

Increasing Corporate Value

— Ebara's Capital —

Section 2

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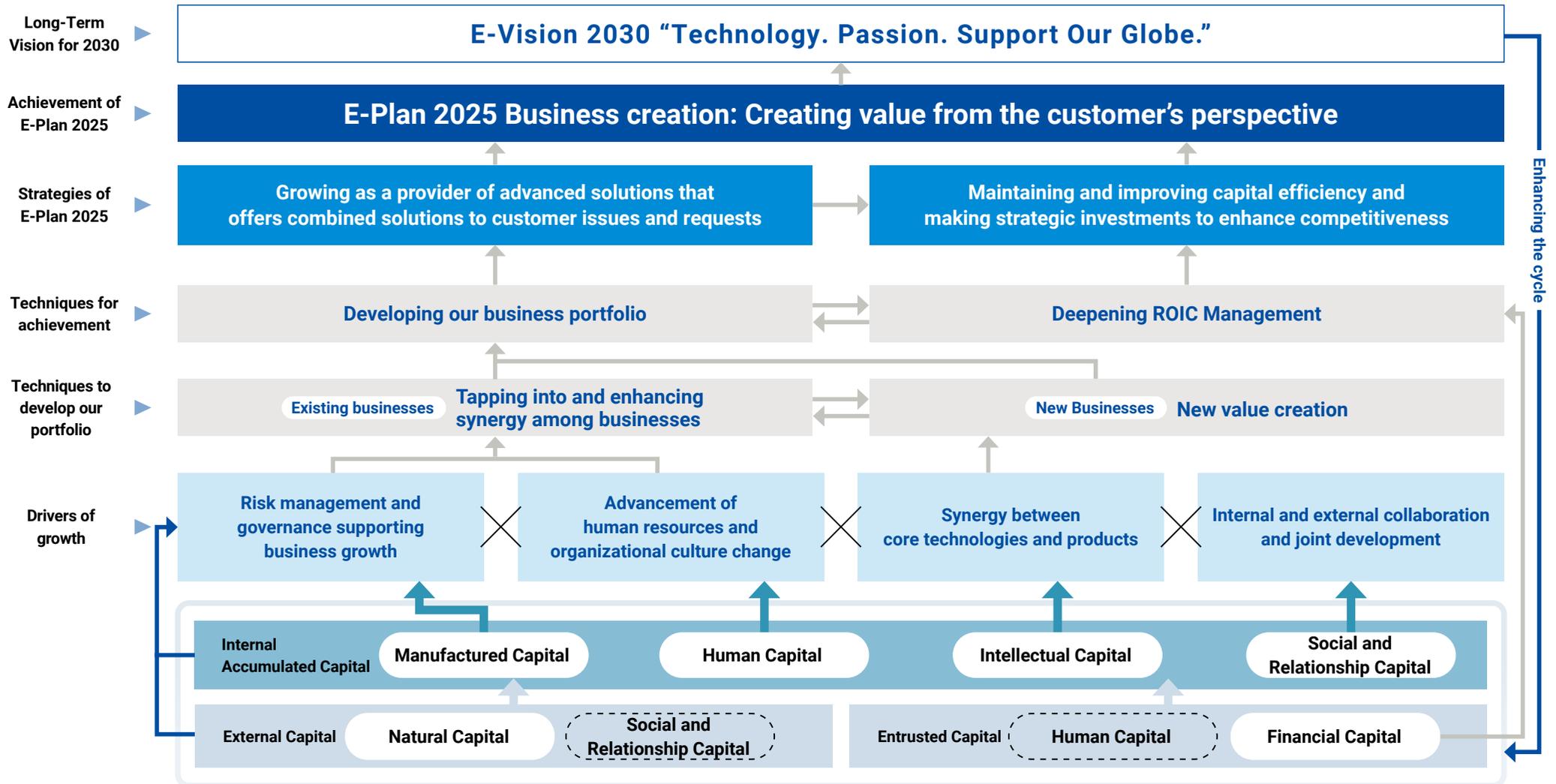
Key Points of Section 2

- Classification of management capital into three categories, entrusted capital, internal accumulated capital, and external capital, and organizing their relationships [▶ P30](#)
- Message from the new CFO, Tetsuya Fuchida, who was appointed in March 2025
"Implementation of measures based on medium- to long-term growth strategies and deepening dialogue with capital markets" [▶ P32](#)
- Enhancing competitiveness through the Ebara Group's comprehensive capabilities by linking the strategic table of technological capabilities with human resources and organizational data [▶ P37](#)
- Quantitative analysis of the relationship between human capital and corporate value [▶ P40](#)

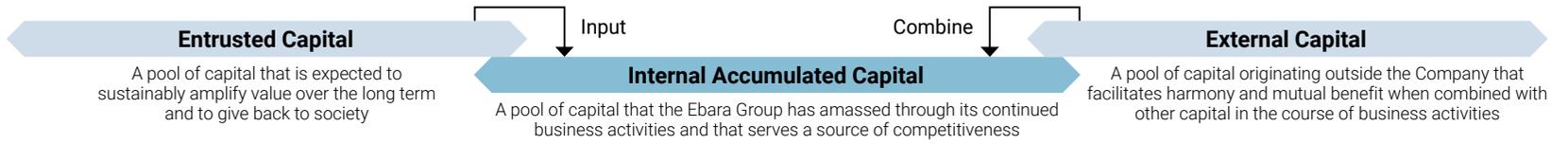
The Relationship Between Our Vision for 2030 and Management Capital

Utilizing management capital to create value

In order to become an excellent global company that balances social and environmental value with economic value, we must grow into a corporate Group that is highly desired by the market by providing advanced combined solutions that start with the customer. Our focus is on leveraging the synergy between our technologies and products, personnel and organizations, and through internal and external collaboration. We are also continuously improving aspects of risk management and governance that facilitate those efforts. By doing so, we will enhance each capital and utilize these strengths to overcome challenges.



Enhancing Management Capital



	Financial Capital	Human Capital	Intellectual Capital	Manufactured Capital	Social and Relationship Capital	Natural Capital
The Group's Strengths	<ul style="list-style-type: none"> Strong financial base amassed through improving profitability of existing businesses 	<ul style="list-style-type: none"> The founding spirit of <i>Passion and Dedication</i> is passed down to our employees Human resources with the desire to support social infrastructure Professional human resources with expertise and industry knowledge who are active on the global stage 	<ul style="list-style-type: none"> Rotating element and fluid control technology amassed through work on various products Fundamental technologies for materials, vibration control, structural strength, etc. Know-how to adopt customers' perspectives and flesh out customer requests Technology to integrate elemental technologies into a system Intellectual property related to a wide range of technologies 	<ul style="list-style-type: none"> Global manufacturing and supply chain Efficient production systems based on DX 	<ul style="list-style-type: none"> A track record of supplying highly reliable products for over a century and products in use around the world Trust built by sincerely responding to faults and problems A system for cooperation with external organizations through EOL Industry leadership by taking the initiative and cooperating with industry and government agencies 	<ul style="list-style-type: none"> Reducing GHG emissions through our products Product lines with reduced energy consumption in each segment Production systems using renewable energy Procuring low-CO₂ electricity and expanding use of green power
Key Issues in Promoting Business	<ul style="list-style-type: none"> Cash allocation strategy to maximize future EPS 	<ul style="list-style-type: none"> Promoting the filling of Global Key Positions locally Improving the Global Engagement Survey Score 	<ul style="list-style-type: none"> Improving the efficiency of intellectual property activities through use of IP ROIC A more sophisticated Strategic Table of Technological Capabilities and its use 	<ul style="list-style-type: none"> Enhanced production and service & support (S&S) systems to meet demand Promoting DX and GX of production processes Increasing the efficiency of our global production system 	<ul style="list-style-type: none"> Providing products and services that solve customer issues Implementing human rights due diligence in the supply chain Creating a system for collaboration with suppliers 	<ul style="list-style-type: none"> Reducing Scope 1, 2, and 3 GHG emissions Promoting material recycling using our technology
Future Challenges	<ul style="list-style-type: none"> Implementing balanced investment to maximize the ROIC-WACC spread 	<ul style="list-style-type: none"> Capitalizing on human resources through global mobility Promoting diversity, equity, and inclusion Increasing employee engagement 	<ul style="list-style-type: none"> Nurturing fundamental technologies further and promoting product development through open innovation Maximizing the use of intellectual property through IP ROIC Drafting a Succession Plan using the Strategic Table of Technological Capabilities and enhancing cooperation with external organizations 	<ul style="list-style-type: none"> Increasing production and S&S capabilities, particularly in the precision machinery segment Optimizing S&S sites in the Energy segment Promoting products with reduced energy consumption Expanding the introduction of clean energy Improving production efficiency through DX and automation 	<ul style="list-style-type: none"> Bringing new products to market through internal and external collaboration and cooperation Becoming a solutions provider 	<ul style="list-style-type: none"> Establishing material recycling technology using ICFG** Reducing GHG emissions using gas abatement systems <p><small>* ICFG® is a registered trademark of Ebara Environmental Plant Co., Ltd. in Japan.</small></p>
2023/12 Results	<ul style="list-style-type: none"> Revenue ¥759.3 billion Operating profit ¥86.0 billion ROIC 12.2% ROE 15.7% TSR +177.9% (10 years) + 10.8% (annual) 	<ul style="list-style-type: none"> Female managers (EC*) 7.2% Foreign employees (EC*) 3.2% Percentage of non-Japanese employees in global key positions 23% Global engagement survey score 78 	<ul style="list-style-type: none"> Number of patent applications Domestic: 233 Overseas: 598 	<ul style="list-style-type: none"> Domestic manufacturing bases 5 Overseas manufacturing bases 20 	<ul style="list-style-type: none"> Invested in Oishii Farm Corporation Began joint research on dedifferentiated fat (DFAT) cells with Nihon University Conducted human rights due diligence (CSR procurement survey) regarding our business partners and received responses from 1,301 business partners 	<ul style="list-style-type: none"> Scope 1 & 2 GHG emissions 157,000 tons Water discharge 662 km³ Total waste discharge 19,459 tons Material recycling rate (domestic Group) 97.1%
Inputs 2024/12	<ul style="list-style-type: none"> Interest-bearing debt ¥150.4 billion Total equity ¥485.3 billion 	<ul style="list-style-type: none"> Training investment per employee (EC*) ¥30,388 	<ul style="list-style-type: none"> Research and development expenses ¥18.2 billion 	<ul style="list-style-type: none"> Growth investment ¥61.5 billion Infrastructure investment ¥16.4 billion 	<ul style="list-style-type: none"> Cumulative start-ups funded 4 companies Social contribution expenditures ¥808 million Business partner responses 272 	<ul style="list-style-type: none"> Electricity usage 225,288MWh Water consumption 932 km³
Outcomes 2024/12 Results	<ul style="list-style-type: none"> Revenue ¥866.6 billion Operating profit ¥97.9 billion ROIC 12.2% ROE 16.2% TSR +246.7% (10 years) + 9.4% (annual) 	<ul style="list-style-type: none"> Female managers (EC*) 7.5% Foreign employees (EC*) 3.8% Percentage of non-Japanese employees in global key positions 25% Global engagement survey score 79 	<ul style="list-style-type: none"> Number of patent applications Domestic: 252 Overseas: 464 	<ul style="list-style-type: none"> Completed construction of the K3 building at the Kumamoto Plant Began construction of a building to develop and test liquid hydrogen pumps 	<ul style="list-style-type: none"> Started a demonstration project involving land-based aquaculture with NTT G&F Recognized as a Gold Partner by Table for Two Received responses to our CSR procurement survey from 1,573 business partners. Results confirmed compliance. 	<ul style="list-style-type: none"> Scope 1 & 2 GHG emissions 141,000 tons Water discharge 667 km³ Total waste discharge 18,578 tons Material recycling rate (domestic Group) 97.7%
Closely Related Material Issues						

*EC: Targets for EBARA CORPORATION (non-consolidated)

Message from the CFO

We want further dialogue with the capital markets while steadily implementing measures based on a strategy with an eye toward medium- to long-term growth.

