribution to solving social issues, including SDGs, and improvement of its economic value by the ROIC-based management and portfolio-based management at the same time are important management issues. The Board of Directors establishes the Basic Management Policy for the long-term business environment and oversees continuous implementation of the same so that the Group is able to continuously produce sources of growth for further value creation.
5. The Board of Directors exercises its leadership in developing an environment in which the management can take bold action to prevent the loss of business opportunities, in addition to developing an environment that incorporates controls for preventing possible risks of improper conducts, etc.
6. The Board of Directors establishes the Board of Directors' Rules, specifying the matters to be resolved and reported to the Board of Directors, and stipulates the scope of matters for which decision-making authority is delegated to Executive Officers. The decision-making authority on matters concerning business execution is delegated to Executive Officers, except those categorized as the exclusive jurisdiction of the Board of Directors by laws and regulations as well as the Articles of Incorporation, including establishment of the Basic Management Policy and those that may have a significant impact on the management of the Group.
7. Agendas and proposals of the Board of Directors' meetings and related materials shall be distributed, in principle, prior to each Board meeting, to ensure active debate at the meeting.
8. The Company establishes a secretariat of the Board of Directors with adequate staff and budget to enable the Board to appropriately fulfill its roles and functions.

Nomination Committee

Article 13

1. Nomination Committee is primarily responsible for preparing proposals for the General Meeting of Shareholders with regard to the election and dismissal of Directors, and for making recommendations to the Board of Directors with regard to the election and dismissal of the President & REO, the election and dismissal of Executive Officers, appointment and dismissal of Directors with special titles, appointment and dismissal of the Chairman of the Board of Directors and a Non-executive Inside Director to assist the Chairman and the appointment and dismissal of members and the Chairperson of each of the Nomination Committee, Compensation Committee, and Audit Committee.
2. In the selection of nominees under the preceding paragraph, the Nomination Committee takes into consideration of the result of the evaluation of effectiveness of the Board of Directors as a whole, each Committee, each Director, and the Chairman of the Board as defined under Article 25 and the predefined qualifications of the Directors required to enhance the effectiveness of the Board.
3. The Nomination Committee establishes a policy for election and dismissal and a succession plan for the President & REO. The succession plan specifies requirements for qualifications of the President & REO based on the current and future business environment and management strategies of the Company and is used to gradually develop and select personnel suitable to serve as the President & REO systematically. Furthermore, the Nomination Committee shall periodically and as needed, check that the incumbent President & REO conforms with the requirements, and makes recommendations to the Board of Directors with respect to the successor of the President & REO based on the succession plan when the incumbent President & REO retires pursuant to the succession plan. If single year consolidated performance fails to meet the criteria specified by the Nomination Committee for three successive fiscal years in the periodic checks of the qualifications of the incumbent President & REO, the Nomination Committee submits a proposal to the Board of Directors to not recommend the reappointment of the incumbent President & REO.
4. The Nomination Committee deliberates election and dismissal of the Executive Officers (excluding President & REO) and cooperates with the President & REO to develop and select candidates for the future management.
5. The Nomination Committee comprises three (3) or more Independent Directors and Non-executive Inside Directors (directors who do not concurrently serve as Executive Officers). The majority of the Nomination Committee shall be Independent Directors and the Chairperson thereof shall be an Independent Director in principle.

- 6 The Nomination Committee sets out basic policies and regulations, etc., necessary for executing its duties.
7. The Nomination Committee shall utilize external experts as appropriate such as implementing external evaluation of the President & REO in the succession plan to ensure objectivity and fairness. Including in such cases, the Nomination Committee can hire external experts at the cost of the Company without prior approval of the Board of Directors and Executive Officers, if it is deemed necessary for its duties.
8. The Company establishes a secretariat of the Nomination Committee with adequate staff and budget to enable the committee to appropriately fulfill its roles and functions.

Compensation Committee

Article 14

1. 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 perform their duties 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 this Policy, including supervision of execution of their duties.
- 2 The Compensation Committee comprises three (3) or more Independent Directors and Non-executive Inside Directors (directors who do not concurrently serve as Executive Officers). The majority of the Compensation Committee shall be Independent Directors and the Chairperson thereof shall be an Independent Director in principle.
- 3 The Compensation Committee sets out basic policies and regulations, etc., necessary for executing its duties.
- 4 The Compensation Committee is mainly responsible for making decisions on the compensation, etc. for individual Director and Executive Officer, and making recommendations to the Board of Directors concerning the executives' compensation system of the Company as well as Group companies.
- 5 The Compensation Committee is entitled to hire external experts such as compensation consultants at the cost of the Company without prior approval of the Board of Directors and Executive Officers if deemed necessary for the execution of its duties.
- 6 The Company establishes a secretariat of the Compensation Committee with adequate staff and budget to enable the Committee to appropriately fulfill its roles and functions.

Audit Committee

Article 15

1. 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' overseeing function and properly auditing execution of duties of the Executive Officers and Directors realizing sound and sustainable growth of the Company and Group and the creation of corporate value over the medium- to long-term.
2. The Audit Committee comprises three (3) or more Independent Directors and Non-executive Inside Directors (directors who do not concurrently serve as Executive Officers). The majority of the Audit Committee shall be Independent Directors and the Chairperson thereof shall be an Independent Director in principle. Directors comprising the Audit Committee shall have adequate experience and ability, and the necessary knowledge of finance, accounting and law, and particularly include two (2) or more members with sufficient knowledge of finance and accounting.
3. The Audit Committee sets out the basic policies and regulations, etc., necessary for executing its duties.
4. The Audit Committee carries out audits to verify whether Executive Officers, Directors and employees, etc., of the Company or its subsidiaries (hereinafter “**Executive Officers, etc.**”) are in compliance with legal obligations and internal rules, and monitors and verifies whether the Executive Officers, etc. are executing the business in a sound, fair and reasonable, and efficient manner based on the Basic Management Policy prescribed by the Board of Directors, etc. The Audit Committee reports the progress and results of the audits, etc. to the Board of Directors as appropriate. The Audit Committee also provides advice and recommendations to Executive Officers, etc., as required.
5. The Audit Committee sets out basic policies and plans of audits based on progress in the development of internal control systems, in an effort to carry out efficient and effective audits in close coordination with the Internal Audit Division.
6. The Audit Committee sets out the “policy for the appointment and assessment of the External Independent Auditor,” and appropriately appoints the candidates for the position. The Audit Committee conducts an adequate assessment of the External Independent Auditor and verifies his/her independence and expertise required in each fiscal year.
7. The Audit Committee establishes a system for direct reporting to the Audit Committee as defined under Article 9, in order to facilitate the reporting of issues concerning a breach of compliance with laws and regulations, and other business-related ethical issues at the Company and its subsidiaries.

