

Section 4

Governance to Value

- Ebara's Governance -

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We intend to achieve “Governance to Value” by developing our corporate governance and linking it to tangible results.

This represents the commitment of the Board of Directors,

which is responsible for the bulk of Governance to Value efforts, to sincerely attempt to improve its own performance.

In order to continue to be a corporate group as demanded by society and our stakeholders,

we are constantly reforming our governance.

Board Chairman and Compensation Committee Chairperson

Conversation with Stakeholders

Activities of the Nomination Committee

Q. What are your thoughts on the appropriateness of the succession plan and tenure of the President and Representative Executive Officer?

Oeda The succession plan covers six years of activity which is a significant amount of time, but I think some would argue that even more time should be spent. Prior to our training program for future management candidates, we conduct necessary education and training for high-level management, such as division executives and general managers, as appropriate. Once they are selected through this program, we spend another six years training them, which we believe is a sufficient period of time.

Regarding the tenure of the President and Representative Executive Officer, there are some who would argue that if you are one of the best presidents in decades, stepping down after six years would be a waste. Regardless, we have considered the advantages and disadvantages from a long-term and multifaceted perspective, and we have determined that basically a maximum tenure of six years is appropriate and carries less risk.

Q. What criteria have you specified for reappointing or not reappointing the president?

Oeda The rules regarding the reappointment or non-reappointment of the president have been clearly defined for some time. In specific terms, the rules stipulate the maximum term of office and that the Nomination Committee will not recommend reappointment to the Board of Directors “if the consolidated business results for a single fiscal year have not reached

The following is based on “Ebara’s Corporate Governance Evolving to a New Phase: Governance to Value,” a small meeting with institutional investors held online on April 10, 2024 (sponsored by Mizuho Securities Co., Ltd.), and it includes questions from analysts and investors and answers from Hiroshi Oeda, Chairman of the Board and Mie Fujimoto, Chairperson of the Compensation Committee.

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

Mie Fujimoto
Independent Director
Chairperson of the Compensation Committee



Please find material covering the conversation on our website.
(Japanese language only)
https://www.ebara.co.jp/corporate/newsroom/release/ir/detail/___icsFiles/afieldfile/2024/04/15/20240410_siryou.pdf

a certain level for three consecutive years, unless there is a specific reason to do so.”

Q. Regarding new Independent Directors, what process is in place to search for and select candidates and for intake and training to understand the Company?

Oeda I will start by explaining the current situation. Seven of the ten Directors are Independent Directors, and the Board Chairman and all three Committee Chairpersons are Independent Directors. We value their individual stances of passion and commitment to their work and their ability to make swift decisions. With regard to candidates for the next president, the term limit for the president is fixed, so selecting personnel who can help to increase the value of the Company is important, and this is an issue of utmost priority for the Nomination Committee.

We conduct broad searches for candidates for Independent Directors by contracting with specialized recruiting firms as well as through personal introductions by members of the Nomination Committee and other Directors. The process is to first create a long list of candidates that the Nomination Committee will select from through evaluations and discussions from a variety of perspectives.

Once appointed, a new Director will first complete an orientation program, which includes necessary lectures. In addition, workshops in various forms are conducted regularly, including tours and inspections of individual sites, such as factories, and discussions with external lecturers.

Conversation with Stakeholders

Activities of the Compensation Committee

Q. How would you rate the time spent on the Compensation Committee and the quality of its deliberations?

Fujimoto Please see the graph that indicates the length of Compensation Committee meetings for 2023 (14 meetings lasting a total of 850 minutes). There are differences depending on the agenda items, but we covered the items that needed to be discussed at length, and we feel that an appropriate amount of time was spent.

Q. You have incorporated CDP and GES as ESG indicators in your compensation evaluation of Executive Officers. What are your thoughts on the appropriateness of the indicators and weighting?

Fujimoto We have included ESG indicators since 2022. The committee

discussed “What should be used as indicators?” and “How should they be weighted?” while considering the opinions of experts and case studies of other companies.

The reason for adopting CDP as an environmental indicator is that it is also a non-financial target of E-Plan 2025, and it is intended to heighten awareness companywide. In the future, we will consider changing the indicators to ones that are more specifically linked to certain businesses, such as reductions in greenhouse gas emissions for each business.

We adopted the global engagement survey as a social indicator because we believe that employee engagement is the most comprehensive indicator, so we are seeking degrees of improvement rather than absolute levels. By determining bonuses and compensation based on the degree of improvement in each business, we hope to motivate the board and executives to think in more depth about what their business is lacking and what they can do to alleviate that situation.

An evaluation weighting of 10% was determined when the indicator was

introduced to balance it with other indicators, but we will continue to consider this weighting in the future.

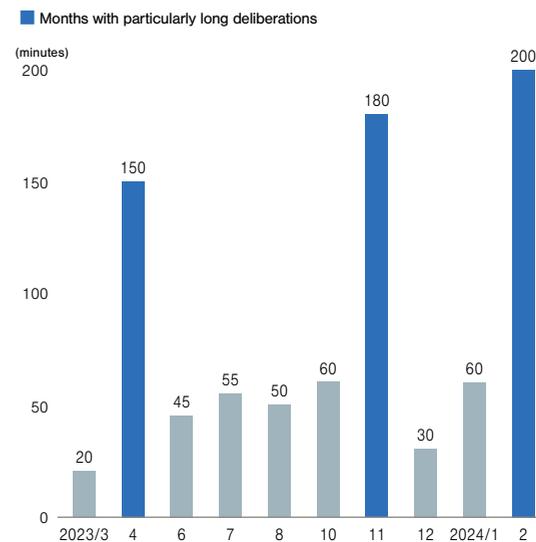
Q. How is compensation for Independent Directors determined? And what is your view on incentives?

Fujimoto Compensation for Independent Directors consists of basic compensation and stock compensation. Stock compensation is referred to as “restricted stock compensation (RS),” which is not linked to performance, and it is provided at a ratio of 0.3 with the basic compensation serving as one. We benchmark the basic compensation against manufacturers of the same size to ensure that it is at an appropriate level on an annual basis. Stock compensation is also a fixed percentage, and we believe that it is set appropriately rather than being an unwarranted benefit.

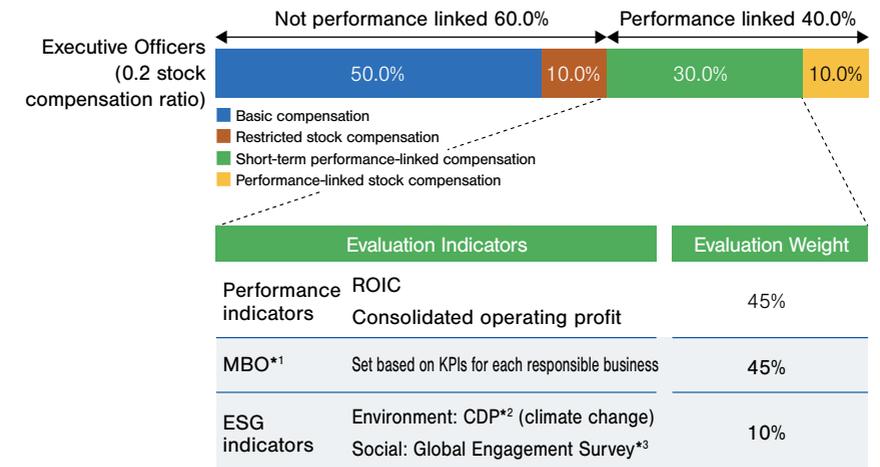
With regard to incentives, Independent Directors are in a position to oversee business execution, so determining their compensation in a way that is directly

Main Items Discussed and the Length of Deliberations by the Compensation Committee → P99

Compensation Committee Agenda	
Mar. 2023	• Confirmation of the Compensation Committee's annual schedule
Apr.	• Long-term incentives & stock remuneration provided in 2022 • Verification and confirmation of targets set for Executive Officers for 2023
Jun.	• Compensation for executives residing outside of Japan (Excluding seconded personnel)
Jul.	• Consideration of future ESG indicators
Sept.	• 2023 Global Engagement Survey
Oct.	• Compensation for Executive Officers residing overseas (excluding posted personnel)
Nov.	• Disclosure of Director and Executive Officer compensation (including information provided by outside experts)
Dec.	• Confirmation of benchmarks for levels of compensation for Directors and Executive Officers
Jan. 2024	• Consideration of the wording used in disclosure materials and Notice of General Meetings of Shareholders
Feb.	• Determination of performance evaluations for Executive Officers for 2023 • Determination of the short-term performance-linked remuneration for individual Executive Officers



Breakdown of Director and Executive Officer Compensation → P106



*1. MBO: Management by Objectives is a management approach in which individuals are evaluated based on the level of achievement of and progress in reaching set goals.
 *2. CDP: An ESG rating agency that evaluates strategies to address climate change, efforts to reduce GHG emissions, and others.
 *3. GES: A global engagement survey that has been conducted for EBARA Group employees worldwide since 2019. The GES surveys the current status of employee engagement at each business organization in order to achieve the Group's medium- to long-term vision.

Conversation with Stakeholders

linked to annual performance is not common nor is it highly appropriate. We believe that long-term stock compensation, i.e., RS, allows directors to have the same perspective as shareholders, so we have determined that the current system is appropriate.

Oeda I agree and feel that performance-based incentives are not in line with the role of Independent Directors. Stock compensation is important in aligning director and shareholder perspectives, and I view it positively.

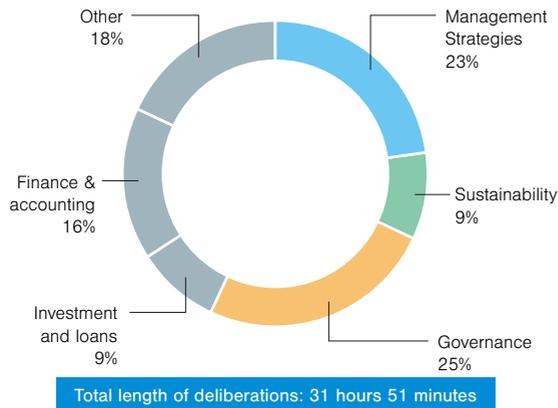
Cooperation between the Nomination Committee and the Compensation Committee

Q. How important is cooperation between the Nomination Committee and the Compensation Committee, and what specific approaches have you adopted?

Oeda The Nomination Committee and the Compensation Committee operate independently of each other, but they are always mindful of the importance of cooperation. Each committee ascertains and understands the activities of the other committee through reports by the chairpersons of the committees at Board of Directors meetings. This promotes cooperation between the committees.