Tetsuya Fuchida Executive Officer, CFO



Greetings upon appointment as the CFO

Focusing on creating a system to accelerate the pace of growth while drawing on my career in accounting and finance

My name is Tetsuya Fuchida and I was appointed CFO in March 2025. Since joining the Company in 1995, I have spent most of my career in accounting and finance. In 2021, I gained experience in executive management as president of our Vietnamese subsidiary. After returning to Japan in 2024, I served as Division Executive of the Corporate Strategic Planning Division where I sought to increase corporate value over the medium to long term. My career has been shaped by my experience in helping the Company make reforms, primarily from an accounting and finance perspective, from the early 2000s, when the Company had poor results, to today.

We have been on a path to growth over the past few years, and I view the role of the CFO as further accelerating that growth. To that end, I intend to ensure the following series of steps: (1) focus on maintaining and improving our ability to generate cash, (2) promote reliable monitoring after investment through support for investment in business growth, (3) allocate the results and profits we obtained to new growth and returns in a balanced manner, and (4) improve capital efficiency.

At the same time, I am aware of the wide-ranging roles a CFO must fill, including optimizing capital allocation, formulating financial strategies, and managing investment risk. For investment projects in particular, business activities need to be facilitated in terms of both competitiveness and finance by optimizing our business portfolio with an eye to the future and by providing a path for returns on investments in growth instead of myopically evaluating each company's capabilities based solely on its performance.

That said, we will continue to emphasize fundamental investments in human capital, DX, and ESG-related measures, and we will work to enhance our sustainability management, with a focus on the correlation between revenue and growth of profits. We will work with each department at headquarters to create systems to accurately measure non-financial value, such as the extent to which enhancing the human resources of the entire Group will have a positive impact on the expected growth rate and ROIC, and turn that value into financial value.

Reflecting on 2024

We have achieved record results due to steady progress in the strategies and measures set forth in E-Plan 2025 and the complementary effects of multiple businesses

In the fiscal year ended December 31, 2024, our business segments complemented each other, and orders, revenue, and operating profit all did well despite varying demand in different markets and regions.

Strategies and measures in line with the basic policies of E-Plan 2025, now in its second year, are producing definite results. As an example, the transition to a target market-based organization has strengthened our ability to respond to customers, and we now have the groundwork in place to provide solutions to create value starting with the customer. In addition, introduction of the CxO system has enabled rapid and accurate decision-making in each area of expertise and it has strengthened collaboration among departments by clarifying the strategic direction of the organization as a whole.

These efforts have resulted in strong performance, including an operating profit ratio higher than planned, and we achieved record results in orders, revenue, operating profit, and net profit. Nevertheless, we consider this as a transitional point in our continued pursuit of excellence as a Group.

Financial Performance (Billions of yen)

	E-Plan 2025				
	2022 Results	2023 Results	2024 Results	2025 Plan*1	2025 Targets
Orders	815.2	820.5	860.5	940.0	—
Revenue	680.8	759.3	866.6	900.0	CAGR*2 of 7% or higher
Operating profit (OP)	70.5	86.0	97.9	101.5	—
OP to revenue ratio	10.4%	11.3%	11.3%	11.3%	10.0% or higher
Profit attributable to owners of parent	50.4	60.2	71.2	72.4	—
ROIC*3	11.2%	12.2%	12.2%	11.6%	10.0% or higher
ROE	15.0%	15.7%	16.2%	15.0%	15.0% or higher
EPS (yen)	109.72	130.73	154.62	156.73	—
Dividends per share (yen)**4	38.6	45.8	55.0	56.0	—

*1. The planned figure for the fiscal year ending December 31 2025, as of May 2025.

*2. From 2022 to 2025

*3. ROIC: NOPLAT (Net Operating Profit Less Adjusted Taxes) ÷ Invested capital [Interest-bearing debt (average amount of the beginning and end of fiscal year) + Equity attributable to owners of parent (average amount of the beginning and end of fiscal year)]

*4. The Company conducted a 5-for-1 stock split on July 1, 2024. Figures shown are adjusted based on the number of shares after the stock split.

Message from the CFO

Outlook for 2025

Pursuing higher growth beyond achieving targets, based on earnings from growth businesses fostered under E-Plan 2025

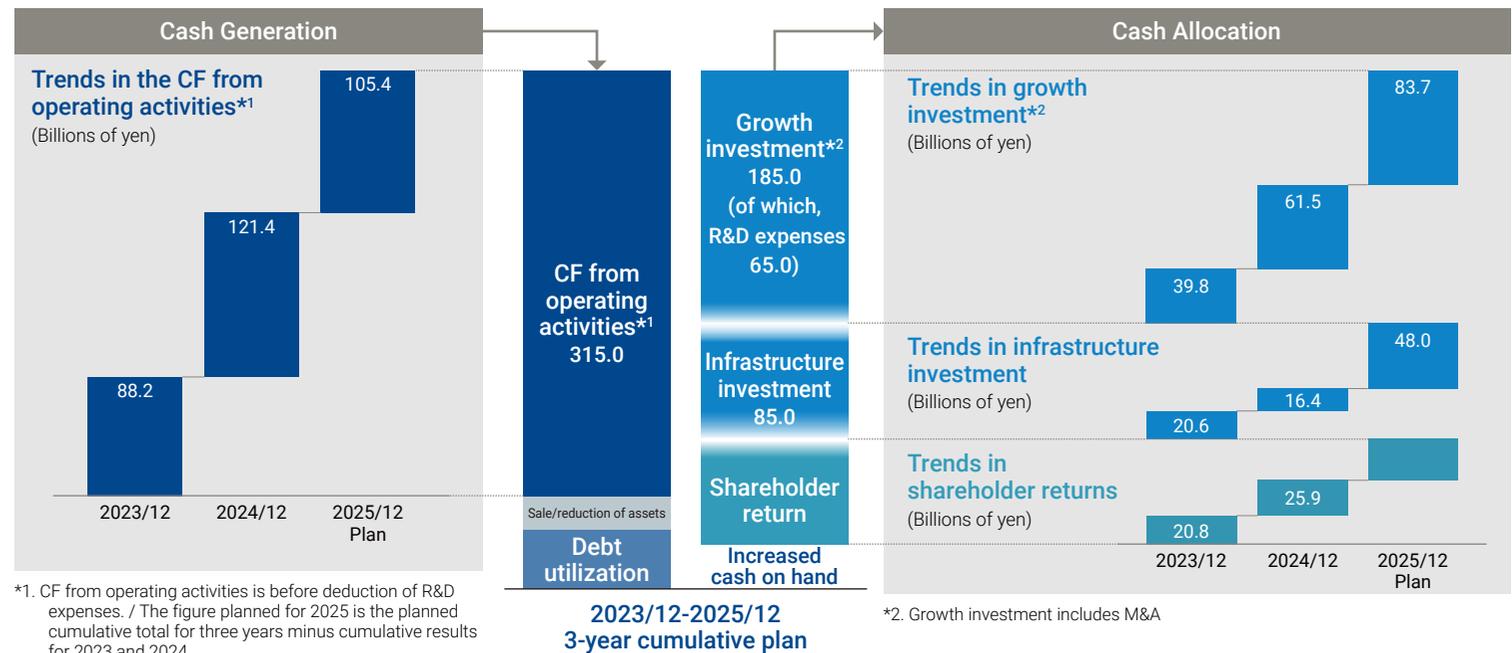
In the fiscal year ending December 31, 2025, the final year of E-Plan 2025, we expect an uncertain business environment to persist for the time being due to the protracted situation in Ukraine, tariffs in the US, and tensions in US–China relations. That said, we expect to be able to achieve E-Plan 2025 because demand for LNG remains high due to energy security reasons, and we anticipate steady demand for projects related to public works and industrial infrastructure.

The Precision Machinery segment is expected to achieve a sales CAGR of only 10.5%, compared to a target of 15%, but this is due to the fact that market recovery worldwide is slower than what was anticipated when the plan was formulated. Nevertheless, considering that the CAGR for the semiconductor production equipment market in the early 2020s was in the low single-digit range, we believe that we have achieved business growth that exceeds the market growth rate.

The challenge for the fiscal year ending December 31, 2025 will be how to reap returns on the investments in growth that were made thus far and how to accelerate the pace of growth for the next medium-term management plan. We expect to see, increased earnings from our

E-Plan 2025 Cash Allocation

- In 2024, the second year of E-Plan 2025, we executed growth investments largely as planned.
- For 2025, we will continue to actively invest in growth areas, particularly in Precision Machinery, with an eye on future market expansion.
- We will focus on investments that prioritize capital efficiency while maintaining a balance with stable shareholder returns.



solutions business that includes the EBARA Maintenance Cloud, which collects and analyzes operational data from sensors installed on our customers' products, as well as orders related to our hydrogen business, which we have been working on as a new business. As the ratio of overseas revenue to total revenue increases, we will also promote the standardization of operations through the implementation of ERP, which is underway throughout the Group, to increase the sophistication of our management infrastructure globally.

Cash allocation and investment management

Improving internal M&A processes by drawing on lessons learned from the past and accelerating growth through disciplined investment

E-Plan 2025 emphasizes investments as a medium- to long-term cash allocation policy to achieve the Company's vision for 2030. The cumulative totals for the three years of the plan are expected to be ¥180.0 to 225.0 billion for investments in growth such as expanded production capacity, research and development, new businesses, and M&As, and 50 to 85 billion yen for investments in infrastructure such as maintenance and upgrading facilities, human capital, DX, and ESG-related investments.

In the fiscal year that ended December 31, 2024, we invested more than in the fiscal year

Message from the CFO

ended December 31, 2023, mainly in the area of semiconductors, which is a rapidly expanding market, and we plan to double the extent of our investment in the fiscal year ending December 31, 2025. In addition to expanding investments for growth in each segment, we are also emphasizing the launch of businesses that will serve as a new source of earnings, such as hydrogen, and investment in management tools such as improved ERP. We expect these efforts to lead to strong growth during the period of the next medium-term business plan.

We recognize the importance of making disciplined investments in order to maintain and even exceed our currently announced financial targets for 2030: revenue of 1 trillion yen, ROIC of 10% or higher, and ROE of 15% or higher. Investments need to be prioritized across all businesses, and accurate decisions on each individual investment project need to be linked to reaping definite rewards.

We have improved our internal processes on M&As in particular based on our experience with the impairment loss on goodwill related to Vansan, a Turkish pump manufacturer we acquired in 2021. Upon reflection, there were issues with C (check) and A (action) in the PDCA cycle in relation to the investment, so we are reviewing and enhancing processes such as closely examining plans beforehand, ascertaining risks, and monitoring and governance during PMI. The D/E ratio is considered to be a measure of financial discipline, but the optimal capital structure also needs to be reconsidered. Our policy of using M&As to target companies and businesses with the potential to create synergy with our existing businesses as a means of enhancing our competitiveness in the future has not changed, so we will continue to enhance our ability to achieve inorganic growth by drawing on lessons learned from past failures instead of dwelling on them.

As CFO, I will use my calm, objective, and bird's-eye view based on specific figures to make accurate decisions for the entire Company and encourage the Company to take on further challenges.

From deepening to true value of ROIC management

Spreading awareness of the importance of improving capital efficiency to each organization using the ROIC tree and seeking to maximize ROIC–WACC spread

One of the basic policies of E-Plan 2025 is to further implement ROIC management in order to improve the capital efficiency of the Group as a whole. To promote this, we have created a “ROIC tree” that breaks down and depicts the components of ROIC. We have linked each item in the ROIC tree to the monthly management of KPIs for each organization as well as to the mission, operational processes, and actions of each organization and their evaluation. This effort is instilling a culture of evaluating organizational performance in terms of capital efficiency.

In the future, we will focus on maximizing the ROIC–WACC spread, which is essential to ROIC management. In specific terms, we will clearly distinguish between growth businesses

and core businesses in investing through business portfolio management based on the ROIC–WACC spread, and we will consider restructuring the portfolio as necessary.

At the same time, we are also improving management precision with regard to invested capital, and we are setting and implementing hurdle rates for investment decisions by business and by country.