8. The Audit Committee, if necessary, can hire external experts such as attorneys, certified public accountants or consultants at the cost of the Company without prior approval of the Board of Directors and Executive Officers.
9. The Company establishes the Audit Committee Office under the jurisdiction of the Audit Committee as a secretariat that assists the committee with adequate staff and budget to enable the committee to appropriately fulfill its roles and functions. Members of the Audit Committee Office are staffed from the internal audit department to ensure independence of the Audit Committee from business execution and effective auditing, and the Audit Committee directs investigation to the Office directly and with priority as required.

Executive Session

Article 16

1. The Company establishes the Executive Session, a meeting structure comprising all Independent Directors (and Independent Directors only), as a forum for Independent Directors to deepen their understanding of matters necessary to enhance quality of deliberation at the Board of Directors meetings and to freely discuss matters in order to enhance the effectiveness of the Board of Directors. The Lead Independent Director appointed in accordance with Article 22, Paragraph 1 shall chair the Executive Sessions.
2. The Independent Directors' Meeting can hire independent advisors specializing in areas including legal affairs, accounting and finance at the cost of the Company without prior approval of the Board of Directors and Executive Officers, if it is deemed necessary for its activities.
3. The Company establishes a secretariat with adequate staff and budget to support the activities of the Independent Directors' Meeting.

Chapter 6 Roles and responsibilities of Directors

Directors

Article 17

1. The Nomination Committee separately establishes the election policy such as the standards and procedures for the election of Directors, and select Director nominees based on this policy. In addition, the Company sets out its policy on the diversity of composition of the Board of Directors, with consideration of gender, internationality, internal and external experiences, and age/years of service perspectives. When selecting Director nominees, the Company shall consider diversity based on this policy.
2. Expected roles of the Directors and required qualifications and competencies are set as follows.

Roles

- 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"
- Make wise decisions with broad insight and logical thinking based on his/her expertise in specific fields, while taking into account opinions of other Directors and information from inside and outside the Company
- Express not only approval or disapproval on issues, but also present new issues for growth of the Company during deliberations

Qualifications and Competencies

- Has outstanding personality, high ethical standards, a spirit of exploration, and a spirit of independence
- 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
- 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
- Has insight and logical-thinking ability to make judgments by referring to the opinions of other Directors and new information from inside and outside the Company, rather than solely relying on his/her own past experience and knowledge.
- Committed to the governance reform of the Company and motivated to develop himself/herself by contributing to the process of its evolution.

Independent Directors

Article 18

1. The Company separately establishes, and discloses, the standards for independence of Independent Directors through the Board of Directors. Only those who meet such standards shall be the Company's Independent Directors.
2. The term of office for Independent Directors shall not exceed six (6) years. However, the term can be extended, through reelection, up to eight (8) years assuming election as the

chairperson of Nomination Committee, the Audit Committee or the Compensation Committee, or up to nine (9) years assuming election as the Lead Independent Director, or up to twelve (12) years assuming election as the Chairman of the Board of Directors.

3. If an Independent Director of the Company is to concurrently serve as a director or a statutory auditor of other listed companies, such service shall not be demanding to the extent that it may impede the roles expected of an Independent Director of the Company.
4. Expected roles of Independent Directors and required qualifications and competencies are set as follows.

Roles

- 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
- At Executive Sessions, strive to determine the true nature of the issue by actively making efforts to understand not only the issue itself, but also the Company and its business as its background.
- Assume the duties as a member of the Nomination Committee, Audit Committee and/or Compensation Committee when appointed by the Board of Directors.
- 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
- 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 by, for example, becoming a member of the Investigation Committee
- 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
- Stay completely independent from business execution from all standpoints, including personal, economic, and mindset perspectives, and provide appropriate opinions and recommendations at the Board of Directors meetings, etc. from the standpoint of shareholders and other stakeholders.

Qualifications and Competencies

Independent Directors are expected to have superior knowledge and experiences in one or

more of the following domains.

- Has experience of serving at a responsible position in corporate management and demonstrated leadership in corporate transformation
- Has demonstrated leadership in implementing and enhancing the ESG-based management
- Has demonstrated leadership in personnel, human resource development, and corporate culture reform
- Has intimate knowledge of solving issues related to finance, accounting and/or capital policy and has experienced such problem solving from a business management perspective
- Has intimate knowledge of auditing
- Has intimate knowledge of legal affairs, internal control, and governance reforms
- Has intimate knowledge of the latest issues regarding technical development and R&D, and has experienced such development from a business management perspective
- Has intimate knowledge of global environment issues such as climate change caused by the greenhouse effect gas
- 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
- Has intimate knowledge of areas which are anticipated to rapidly evolve in the future, such as digitization and AI technology

Non-Executive Inside Directors

Article 19

1. Expected roles of the Non-Executive Inside Directors and required qualifications and competencies are set as follows.

Roles

- Express opinions from an objective perspective as a Director who is not presently involved with business execution, based on his/her prior experience of business execution
- Monitor the status of business execution as appropriate, and provide appropriate supervision for execution of important matters
- Fulfill a complementary function for the roles expected of Independent Directors
- Serve as the primary liaison between the Independent Directors and Executive Officers as required
- Serve a necessary role to deepen the understanding of issues related to business

execution and the organization among the Independent Directors

Qualifications and Competencies

- Has the same qualifications and competencies required of Independent Directors as defined under Article 18, Paragraph 4
 - Has broad knowledge of business execution of the Company and is capable of supervising and supporting business execution through proper communications
2. Among Non-Executive Inside Directors, expected roles of the Director, Chairman of the Company are set as follows.