Length of Deliberations at Board

Meetings by Agenda (2023) → P99



Operation of the Board of Directors

Q. What topics are discussed at board meetings? Please cite any examples that reflect insights you have gained from conversations with capital markets.

Oeda 2023 was the first year of E-Plan 2025, so we covered many topics related to that in addition to others.

A future topic we are focusing on is the drafting and finalization of the next medium-term management plan. The plan that will start in 2026 will be discussed over the course of 2025. Before this, the Board of Directors would also like to start discussing the long-term vision starting this year.

In addition, we have been regularly discussing sustainability, but we would like to further deepen the discussion by adding new “defensive” topics to the agenda, such as safety, quality, and compliance.

Insights gained from conversations with capital markets have clearly informed both our discussion topics and the operations of the Board of Directors. For example, we were asked about the extensive number of discussion items and whether there was enough time for sufficient deliberation. There was some truth in the question, so we reviewed our reporting methods and criteria. First, we changed the reporting method so that items not requiring explanation during the meeting could proceed directly to a consolidated question session. Additionally, we raised the monetary threshold that requires reporting to the board, regarding capital investments and other matters. These actions significantly reduced the number of reports on individual operational matters, allowing us to dedicate more time to thorough deliberation.

Q. What are each of your opinions and thoughts on the future direction of the Company as mentioned in the 2023 evaluations of the board’s effectiveness?

Oeda In the Evaluation of the Effectiveness of the Board of Directors FY2023 that was announced on February 14, 2024, we reported our continued commitment to “enhancing discussion of our management vision from a long-term perspective” and “discussing sustainability in greater depth.”

A question that arose during evaluation of the board’s effectiveness was, “We have been promoting efforts related to ESG and sustainability, but is there still room for improvement in terms of their relationship to actual returns, such as the profitability of the business and the sustainability of the

Company?” We will discuss this in the future as we consider the long-term vision and the next medium-term management plan in order to focus more on specific links to Ebara’s business.

With regard to sustainability, a new Diversity, Equity, and Inclusion (DE&I) Department was established in September 2023. Management is being prompted to bring the perspective of DE&I more to the forefront, both inside and outside of the Company, while continuing with existing efforts. The Board of Directors will thoroughly deliberate these efforts while supporting business execution.

Fujimoto Our track record for meeting targets regarding the advancement of women and foreign personnel has not been great and remains a challenge. The establishment of the DE&I Department is intended to solve this problem. The goals set by, and the efforts of that department are explained and reported at board meetings, and progress is monitored and discussed. Independent Directors have offered their opinions to the department and we fully back them.

Q. What agenda item are the two of you particularly focused on right now? And what is your opinion on the changing composition of the Company’s business portfolio?

Oeda As I touched on earlier, management has been actively working on issues such as safety, quality, and compliance, but the Board of Directors realized that we should be more closely involved, and we have been systematically taking up these items this term.

As you pointed out with regard to Ebara’s business portfolio, the performance of the Precision Machinery Segment has grown substantially, and I think there is concern that Ebara may become overly dependent on the revenue of that one segment. In reality, however, other segments are growing at a comparable level or are expected to grow in the future. The Energy Segment is an example. We have been implementing structural reforms globally, such as by integrating the Compressors & Turbines and Custom Pumps Businesses to capitalize on the newly adopted target market-based business structure. In the Building Service & Industrial Company, M&As are underway overseas, and profitability is increasing in addition to sales. Segments other than Precision Machinery are growing, so currently we are not worried about the composition of the portfolio.

Fujimoto To start with the agenda items, personally, I would like to deliberate on DE&I, which I mentioned earlier, in greater depth.

Conversation with Stakeholders

With regard to Ebara's business portfolio, some may argue that since the market environment differs for each business, the compensation scheme should also be different for each business. In Ebara's case, a system is in place where each executive officer can flexibly set targets for the business he or she is overseeing, through key performance indicators (KPIs) or management by objectives (MBOs), and each executive officer is evaluated accordingly to how well those targets are met. As long as this systematic process continues, we do not foresee any major problems.

In Conclusion

I appreciate the opportunity as Chairman of the Board of Directors to speak directly with investors again this year, as I did last year. This year, Ms. Fujimoto, Chairperson of the Compensation Committee, also attended the meeting. We received a wide range of questions about the Compensation Committee and the Nomination Committee as well as deliberations by the Board of Directors, the succession of the president and directors, and the evaluation of the Board's effectiveness. We are truly grateful for the interest shown by the attendees.

We believe that the Board of Directors is constantly moving toward "G to V (Governance to Value)." Fortunately, our recent performance and stock price have been favorable, and we feel that our "G to V" efforts have yielded a certain level of results. As the saying goes, however, "where there is light, there must be shadow," and I am determined to keep a tight rein on my own management of the Board of Directors.

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

Hiroshi Oeda

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



This was my first time to participate in a small meeting as Chairperson of the Compensation Committee, and it was a good opportunity to discuss the role and composition of the Compensation Committee, its deliberations, and the structure of compensation with investors. The questions and comments from attendees on the issues considered by the Board of Directors and the activities of the Compensation Committee were quite illuminating. I was also sobered by the heightened interest in the role of Independent Directors and the high expectations for them. We believe that such dialogue is a good opportunity to gain a better understanding of our policies and initiatives regarding compensation and to see things from the eyes of investors.

The role of the Compensation Committee is to properly devise and implement a compensation system to help turn our management philosophy into reality. The Compensation Committee will continue to review and discuss specific indicators for evaluation to be used in the next medium-term management plan while taking into account the perspectives of investors, and the committee will encourage steady progress to achieve the targets set forth by management.

Mie Fujimoto

Independent Director
Chairperson of the Compensation Committee



TOPIC

Board Chairman Oeda Speaks at the ICGN-NBIM Company and Investor Engagement Meeting

On October 2, 2023, Mr. Oeda, Chairman of the Board of Directors, spoke at an event co-hosted by the International Corporate Governance Network (ICGN), Norges Bank Investment Management (NBIM), and the Japan Business Federation. He described the evolution of Ebara's efforts to enhance governance, how the board of director's effectiveness is evaluated, and the status of sustainability governance by the Nomination Committee, the Compensation Committee, and the Audit Committee.

In a panel discussion with institutional investors that followed his talk, the role of the board of directors in supporting appropriate risk-taking both offensively and defensively and the creation of a highly transparent nomination system by Independent Directors were discussed. In addition, Mr. Oeda and other attendees shared their perceptions of the need for directors, executives, and investor relations to come together and focus on increasing engagement with institutional investors outside of Japan.

Directors (As of March 27, 2024)



Hisae Kitayama ●
Chairperson of the
Audit Committee

Junko Nishiyama ●
Member of the
Audit Committee

Teiji Koge ●
Lead Independent Director,
Chairperson of the
Nomination Committee
(Back row)

Akihiko Nagamine
Member of the
Audit Committee
(Back row)

Toichi Maeda
Member of the
Nomination Committee

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

Takuya Shimamura ●
Member of the
Compensation Committee
(Back row)

Masao Asami
President and Representative
Executive Officer, CEO & COO
and President,
Precision Machinery Company

Tsuyoshi Numagami ●
Member of the
Compensation Committee
(Back row)

Mie Fujimoto ●
Chairperson of the
Compensation Committee

● Independent Director

Biographies of Directors (As of March 27, 2024)

Toichi Maeda

Director,
Member of
the Nomination Committee

Number of shares held: 38,519



- Apr. 1981 Joined the Company
- Apr. 2007 Executive Officer
- Apr. 2010 Managing Executive Officer
- Apr. 2011 Head of Business Unit, Custom Pump Business Unit,
Fluid Machinery & Systems Company
- Jun. 2011 Director
- Apr. 2012 President, Fluid Machinery & Systems Company
- Apr. 2013 President and Representative Director
- Jun. 2015 President and Representative Executive Officer
- Mar. 2019 Director, Chairman of the Company (to present)
Member of the Nomination Committee (to present)
- Mar. 2024 Outside Director, KITZ Corporation (to present)

Masao Asami

Director,
President and Representative Executive
Officer, CEO & COO and President,
Precision Machinery Company

Number of shares held: 50,499



- Apr. 1986 Joined the Company
- Apr. 2010 Executive Officer
- Apr. 2011 Division Executive, Sales and Marketing Division,
Precision Machinery Company
- Apr. 2014 Managing Executive Officer
- Jun. 2015 Managing Executive Officer
- Apr. 2016 President, Precision Machinery Company
- Mar. 2019 Director (to present)
President and Representative Executive Officer (to present)
- Jan. 2023 CEO & COO (to present)
- Jan. 2024 President, Precision Machinery Company (to present)

Hiroshi Oeda

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

Number of shares held: 3,033



- Apr. 1980 Joined Nisshin Flour Milling Inc. (currently Nisshin Seifun Group Inc.)
- Jun. 2009 Director, Nisshin Seifun Group Inc.
- Apr. 2011 Director and President, Nisshin Seifun Group Inc.
- Apr. 2015 Member of Management Council, Hitotsubashi University
- Apr. 2017 Director and Executive Advisor, Nisshin Seifun Group Inc.
- Jun. 2017 Corporate Special Advisor, Nisshin Seifun Group Inc. (to present)
President, Seifun Kaikan Inc.
- Mar. 2018 Director of EBARA CORPORATION (to present)
Member of the Nomination Committee of EBARA CORPORATION
- Jun. 2018 Outside Director, SEKISUI CHEMICAL CO., LTD. (to present)
- Mar. 2019 Chairperson of the Nomination Committee of EBARA CORPORATION
- Jun. 2019 President, Hitotsubashi University Koenkai (to present)
- Mar. 2020 Lead Independent Director of EBARA CORPORATION
- Dec. 2020 Vice-chairperson, Japanese National Commission for UNESCO
- Mar. 2022 Chairman of the Board of Directors of EBARA CORPORATION (to present)
Member of the Nomination Committee of EBARA CORPORATION (to present)
- Jun. 2023 Outside Director, JAPAN POST HOLDINGS Co., Ltd. (to present)

Junko Nishiyama

Independent Director,
Member of the Audit Committee

Number of shares held: 2,733



- Apr. 1979 Joined Lion Fat & Oil Co., Ltd. (currently Lion Corporation)
- Mar. 2006 Director, Finished Product Department, Purchasing Headquarters, Lion Corporation
- Mar. 2007 Director, Finished Product Purchasing, Production Coordinating
Department No. 2, Production Headquarters, Lion Corporation
- Jan. 2009 Director, Packaging Engineering Research Laboratories,
Research & Development, Headquarters, Lion Corporation
- Jan. 2014 Director, CSR Promotion Department, Lion Corporation
- Mar. 2015 Audit & Supervisory Board Member, Lion Corporation
- Mar. 2019 Advisor, Lion Corporation Director
Director of EBARA CORPORATION (to present)
Member of the Audit Committee of EBARA CORPORATION
- Jun. 2019 Outside Director, JACCS CO., LTD.
- Jun. 2020 Outside Auditor, TODA CORPORATION (to present)
- Mar. 2021 Member of the Compensation Committee of EBARA CORPORATION
- Mar. 2024 Member of the Audit Committee of EBARA CORPORATION (to present)

Mie Fujimoto

Independent Director,
Chairperson of the
Compensation Committee

Number of shares held: 2,433



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

(Note) The Company carried out a 5-for-1 stock split of the common stock of the Company with a record date of June 30, 2024.
The number of shares held is the number of shares before the stock split.