P35 ROIC Management

Maximizing shareholder value

Meeting expectations by engaging in further dialogue with the stock market by improving the quality of financial and non-financial information

E-Plan 2025 has set a target of a consolidated dividend payout ratio of 35% or higher as a policy on shareholder return, and it also lists the purchase of treasury shares as an option. Pursuant to that policy, we raised the annual dividend from 46 yen to 55 yen per share for the fiscal year that ended December 31, 2024, and we will strive to maximize shareholder value through both income gains and capital gains, as exemplified by our plans to further increase the dividend for the fiscal year ending December 31, 2025.

Under E-Plan 2025, we have pursued both increased revenue and aggressive investments in growth for the future. Understanding that any investment we have made thus far will take a certain amount of time to bear fruit in the form of profits, we have focused on areas with the potential for definite growth while limiting risk. Look for our sustained medium- and long-term growth in the future.

At the same time, we will also focus on improving the quantity and quality of disseminated information to gain the understanding and empathy of the capital markets. Over the past few years in particular, there has been a demand for greater disclosure of non-financial information as well as financial information, and companies are being asked how they evaluate and calculate the impact of non-financial activities on business performance and financial impacts and if they can explain them in an easy-to-understand manner. We have started by testing hypotheses regarding the correlation between financial and non-financial activities. We will use those results to set non-financial targets and fully disclose them to stakeholders to reduce the cost of capital.

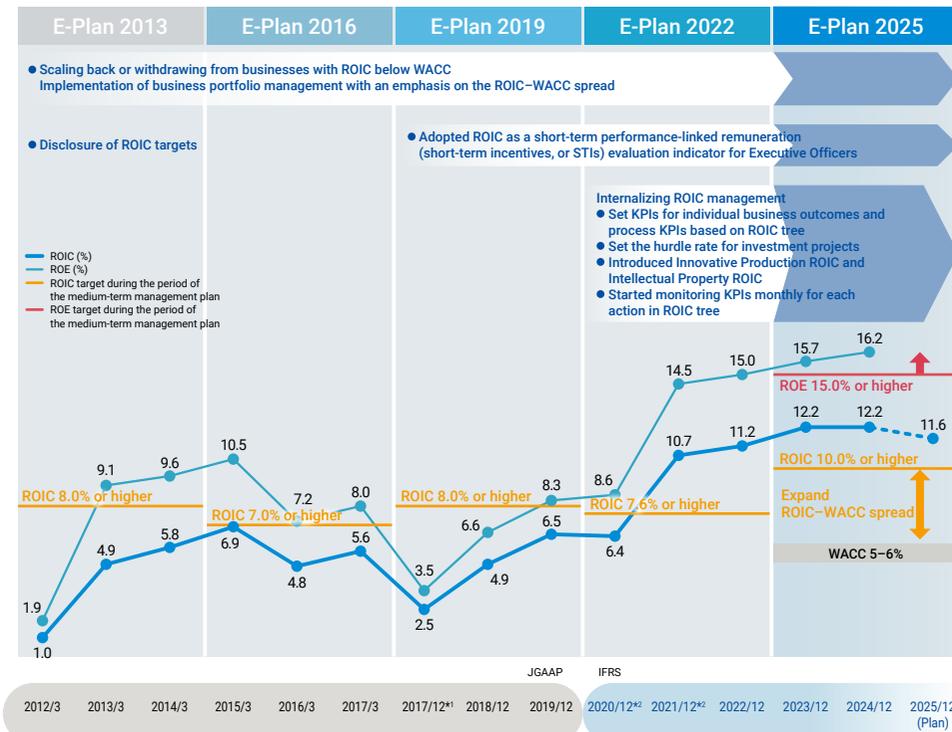
I am committed to taking on the weighty responsibility of CFO by maintaining an unwavering stance and a calm overview of the Company as well as myself. I view dialogue with shareholders and investors as an opportunity to build a rational market consensus and to objectively share information about the Company and myself. I am committed to ongoing, meaningful engagement. We appreciate your continued support.

Message from the CFO

ROIC Management

The Group considers return on invested capital (ROIC) to be the most important management indicator, along with return on equity (ROE). Since its introduction in the E-Plan 2013 medium-term management plan, we have been working to internalize the concept of ROIC, i.e., considering the invested capital required and maximizing returns on that invested capital, within the Company.

We are working to improve ROIC by focusing on two key perspectives: Groupwide business portfolio management and enhancing ROIC within each business segment. These efforts are translated into concrete action plans, and progress toward the ROIC targets is reflected in both organizational and individual performance evaluations.



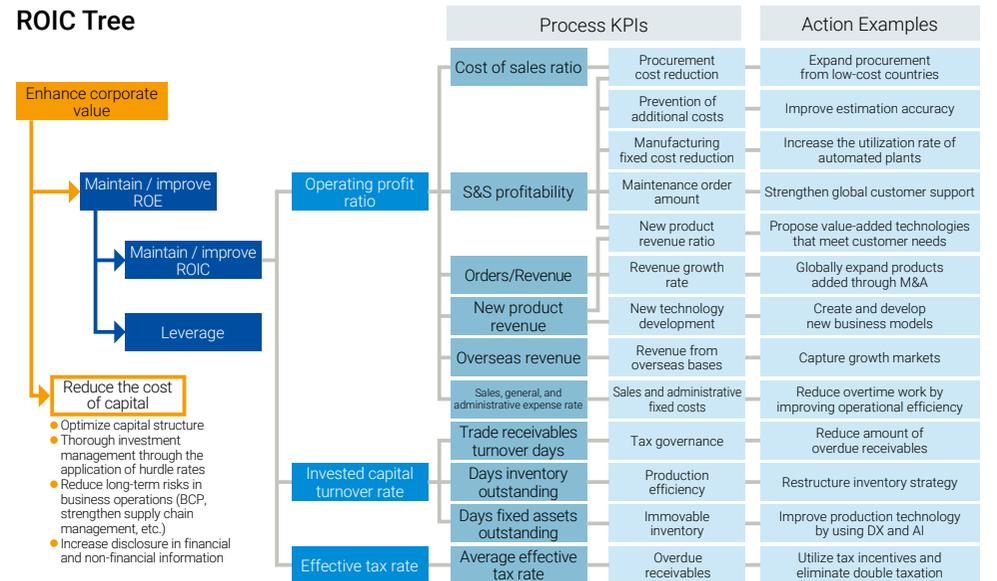
*1. Due to the change in the end of the fiscal year for EBARA Corporation and its consolidated subsidiaries, the fiscal year that ended December 31, 2017 was an irregular nine-month period.
 *2. The IFRS have been adopted in place of the Japanese GAAP since 2021. The financial figures for 2020 are also presented in accordance with the IFRS.
 (Note) ROIC: (IFRS) Profit attributable to owners of parent / (Interest-bearing debt (average between beginning and end of period) + Equity attributable to owners of parent (average between beginning and end of period))
 (JGAAP) Profit attributable to owners of parent / (Interest-bearing debt (average of beginning and end of period) + Shareholders' equity (average of beginning and end of period))
 As of 2023: Net operating profit less adjusted taxes (NOPLAT) / (Interest-bearing debt (average between beginning and end of period) + Equity attributable to owners of parent (average between beginning and end of period))

Maximizing the ROIC to WACC Spread

We aim to sustainably increase corporate value by maintaining and improving ROIC above the WACC and by implementing business strategies and capital policies that lead to an increase in the ROIC-WACC spread.

	WACC by Company (Current Status)	Consolidated WACC 5-6%	E-Plan 2025 Target ROIC 10% or more	Measures to Expand ROIC Spread
Consolidated	5-6%	5-6%	10% or more	<ul style="list-style-type: none"> Thoroughly implement measures laid out in the ROIC tree Reduce the WACC through enhanced IR activities
Building Service & Industrial (growth business)	4.5-5.0%	4.5-5.0%	10% or more	<ul style="list-style-type: none"> Improve profitability by creating solution businesses Enter highly profitable markets through M&As
Energy (turning into a growth business)	4.5-5.0%	4.5-5.0%	10% or more	<ul style="list-style-type: none"> Strengthen efficient sales, service & support structure by optimizing bases Continue selective acceptance of orders and rebuild global production system
Infrastructure (core business)	4.0-4.5%	4.0-4.5%	10% or more	<ul style="list-style-type: none"> Respond to the domestic demand for upgrading of aging infrastructure Improve profitability by thorough front-loading
Environmental Solutions (core business)	4.7-5.2%	4.7-5.2%	10% or more	<ul style="list-style-type: none"> Securely capture demand for renewal of aging infrastructure in Japan Launch chemical recycling business
Precision Machinery (growth business)	7.0-8.0%	7.0-8.0%	10% or more	<ul style="list-style-type: none"> Expand production scale to meet increasing demand for semiconductors Promote development of high value-added products Streamline production by promoting automated production

ROIC Tree



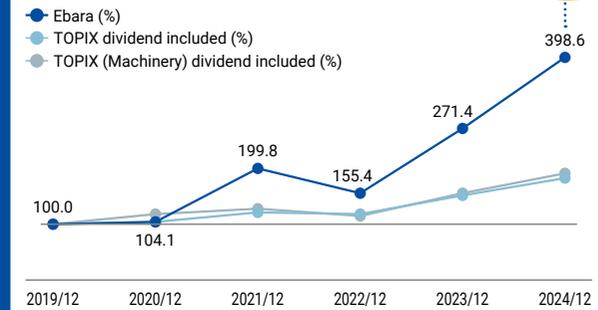
Message from the CFO

TSR Logic Tree

The Company places importance on total shareholder return (TSR) as an indicator for increasing shareholder value. We are promoting the improvement of TSR along with ROE, an important efficiency target in E-Plan 2025, by breaking down each influencing factor and linking it to individual measures. We will aim to improve ROE and maximize medium- to long-term TSR, while keeping P/B ratio levels in mind.

5 year +398.6%*1
Annual +31.9%

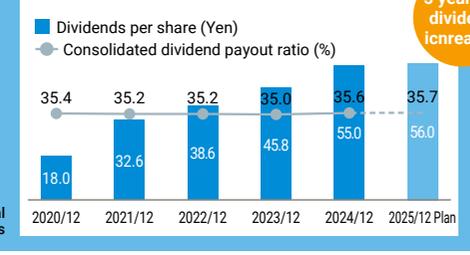
Total shareholder return (TSR)



Income gains (cumulative dividends)

Cumulative total dividends ¥88.0 billion (for 5 years*5)

Dividends

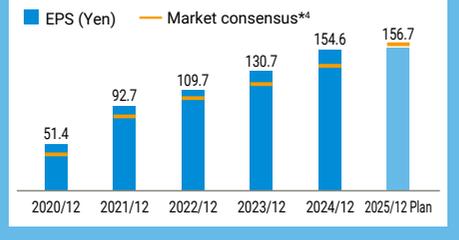


5 years of dividend increases

5 consecutive years of dividend increases

Target: Dividend payout ratio of 35% or more

EPS growth



Sustainable EPS growth

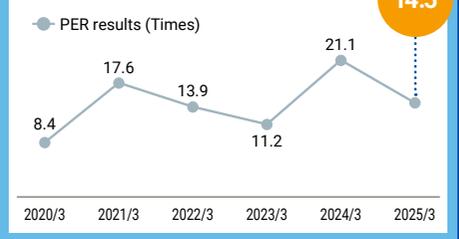
- Sales growth x Profitability improvement

(Flexible stance on share repurchases)

Capital gains (rise in stock price)

Market capitalization +¥820.5 billion (for 5 years*1)

PER improvement



- Clearly articulating the story of our growth
- Expand IR functions
- Enhance governance
- Strengthen ESG disclosure

PBR*7



2.2 times*2

ROE



16.2%*3

DuPont analysis

Operating profit ratio & Profit attributable to owners of parent

Continuous profitability improvement

Total asset turnover

Top-line growth through growth businesses BS reduction through sales of underutilized assets, etc.