Roles

- When the Board of Directors is required to be reformed from a corporate governance perspective, demonstrate leadership in the process required for the change and make recommendations to the Board of Directors in coordination with the Chairman of the Board of Directors
- In case an Independent Director serves as the Chairman of the Board of Directors, assist the Chairman and function as a good advisor as required
- Serve the roles required in the Group's external activities as required

Chairman of the Board of Directors

Article 20

1. In principle, the Chairman of the Board of Directors shall be served by an Independent Director due to the need to exercise transparent and fair supervisory functions. The Board of Directors appoints the Chairman of the Board of Directors based on the recommendation by the Nomination Committee, and the Board of Directors determines annually if the incumbent Chairman should continue to serve based on the result of the evaluation of effectiveness of the Board of Directors as defined under Article 25.
2. The Chairman of Board of Directors shall not concurrently serve as a Chairperson of the Nomination Committee, Audit Committee, or Compensation Committee, or the Lead Independent Director, unless otherwise specified, to ensure that the Board of Directors, and each of the above Committees are able to properly fulfill its responsibility.
3. Expected roles of the Chairman of the Board of Directors and required qualifications and competencies are set as follows.

Roles

- 1) Conduct the following to facilitate agenda setting for the Board of Directors meetings, and effective decision-making and problem-solving deliberations
 - Set the agenda for the Board of Directors meetings with items to be resolved,

deliberated and/or reported after consulting with the President & REO and the Director, Chairman of the Company

- Strive to understand issues related to the business execution, for example, by sitting with important meetings such as Management Meetings, etc., and/or by reviewing minutes of such meetings as required
 - Prepare an annual agenda schedule for agenda items that can be set in advance to ensure that deliberations are conducted at an appropriate timing and sufficient preparations can be made for them
 - Take a lead of internal discussions as the chief of the highest decision-making body of the Company to derive the best solution, while taking into account the standpoint of all stakeholders, in the event of making decisions on the policy to handle unknown risks such as major disasters and infectious disease pandemics, and detection of information with regard to attempt of takeover or a scandal such as serious conflict of interest
- 2) Conduct the following to facilitate smooth operation of the Board of Directors and promote specific business execution
- Facilitate active discussion to determine the Group's overall strategic direction, and play an active role in the business development
 - Lead deliberation to ensure that Board of Directors operates with an effective decision-making process and to encourage adequate challenges in business execution.
 - Ensure that the Board of Directors receives accurate, timely, and clear information
 - Lead the follow-up of matters resolved by the Board of Directors to supervise effective implementation by Executive Officers
 - Properly communicate with the Board of Directors' Secretariat and establish a support system required for smooth operations of the Board of Directors, such as securing necessary resources
- 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
- 4) Demonstrate leadership in disseminating information to the stock market and necessary information gathering

Qualifications and Competencies

- Lead the Board of Directors in a fair, objective and self-restraint manner and earn trust

from the stakeholders

- Fully realize his/her responsibility and demonstrate leadership as the chief of the highest decision-making body of the Company, for example, responding with a sense of urgency in the event of emergencies
- 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.

Assistant to the Chairman of the Board of Directors

Article 21

1. The Board of Directors appoints the Director, Chairman of the Company (or a Non- executive Inside Director in the absence of the Chairman of the Company) as an assistant to the Independent Director who is serving as a Chairman of the Board of Directors, as defined under Article 20, Paragraph 1.
- 2 Expected roles the Assistant to the Chairman of the Board of Directors and required qualifications and competencies of are set as follows.

Roles

- Assist the Chairman of the Board of Directors in his capacity as requested by the Chairman of the Board of Directors
- Act on behalf of the Chairman of the Board of Directors in performing his/her duties when he/she is unable to perform his/her duties

Lead Independent Director

Article 22

1. Lead Independent Director shall be appointed from Independent Directors who are not serving as the Chairman of the Board of Directors.
- 2 The expected roles of the Lead Independent Director and the required qualifications and competencies are set as follows.

Roles

- Hold Executive Sessions for Independent Directors to improve the quality of the Board of Directors meetings by promoting their understanding of issues by selecting proper agenda items and organizing discussion points
- Establish and supervise appropriate training programs for the Independent Directors, including newly appointed Independent Directors, by identifying the needs of each Independent Director, such as deepening understanding of specific issues

Qualifications and Competencies

- Lead the Independent Directors in a fair, objective and self-restraint manner and earn trust from the stakeholders
- Has broad insight and able to develop appropriate improvement measures for Independent Directors to fulfill their roles

Chairperson of Committee

Article 23

1. The Chairperson of the Nomination Committee, Compensation Committee and Audit Committee shall exercise leadership in the committee activities and are held responsible for his/her committee's performance. The Chairperson shall be appointed from Independent Directors to ensure the independence and objectivity of the Committee management.
2. Each Chairperson is expected to lead his/her Committee in a fair, objective and self-restraint manner and earn trust from the stakeholders. Each Chairperson shall communicate with other Committees in addition to his/her Committee members as required.
3. In addition to the preceding paragraphs, the roles expected of each Committee Chairperson and qualifications and competencies required of each Chairperson are as follows.