Biographies of Directors (As of March 27, 2024)

Hisae Kitayama

Independent Director,
Chairperson of the Audit Committee

Number of shares held: 1,933



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

Akihiko Nagamine

Director,
Member of the Audit Committee

Number of shares held: 18,110



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

Takuya Shimamura

Independent Director,
Member of the
Compensation Committee

Number of shares held: 1,213



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

Teiji Koge

Independent Director
Lead Independent Director,
Chairperson of the Nomination
Committee

Number of shares held: 614



- Apr. 1976 Joined SEKISUI CHEMICAL CO., LTD
- Jun. 2005 Director, SEKISUI CHEMICAL CO., LTD
President of Nagoya Sekisui Heim Co., Ltd.
- Oct. 2005 Director, Head of President's Office of Housing Company, SEKISUI CHEMICAL CO., LTD.
- Feb. 2008 Director, President of Housing Company, SEKISUI CHEMICAL CO., LTD.
- Apr. 2008 Director, Managing Executive Officer, President of Housing Company, SEKISUI CHEMICAL CO., LTD.
- Apr. 2009 Director, Senior Managing Executive Officer, President of Housing Company, SEKISUI CHEMICAL CO., LTD.
- Mar. 2014 Director, Senior Managing Executive Officer, and Head of CSR Department and Corporate Communications Department, SEKISUI CHEMICAL CO., LTD.
- Mar. 2015 President and Representative Director, and Chief Executive Officer, SEKISUI CHEMICAL CO., LTD.
- Mar. 2020 Chairman of the Board and Representative Director, SEKISUI CHEMICAL CO., LTD.
- Jun. 2022 Director and Chairperson, SEKISUI CHEMICAL CO., LTD. (to present)
- Mar. 2023 Director of EBARA CORPORATION (to present)
Member of the Nomination Committee of EBARA CORPORATION
- Mar. 2024 Lead Independent Director of EBARA CORPORATION (to present)
Chairperson of the Nomination Committee of EBARA CORPORATION (to present)

Tsuyoshi Numagami

Independent Director
Member of the Compensation
Committee

Number of shares held: 614



- Apr. 2000 Professor, Graduate School of Commerce and Management, HITOTSUBASHI UNIVERSITY
- Jan. 2011 Dean of Graduate School, Graduate School of Commerce and Management, HITOTSUBASHI UNIVERSITY
- Dec. 2014 Board Member and Executive Vice President, HITOTSUBASHI UNIVERSITY
- Apr. 2018 Professor, Graduate School of Business Administration, HITOTSUBASHI UNIVERSITY
- Jun. 2018 Outside Audit & Supervisory Board Member, JFE Holdings, Inc. (to present)
- Apr. 2021 Professor, Tokyo Tech Academy of Energy and Informatics, Tokyo Institute of Technology
- Jun. 2022 Outside Director, Tokyo Century Corporation (to present)
- Mar. 2023 Director of EBARA CORPORATION (to present)
Member of the Audit Committee of EBARA CORPORATION
- Apr. 2023 Professor Emeritus, Hitotsubashi University (to present)
Professor, Institute for Business and Finance, Waseda University (to present)
- Mar. 2024 Member of the Compensation Committee of EBARA CORPORATION (to present)

Roles and Composition of the Board of Directors

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

The Board of Directors recognizes the following three points as its main roles and responsibilities and considers the perspectives of all stakeholders:

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

REFERENCE

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

https://www.ebara.co.jp/en/ir/governance/information/___icsFiles/afieldfile/2024/07/23/EBARACorporateGovernanceBasicPolicy20240611_1.pdf

Corporate Governance System at a Glance (As of March 27, 2024)

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

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

Composition of Three Committees (As of March 27, 2024)

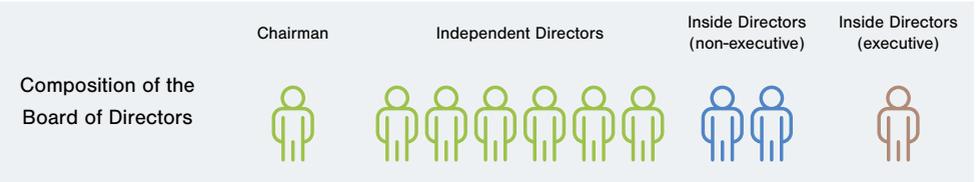
	Nomination Committee	Compensation Committee	Audit Committee
Number of members	3	3	3
Of whom are Independent Directors	2	3	2
Of whom are Inside Directors	1	0	1

Composition of the Board of Directors

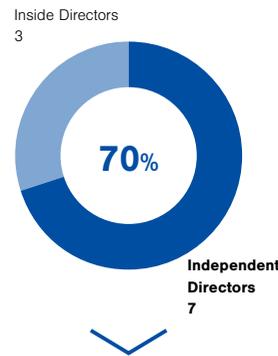


Hiroshi Oeda
Independent Director,
Chairman of the Board of Directors

Reasons for electing the Chairman	Because he has a wealth of insight and experience as an executive at listed companies, he is well versed in global business, and he has extensive experience as an independent director at other listed companies. We want him to draw on his experience and to lead the operation of the Board of Directors as Chairman, including setting the agenda and evaluating the Board's effectiveness.
Evaluation of the Board Chairman	Conducted December 2023 (once a year)
Number of meetings held in 2023	14
Average duration of meetings	3 hours



Ratio of Independent Directors



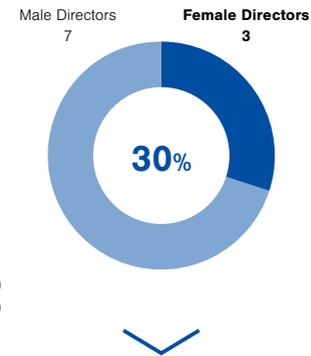
Ensuring independence and objectivity

Ratio of Non-Executive Directors



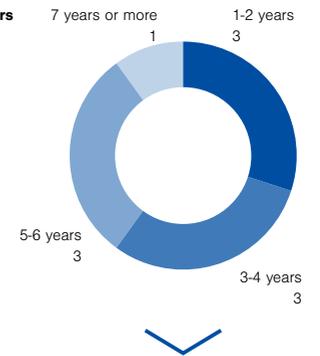
Enhancing oversight

Ratio of Female Directors



Promoting gender and tenure diversity

Ratio of Directors' Length of Service



Roles and Composition of the Board of Directors

(As of March 27, 2024)

Overview of the Board of Directors

Name	Classification Committee positions	Length of service	Attendance in FY2023 (Meetings attended / Total meetings)				Areas in which Directors (Non-Executive Directors) are expected to contribute*1								
			Board of Directors	Nomination Committee	Compensation Committee	Audit Committee	Legal affairs and risk management	Personnel and human resource development	Finance, accounting, and capital policy	Auditing	Corporate management and management strategy	Technology R&D and innovation	The environment	Social	Internal control and corporate governance
Toichi Maeda	Non-Executive Nomination Committee	12 years 9 months	14/14	17/17											
Masao Asami		5 years	14/14												
Hiroshi Oeda	Outside Independent Nomination Committee	6 years	14/14	17/17											
Junko Nishiyama	Outside Independent Audit Committee	5 years	14/14		14/14										
Mie Fujimoto	Outside Independent Compensation Committee	4 years	14/14		14/14										
Hisae Kitayama	Outside Independent Audit Committee	3 years	14/14			23/23									
Akihiko Nagamine	Non-Executive Audit Committee	3 years	14/14			23/23									
Takuya Shimamura	Outside Independent Compensation Committee	2 years	14/14		14/14										
Teiji Koge	Outside Independent Nomination Committee	1 year	10/10*2	12/12*2											
Tsuyoshi Numagami	Outside Independent Compensation Committee	1 year	10/10*2			15/15*2									

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

*1. The above table does not represent all of the areas in which Directors possess expertise.
 *2. Teiji Koge and Tsuyoshi Numagami were newly elected and appointed as Directors at the 158th Ordinary General Meeting of Shareholders held on March 29, 2023, therefore their attendance at the Board of Directors meetings and each Committee meetings held after the date of the election are shown.

Roles and Composition of the Board of Directors

To ensure the Board of Directors effectively fulfills its roles and responsibilities, the Company shall make up the Board with directors of sufficient knowledge and experience inside and outside the Company in areas related to business management. In order to ensure this, the Company's Corporate Governance Basic Policy clearly defines the roles and qualifications required of directors by attribute and position. Moreover, the Company defines the following areas it considers important from the perspective of corporate management, and it requires individual directors to have sufficient knowledge and experience in several specified areas: legal affairs and risk management, personnel and human resource development, finance, accounting, and capital policy, auditing, corporate management and management strategy, technology R&D and innovation, the environment, social, and internal control and governance.

The Nomination Committee selects candidates for the Board of Directors after confirming that they have met the

Company's qualification requirements, and have knowledge and experience in several of the areas mentioned above. The composition of the Board of Directors elected for 2023, remains highly independent and diverse, with seven of the 10 directors being Independent Directors, three of whom are women.