Financial leverage & D/E ratio

Optimal financial control commensurate with the business structure

*1. Five years from 2019 to 2024 *2. As of March 31, 2025 *3. 2024 results *4. Market consensus is as of the time of announcement of each financial closing period, 2025 consensus is as of March 31, 2025 *5. Total cash dividends from retained earnings for 2020 through 2024 *6. Example of PER results calculation formula: Share price as of March 31, 2025 ÷ Actual EPS in 2024 (disclosed in February 2025) *7. Example of PBR results calculation formula: Share price as of March 31, 2025 ÷ Actual BPS in 2024 (disclosed in February 2025) (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 share price and per-share information are based on a post-split basis.

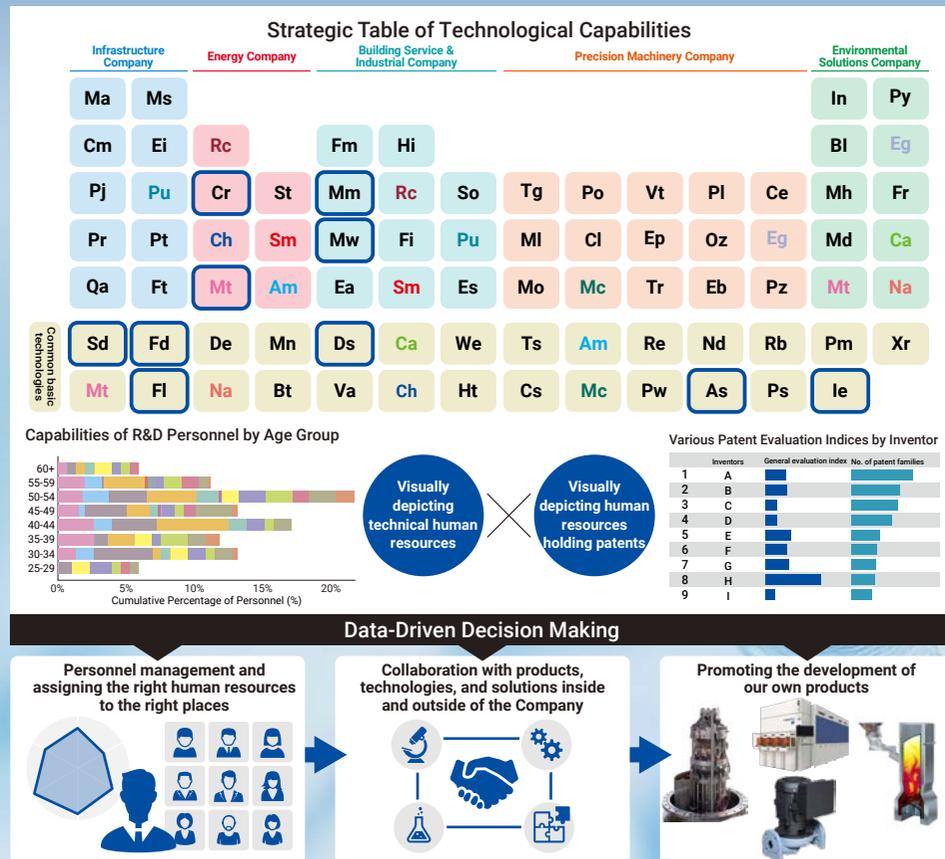
Special Feature The Ebara Group's Strategic Table of Technological Capabilities

Technology, Human Resources, and Organizational Capabilities that Contribute to Enhanced Competitiveness

Visualizing Technology, Human Resources, and Organizational Capabilities through Data-Based Management and Technology Strategies

The Ebara Group is aiming for even greater heights by linking the Strategic Table of Technological Capabilities to human resource and organizational data and by devising technologies and organizations based on data in order to optimize technological development, personnel management, and co-creation activities, including collaboration between industry and academia and M&As. To achieve this goal, we are actively promoting the creation of a system to manage technological, human resource, and organizational data in an integrated manner and to visually depict those data. The system will lead to more advanced technological and business strategies and facilitate data-driven decision-making for the organization as a whole. We will continuously increase corporate value by aiding in decision-making based on objective data and by demonstrating a competitive advantage despite a rapidly changing market environment.

REFERENCE The Ebara Group's Strategic Table of Technological Capabilities <https://www.ebara.com/global-en/technical-personnel/>



Example 1 of the combined strength of technology, human resources, and the organization

As Assembly × **Ie** Industrial Engineering × **Ds** Data Science

Manufacturing dry vacuum pumps that support the semiconductor industry

Visually depicting the technical expertise that is essential for automation in digital procedural manuals



Takaaki Nakayama (Precision Machinery Company) Shinya Nishiwaki (Data Strategy Team)

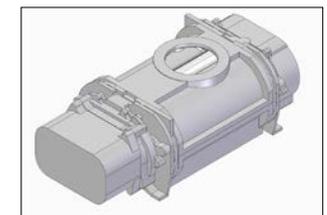
What is a dry vacuum pump?

It is a pump that is indispensable to semiconductor, FPD*, LED, and solar cell manufacturing processes that require cleanliness. The pump readily provides cleaner air exhaust, so its use in analytical devices such as mass spectrometers and electron microscopes has expanded over the past few years.

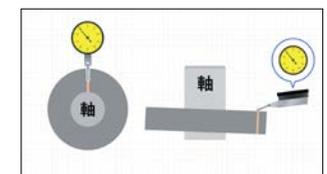


* Flat panel display, which is a generic name for flat-panel video display devices

Assembling the pump module, which is the unit that produces the vacuum, is the most important out of multiple processes and requires a high level of skill. This process has been automated at our V7 plant in the Fujisawa District, but the technical skills are fundamental to producing dry vacuum pumps and must be passed on in order to further advance automation technology. However, a high level of skill is required, so learning those skills took time. Therefore, we collaborated with the Data Strategy Team to visually depict and incorporate the implicit knowledge of skilled engineers, and we created a digital procedural manual that combines videos of actual work and animations. Training was conducted using this system, resulting in less time being required to achieve proficiency.



Pump module



A example of a digital procedural manual using animation

In the future, we will establish an "assembly dojo" that combines virtual technology and the real world, and we will further develop Ebara's manufacturing with both automation and craftsmanship.

Example 2 of the combined strength of technology, human resources, and the organization



Developing a canned motor pump for liquid ammonia

Contributing to a decarbonized society through collaborative creativity across businesses



Developing canned motor pumps for liquid ammonia is part of our growth strategy to meet the global push for decarbonization. This product is manufactured in-house by an “All-Ebara” team, which brings together the technologies of the Energy Company, the Infrastructure Company, and the Building Service & Industrial Company and the research and development organization at headquarters to enhance our technological capabilities and market competitiveness and to achieve rapid development and provide customer support.

With an eye on the entire ammonia supply chain, we will create new market opportunities by listening to a wide range of customers, such as those in the power and engineering markets, quickly and directly translating their needs into product concepts and providing optimal pump solutions.

With the strengths of our technological capabilities that we have developed in the domestic market and our ability to collaborate across businesses, we will accelerate our expansion into the global market, achieve sustainable growth, and increase our corporate value.

What is a canned motor pump for liquid ammonia?

A canned motor pump can be used in facilities that handle ammonia as fuel. The pump’s motor is submerged in liquid ammonia, allowing the ammonia to be transferred without leaking to the outside. We delivered a pump to JERA’s Hekinan Thermal Power Station to enable the facility to partially substitute ammonia for coal as fuel, and the power station was successfully operated using actual liquid ammonia on-site.



We have applied advanced fluid design, analysis, and optimal design technologies to a wide range of pump types. Leveraging this expertise, we have developed an inducer* for a canned motor pump designed for liquid ammonia, enabling high-speed operation. We are currently working on predicting the suction performance of ammonia pumps by considering thermodynamic effects—an approach that can be integrated into the design process to differentiate us from competitors. Moreover, we are promoting the DX of knowledge and building a R&D platform to share our expertise across the Group and embed it into daily operations.

* An inducer is an axial-flow impeller positioned upstream of a pump’s main impeller to improve suction performance.



We oversaw the design of the demonstration pump for use at thermal power plants. The pump combines the design of an existing model with an impeller and internal casing. We worked closely with the development and manufacturing departments on new design elements such as the inlet and outlet of the casing (the “can”) while successively verifying the feasibility of fabrication. In the future, we will amass the various insights gleaned from this design work into in-house know-how and actively play a role in designing lineups in preparation for future orders.



We are developing the motor of the pump. We are helping to develop highly complex canned motor pumps for use at higher outputs and pressures based on design and manufacturing technologies for existing canned motors. We are currently developing a canned motor pump to transfer ammonia for power generation, but we will expand the output range and work on developing canned motor pumps to transfer liquid ammonia for various other applications, thereby contributing to the safe transfer of liquid ammonia and the creation of a decarbonized society.

Human Resources Strategy

Message from Chief Human Resources Officer



Akihiro Osaki
Executive Officer, CHRO

Accelerating global human capital management and facilitating the personal growth and challenges of human capital

We see human capital management as a positive cycle: the company empowers ambitious individuals with strong visions for the future to embrace growth and challenge, who in turn contribute their best, and drive the company's growth. We're strengthening our global talent management practices and infrastructure to support this. Key initiatives include fostering a culture of career ownership, building systems to visualize talent data, and launching a global succession plan for our Global Key Positions (GKPs) in 2025 to ensure optimal placement and development. To boost employee engagement, we are thoroughly implementing PDCA cycles and pulse surveys, sharing internal best practices, using data-driven insights to

address priority issues, and balancing short-term improvements with long-term growth.

Looking ahead, we will enhance systems that reward ambition and performance, so that every employee can shape their career path, take on challenges confidently, and grow more proactively. By building a relationship of equality between employees and the company, where both sides choose and support each other for mutual growth, we aim to create a more dynamic and empowered organization.



Sophistication of Global Human Capital Management



Human Resources Strategy

Governance

Personnel affairs and Human Resource development policy

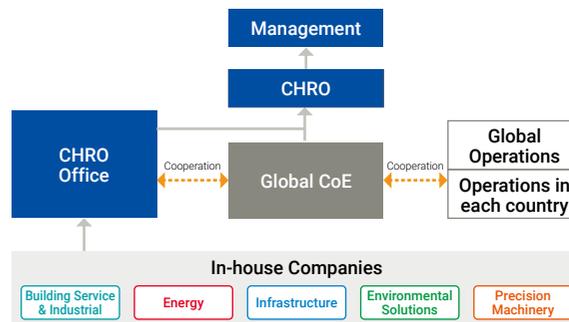
The Ebara Group's basic policy on human resources and human resource development is "acquiring diverse talents from around the world with a spirit of challenge and creativity, maximizing their abilities through appropriate competition and challenges in a comfortable work environment, fairly evaluating them, and aiming to foster a corporate culture in which each employee can be fulfilled and grow."



Enhancing risk management and communication through the CHRO Office

Since its establishment in 2023, the CHRO Office has been the hub for rapidly sharing and executing HR initiatives across global operations. We are promoting the development of global reporting lines and the penetration of risk reporting criteria, implementing prompt and accurate risk management, and enhancing communication cycles. In 2024, we held our first large-scale face-to-face Global HR Conference, bringing together HR officers from around the world for interactive discussions to enhance team cooperation. Additionally, we are revitalizing the HR communication cycle from a global perspective by holding bi-monthly CHRO Office meetings with HR leaders from each company and quarterly meetings of the Human Resources Division Subcommittee, which is part of the global CoE* organization.

*CoE: Abbreviation for Center of Excellence. An organization focused on analyzing best practices in human resources, formulating strategies, and considering and implementing new systems and initiatives.