1) Chairperson of the Nomination Committee

Roles

- Set the agenda for the Nomination Committee and facilitate effective decision-making and problem-solving discussions to fulfill the roles of the Nomination Committee as defined under Article 13
- Function as a mutual check with the Chairman of the Board of Directors

Qualifications and Competencies

- In order to continuously maintain high quality of management personnel, actively gather information on human resources by conducting interviews, etc. with relevant personnel to regularly update information on internal and external candidates for management positions and Directors and regularly updating information on personnel that is beneficial to the Committee, also is motivated to make efforts to candidate development and secure diversity as well

2) Chairperson of the Compensation Committee

Roles

- Set the agenda for the Compensation Committee and facilitate effective decision-making and problem-solving discussions to fulfill the roles of the Compensation

Committee as defined under Article 14

Qualifications and Competencies

- Able to design incentives to promote appropriate challenges to accelerate organizational revitalization, human resource development, and corporate culture transformation

3) Chairperson of the Audit Committee

Roles

- Set the agenda of Audit Committee and facilitate effective decision-making and problem-solving discussions to fulfill the roles of the Audit Committee as defined under Article 15

Qualifications and Competencies

- Able to oversee and make work the entire auditing and internal control functions of the Group and proactively engage himself/herself in such functions

Chapter 7 Training for Directors, Evaluation of Effectiveness of the Board of Directors, etc.

Training for Directors

Article 24

1. The Company offers opportunities for newly elected Directors to gain 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, the election.
2. In an effort to promote understanding of the Group, the Company offers opportunities as appropriate for newly elected Independent Directors to gain knowledge of, and insight into, important matters such as the Group's management strategies and financial position, through a briefing by Executive Officers, etc., in charge of respective areas, and inspection tours, etc., at the Group's business sites prior to, or immediately after, the election.
3. The Company provides Directors with opportunities for adequate training after their election as appropriate, including lectures by external experts.

Evaluation of Effectiveness of the Board of Directors

Article 25

1. The Board of Directors annually conducts analysis and evaluation of the effectiveness of the Board of Directors as a whole, each committee and each director (hereinafter "**the Evaluation of the Effectiveness**"). The Board of Directors is responsible for taking a proper response to findings and improvements commented by the Evaluations of Effectiveness,

- and/or proposals deemed effective for continuous enhancement of the governance. The Board of Directors establishes a PDCA based operation and disclose a summary of the result.
2. As part of the Evaluations of Effectiveness set forth in the preceding paragraph, the Board of Directors conducts an annual evaluation of the Chairman of the Board of Directors in a forum where the Chairman of the Board of Directors is not present.

Compensation and other benefits for Directors, etc.

Article 26

1. The Company determines the amount of compensation, etc., for Directors, etc., in accordance with the following policies set out by the Compensation Committee in accordance with Article 14.
 - (1) Directors' compensation level and compensation system shall reflect the roles as defined in this Policy, and the compensation comprises basic compensation, allowances and long-term incentives. Basic compensation and allowances are determined based on the scope of the roles of individual Director and the number of hours required to perform the duties. In addition, long-term incentives shall be in the form of restricted stock compensations to promote the sustainable improvement of corporate value and to encourage the Directors to share values with shareholders through the ownership of shares. A Director who concurrently serves as an Executive Officer is paid with compensation as an Executive Officer only, and not compensation as a Director.
 - (2) The compensation system for Executive Officers is designed to strongly motivate to achieve management targets (financial and non-financial) and medium- to long-term enhancement of its corporate value while prompting business execution in line with the management philosophy and management strategies. The compensation structure comprises basic compensation according to the role of each Executive Officer, a short-term performance-linked compensation, restricted stock compensation, and performance-linked stock compensation. The Company designs the compensation level to be adequate in light of the business and size of the Company, and allocates a larger performance-linked portion for Executive Officers in higher roles with greater responsibility.
2. The Board shall set non-financial and financial targets for management in the medium-term management plan, such as return on invested capital (ROIC) or for ESG indicators. These management targets shall be used by the Compensation Committee to evaluate the performance of the President & REO and Executive Officers and be disclosed in a timely

and appropriate manner.

3. The Company discloses compensation amounts, etc., paid to Directors, etc., along with the relevant policies defined under Paragraph 1 in an appropriate way.