REFERENCE

Notice of the 159th Ordinary General Meeting of Shareholders, pages 6-21

Reasons for the selection of individual Directors can be found in the proposal for the election of Directors contained in the Notice of the 159th Ordinary General Meeting of Shareholders

https://www.Ebara.co.jp/en/ir/stock/shareholdersmeeting/_icsFiles/afiedfile/2024/03/08/E6361_159_1.pdf

Roles, Qualifications and Competencies Required for Directors

	Roles	Qualifications and Competencies
Directors	<ul style="list-style-type: none"> - 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 oversight 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 	<ul style="list-style-type: none"> - Has outstanding personality, high ethical standards, a spirit of exploration, and a spirit of independence - Has demonstrated outstanding results, because of his/her excellent knowledge in corporate management, experience in decision-making from a responsible position or demonstrating professional skills - Has or is willing to acquire the latest information on industries and/or peripheral/relevant areas that are related to the strategic direction and/or medium- to long-term issues of the Company - Has insight and logical-thinking ability to make judgments by referring to the opinions of other Directors and new information from inside and outside the Company, rather than solely relying on his/her own past experience and knowledge - Committed to the governance reform of the Company and motivated to develop himself/herself by contributing to the process of its evolution
Chairperson of the Board of Directors	<ol style="list-style-type: none"> 1) Conduct the following to facilitate agenda setting for the Board of Directors meetings, and effective decision-making and problem-solving deliberations <ul style="list-style-type: none"> - Set the agenda for the Board of Directors meetings and prepare the annual agenda schedule - Strive to understand issues related to the business execution, for example, by sitting with important meetings such as Management Meetings, etc. - Make decisions on the policy for handling unknown risks, and take the lead in internal discussions in the event of scandals, etc. 2) Conduct the following to facilitate smooth operation of the Board of Directors and promote specific business execution <ul style="list-style-type: none"> - 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 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 	<ul style="list-style-type: none"> - Lead the Board of Directors in a fair, objective and self-restrained manner - Fully realize his/her responsibility and demonstrate leadership as the chief of the highest decision-making body of the Company - Interested in the Company's business execution and management personnel, and is willing to deepen the understanding of the same by having dialogues with the execution side

Roles and Composition of the Board of Directors

Roles, Qualifications and Competencies Required for Directors

	Roles	Qualifications and Competencies
Lead Independent Director	<ul style="list-style-type: none"> - Hold Executive Sessions for Independent Directors to improve the quality of the Board of Directors meetings by promoting their understanding of issues by selecting proper agenda items and organizing discussion points - Establish and supervise appropriate training programs for the Independent Directors, including newly appointed Independent Directors, by identifying the needs of each Independent Director, such as deepening understanding of specific issues 	<ul style="list-style-type: none"> - Lead the Independent Directors in a fair, objective and self-restrained manner and earn trust from stakeholders - Has broad insight and is able to develop appropriate improvement measures for Independent Directors to fulfill their roles
Independent Directors	<ul style="list-style-type: none"> - Enhance the quality of deliberations at the Board of Directors meetings by providing opinions and recommendations for problem-solving thinking from an objective and diverse perspective - At the Independent Directors' Meetings*, strive to determine the true nature of the issue by actively making efforts to understand the Company and its business as its background - Assume the duties as a member of the Nomination Committee, Audit Committee and/or Compensation Committee - Participate in the Board of Directors meetings and other meeting structures on management, independently from the Executive Officers, when deemed necessary, and provide supervision and advice on the Company's operations by expressing his/her views and other means - Will serve as a member of an investigatory committee and participate in evaluation and/or determination in the event that an evaluation and/or determination independent of the Executive Officers is required. - Will supervise and verify key management initiatives, management results, and the performance of Executive Officers as needed in light of the management strategy and plan determined by the Board of Directors and will provide candid comments and recommendations on the appropriateness of entrusting management to the current executive officers from an objective standpoint. - Provide candid opinions and recommendations from the standpoint of shareholders and other stakeholders <p>* Independent Directors' Meeting: A meeting body that solely consists of Independent Directors. Held a few days prior to the Board of Directors meeting</p>	<p>Independent Directors are expected to have superior knowledge and experience in one or more of the following domains</p> <ul style="list-style-type: none"> - Has experience serving in a responsible position in corporate management and demonstrated leadership in corporate transformation - Has demonstrated leadership in implementing and enhancing ESG-focused management - Has demonstrated leadership in personnel and human resource development, and reform of corporate culture - Has intimate knowledge of solving issues related to finance, accounting and/or capital policy - Has intimate knowledge of auditing - Has intimate knowledge of legal affairs, internal control, and governance reforms - Has intimate knowledge of technical development and R&D - Has intimate knowledge of global environment - Has knowledge of a company's issues as a social entity, such as respect for human rights and diversity, health and working conditions, and supply chain management - Has intimate knowledge of areas which are anticipated to rapidly evolve in the future, such as digitization and AI technology
Non-Executive Inside Directors	<ul style="list-style-type: none"> - Express opinions from an objective perspective 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 - Complement the expected role of an Independent Director - Serve as the primary liaison between Independent Directors and Executive Officers, as needed - Serve a necessary role to deepen the understanding of issues related to business execution and the organization among the Independent Directors <p>Chairman of the Company</p> <ul style="list-style-type: none"> - Demonstrate leadership in the process required for the change and make recommendations to the Board of Directors in coordination with the Chairperson of the Board of Directors - In case an Independent Director serves as the Chairperson of the Board of Directors, assist the Chairperson and function as a good advisor as required - Serve the roles required in the Group's external activities as required 	<ul style="list-style-type: none"> - Has the same qualifications and competencies required of Independent Directors - Has broad knowledge of business execution of the Company and is capable of supervising and supporting business execution through proper communication

REFERENCE Corporate Governance Basic Policy (P12-19)

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

https://www.ebara.co.jp/en/ir/governance/information/_icsFiles/afiedfile/2024/07/23/EBARACorporateGovernanceBasicPolicy20240611_1.pdf

Corporate Governance

Increasing corporate value through oversight and business execution

Since inviting its first two Independent Directors in 2008, the Company has accelerated its governance reforms based on the “policy of clearly separating management oversight and business execution.” In 2015, the Company adopted the organizational form of a Company with Nomination Committee, etc. Since then, we have continued to reduce the number of Directors who also serve as executives. We currently have a highly transparent structure with ten Directors, seven of whom are Independent Directors, and only one Executive Director, the President. Our governance reforms are in Phase V. We are implementing

“Governance to Value” with the Board of Directors’ contribution to increased corporate value and producing results firmly in mind.

These governance reforms and management’s ability to implement them have yielded results for over a decade, leading to the attainment of a market capitalization of 1 trillion yen (a goal of E-Vision 2030) in 2023. Going forward, the Board of Directors and the executive team will continue to work together to further enhance governance and improve performance, thereby helping to increase corporate value.



Changes in our corporate governance structure are also posted on our website. <https://www.ebara.co.jp/en/ir/governance/information/Basic-Policy-and-Framework.html>

(Note) The Company conducted a 5-for-1 stock split of common stock on July 1, 2024. Share prices are those before the stock split.



Corporate Governance of the Year 2023 “Grand Prize” Winner

Organized by: Japan Association of Corporate Directors
 Sponsors: Financial Services Agency, Ministry of Economy, Trade, and Industry (METI), Ministry of Justice, Tokyo Metropolitan Government, Tokyo Stock Exchange/Japan Exchange Group

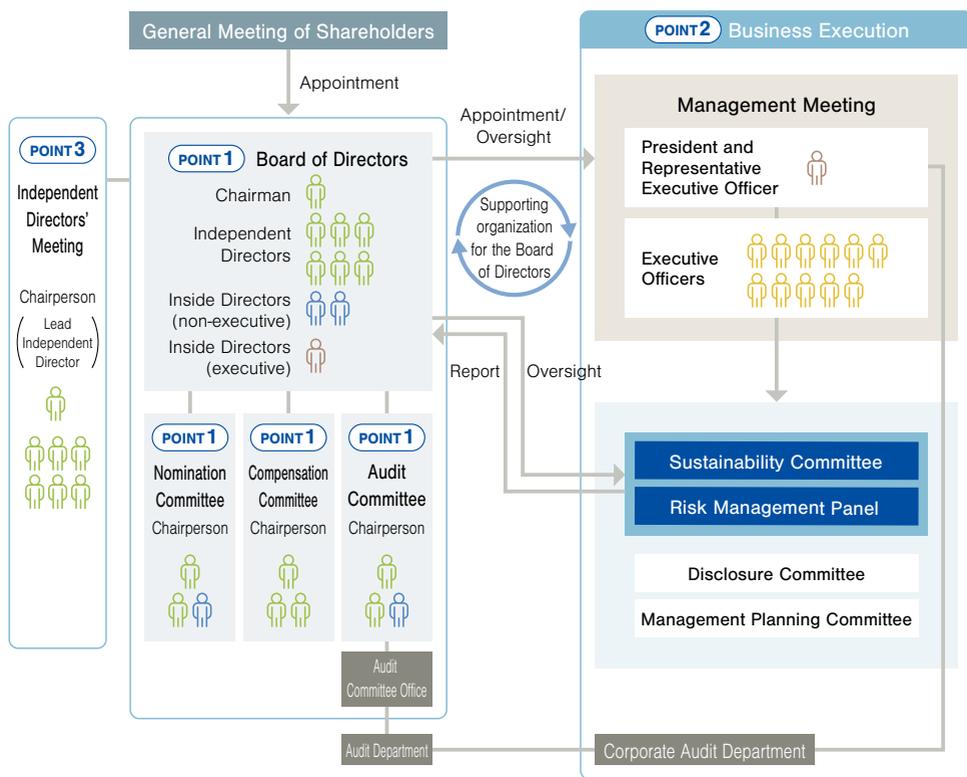
This award has been given since 2015 as part of the Government’s growth strategy to encourage companies to use corporate governance to achieve sound growth over the medium- to long-term. The award recognizes the results yielded by the Company’s transition from “defensive” to “offensive” governance, the process of that transition, and management’s ability to implement it. The Company received a METI Minister’s Award in 2022, making it the first company in history to receive both awards.

Corporate Governance

Basic Views on Corporate Governance

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

Corporate Governance Framework (As of March 27, 2024)



Independent Directors
 Inside Directors (non-executive)
 Inside Directors (executive)
 Executive Officers

Main Points of the Corporate Governance Framework

POINT 1 Enhancing oversight and ensuring transparency

By having Independent Directors play an important role and by having a Board of Directors consisting mainly of non-executive Directors (including Independent Directors), we have enhanced management oversight from an independent and objective standpoint, and we have ensured transparency. Ebara adopted the organizational form of a "Company with a Nomination Committee, etc." in 2015. Under the current structure, the Chairman of the Board of Directors and the Chairs of the Nomination Committee, the Compensation Committee, and the Audit Committee are Independent Directors. A majority of Directors and individual committee members are Independent Directors.