FOCUS

Analysis of the relationship between human capital and corporate value

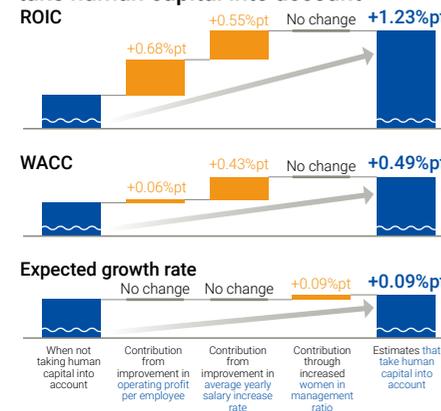
Overview We conducted a detailed analysis on the correlation between human capital indicators and corporate value drivers, ROIC, WACC, and expected growth rate, using data from approximately 700 domestic manufacturing companies, including Ebara, over the past six years. This study, carried out in collaboration with the Financial Engineering & Technology Research Center of Nomura Securities Co., Ltd., aimed to assess the impact of non-financial capital on financial value by simulating how much improvement in our human capital indicators could influence future corporate value drivers.

Simulation results The analysis suggested a correlation between corporate value increase and improvements in productivity, employee compensation, and the promotion of women's participation. We applied these results to the future simulation of Ebara, under the assumption that we achieve both our performance forecasts and non-financial targets from the base year of 2022, through the final year of our medium-term management plan, E-Plan 2025, ending December 2025, and that the trends of improvement of operating profit per employee, average annual salary and proportion of women in management will continue. Based on the simulation, the ROIC-WACC spread is estimated to increase by 0.75%pt, and the expected growth rate by 0.09%pt. Based on these insights, we will review our current human resources strategy and consider future directions.

Changes in financial indicators and human capital indicators (2022/12 → 2025/12 plan)

- Operating profit (OP) \Rightarrow ¥70.6 billion \Rightarrow ¥101.5 billion (plan)
- Number of employees \Rightarrow Operating profit per employee \Rightarrow Average yearly salary increase rate
- Proportion of women in management: 6.5% \Rightarrow 8.0% (plan)

Future corporate value drivers that take human capital into account



\Rightarrow indicates a change (increase) from 2022 results to 2025 plan
Note: 2025 results forecast (plan) is as of February 2025

ROIC-WACC spread: +0.75%pt

Cooperation in Analysis
Nomura Securities Co., Ltd.
Financial Engineering & Technology Research Center



Target of Estimation in the Analysis

- ROIC: (Consensus forecast operating profit for the current fiscal year + interest income and dividends income for the previous fiscal year + equity method investment profit for the previous fiscal year + corporate tax for the previous fiscal year) \div (Equity attributable to owners of the parent at the beginning of the fiscal year + Non-controlling interests at the beginning of the fiscal year + Interest-bearing debt at the beginning of the fiscal year)
- WACC: Human capital factors are assumed to be related to stock price volatility. The lower the volatility ratio relative to TOPIX, the lower the CAPM beta and the lower the WACC.
- Expected growth rate: The medium- to long-term growth rate of profit that shareholders expect, estimated based on certain assumptions. Calculated based on "shareholders' equity cost based on CAPM-forecast of earning yield".

Human Resources Strategy

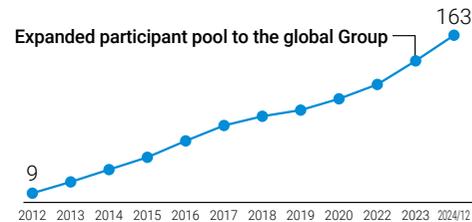
Strategy

1 Advance Global Human Capital Management

Enhancement of the Global Career Development Program

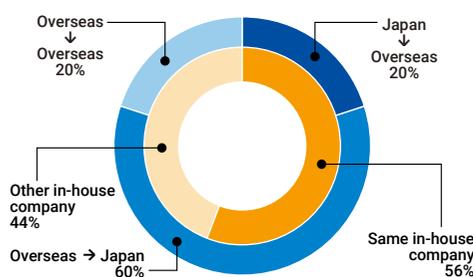
In 2022, we revamped our existing global human resources training program and relaunched it as the two-year Global Career Development Program (GCDP). From 2023, it was expanded to include placements from overseas to Japan and between overseas bases, developing talent through international work experience. In 2024, we began cross-company assignments to broaden exposure further. In addition, from 2025, age limits will be abolished, providing new learning opportunities not only for young employees but also for veteran employees, and contributing significantly to the sharing of business knowledge globally and creating a global human resources pool. With an eye toward further global expansion in the future, we will focus on conducting human resources development programs that are not restricted by nationality.

Cumulative Number of GCDP Participants



Note: The data before 2021 indicates the number of participants in the Global Career Development Program, an overseas-oriented trainee program originating from Japan, prior to 2021. Excludes 2021, when the program was not conducted due to the COVID-19 pandemic.

2024 Dispatch Results



Interview



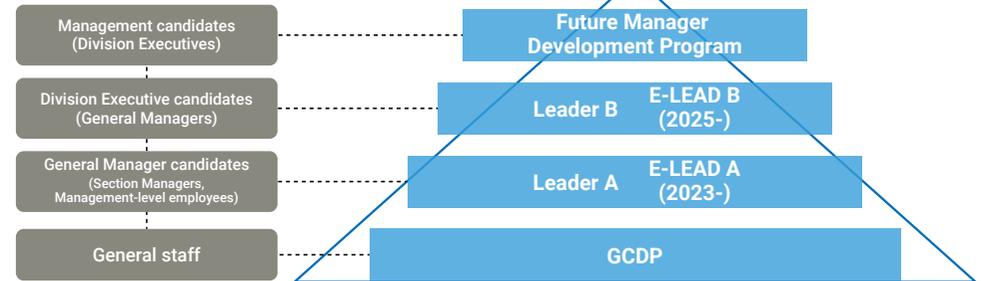
Dinh Thi Han An

Fujisawa Plant, Quality Assurance Section
SCM Division
Building Service & Industrial Company

With the dream of one day becoming a plant manager responsible for products that support critical infrastructure, I applied for a procurement position at EBAS, our subsidiary in Brazil. Over two years in procurement, I gained invaluable experience, learning how to drive organizational collaboration and understanding end users' quality expectations and manufacturers' roles in meeting them. After returning from the GCDP assignment, I joined the Quality Assurance Department at the Fujisawa Plant, continuing to work toward my goal. I'm especially grateful to Ebara for supporting my overseas assignment with my one-year-old child. I look forward to seeing continued evolution in our HR and development systems—ones that allow employees to pursue their careers without sacrificing family life and truly support work-life balance.

Global Career Development Overview

Main target group



Ebara leadership exploration and development program

The Ebara Leadership Exploration and Development Program (E-LEAD) is a new leadership program launched in 2023, in addition to existing leadership training programs (Leader A/B). It is a seven-month program aimed at developing global leaders who will lead the Ebara Group in the future. 20 individuals from throughout the world took part in 2023, while 19 people participated in 2024. Participants selected from the entire Ebara Group are not only developing leadership skills but also building networks through group work with members from diverse backgrounds. Going forward, the Company will continue to enhance our human resources development programs.

Global HR Meeting

To promote global human capital management, HR officers from Ebara Group companies around the world gathered at Ebara's head office. A total of 38 participants from 27 companies took part in the event held from May 20 to 24, 2024, where they exchanged opinions and networked on various topics, including global HR issues and plant tours. This was the first attempt at a large-scale, face-to-face global HR conference, and it proved to be a very meaningful forum. Using this experience as a foundation, we will continue to strengthen our HR network around the world.



Human Resources Strategy

Strategy

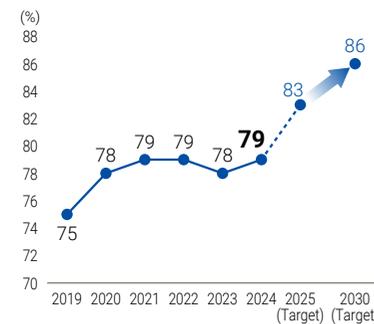
2 Establish Global Human Resources Management Infrastructure

Increasing global engagement

We have been conducting a global engagement survey of all employees to determine how employees feel about the Group and their work since 2019. In the 2024 results, the overall score improved by one point from 2023, mainly due to improved scores at Group companies globally, with particularly significant improvements overseas.

We will improve the score by quantitatively analyzing the true causes of fluctuations in engagement, providing feedback to each organization, and enhancing monitoring of the PDCA process for improvement.

Engagement Survey Score Progress



Progress of Scores by Survey Category

Highly evaluated categories	2024 scores	Improvement from 2023
Ethics, integrity, compliance	83	0
Safety	80	1
Respect for diversity and individuality	80	2
Categories with significant improvement on the previous year	2024 scores	Improvement from 2023
Personnel management	61	4
Actions taken in response to survey results	57	4
Company image, CSR, and social responsibility	74	3

2024 Global Engagement Survey

Scope	<p>All Ebara Group employees</p> <ul style="list-style-type: none"> Ebara Corporation Consolidated subsidiaries and affiliated companies globally
Response rate	<p>89% (2023: 82%)</p> <ul style="list-style-type: none"> Number of people targeted: 19,697 (2023: 18,624) Number of respondents: 17,609 (2023: 15,213)

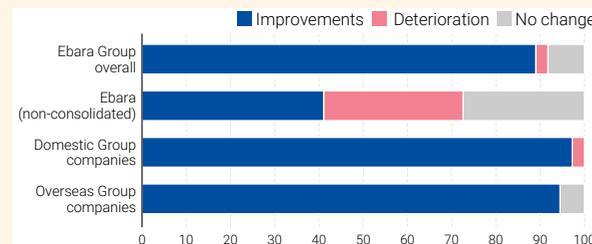
Survey Categories

1 Sustainable engagement	9 Direct supervisor
2 Corporate philosophy, goals, and objectives	10 Respect for diversity and individuality
3 Company image, CSR, and social responsibility	11 Communication and cooperation
4 Global management	12 Ethics, integrity, and compliance
5 Management	13 Personnel management
6 Innovation and challenge	14 Performance management
7 Competitiveness and speed	15 Actions taken in response to survey results
8 Safety	

Major achievements in 2024

- Overall score improved by 1 point**
Groupwide, Ebara exceeded the previous year's level in 14 categories, and maintained the same level in one category. Points rose mainly in survey categories **3**, **13**, and **15**.
- Significant improvements at Group companies globally**
As a result of improvement activities carried out by each organization based on the results of the global engagement survey conducted in 2023, significant improvements were seen, particularly at domestic and overseas Group companies. On the other hand, some items deteriorated domestically, particularly at Ebara (non-consolidated), and further analysis of the causes and measures are necessary.

Status of Score Improvements (2023 → 2024) (%)



Major issues for the future

- Thorough implementation of the PDCA process after the survey**
We will implement measures through more detailed quantitative data analysis to further improve domestic engagement, particularly at Ebara (non-consolidated).
 - Monitor and support PDCA cycles in each organization using pulse surveys
 - Identify and improve items that constitute sustainable engagement and elements other than sustainable engagement that have a particularly significant impact on the same items
 - Analysis of best practices for improving engagement and horizontal deployment Groupwide
- At the same time, we will promote global human resource policies and revitalize collaboration and communication globally to further enhance engagement.

- Addressing priority issues**
In particular, although Ebara (non-consolidated) has significantly improved its evaluation of personnel management and actions taken in response to survey results compared to last year, we still consider these to be issues that need to be addressed. The Work-style Reform Committee, consisting of all executive officers and the secretariat, will cooperate with the Human Resources Department to take action with an awareness of the issues at hand.

Human Resources Strategy

Strategy

Enhancing personnel management

Like the periodic table of elements, the Strategic Table of Technological Capabilities visually depicts our technologies. The table was compiled as a Companywide project in 2022, and it is a necessary and indispensable document for formulating technological strategies. The table is intended to ascertain and share Ebara's current technological and organizational capabilities by visually depicting Ebara's technologies and the human resources in the organization that possess those skills.

In the future, we will define expertise in areas other than Ebara's specific technologies as part of the Technological and Organizational Capabilities Map and engage in similar efforts overseas. By associating the table with the human resources database, which includes work history, expertise, and qualifications, we are enhancing personnel management Groupwide and we are promoting internal cooperation to accelerate the creation of business value by specialized human resources with specific capabilities. [▶ P37](#)

DX of human resources and use of data analysis

Global restructuring of HCM and human resources data infrastructure

Integrating human resources data held independently in each country into a single database (an HCM system) will enable more efficient and rapid analysis of human resources data and its use in personnel management. To realize global human capital management, we are globally advancing the restructuring of our HCM and human resources data infrastructure.