Established on November 10, 2015

Revised on September 14, 2021

Revised on May 12, 2022

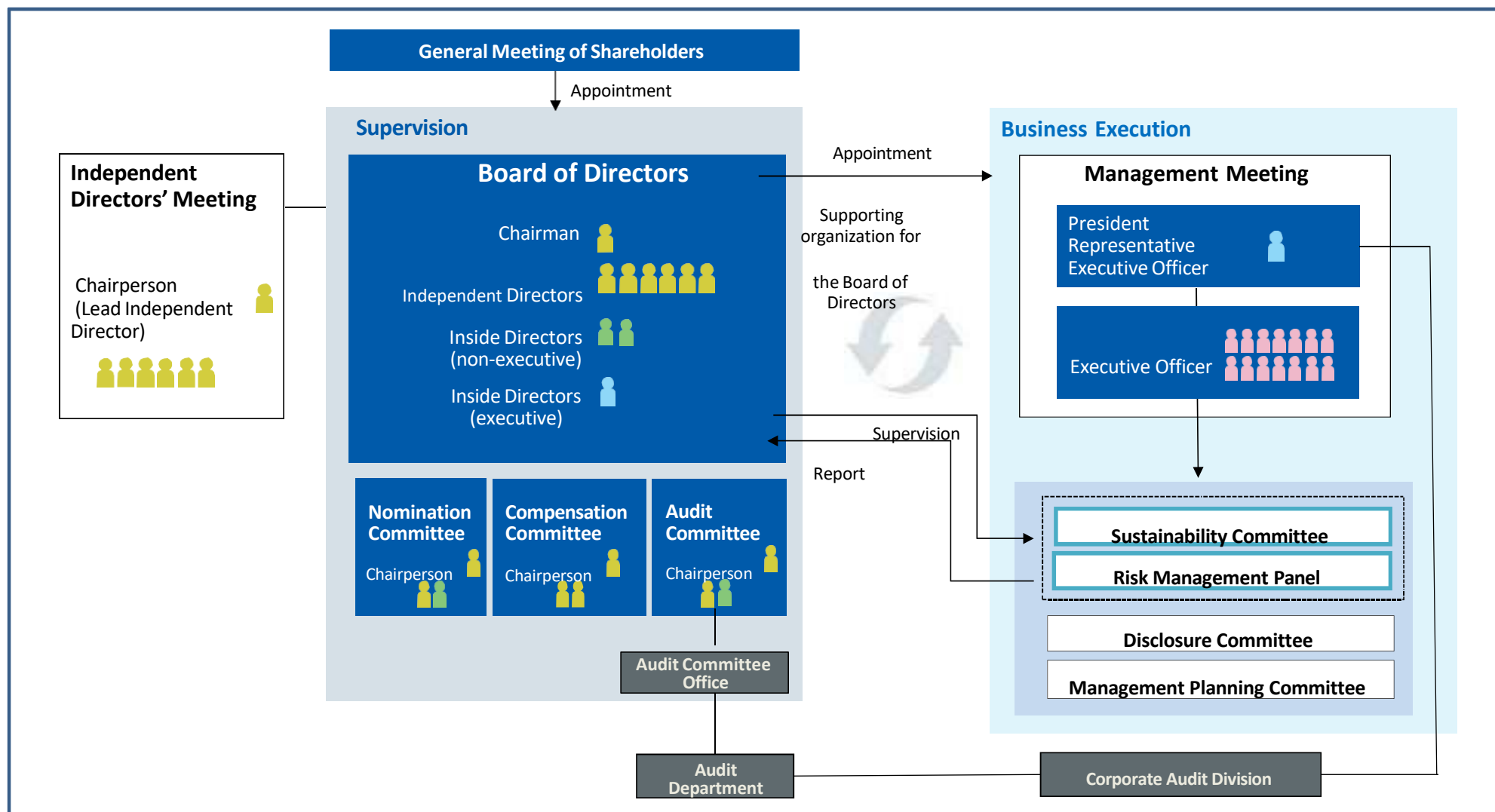
Revised on June 11, 2024

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 employees 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 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 which made sales to the EBARA Group accounting for 2% or more of consolidated net sales of the company 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 yen (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 Item 1 to Item 4, or person of other 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.

Corporate Governance Framework (as of March 27, 2025)



Independent Directors(7)
 Inside Directors (non-executive) (2)
 Inside Directors (executive) (1)
 Executive Officers (14)

System for Ensuring Appropriate Operations and the State of Operation of the System

Basic Policies for Internal Control	Overview of Operation
<p>I. System to Ensure that the Execution of Duties by Executive Officers and Employees of the Company and Directors, Audit & Supervisory Board Members and Employees of Subsidiaries Complies with Laws and Regulations and the Articles of Incorporation</p>	
<p>Develop, maintain and operate systems to realize the EBARA Group CSR Policy and the EBARA Group Code of Conduct.</p>	<p>(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.</p> <p>(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.</p> <p>(3) The Sustainability Committee, chaired by the President, Representative Executive Officer, deliberates on policies, strategies, targets, KPIs, progress, and results for activities concerning social and environmental factors and the Group’s sustainability. The committee also monitors the status of compliance at the Company and its subsidiaries and gives instructions for correction and improvement as appropriate. Four (4) meetings of the committee were held in the FY2024</p> <p>(4) The EBARA Group has established consultation hotlines that enable the Group's stakeholders to report directly to the department in charge of compliance or the Audit Committee. In FY2025, we are establishing the "Global Hotline" as a common consultation desk for all Group officers and employees, including those at overseas Group companies, in compliance with local laws and regulations. All Group companies in Japan have started operating the Global Hotline, and overseas Group companies are scheduled to begin operation by the end of December.</p> <p>(5) In Japan, 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. In addition, although we had been holding the Compliance Liaison Committee overseas, we changed the framework to the CRO Liaison Meeting from FY2024 to broaden the theme to risk management in general, and compliance is also addressed within that framework. In FY2024, we held liaison meetings with 34 subsidiaries in North and South America, Europe and the Middle East, Asia and Oceania, and Africa.</p> <p>(6) The Company has established an Internal Audit Division, which conducts activities in accordance with the annual audit plan based on the "Internal Audit Rules". It conducts audits and monitoring of the operations of the Company and its subsidiaries independent of the business execution departments. A system for auditing and monitoring has been established by subsidiaries, and the state of implementation is checked by the Company’s Internal Audit Division. For overseas subsidiaries, we conduct co-sourcing audits using outside experts. In addition, relevant Corporate department members accompanied auditors as advisors to assess risk conditions at overseas subsidiaries, providing expert opinions to improve audit quality.</p>

Basic Policies for Internal Control	Overview of Operation
2. Systems for Storage and Management of Information concerning the Execution of Duties by Executive Officers	
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.	<ul style="list-style-type: none"> (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. (2) The “Five Principles of EBARA Group on the Handling of Important Information” stipulating the information security policies that must be observed, is set in the “Information Security Basic Rules” of the Company and its subsidiaries. (3) 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.
3. Systems for Reporting to the Company on Matters concerning the Execution of Duties by Directors of its Subsidiaries	
Develop, maintain and operate appropriate rules for reporting to the Company on matters concerning the execution of duties by Directors of its subsidiaries.	<ul style="list-style-type: none"> (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. (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.
4. Regulations and Other Systems Related to Management of the Risk of Losses at the Company and Its Subsidiaries	
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.	<ul style="list-style-type: none"> (1) Authority responsibilities, and procedures are set out in the “Authority Rules,” etc., of the Company and its subsidiaries, whereby risk management is conducted. (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. (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 six (6) meetings were held in the FY2024. (4) The Company continues to strengthen the information security management system of the entire EBARA Group in preparation for cyber-attacks from outside.