POINT 2 Expanding business execution authority and increasing competitiveness

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

POINT 3 Holding of Independent Directors’ Meetings

A body consisting solely of Independent Directors has been constituted and meet monthly a few days prior to Board of Directors meetings. At these meetings, Executive Officers provide preliminary explanations of proposals and other matters related to business execution and agenda items for the coming Board meetings, and the Independent Directors hold free discussions to better identify and understand the necessary agenda items. The explanations and discussions had in the Independent Directors’ Meetings facilitate more in-depth deliberations at Board meetings.



Corporate Governance

Major Initiatives for the Board of Directors in 2023

2023 was the first year of the E-Plan 2025 medium-term management plan. That year, the Board of Directors allocated the necessary time and discussed monitoring and following up on the status of Ebara's long-term vision and medium-term management plan and examining the effects of and issues with the transition to a target market-based organization from various perspectives.

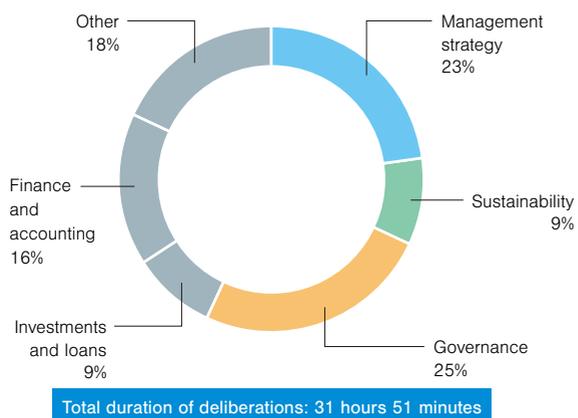
The Board encouraged executives to steadily implement those actions and to respond to important issues. In order to "advance ESG-focused management" as set forth in the management strategy of our long-term vision, we systematically examined and discussed issues related to sustainability and the status of ESG management and efforts to promote it. In specific terms, the

topics covered included human resource development, diversity, equity, and inclusion (DE&I), human rights due diligence (DD) in the supply chain, carbon neutrality, and disclosure based on TCFD recommendations.

→ P101

Monitoring and following up on the status of Ebara's long-term vision and medium-term management plan (2023)

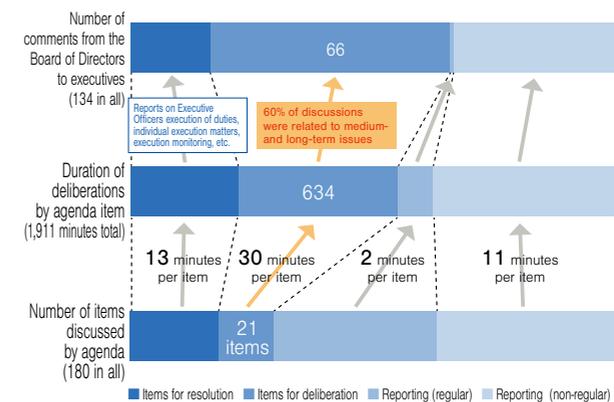
Duration of Board deliberations by agenda item



Status of major deliberations by the Board of Directors

Feb.	● Management strategy	Approved a resolution to revise E-Vision 2030 and formulate E-Plan 2025
Apr.	● Management strategy	Discussed a medium-term action plan to address management issues and KPIs for 2023
	● Sustainability	Discussed sustainability issues that the Board of Directors needed to discuss (1)
Jun.	● Management strategy	Discussed companywide marketing activities and the status of and issues with new businesses (1)
Jul.	● Management strategy	Discussed the status of and issues with R&D and intellectual property strategies in E-Plan 2025
	● Sustainability	Discussed the status of and issues with the advancement of human resources
Aug.	● Governance	Discussed the status of and issues with initiatives to enhance Group governance
Sept.	● Management strategy	Discussed the status of E-Plan 2025 and issues by company (1)
	● Governance	Discussed the effectiveness of and issues with the CxO system introduced in 2023
Oct.	● Management strategy	Discussed the status of E-Plan 2025 and issues by company (2)
	● Sustainability	Discussed sustainability issues that the Board of Directors needed to discuss (2)
Nov.	● Management strategy	Discussed the status of E-Plan 2025 and issues by company (3)
	● Management strategy	Discussed marketing activities company-wide and the status of and issues with new businesses (2)
Dec.	● Sustainability	Discussed the status of initiatives to address human resource issues and future actions
	● Governance	Deliberations on the evaluation of the effectiveness of the Board of Directors (1)

Annual duration of deliberations by agenda item and number of comments from the Board of Directors to executives



- There were 180 agenda items for 2023, the annual duration of deliberations was 1,911 minutes, and there were 134 comments from the Board of Directors to executives. These numbers were on par with those in the previous year.
- Items for deliberation accounted for the longest average deliberation duration among agenda items, mostly focused on medium- to long-term issues.
- Comments from the Board of Directors to executives were mostly regarding items for deliberation, the majority of which concerned medium- to long-term issues.

Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

Since the adoption of the organizational form of a Company with Nomination Committee, etc. in 2015, the Board of Directors, as well as the Nomination, Compensation, and Audit Committees, have been conducting annual evaluations of effectiveness and disclosing the results. The purpose of these evaluations is to verify how the Board of Directors contributes to effective corporate governance as well as to identify issues and make improvements. The improvement status of issues identified in the previous year is verified through the annual evaluation. Based on this verification, the next issues are identified, and the PDCA cycle is implemented to ensure continuous governance reform.

Fiscal 2023 Evaluation of Effectiveness

1. Analysis and Assessment Process

A questionnaire was created for each Director. In order to directly confirm the thoughts of each Director based on his or her responses, the Chairman of the Board of Directors, who serves as an Independent Director, conducted individual interviews with all of the Directors, and individual Directors evaluated themselves and their peers. The Board of Directors analyzed the responses to the questionnaire and individual interviews. Based on those findings, the Board discussed its own effectiveness at its December 2023 and January 2024 meetings. The Board also confirmed those evaluations and future actions. In addition, all Directors except the Chairman of the Board of Directors evaluated the Chairman.

2. Questionnaires and Individual Interviews

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

Major Questionnaire Items

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

3. Summary of the Results of Analysis and Evaluation

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

A summary of the peer evaluations is shared with the Nomination Committee, which refers to those evaluations when selecting candidates for the Board of Directors.

4. Action to Be Taken

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

- The Board will organize ideas and policies on important issues (human resources and human capital, progress of globalization, appropriate capital allocation, verification of our business portfolio, establishment of the Ebara brand, etc.) in light of the status of the E-Plan 2025 medium-term management plan and changes in the internal and external environment, and discuss management vision from a long-term perspective.
- The Board will deepen discussions about key sustainability issues from the perspective of how to specifically link profitability, long-term sustainability, and increased corporate value to ESG management.
 - Human rights due diligence in the supply chain
 - Promoting diversity, equity, & inclusion (DE&I)
 - Carbon neutrality
 - Responding to internal and external requirements to disclose sustainability-related information
- Periodic review of committee structure and activities

Training for Directors

Training Policy for Directors

Training will be provided to Directors. That training will give them a better understanding of the Ebara Group, help them identify the latest trends in industries and/or peripheral/relevant areas that are related to the strategic direction and/or medium- to long-term issues of the Group, and enhance their knowledge. Newly appointed Independent Directors are given the opportunity, before and after their appointment, to gain knowledge and expertise in areas such as finance, legal affairs, and corporate governance that they need to fulfill their responsibilities as Directors. We intend to enhance training for Directors, even after they have assumed the post, by providing them with opportunities to better understand the Ebara Group's business through visits to business sites and lectures from outside experts, to better understand key topics addressed by the Board of Directors, and to better understand issues identified in the evaluation of the Board's effectiveness.

Fiscal 2023 Site Visit and Training Results

- March 2023: Orientation for new Directors
- July 2023: On-site visits to major domestic bases (Futtsu Plant, Sodegaura Plant)
- October 2023: On-site visits to major domestic bases (Kumamoto Plant)



On-site visit to the Futtsu Plant

Corporate Governance Sustainability Governance

The Board of Directors recognizes that advancing sustainability management with a focus on environmental, social, and governance issues, is a key management issue to increase social and environmental value. Not only is it a key management issue for long-term sustainability, it is also essential in solving social issues, such as the SDGs, through business activities. At the same time, through the practice of ROIC management and earnest portfolio management, Ebara aims to enhance economic value. The Board of Directors will formulate basic management policies with the long-term business environment in mind and oversee their ongoing implementation so that the Group can sustainably generate resources for growth and further value creation by putting them into practice.

We have stipulated this concept in EBARA's Corporate Governance Basic Policy. In order to promote and implement it, the Sustainability Committee has been established as an executive committee to deliberate on policies and actions that support the business, to determine key performance indicators (KPIs) and targets, and to confirm their achievement. Directors attend Sustainability Committee meetings to ascertain the status of management's sustainability initiatives and provide advice, while the Board of Directors discusses the deliberations of the Sustainability Committee and provides feedback as necessary to specify and promote actions. The Board of Directors regularly examines the Group's sustainability initiatives and provides comments and recommendations as necessary. [→ P23](#)

Promoting Sustainability and Evaluating the Board's Effectiveness

In 2021, the evaluation of the effectiveness of the Board determined that several actions must be taken to elevate the Board's efforts on sustainability. This included having the Board select companies from around the world that are well regarded for their sustainability-oriented management and compare them to the Company. The next step would be to identify important sustainability issues that the Board should discuss, gleaned from those comparisons, and hold discussions to specify and promote action to address those issues. The following year (2022), the Board of Directors began an effort to regularly place important sustainability issues on its agenda.

More opportunities to discuss sustainability at Board meetings and enhanced monitoring have also helped to encourage efforts by management. During the annual evaluation of the Board's effectiveness, the Board conducts a self-review, it identifies issues, and it seeks to address them. This has continuously improved the effectiveness of the Board's action on sustainability.

Status of efforts related to sustainability

Independent Directors' Meeting*1

May 2023
Discussion on the **status of promotion of women** and execution of diversity initiatives

*1. Conducts prior explanations of Board meeting agenda items and additional explanations of Executive initiatives to deepen awareness of issues through free discussion among Independent Directors

Training for Directors*2

December 2022
Opinion exchange meeting with external experts on **diversity & inclusion**

*2. Lectures by outside experts, site visits to business locations, etc. to enhance Directors' knowledge and expertise by providing them with an understanding of the Group and the latest trends related to medium- to long-term issues



Committees supporting sustainability in addition to the Board of Directors

E-Plan 2025, the medium-term management plan announced in February 2023, intends to further advance corporate governance. The Nomination Committee, the Compensation Committee, and the Audit Committee are set to play an important role in overseeing sustainability, along with the Board of Directors. Committees are encouraging the steady conduct of business. As examples, the Nomination Committee is training management personnel, the Compensation Committee is adopting ESG indicators to evaluate executive compensation, and the Audit Committee is monitoring and verifying ESG management.