Using data for global HCM

Understanding the diverse needs of employees, taking appropriate action, and implementing the PDCA cycle are essential to improving engagement. Recognizing the challenge of fragmented data, we are working to integrate and utilize it more effectively by building a robust data infrastructure and leveraging insights from data scientists. These efforts directly inform our human resources strategy. Looking ahead, we plan to expand this initiative globally. By establishing clear KPIs and smooth measurement cycles, we aim to foster a borderless, inclusive workplace culture where all employees can thrive.

Promoting health management

We have formulated the Ebara Group Health Management Declaration, and are conducting health management with the goal of creating a workplace environment where employees can thrive in their work with good physical and mental health. Since 2023, we have been certified for three consecutive years under the "White 500" program, and from 2024, this recognition has extended to all domestic Ebara Group companies. In 2025, we achieved our highest-ever ranking, placing in the 151–200 range.

We recognize that employee health is one of Ebara's most important management resources, so we aim to improve our employees' health literacy and reduce absenteeism and presenteeism*. We have set KPIs and implemented measures to address issues through the PDCA cycle. Going forward, we will collaborate further with domestic Group companies and aim for the entire Group to be recognized as a Health & Productivity Management Outstanding Organization.

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



3 Diversity, Equity, and Inclusion

Promoting diversity, equity, and inclusion

We conduct ongoing training, centered on the Diversity, Equity & Inclusion Department, which was organized in September 2023. We are promoting an understanding of DE&I in the workplace and cultivating a culture of psychological safety through diversity training and other initiatives targeting over 10,000 Group employees. In December 2024, the Company received the highest rating of "Best Workplace" in the D&I AWARD 2024, sponsored by JobRainbow Inc. Ebara was recognized as an advanced D&I company that promotes diversity and inclusion at an advanced level, with each employee actively contributing to D&I efforts as individuals. It was also recognized for embedding the principles of D&I across all aspects of its services, businesses, and organizational structure, and for extending its impact beyond the company.



Promoting the advancement of women, men's parental leave, and support for balancing work and caregiving

We signed the Women's Empowerment Principles (WEPs) in 2022 and continue to promote the advancement of women as a co-chair of the WEPs Subcommittee of Global Compact Network Japan. Through roundtable discussions with other businesses and internal study sessions led by female employees, we are promoting awareness reform. Furthermore, we will encourage men to take parental leave and support the balance between work and nursing care, while utilizing qualitative and quantitative data such as employee hearings and surveys to create working conditions where employees can work comfortably throughout their lives and changing circumstances.

Human Resources Strategy

Strategy

Promoting the active participation of employees with disabilities

The Ebara Group wants all Group employees, regardless of disability status, to work together and continue to provide value to the world. In response to rising statutory employment rate requirements and changes in the external environment, we have centralized and strengthened our approach to disability inclusion through a dedicated Groupwide coordination committee. Our goal was for persons with disabilities to account for 2.6% or more of the employees at Ebara, our special subsidiaries, and our group affiliates by June 2025; however, as of June 2024, the ratio was 2.68%, achieving the target ahead of schedule. We are also working to enhance inclusion by, for example, transferring employees of our special subsidiaries to the Company's workplaces. We will aim to be a company where employees with disabilities are highly engaged and active.

LGBTQ+ efforts

In pursuit of a workplace environment where all employees can work as their authentic selves, in 2024, we continued internal training, and sponsored Tokyo Rainbow Pride (now, Tokyo Pride), earning our first Silver certification in the PRIDE Index 2024 by the organization work with Pride. In 2025, we're updating internal policies to extend employee benefits to same-sex partners and common-law marriages, ensuring equal access to allowances and leave. We will continue to strive to create a workplace environment where all employees, including those who identify as LGBTQ+, can work comfortably.



Risk Management

Succession planning for BCP-driven talent risk management

Starting in 2024, we are restructuring our traditional Succession Plan to focus on the top GKPs in Japan. To respond to the target market-specific organization and CxO system introduced in 2023, we are identifying potential successors for each position in the categories of "within 1 year," "within 2–3 years," and "within 4–5 years." The average number of successors available within 2–3 years per position is 2.2, indicating a robust talent pool.

Going forward, we will implement similar measures on a global basis to build a more robust human resources pool for sustainable business operations.

Metrics and Targets

Related Materiality	2025 Outcome Goals	KPIs	2025/12 Targets	2024/12 Results	Measures & Future Initiatives
4 	Transform Ebara's culture into a competitive one that takes on challenges, creating an environment where diverse employees thrive in their work	Global engagement survey score	83 or higher	79	Significant improvement was made in the engagement of domestic and foreign subsidiaries, especially overseas. We will continue to quantitatively and qualitatively analyze the true causes of fluctuations in engagement, provide feedback to each organization, and enhance the monitoring of the PDCA cycle for horizontal development and improvement of good practices.
	Improve global mobility	Proportion of non-Japanese employees in GKPs	30% or higher	25%	Enhancing the implementation of the Succession Plan globally, which was restructured in 2024, and further building and fostering human resources for GKPs from diverse perspectives, regardless of gender, nationality, age, or length of service. Promoting the expansion of the E-LEAD program (to develop the next generation of global leaders) and the expansion of the GCDP.
	Eliminate wage gap between men and women	Proportion of women in GKPs	8% or higher	8%	Strengthen DE&I initiatives and support proactive career development through Career Self-Dock. Enhance systems for career change and focus on early identification and development of future leaders.
		Proportion of female managers (non-consolidated)	8% or higher	7.5%	
	Foster a corporate culture that allows people to balance work and childcare regardless of gender	Rate of men taking parental leave (non-consolidated)	100%	90.8%	To boost acquisition, we will analyze barriers, learn from best practices, enhance our systems, and foster a culture supportive of parental leave.
Promote the success of employees with disabilities	Proportion of employees with disabilities (non-consolidated plus 4 domestic Group companies)	2.6% or higher	2.68% (As of June 2024)	Centralize the Ebara Group's management of employees with disabilities and promote the employment and business of people with disabilities across the Group; expand the scope of work for employees with disabilities for career development, and expand opportunities for them to play an active role in business.	

R&D and Intellectual Property Strategy

Message from
Chief Technology Officer



Norihisa Miyoshi
Executive Officer, CTO

Creating new value by continuing to hone our technological capabilities with the combined strength of the Ebara Group

We believe that the elements that comprise the Ebara Group's technological capabilities are, in addition to knowledge and experience in the areas of products and technology, a drive to persevere and a sense of responsibility, sound confidence and pride backed by results, an organization that continues to maintain and enhance those elements, and the researchers and engineers in that organization. We believe that these elements are what creates the Group's value and the foundation of its management.

Under circumstances that are referred to as the era of VUCA, implicit knowledge of the technologies we have amassed needs to be converted into explicit knowledge and operational efficiency needs to be increased through DX and the use of generative AI in order to adeptly respond to

changes in customers and markets. In addition to thoroughly promoting these efforts, we will also work on medium- to long-term research and development topics, such as high-precision processing technologies in the nano range to support semiconductor manufacturing equipment, use of renewable energy, and improvement of resource productivity while capitalizing on our strengths in a wide range of technologies in multiple businesses. We will also focus on improving our organizational skills to enable us to continuously study and promote that research and development and on attracting and training human resources who can boldly take on challenges in a rapidly changing environment.



E-Vision 2030 Technology. Passion. Support Our Globe.

E-Plan 2025 Business creation: Creating value from customers' perspectives

Drivers of growth for E-Plan 2025

Synergy between core technologies and products

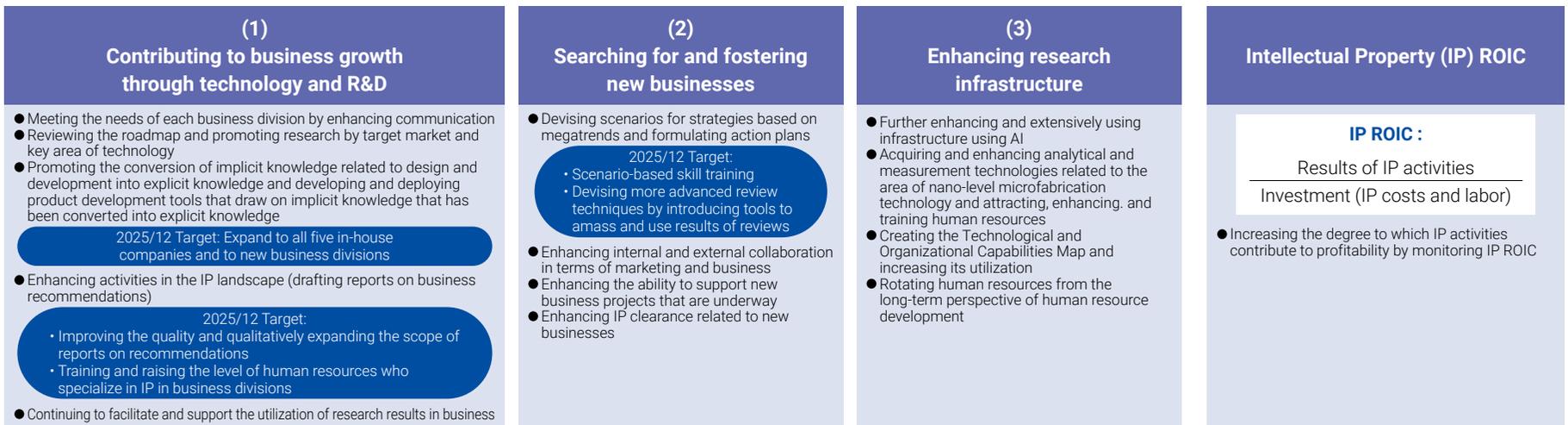
Promotion of human resource success and organizational culture change

Internal and external collaboration and joint development

Improve the quality of IP management and contribute to profitability

R&D and IP strategy pillars that contribute to social and environmental value and economic value

Verifying results with respect to investment



R&D and Intellectual Property Strategy

Governance

Enhancing the activities of the CTO Office and promoting contributions to business and the creation of new value through the use of AI

In 2024, the CTO Office launched new initiatives to enhance communication with the top management of each in-house company. By facilitating direct engagement between members of the CTO Office, drawn from the corporate R&D and IP departments, and business segment leaders, we were able to align on their visions and priorities. This alignment clarified the technical challenges faced by each business and enabled us to prioritize solutions more effectively, further enhancing our technical initiatives.

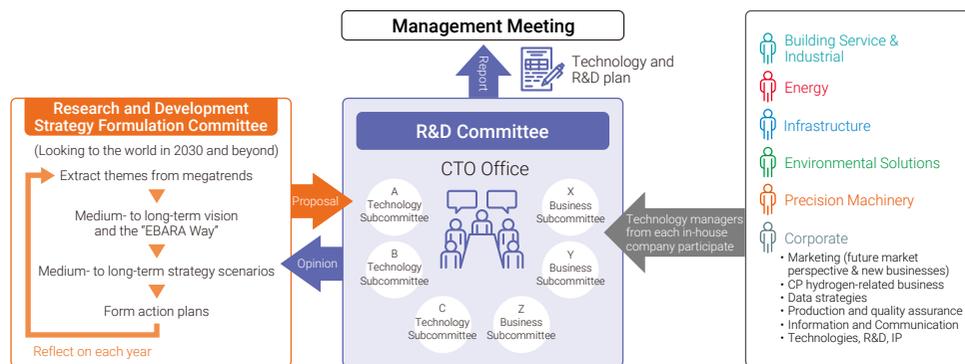
In addition, we have created opportunities for technical reviews and progress reports, and we have created a system that allows us to seek advice from experienced personnel in the CTO Office in a timely and accurate manner to ensure that the Group's knowledge, experience, and expertise are appropriately utilized in projects by corporate headquarters to develop new businesses.