Basic Policies for Internal Control	Overview of Operation
5. Systems to Ensure that Duties of Executive Officers of the Company and Directors of Subsidiaries are Performed Efficiently	
<p>(1) Clarify the administrative authority of Executive Officers of the Company and Directors of its subsidiaries in the execution of operations.</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 Board of Directors of the Company formulates basic management policies, and those 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, Representative Executive Officer. The Management Meeting is held once every month.</p>
6. Systems for Shutting Out Antisocial Elements	
<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 FY2024.</p>
7. Systems to Ensure the Appropriate Operations of the EBARA Group, Comprising the Company and Its Subsidiaries	
<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>

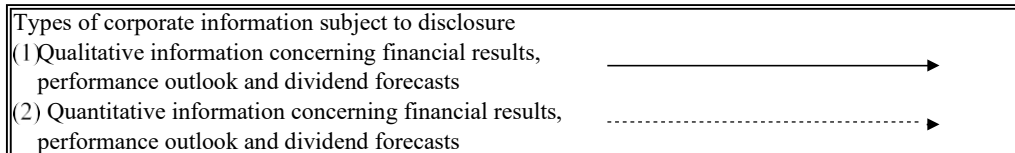
Basic Policies for Internal Control	Overview of Operation
8. Systems for Assigning Employees to Assist the Audit Committee in the Execution of Its Duties	
<p>Establish the Audit Committee Office as a department that assists the Audit Committee in the execution of its duties.</p>	<p>(1) The Audit Committee 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 FY2025, twenty (20) employees have been assigned to the Audit Committee Office, of which five (5) were engaged in administrative work related to the Audit Committee as fulltime assistant employees. The other fifteen (15) members are mainly engaged in the internal audit division or as auditors of affiliated companies, and have been concurrently employed by the Audit Committee Office as assistant employees. Assistants to the Audit Committee may also serve as auditors of affiliated companies for the purpose of ensuring the internal control of the EBARA Group.</p>
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	
<p>(1) The appointment of assistants to the Audit Committee is determined with the consent of the Audit Committee in principle.</p> <p>(2) Full-time Assistants to the Audit Committee are not to be concurrently engaged the duties related to the execution of duties by Executive Officers, thereby ensuring independence from the Executive Officers.</p> <p>(3) In the event that instruction from the Audit Committee conflicts with instruction from the Executive Officer or the head of the other department which the Assistant is concurrently engaged, the instruction from the Audit Committee takes precedence to ensure the effectiveness of the instructions from the Audit Committee.</p> <p>(4) Assistants to the Audit Committee may serve as Audit & Supervisory Board Members of affiliated companies with the prior approval of the Audit Committee.</p> <p>(5) Personnel transfer, appraisal, and the like of the employees assisting the Audit Committee shall be determined upon obtaining the consent of the Audit Committee.</p>	<p>(1) The appointment of assistants to the Audit Committee is determined with the consent of the Audit Committee in principle.</p> <p>(2) Full-time assistants to the Audit Committee are not concurrently engaged in business operations concerning the execution of duties by Executive Officers of the Company. Assistants 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) For assistants to the Audit Committee who concurrently perform the duties related to the execution of duties by the Executive Officers, the Internal Rules stipulate that in the event that instructions from the Audit Committee conflict with instructions from the executive officer or the head of the department where they concurrently work, the instructions from the Audit Committee shall take precedence, thereby ensuring the effectiveness of the instructions from the Audit Committee.</p> <p>(4) Assistants to the Audit Committee serve as Audit & Supervisory Board Members of affiliated companies with the prior approval of the Audit Committee.</p> <p>(5) Personnel transfer, appraisal, and the like of assistants to the Audit Committee are determined with the consent of the Audit Committee in principle.</p>

Basic Policies for Internal Control	Overview of Operation
<p>10. Systems for Reporting to the Audit Committee of the Company by Executive Officers and Employees, etc., of the Company and by Directors, Audit & Supervisory Board Members and Employees, etc., of Its Subsidiaries, and Other Reporting to the Audit Committee of the Company</p>	
<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 & Supervisory Board Members and employees, etc., of subsidiaries 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 EBARA Group has established consultation hotlines that enable the Group's stakeholders to report directly to the department in charge of compliance or the Audit Committee. In FY2025, we are establishing the "Global Hotline" as a common consultation desk for all Group officers and employees, including those at overseas Group companies, in compliance with local laws and regulations. All Group companies in Japan have started operating the Global Hotline, and overseas Group companies are scheduled to begin operation by the end of December. 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
11. Other Systems for Ensuring the Effectiveness of Audits by the Audit Committee	
<p>(1) Ensure the effectiveness of audits by establishing an appropriate exchange of opinions and collaboration between the Audit Committee and the departments responsible for internal controls, risk management, and compliance, and the Internal Audit Division as well as Audit & Supervisory Board Members of affiliates.</p> <p>(2) In the event of a request from the Audit Committee, the department manager or department member of the Internal Audit Department or Audit & Supervisory Board Members of a subsidiary shall be assigned concurrently to the department under the jurisdiction of the Audit Committee. For Audit & Supervisory Board Members of affiliated companies, the candidate will be decided after obtaining the consent of the Audit Committee.</p> <p>(3) Establish policies on the treatment of expenses or liabilities incurred in the execution of duties of the Audit Committee in order to ensure the effective execution of audits by the Audit Committee.</p>	<p>(1) The President, Representative Executive Officer and Executive Officer in charge of Building Service and Industrial Company, Energy Company, Infrastructure Company, Environmental Solutions Company, and Precision Machinery Company regularly exchanges information and opinions with the Audit Committee.</p> <p>(2) Departments responsible for internal controls, risk management, and compliance, and the Internal Audit Division as well as Audit & Supervisory Board Members 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 department head or department member of the Internal Audit Department or Audit & Supervisory Board Members of a subsidiary is assigned to the department under the jurisdiction of the Audit Committee. In addition, when nominating candidates for Audit & Supervisory Board Members of affiliated companies, the decision is made after obtaining the consent of the Audit Committee.</p> <p>(4) Policies are in place on the treatment of expenses or liabilities incurred in the execution of duties of the Audit Committee in order to ensure the effective execution of audits by the Audit Committee.</p>
12. Systems for Ensuring the Credibility of Financial Reports	
<p>The Company shall develop and operate an Internal Control system to ensure credibility of financial reporting, in accordance with the “Standards of Assessment and Audit on Internal Control over Financial Reporting,” as well as the “Practice Standards of Assessment and Audit on 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) The scope of the assessment is established every fiscal year in consideration of the impact on the financial reporting, significance in terms of management, and the like, for the purpose of an independent assessment team performing an assessment and promoting improvements to internal controls. In FY2024, a project team was formed to respond to the revised implementation standards for internal control and to further advance and streamline the processes. The team revised the processes to be evaluated, risk controls, and management evaluation methods.</p>