More in-depth dialogue between the Board of Directors and stakeholders

At the same time, E-Plan 2025 also emphasizes dialogue between the Board of Directors and stakeholders. The Board of Directors will examine the insights gained from dialogue with stakeholders and link them to discussions and oversight of sustainability issues, thereby helping to increase corporate value.



Board of Directors	
January 2023	● Sustainability Committee Report
April	● Confirm the status of Ebara's ESG-focused management and discuss sustainability-related issues that need addressing in the future
June	● Sustainability Committee Report
June	● Discussion on the 2023 climate-related disclosure based on TCFD recommendations
July	● Discussion on promotion of human resources
October	● Review and discussion of the Group's Carbon Neutrality Initiatives
December	● Sustainability Committee Report
December	● Status of initiatives to address human resource issues and future actions
January 2024	● Sustainability Committee report



Business Execution	
Management Meeting	
Sustainability Committee	
● Share sustainability issues and set policies to address them	
● Check and review progress of ESG KPIs	
Date	Number of Attending Independent Directors
March 2023	6/7
June	4/8
September	7/8
December	7/8
Risk Management Panel	

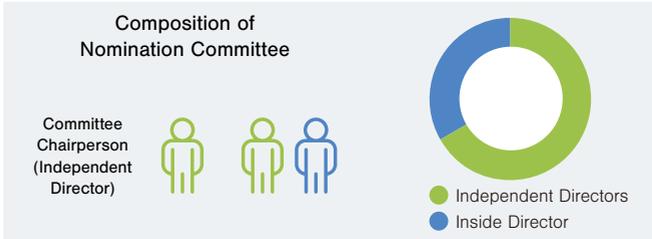
Corporate Governance

Nomination Committee



Reason for appointment of chairperson	He has a wealth of experience and considerable insight as a corporate executive, and he is also well-versed in corporate governance and ESG management. He has been chosen to draw on that vast experience and knowledge and to display leadership in selecting management personnel and fostering management candidates as the Chairperson of the Nomination Committee.
Meetings in 2023	17
Average duration of meetings	Approx. 2 hours

Teiji Kouge
Lead Independent Director, Chairperson of the Nomination Committee



Message from the Committee Chairperson

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

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

The medium-term management plan, E-Plan 2025, calls for "Governance to Value (G to V)," and in addition to the Board of Directors, every committee will strive to play an important role in overseeing sustainability. To achieve E-Vision 2030 and E-Plan 2025, the Nomination Committee will promptly discern changes in the business environment to continuously increase Ebara's value to society and corporate value. The Committee will strive to foster management personnel who will take on the challenge of accomplishing that mission with passion and dedication.

Role of the Nomination Committee

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

Succession Plan for the President and Representative Executive Officer

The establishment and implementation of the succession plan for the President and Representative Executive Officer is one of the most important tasks for the Nomination Committee. The Company's succession plan has two major characteristics. The first characteristic is that this plan is formulated by the Nomination Committee, of which the current President is not a member. The second characteristic is that, when selecting the next President, the Nomination Committee coordinates with the executive team to systematically cultivate candidates and select the successor over an extended period of time. The Nomination Committee is composed of three Non-Executive Directors, including two Independent Directors and the Chairman of the Company. This membership ensures the objective selection of ideal candidates. The Company has a policy stating that excessively long terms should be avoided for members of senior management and that individuals in these positions should be changed periodically. The upper limit for the term of the President is six years. The current President, who was appointed in March 2019, was selected through a process of cultivating, evaluating, and narrowing down candidates that began three years prior.

Corporate Governance

Nomination Committee

Cultivation and Selection Process

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

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

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

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

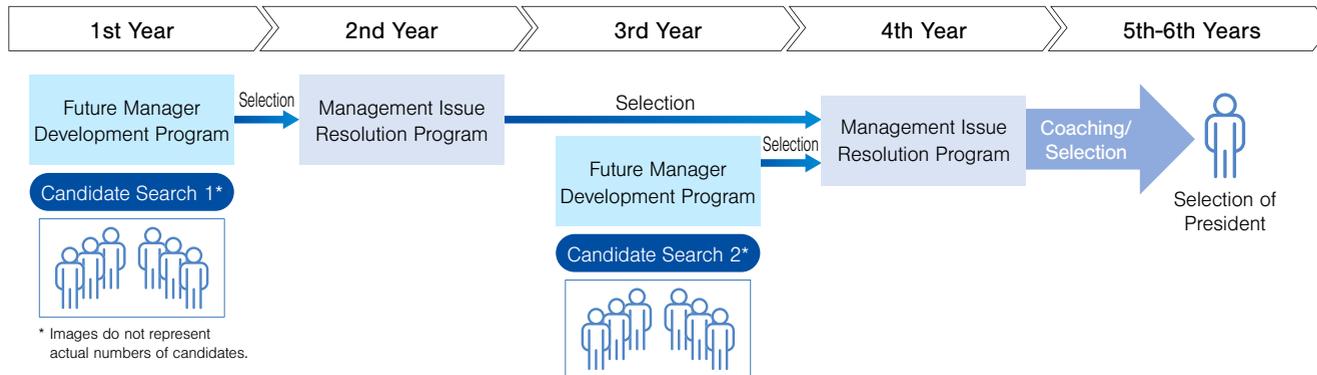
The qualities required in the President include perseverance and passion in addition to other qualities expected of executives. Additional requirements are also defined based on the management circumstances at a given time. The final decision of who will become the next President is made by the Nomination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

2023 was the fifth year of the six-year succession plan for the President, and in addition to providing coaching and assessments, the Committee held plenty of discussions about our training programs.

Revision of Corporate Governance Basic Policy and Clarification of Roles

In 2021, Ebara revised its Corporate Governance Basic Policy to clarify the roles and qualification requirements for Directors, including those by classification and position. [→ P95-96](#) This is an extremely important guideline for the future activities of the Board of Directors, committees, and individual Directors. The Nomination Committee will select candidates who meet the requirements and will contribute to improving the effectiveness of the Board of Directors. The recommendations the Nomination Committee makes to the Board of Directors will draw on the results of the evaluation of the Board as a whole, each committee, and the effectiveness of each Director, as well as the evaluation of the Chairman of the Board of Directors, with the aim of further improving the effectiveness of the Board of Directors as a whole.

Six-Year Cultivation and Selection Process



Corporate Governance

Compensation Committee



Reason for appointment of chairperson	As an attorney, she is well versed in corporate legal affairs with a focus on labor-related laws and regulations, and brings experience as an outside director at a listed company. As chairperson of the Compensation Committee, she will provide leadership in reviewing the compensation system and the level of compensation for the Company's Directors and Executive Officers based on her abundant experience, deep insight, and expertise.
Meetings in 2023	14
Average duration of meetings	Approx. 1 hour and 30 minutes

Mie Fujimoto
Independent Director, Chairperson of the Compensation Committee



Message from the Committee Chairperson

We will help to achieve the goals of E-Plan 2025 by setting appropriate goals and performance-linked compensation.

In order to ensure that Director and Executive Officer Compensation is in line with management policies, the compensation system and its implementation need to be constantly reviewed in accordance with changes in the Company itself, such as expanded operations and global expansion, as well as changes in the environment the Company faces. This year, the Compensation Committee would like to review the benchmarks used to determine compensation levels and further consider ESG indicators.

We are currently making steady progress toward achieving E-Plan 2025. The Compensation Committee will continue to help achieve goals by setting appropriate goals and determining performance-linked compensation that highly motivates Directors and Executive Officers to achieve their goals.

We also believe that increasing transparency in our policy on and process for determining compensation is important to obtaining the understanding of shareholders and in ensuring the appropriateness of compensation. We will disseminate information through various media, including this report.

Role of the Compensation Committee

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

Setting Goals for and Evaluating Executive Officers

The Compensation Committee drafts the Compensation Policy and it determines the amount of basic compensation, short-term performance-linked compensation, restricted stock compensation, and performance-linked stock compensation for individual Directors and Executive Officers based on that policy.

Setting goals and determining the evaluations of Executive Officers, which is the basis for short-term performance-linked compensation, is an important item that we deliberate on at length each year. First, each Executive Officer's goals for the current year are set in April. Goals are set and the criteria for their achievement are specified by management in accordance with the performance evaluation manual created by the Compensation Committee. The Compensation Committee receives an explanation of each Executive Officer's goals and the criteria for their achievement from the Representative Executive Officer, and it clarifies any ambiguities and it confirms that the goals and criteria are appropriate.

In February of the following year, evaluations are explained by the Representative Executive Officer. After discussion, final evaluations are made. Members of the Compensation Committee receive information on the conduct of operations by Executive Officers through an explanation of agenda items and question-and-answer sessions at meetings of the Board of Directors and Independent Directors' Meetings. Based on this information, members of the Compensation Committee determine the Executive Officers' evaluations and compensation, taking into consideration their efforts throughout the year.

Corporate Governance

Compensation Committee

Items Discussed in 2023

In 2023, we discussed ESG indicators that were introduced in 2022 as indicators with which to determine short-term performance-linked compensation, and we also considered how compensation should be paid to executives residing outside of Japan. We consented to continuing those discussions in 2024.

In addition, we looked into changes in laws related to the disclosure of Director and Executive Officer Compensation as well as recent aspects of disclosure, and we revised the wording in this year's business report to make it easier for readers to understand by, for example, including charts and tables.