Moreover, the development and deployment of product and development tools has been promoted to improve the efficiency and quality of design and development work. We are steadily proceeding with a project to convert design and development expertise in pumps, which is our longstanding business, into explicit knowledge that will be incorporated into digital apps to aid designers. Plans are to have the apps fully operational in 2025.

We have created Ebara AI Chat as a platform for the use of generative AI, and its full use within the Group started at the end of 2024. It helps to improve operational efficiency by facilitating the use of information in sources such as past research reports, and it is expected to free up human resources for new value creation.

Activities to formulate medium- and long-term research and development strategies, which began in 2023, continued in 2024, and new topics of medium- and long-term research have been identified.

Technology and R&D Planning and Decision-Making Process



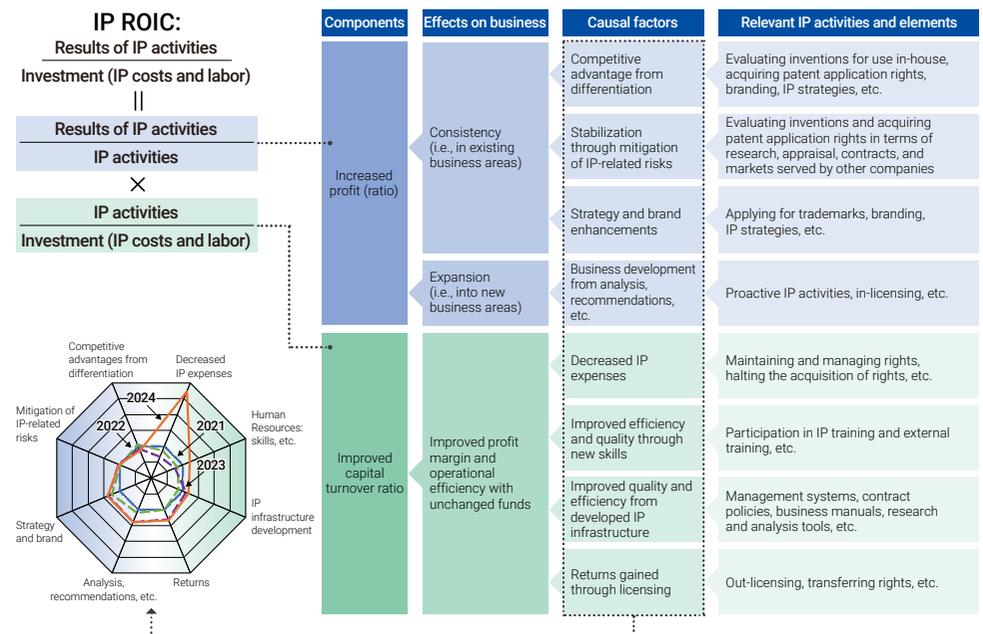
Monitoring results using Intellectual Property ROIC

We are promoting the use of Intellectual Property (IP) ROIC to monitor the efficiency of IP activities. We used the IP ROIC Tree to evaluate the relationship between IP activities and increased profits and improved capital turnover ratio, and we have quantified the results of IP activities by causal factor.

Improvement was noted in 2024, except for a slight decline in the competitive advantage from differentiation and flat growth in stabilization through mitigation of IP-related risks. Despite the increase in new patent applications, the problem regarding differentiation is presumably due to the decrease in the number of patents granted and lack of improvement in the effectiveness of branding activities. With regard to reducing risk, efforts have been successful, so we believe that improved efficiency is necessary. To improve efficiency, we are actively accepting new graduates, hiring mid-career employees, and rotating internal personnel, helping employees adapt to their roles and collaborate more effectively with their teams.

We are monitoring IP activities and improving them so that they contribute more to business. We will also continue to improve IP ROIC as an indicator. For example, the IP ROIC will be calculated for each company and improvement measures tailored to the characteristics of each business will also be considered.

IP ROIC and Quantification of Activities



R&D and Intellectual Property Strategy

Strategy

1 Contributing to business growth through technology and R&D

There are many common technologies that facilitate the Group's business activities in each target market. In order to acquire and amass these common fundamental technologies, we have created a research roadmap for major technological areas, and we update it as needed. We facilitate business growth by implementing research topics in accordance with the roadmap and by providing fundamental technologies necessary for business in a timely manner.

That said, we have amassed technology for over 110 years, but some of this technology and knowledge may exist as implicit knowledge among veteran employees without necessarily being converted into explicit knowledge. We continue to convert veterans' implicit knowledge into explicit knowledge, and we have created a Development Guide which can utilize that explicit knowledge. We intend to improve development throughput by allowing even inexperienced engineers to fully draw on the knowledge and expertise of veterans. In 2024, we created a development guide with limited functionality for the design of the flow in and the motor of submersible pumps, tapping into the implicit knowledge of veteran engineers and converting it into explicit knowledge. In conjunction, various technical tools to aid product development (functional breakdowns, simulating functions, failure mode and effects analysis, etc.) have been used to develop pumps. In the future, we intend to increase the functionality of

the Development Guide so that it is fully operational and to build a development platform that includes various tools to aid development and successively expand its scope of application.

We also support business growth from an IP perspective by making recommendations that help to formulate product and IP strategies for each business through activities in the IP landscape.

2 Searching for and fostering new business

Established in 2023, the Research and Development Strategy Formulation Committee spearheads the devising of scenarios for strategies to develop technologies from a medium- to long-term perspective beyond 2030. The committee selects specific topics to address after evaluating issues and solutions to global megatrends, such as global warming/climate change and demographic changes from a market-driven perspective. When selecting topics, the committee will consult with the CTO Office, fully consider market compatibility and technical scalability, and then formulate action plans. When implementing an action plan, the Committee will also effectively use human resources by utilizing the Strategic Table of Technological Capabilities and it will promote the training and augmentation of necessary human resources.

3 Enhancing research infrastructure

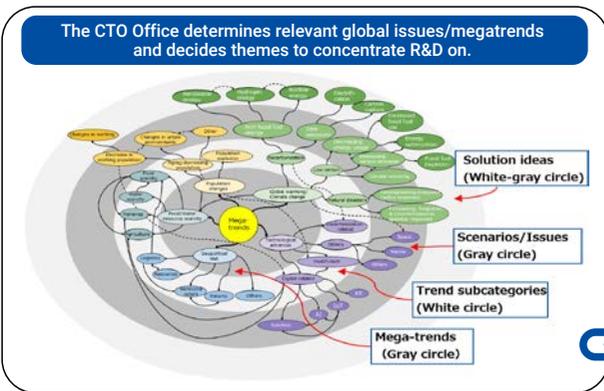
As the global situation becomes increasingly unstable and

uncertain, we believe that our top priority is to thoroughly use AI, which continues to evolve rapidly, to substantially improve the efficiency of conventional operations and to create more capacity to respond to changing circumstances and to create new value.

The semiconductor business is facilitating DX and an era of AI. That business will presumably become increasingly important, and technological demands in the area of microfabrication will presumably increase further. Therefore, analysis and measurement technologies need to be introduced and techniques need to be established to facilitate microfabrication at the Å level. We are enhancing activities to that end.

Human resources are needed to respond to more advanced technology in existing areas of business and to develop new areas of business. The reskilling and appropriate reallocation of human resources in-house will become increasingly important. In order to respond to those demands, we will vigorously promote visual depiction of existing human resources using the Technological and Organizational Capabilities Map, and based on it we will promote the attracting and technical training of human resources in cooperation with our business divisions.

Innovation comes from new encounters. In order to induce innovation, employees need to gain varied experience by rotating and participate in co-creation projects with other companies and external organizations. We will further promote the systematic rotation of human resources and the creation of meeting places to encounter external parties. As human resources increasingly experience the joy of creating new value with external parties through co-creation and they gain fresh insights by being exposed to the wider world and as there are more opportunities for them to take the initiative in exploring collaboration with external parties, they will provide the Company with fresh perspectives and different knowledge. This broadening of perspectives and knowledge will enhance their understanding and appreciation of the importance of various events and greatly enhance the decision-making ability required of core human resources. In order to continue to assist the world with technology, we will promote rotation and enhanced collaboration with external parties.



EBARA's technologies visualized in the Strategic Table of Technological Capabilities

Infrastructure Company		Energy Company		Building Service & Industrial Company				Precision Machinery Company				Environmental Solutions Company	
Ma	Ms											In	Py
Cm	Ei	Rc		Fm	Hi							Bl	Eg
Pj	Pu	Cr	St	Mm	Rc	So	Tg	Po	Vt	Pl	Ce	Mh	Fr
Pr	Pt	Ch	Sm	Mw	Fi	Pu	Ml	Cl	Ep	Oz	Eg	Md	Ca
Qa	Ft	Mt	Am	Ea	Sm	Es	Mo	Mc	Tr	Eb	Pz	Mt	Na
Sd	Fd	De	Mn	Ds	Ca	We	Ts	Am	Re	Nd	Rb	Pm	Xr
Mt	Fl	Na	Bt	Va	Ch	Ht	Cs	Mc	Pw	As	Ps	Ie	

R&D and Intellectual Property Strategy

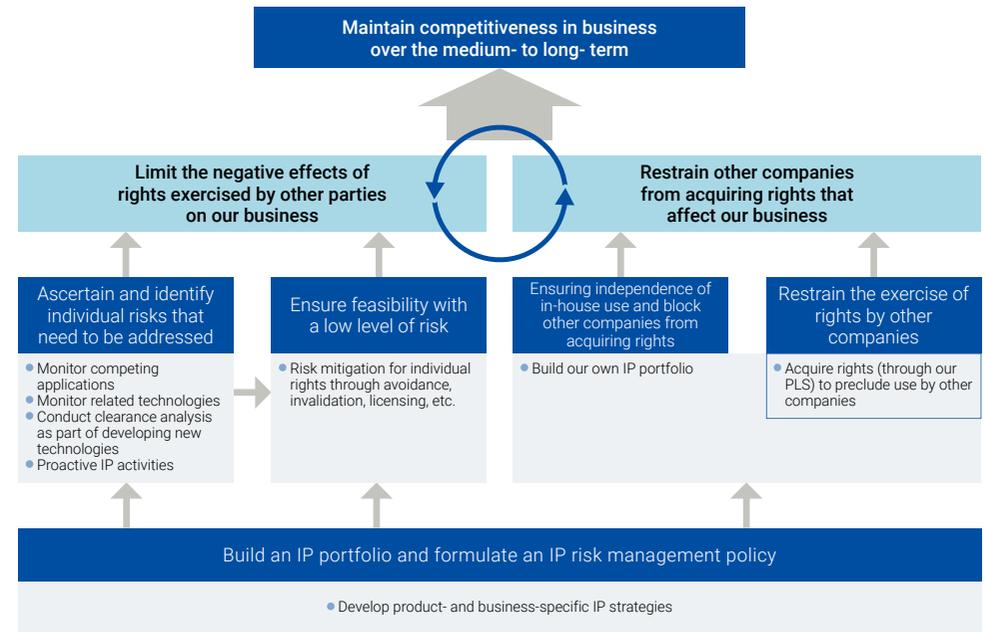
Risk Management

Risk management to maintain competitiveness

When managing IP risks, we believe that limiting the negative effects of rights exercised by other parties on our business is particularly important. Identifying risks as early as possible and dealing with them at a stage where their impact on our business is minimal is essential, so we monitor the patent applications of other companies and our competitors for specific technologies. When a new technology is developed, we also endeavor to conduct a clearance analysis to identify individual risks that need to be addressed as early as possible.

In addition, we also believe that restraining other parties from acquiring rights that may affect our company is important, and we try to restrain the risk-laden rights of other parties by creating an IP portfolio of technologies we are using and peripheral technologies. Moreover, we are acquiring rights to deter competitors from exercising their IP rights through our pre-litigation strategy (PLS), which involves acquiring patent application rights that might be used by our competitors.

We also work to respond to risks based on those clearance analyses and to build our IP portfolio. We compile and update our policies as part of our IP strategy to ensure that those efforts are appropriately implemented while reflecting the state of each business and our policies. Over the past few years, services have been actively provided particularly in cyberspace, and important decisions regarding patent infringement in instances when the country where services are provided differs from the country where the server is located have been handed down in Japan. We work with lawyers in major countries to update our understanding of the circumstances there so that we can appropriately handle cross-border cases.