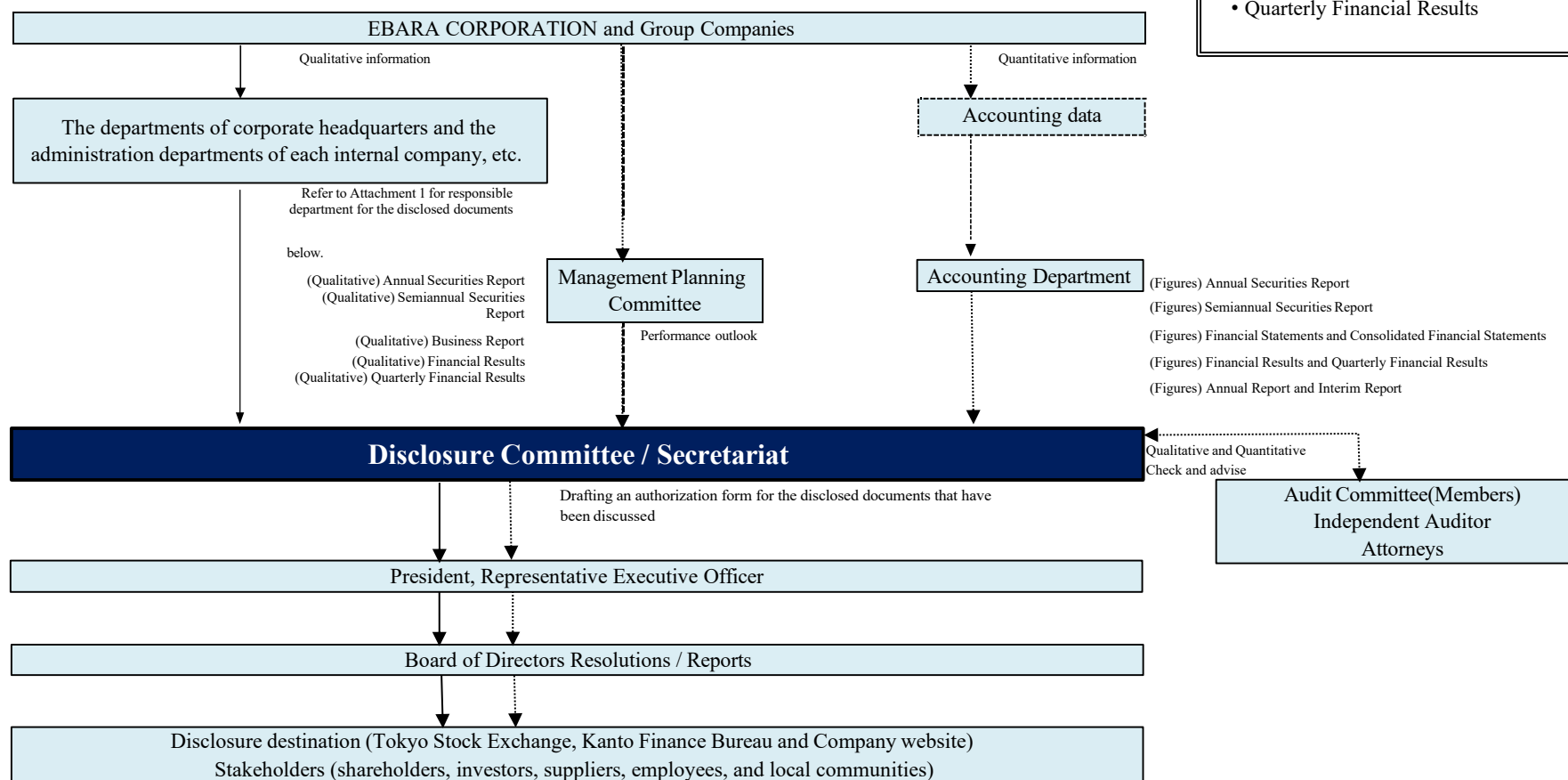
Disclosure Process

(1) Corporate information subject to regular disclosure

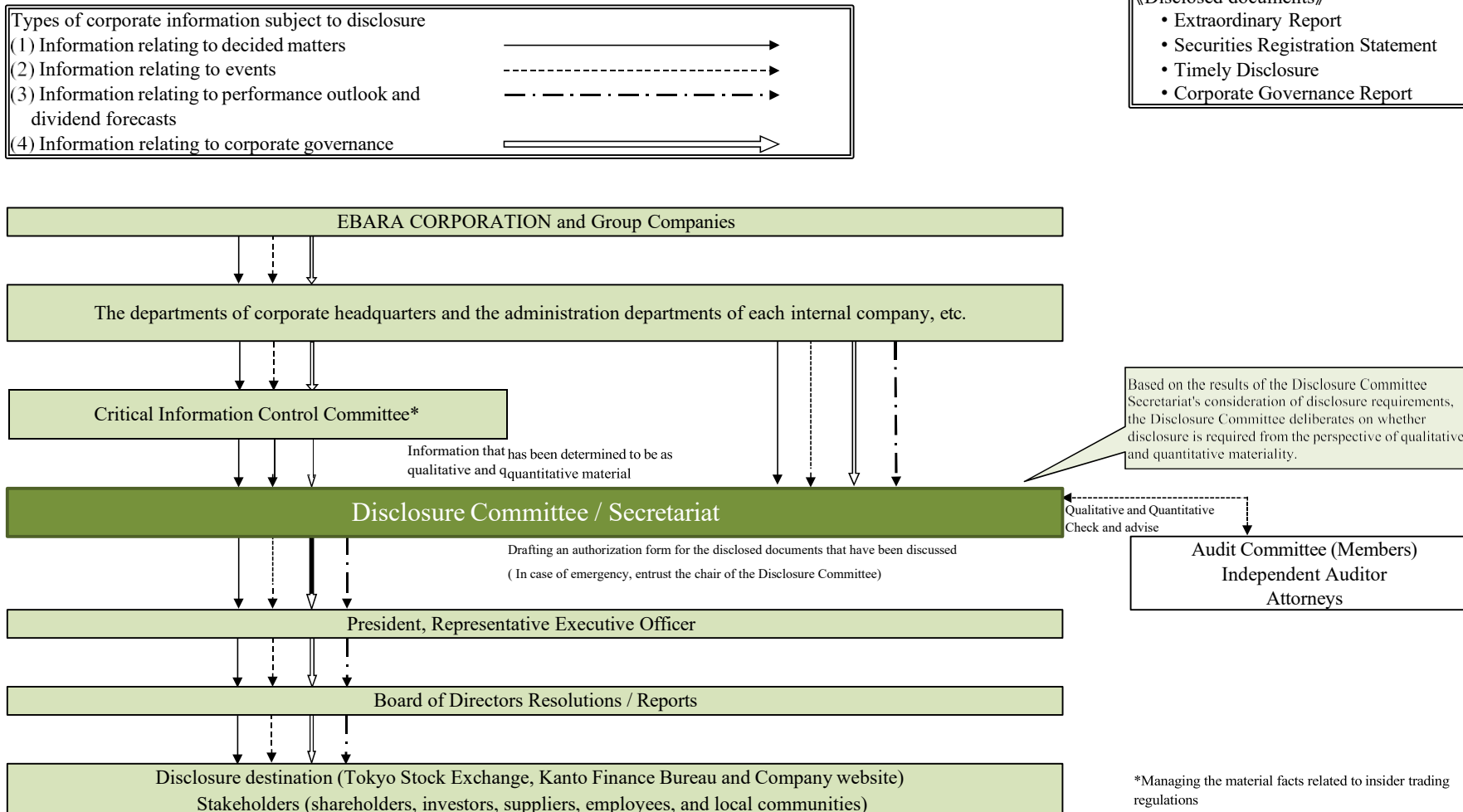


《Disclosed documents》Refer to Attachment 1 for responsible department for the disclosed documents below.

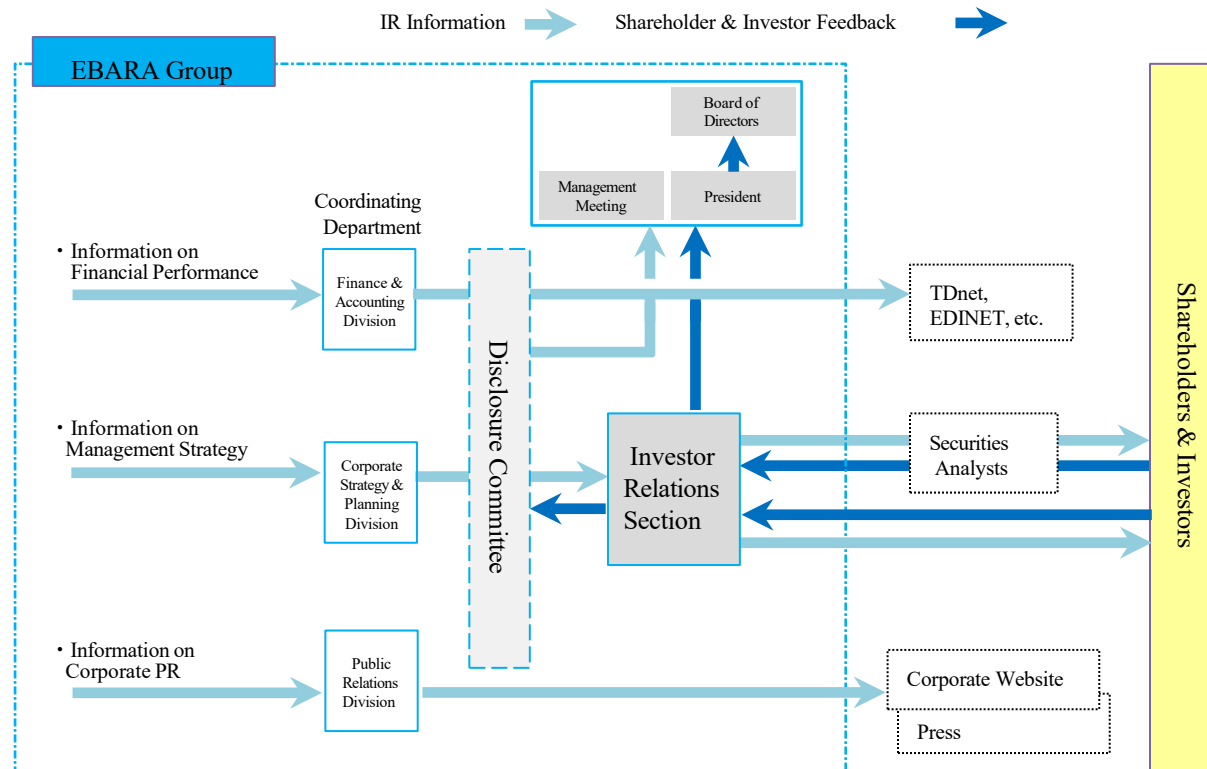
- Annual Securities Report
- Semiannual Securities Report
- Business Report
- Financial Statements and Consolidated Financial Statements
- Financial Results (including Supplementary Materials)
- Quarterly Financial Results



(2) Corporate information subject to extraordinary disclosure



Flow Chart of Communication with Shareholders & Investors



*TDnet ... Timely disclosure information browsing system operated by Tokyo Stock Exchange, Inc.

EDINET ... An electronic disclosure system for disclosure documents such as securities reports based on the Financial Instruments and Exchange Act.