Review of (some aspects of) disclosure relating to compensation in business reports

Before

Notice of the 158th Ordinary General Meeting of Shareholders (2022) P65

(c) Combination of compensation
The combination of Executive Officers' compensation is as follows.
[Ratio of Compensation of Executive Officers (If 100% of the target for performance-linked compensation is achieved)]

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

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

➔

After

Notice of the 159th Ordinary General Meeting of Shareholders (2023) P63

(c) Combination of compensation
The combination of Executive Officers' compensation is as follows.
[Ratio of Compensation of Executive Officers (If 100% of the target for performance-linked compensation is achieved)]
[President and Representative Executive Officer] Base pay : Short-term performance-linked compensation : RS : PSU = 1.0 : 0.6 : 0.3 : 0.3
[Executive Officers] Base pay : Short-term performance-linked compensation : RS : PSU = 1.0 : 0.6 : 0.2-0.25 : 0.2-0.25

Total Amounts of Compensation for Directors and Executive Officers

Position	Total compensation (Millions of yen)	Total compensation by type (Millions of yen)							
		Basic compensation		Short-term performance-linked compensation		Restricted stock compensation		Performance-linked stock compensation	
		Number of persons to be paid	Amount	Number of persons to be paid	Amount	Number of persons to be paid	Amount	Number of persons to be paid	Amount
Directors of the Board (excluding Independent Directors)	132	2	100	—	—	2	30	1	1
Independent Directors	141	9	114	—	—	9	27	—	—
Executive Officers	1,010	17	384	14	258	17	93	17	274
Total	1,285	28	599	14	258	28	151	18	276

- Notes:
- Compensation shown is the amount of compensation paid to Directors and Executive Officers in office as of December 31, 2023, for the term of office of each Director and Executive Officer for the fiscal year ended December 31, 2023, and compensation paid to the Non-Executive Director who retired at the conclusion of the 158th Ordinary General Meeting of Shareholders held on March 29, 2023, and the three Executive Officers, who retired at the conclusion of the meeting of the Board of Directors held on the same day, according to their term of office, which began January 2023 and ended upon resignation.
 - Compensation paid to the President and Representative Executive Officer, who concurrently serves as a Director, is included in the Executive Officers compensation column.
 - The amount of compensation paid to Executive Officers includes ¥131 million (basic compensation ¥62 million, short-term performance-linked compensation ¥40 million, performance-linked stock compensation of ¥21 million) in compensation paid by subsidiaries to Executive Officers that serve concurrently as officers at subsidiaries.
 - Executive Officers' short-term performance-linked compensation is determined based on Companywide or business performance, as well as individual goals, and the degree of achievement of these goals is evaluated and discussed by the Compensation Committee.
 - Short-term performance-linked compensation depicts the total amount of short-term performance linked compensation paid in March 2024 to Executive Officers in office as of December 31, 2022, for the fiscal year ended December 31, 2023.
 - Restricted stock compensation shown combines the amount of restricted stock compensation granted in the fiscal year ended December 31, 2021, and the amount of which was recorded as expenses during the fiscal year ended December 31, 2022.
 - Performance-linked stock compensation represents the total amount of performance-linked stock compensation to be paid in May 2026 that is expected to be expensed in the current fiscal year. Calculation of the amount for the current fiscal year is based on the most recent share price of the Company and the projected consolidated return on invested capital (ROIC) in the management plan for the fiscal year ending December 31, 2025, which is the final year of the E-Plan 2025 medium-term management plan. It also includes the difference between that amount and the amount recorded in the previous fiscal year.
 - In addition to the above, 35 million yen was recorded as an expense for the current fiscal year. This amount was for performance-linked stock compensation under the E-Plan 2022 medium-term management plan, and it was given to six executive officers who retired prior to the end of December 2022.

Corporate Governance

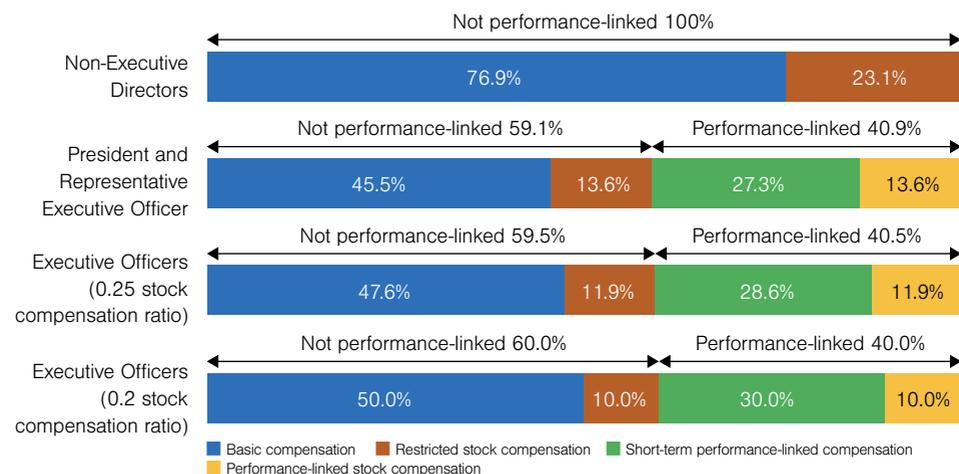
Compensation Committee

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

Name	Total Compensation (Millions of yen)	Total compensation by type (Millions of yen)			
		Basic compensation	Short-term performance-linked compensation	Restricted stock compensation	Performance linked stock compensation
President and Representative Executive Officer Masao Asami	168	54	37	16	61

Notes:
 1. Short-term performance-linked compensation depicts the total amount of short-term performance-linked compensation paid in March 2024 for the fiscal year ended December 31, 2023.
 2. Restricted stock compensation shown combines the amount of restricted stock compensation granted in the fiscal year ended December 31, 2021, and the amount of which was recorded as expenses during the fiscal year ended December 31, 2022.
 3. Performance-linked stock compensation represents the total amount of performance-linked stock compensation to be paid in May 2026 that is expected to be expensed in the current fiscal year. Calculation of the amount for the current fiscal year is based on the most recent share price of the Company and the forecast of consolidated return on invested capital (ROIC) in the management plan for the fiscal year ending December 31, 2025, which is the final year of the E-Plan 2025 medium-term management plan. It also includes the difference between that amount and the amount recorded in the previous fiscal year.

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



Type of Compensation

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

*1. Management by objectives is a management approach in which directors and executive officers are evaluated based on their individual level of achievement of and progress in reaching set goals
 *2. An ESG rating agency that evaluates strategies to address climate change and efforts to reduce GHG emissions, among others
 *3. A global engagement survey conducted for employees worldwide since 2019 regarding engagement at their companies and workplaces

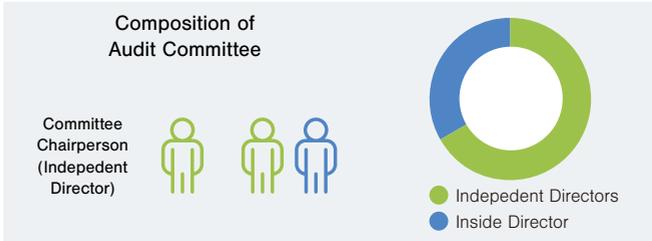
Corporate Governance

Audit Committee



Reason for appointment of chairperson	She is a certified public accountant with abundant insight and expertise in corporate accounting and auditing, diverse audit experience at audit corporations, as well as experience serving as an outside director at a listed company. As chairperson of the Audit Committee, she reflects this experience to the management supervision of the Company and the Group, and demonstrates her leadership in the activities of the Audit Committee.
Meetings in 2023	23
Average duration of meetings	Approx. 3 hours

Hisae Kitayama
Independent Director, Chairperson of the Audit Committee



Message from the Committee Chairperson

Promoting legal, proper and efficient business operations through the enhancement of a three-pillar audit system

The Audit Committee monitors the appropriateness of accounting operations and procedures, such as improving the accuracy of management accounting, appropriate budget control by business, and evaluation of goodwill. It also ascertains the status of E-Plan 2025 at the five companies, and it establishes group-wide governance, which includes subsidiaries overseas and small offices. In addition, the Committee emphasizes the link between ESG management and increased corporate value by promoting the linking of sustainability and business and by monitoring and verifying the status of business processes related to the accurate collection, analysis, and disclosure of non-financial information.

Ebara is committed to conducting monitored audits, and we believe that a system needs to be created for a three-pillar audit system (internal audits, audit committee's audits, and accounting audits) by enhancing collaboration among the Audit Committee, the Independent Auditor, and the Internal Audit Division. We will continue to monitor and verify that operations are conducted legally, properly, and efficiently by enhancing the three-pillar audit system.

Role of the Audit Committee

The Audit Committee is responsible for conducting audits to assess whether or not Directors, Executive Officers, and employees of the Company and its subsidiaries are in compliance with legal obligations and internal regulations. In addition, the Audit Committee endeavors to monitor Executive Officers and verify whether they execute their duties in a sound, fair, appropriate, and efficient manner in accordance with basic policies for management and medium- and long-term management plans established by the Board of Directors, such as the E-Vision 2030 long-term vision and the E-Plan 2025 medium-term management plan. The role of the Audit Committee is to report the status and results of audits to the Board of Directors and to provide advice or recommendations to the Executive Officers as necessary.

Systems Supporting the Audit Committee

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

- (1) The Audit Committee Office has been established under the control of the Audit Committee, and five full-time staff members are responsible for operating the Audit Committee, planning audit policies and plans, communicating and coordinating with the Independent Auditor, and assisting the Audit Committee members in conducting audits and observing on-site inspections.
- (2) The Audit Department was established under the Audit Committee in order to strengthen on-site inspection organizations under the Audit Committee and to strengthen collaboration with the Internal Audit Division. The head of the Internal Audit Division and its members are concurrently serving in the Audit Department (12 members).
- (3) To ensure closer cooperation between the Audit Committee and the auditors of Group companies, four full-time auditors of major subsidiaries and affiliates (Elliott Ebara Turbomachinery Corporation, Ebara Environmental Plant Co. Ltd., EBARA FIELD TECH. CORPORATION and Swing Corporation) are concurrently serving the Company's Audit Committee Office.
- (4) Due to the importance of monitoring and supervising the internal control of the Ebara Group, comprising the Company and its subsidiaries, decisions on candidates for auditors of affiliated companies are made only after obtaining the consent of the Audit Committee.

Corporate Governance

Audit Committee

Enhancement of the three-pillar audit system

Coordination with and Evaluation of the Independent Auditor

- Throughout the course of collaboration with the Independent Auditor, the Audit Committee confirms that the Independent Auditor maintains independence and conducts appropriate audits, and receives reports as needed from the Independent Auditor on the execution of duties and the results. Furthermore, the Audit Committee conducts efficient audits by holding meetings with the Independent Auditor regularly and as needed for the mutual exchange of information and opinions.
- If the Independent Auditor holds that office for 10 consecutive years (denoted here as a "reappointed Independent Auditor"), regardless of its annual evaluation, the Audit Committee will conduct a bidding process to select candidates for the next year's auditor. The bidding process shall not preclude a reappointed Independent Auditor from participating in the bidding process, even if that reappointed Independent Auditor will remain in office for an additional five consecutive years. However, the maximum period for which an Independent Auditor may serve consecutively is 20 years. The fiscal year ending December 31, 2024 is the second fiscal year that Deloitte Touche Tohmatsu LLC has been appointed as our Independent Auditor.

Coordination with Internal Audit Division

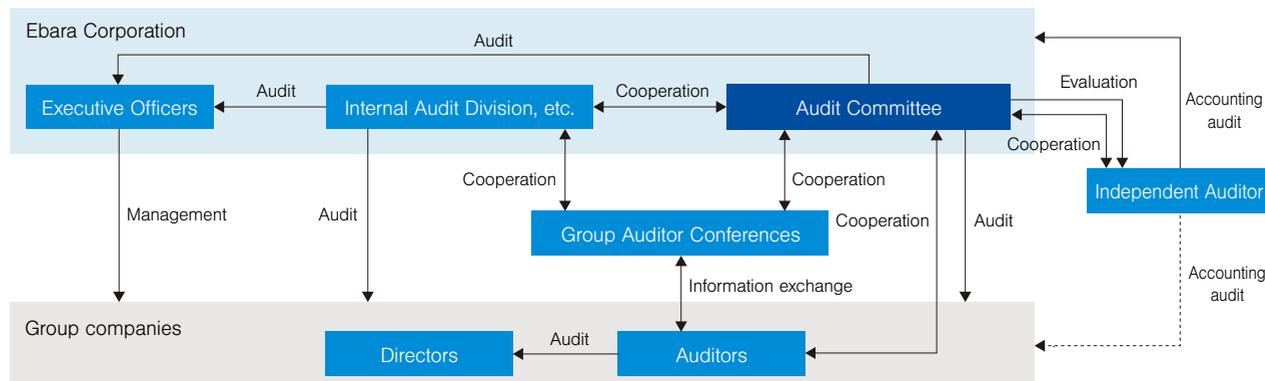
The Audit Committee coordinates with the Internal Audit Division and divisions responsible for internal control, risk management, and compliance as well as with the auditors of Group companies.

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

Status of Activities of the Audit Committee

Discussions with Members of Executive Management	Members of the Audit Committee hold regular and as-necessary meetings with the President and Representative Executive Officer, Company Presidents, other Executive Officers, and general managers to exchange information and opinions on the progress of management plans, risk management, and other matters.
Attendance at Important Meetings	Members of the Audit Committee attend meetings of the Management Meeting, the Sustainability Committee, the Risk Management Panel, and other important meetings to improve the effectiveness and efficiency of audits and maintain an accurate and up-to-date understanding of relevant information. Advice is also provided to the executive team as necessary.
On-Site Audits	On-site audits (including witnessing internal audits by executive departments and audits by independent auditors) are performed at domestic and overseas offices, operating sites, and subsidiaries to confirm that internal control systems are functioning effectively at the Company and across the Group. For the fiscal year that ended December 31, 2023, we focused on conducting audits on-site while also using remote auditing techniques that we utilized during the COVID-19 pandemic, such as web conferencing and joint audits with local external experts, and we actively conducted on-site audits and had audits witnessed by the Independent Auditor.
Major Areas Assessed by the Audit Committee in the Fiscal Year Ended December 31, 2023	<ul style="list-style-type: none"> Audit of the execution of duties and legal compliance system of Executive Officers and others Audits of the design and operation of the Group's internal controls in relation to the Companies Act and the Financial Instruments and Exchange Act Collaborating with the Independent Auditor and the Internal Audit Division and creating a three-pillar audit system (internal audits, audit committee's audits, and accounting audits) Establishment of operations related to applying International Financial Reporting Standards (IFRS) and confirmation of appropriateness of accounting treatment for other material accounting matters The status of the governance system for the conduct of operations under the five-company system by target market and the status of E-Plan 2025, our medium-term management plan The status and implementation of governance and internal controls at subsidiaries, including small offices overseas and companies that were part of M&A, and the status and implementation of reporting lines between parent companies and subsidiaries and between business divisions and corporate headquarters, including new cross-departmental functionality (the CxO system) Inspecting the creation and operation of internal whistle-blowing hotlines and ensuring the effectiveness of responses to reported incidents

Ebara Group Auditing Organizational Diagram



Biographies of Executive Officers (As of March 27, 2024)

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

Masao Asami

President, Representative
Executive Officer, CEO & COO
President,
Precision Machinery Company



Apr. 1986 Joined the Company
Apr. 2010 Executive Officer
Apr. 2011 Division Executive, Sales and Marketing Division, Precision Machinery Company
Apr. 2014 Managing Executive Officer
Jun. 2015 Managing Executive Officer of the Company
Apr. 2016 President, Precision Machinery Company
Mar. 2019 Director (to present)
President, Representative Executive Officer (to present)
Jan. 2023 CEO & COO (to present)
Jan. 2024 President, Precision Machinery Company (to present)

Shu Nagata

Executive Officer,
President, Building Service &
Industrial Company



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

Takanobu Miyaki

Executive Officer,
President, Energy Company,
CEO, Elliott Company, Chairman and
CEO, Ebara Elliott Energy Holdings, Inc.



Apr. 1996 Joined the Company
Mar. 2020 Vice President, Elliott Group Holdings, Inc.
Vice President, Elliott Company
Mar. 2021 Director, Elliott Group Holdings, Inc.
Mar. 2022 Director and CEO, Elliott Group Holdings, Inc.
CEO, Elliott Company (to present)
Executive Officer* (to present)
Responsible for Compressors and Turbines Business, Fluid Machinery & Systems Company
Jan. 2023 President, Energy Company (to present)
Chairman, EBARA GREAT PUMPS CO., LTD. (to present)
Chairman and CEO, Elliott Group Holdings, Inc.
Jan. 2024 Chairman and CEO, Ebara Elliott Energy Holdings, Inc. (to present)

Teruyuki Ota

Executive Officer,
President, Infrastructure Company



Apr. 1994 Joined the Company
Apr. 2017 General Manager, Recruiting and HR Development Department, Human Resources, Legal and General Affairs Division
Apr. 2021 General Manager, Infrastructure Sales Department, System Business Division, Fluid Machinery Systems Company of the Company
Mar. 2022 Executive Officer (to present)
Division Executive, System Business Division, Fluid Machinery & Systems Company
Jan. 2023 President, Infrastructure Company (to present)

Hideki Yamada

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



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

Isao Nambu

Executive Officer,
Co-COO, Equipment Business & Sales
& Management Strategy,
Precision Machinery Company



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

Biographies of Executive Officers (As of March 27, 2024)

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

Seiichi Tsuyuki

Executive Officer,
Co-COO, Component Business &
Advanced Technology,
Precision Machinery Company



Apr. 1992 Joined the Company
Jan. 2022 Division Executive, Components Division,
Precision Machinery Company
Mar. 2022 Executive Officer* (to present)
Jan. 2023 Division Executive, Components Division,
Precision Machinery Company (to present)
Jan. 2024 Division Executive, China Business Division, Precision
Machinery Company

Shugo Hosoda

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



Oct. 1993 Joined the Company
Apr. 2015 Division Executive, Governance Promotion Department
Apr. 2016 Deputy Vice President, Elliott Group Holdings, Inc.
Deputy Vice President, Elliott Company
Jan. 2018 Vice President, Elliott Group Holdings, Inc.
Vice President, Elliott Company
Mar. 2021 Executive Officer* (to present)
Division Executive, Finance & Accounting Division
Mar. 2022 Division Executive, Corporate Strategic Planning, Finance &
Accounting Division
Jan. 2023 Division Executive, Corporate Strategic Planning, Finance &
Accounting Division & CFO
Aug. 2023 Chairman, EBARA (CHINA) CO., LTD. (to present)
Jan. 2024 CFO (to present)

Yoji Sato

Executive Officer,
CHRO



Apr. 1987 Joined the Company
Apr. 2011 Division Executive, Planning Division, Ebara Environmental Plant
Co., Ltd.
Apr. 2012 General Manager, EBARA QINGDAO CO., LTD.
Apr. 2017 Division Executive, Sales Division, Ebara Environmental Plant Co., Ltd.
Jan. 2019 Director, Ebara Environmental Plant Co., Ltd.
Mar. 2022 Executive Officer* (to present)
Division Executive, Human Resources Division
Jan. 2023 Division Executive, Human Resources Division & CHRO
Jan. 2024 CHRO (to present)
Division Executive, Human Resources Division (to present)

Toru Nakayama

Executive Officer,
CRO



Apr. 1984 Joined the Ministry of International Trade and Industry (currently
Ministry of Economy, Trade and Industry)
Apr. 2012 Deputy Director General for Commerce and Information Policy
Bureau, METI
Jul. 2013 Director-General, Trade Control Department, Trade and Economic
Cooperation Bureau
Sep. 2014 Joined the Company
Jan. 2018 Division Executive, Internal Control and Risk Management Division
Mar. 2018 Executive Officer* (to present)
Division Executive, Legal, Internal Control, Risk Management and
General Affairs Division
Jan. 2023 Division Executive, Legal, Internal Control, Risk Management and
General Affairs Division & CRO
Jan. 2024 CRO (to present)

Hiroyuki Kowase

Executive Officer,
CIO



Apr. 2014 Executive Officer and CIO General Manager, IT Promotion
Headquarters, LIXIL Corporation
Dec. 2015 Senior Managing Executive Officer and CIO General Manager,
Information Systems Headquarters, LIXIL Corporation
Jul. 2018 Deputy Chief Global Information Technology Officer, Department Director,
ICT Strategy & Platform Department, Shiseido Company, Limited
Dec. 2018 Joined the Company
Apr. 2019 Division Executive, Information & Communication System Division
Mar. 2020 Executive Officer* (to present)
Jan. 2023 Division Executive, Information & Communication System Division &
CIO
Jan. 2024 CIO (to present)
Division Executive, Information & Communication System Division
(to present)

Norihisa Miyoshi

Executive Officer,
CTO



Apr. 1987 Joined the Company
Apr. 2016 Division Executive, Basic Technology Division, Ebara Environmental
Plant Co., Ltd.
Jan. 2019 Division Executive, Engineering Division, Ebara Environmental Plant
Co., Ltd.
Jan. 2022 President and Representative Director of Ebara Environmental Plant
Co., Ltd.
Jan. 2023 Division Executive, Technologies, R&D & Intellectual Property Division
Mar. 2023 Executive Officer* (to present)
Division Executive, Technologies, R&D & Intellectual Property
Division & CTO
Jan. 2024 CTO (to present)
Division Executive, Technologies & Intellectual Property Division
(to present)