Metrics and Targets

Related Materiality	2025 Outcome Goals	KPIs	2025/12 Targets	2024/12 Results	Measures & Future Initiatives
<p>1</p> <p>2</p>	Develop and implement technical tools to improve product development throughput	Expansion of application scope of technical tools that eliminate rework in development	Expand to all five in-house companies and to new businesses	Created a Development Guide with limited functionality that incorporates explicit knowledge regarding the design of the flow in and the motor of submersible pumps and used simulated functions to develop vacuum pumps for the Precision Machinery business, centrifugal pumps for the Building Service & Industrial business and reciprocating pumps for the new business division.	Promoting the building and operation of a development platform (that includes, in addition to the Development Guide, various tools to aid development, such as simulated functions and failure mode and effects analysis) to eliminate development setbacks and mastering various technical tools and gradually expanding their scope of application.
	Enhance strategic research and development policies by devising new themes and creating processes	Formulation of macro-level technology development strategies and action plans (APs) based on technological and social trends	Form medium- to long-term scenarios and corporate R&D strategies based on trends, and create APs for the next fiscal year	Promoted action plans for previously selected themes. Also began enhancing the process for formulating strategies and selecting themes and training human resources through use of new techniques such as scenario planning.	Conducting training to improve the scientific knowledge of review members and their ability to consider scenarios, introducing tools that enable the cumulative use of past reviews, and further enhancing the system to devise new themes through the use of AI in research capacities.
	Advance information analysis communication and proposal activities and integrate into regular operations	Number of analysis recommendations for IP/ non-IP information that contributes to management and business decisions, etc.	Recommending the analysis of 20 matters per year (15 or more matters suggested by the reporting party + number of reports by inexperienced individuals)	In contrast to 10 matters handled in 2023, reports recommending the analysis of 16 matters in total were prepared and submitted. By promoting collaboration with the IP departments within the in-house companies, we were able to increase the number of recommendations for each in-house company from two in 2023 to seven.	Communicate closely with the top management of each company to foster talent who can make high-quality recommendations that contribute to management and business decisions.

DX Strategy

Message from Chief Information Officer



Hiroyuki Kowase
Executive Officer, CIO

Facilitating the achievement of management strategies through visual depiction of information and improved productivity via DX

The Ebara Group does not view DX as mere digitalization but instead views it as central to its management and business strategies, and management, the businesses, and the digital department are working together to promote DX. This approach is resonating with professionals in various fields with a different culture than ours, who are joining in after another, blending with our existing corporate culture and producing new chemical reactions. In terms of offensive DX, the Groupwide generative AI project that is now fully underway has already produced a number of results and is accelerating the global deployment of technologies

originating in Japan. In the area of digital triplets*, virtualization of production sites is rapidly progressing and innovative initiatives are being developed. In terms of defensive DX, the Groupwide ERP project is steadily progressing and is set to be fully operational across 17 countries. The standardization of operations at each Group company, a large part of our push to develop advanced and efficient management infrastructure as outlined in E-Plan 2025, is also moving forward smoothly.

* A concept that extends the digital twin model to include the knowledge and decision-making ability of engineers at work sites, such as their wisdom, expertise, and experience.



E-Vision 2030 Technology. Passion. Support Our Globe.

E-Plan 2025 Business creation: Creating value from the customer's perspective



Offensive DX

DX strategies for global integrated management

Defensive DX

Using generative AI and AI analysis of images to increase operational efficiency and to create new value DX using AI	Materials informatics (materials development solutions) Promoting an innovation in communication to increase awareness through creative measures utilizing generative AI	Using digital twins & digital triplets to revolutionize design and production 3D digital manufacturing and 3D parametric automated design DX using 3D digital and XR (virtual and augmented reality) technologies	Promoting production automation & developing smart factories Providing new experiential value in promotional campaigns through the combination of physical and XR experiences	Using data for human capital management Creating added value by promoting the IoT and data mining Automating operational processes and optimizing decision-making through the use of data science DX using data
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Visualization of global management information Implement PDCA cycle at the global management level Centralized management information and increased transparency Groupwide easy KPI comparison	Standardization of global Group operations Utilize the right people in the right places Rapid adoption of best practices Groupwide Easy migration to shared service centers and BPO	Flexible, versatile, and scalable information systems Easily implement external best practices Fast response to rapid changes in business and M&As Significant cost reduction in development and operation of new structures
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DX Strategy

Governance—A Vision of DX to Achieve Sustainable Growth

A system to unify three entities—management, the businesses, and IT departments—in order to promote a global DX

Once the CxO system was introduced in 2023, the CIO has been at the forefront of working to enhance our IT governance globally. Based on the Group's management strategy, we will further accelerate management of IT organizations for the entire Group by harmonizing each company with the Group's overall IT strategy and by optimizing IT investments and costs.

1. Consistent IT strategies

We will enhance the IT strategy and policy for the entire Ebara Group and further align the IT strategies of each business segment and Group company with the Group's IT strategy and policy.

2. Optimizing IT management processes

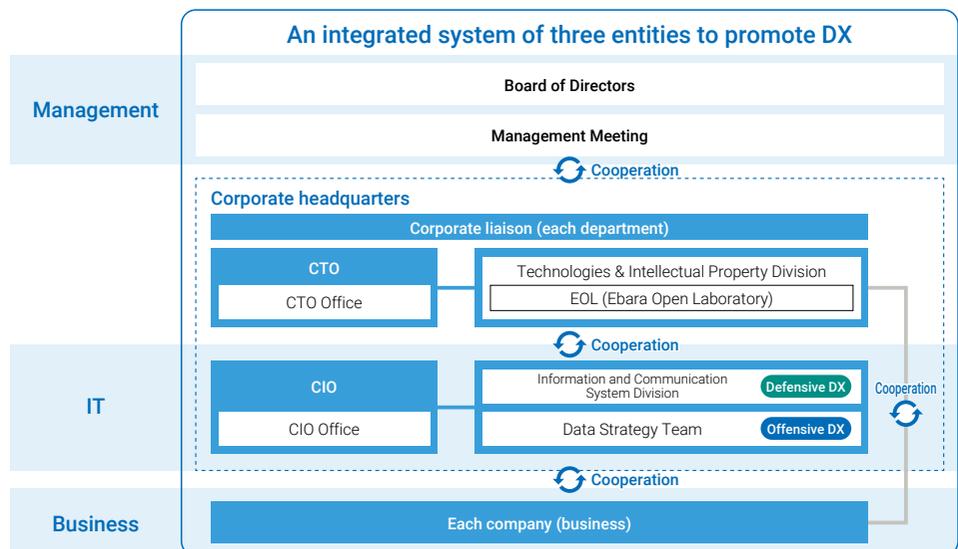
We will optimize the management processes related to IT for the Ebara Group and facilitate the smooth management of IT organizations for the entire Group.

3. Implementation of global IT governance

The CIO and CRO will work together to create and enhance a framework for IT control that is both independent and efficient.

4. Cooperation among IT organizations

We will enhance cooperation among IT organizations within the Ebara Group and further facilitate communication between IT departments at each company.



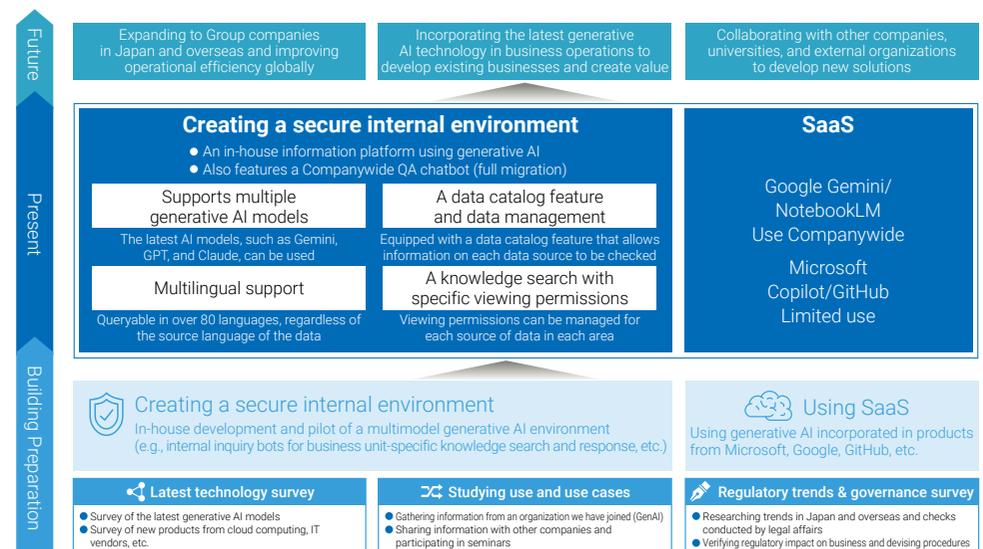
Strategy—Offensive DX

Using the latest technology and various types of data to improve operational efficiency and create new value

Companywide use of generative AI

We have positioned the use of generative AI as one of the key strategies for offensive DX. We launched the Generative AI Project in 2023, led by the Data Strategy Team, and we have been promoting it as a Companywide project since January 2024. Ebara AI Chat was developed in-house in a secure environment with managed permissions to search and query the vast amount of data and knowledge amassed within the Company using multiple generative AI models and in multiple languages. Ebara AI Chat was deployed to one division at the end of May and was fully deployed Companywide in Japan at the end of July. Existing Companywide queries were also migrated to Ebara AI Chat in November. We will also use the generative AI functionality provided by Google's Gemini and NotebookLM, Microsoft Copilot, and GitHub (source code management) to improve operational efficiency Companywide and globally. Moreover, we will use generative AI for creative purposes while complying with regulations, and we will promote its use in core operations and increase its recognition while incorporating new technologies as needed.

Furthermore, we will communicate our initiatives through activities as a member of Generative AI Japan, an association that we joined in 2024, and as a member of the Forum Committee of the Mechanical Social Systems Foundation and by speaking at various events. We will further promote the use of generative AI Companywide while widely sharing information with other companies and industries.



DX Strategy

Strategy—Offensive DX

Communication using generative AI and advanced technology

In order to improve proficiency with generative AI at our Company, designing communications that meet goals and satisfy needs, both internally and externally, is essential. We propose and implement the most appropriate “means” to do so while utilizing generative AI, cognitive science, and a variety of data. We also create new value with the creative approach of “zero→one.”

Video production and design work used to be time-consuming and costly, but we will increase the efficiency and reduce the cost of that work using generative AI. Moreover, the full use of such digital creativity will help to automatically generate content optimized for each target in the future and to accelerate value creation, which is one goal of DX.

Promoting DX in manufacturing with Ebara-D3 and Beyondverse

We are promoting DX-related activities that are not constrained by the differences in company cultures. These activities are intended to produce DX particularly in the area of manufacturing. Under the framework of Ebara-D3, Beyondverse* will be used to accelerate DX in manufacturing by integrating the real and digital world. We are rapidly and steadily building a knowledge base to serve as a hub connecting large systems such as product lifecycle management (PLM). Beyondverse’s 3D data integration and AI analysis digitizes skills and knowledge to promote in-house production and high-speed development, thereby helping to make Ebara stronger with data.

*Our own knowledge database covering a wide range of areas using AI

Strategy—Defensive DX

Building an information infrastructure for integrated global management

Visually depicting management resources worldwide

We are promoting the standardization of global management and business execution through optimization of work flow and rules, and we have introduced an enterprise resource planning (ERP) system to the entire Group as a global digital platform. It has already been introduced in 19 companies in 17 countries worldwide (as of January 2025). With the introduction of this ERP system, we can centrally manage and visually depict management information through the use of BI tools. We will continue to introduce the system to Ebara Group companies around the world.

Expanding the area of CRM globally

In order to accelerate its expansion into global markets, the Group is working to enhance the area of customer relationship management (CRM). Salesforce®*1 is used Companywide as the order receiving system to centrally manage sales information and to establish a standardized sales process at sites around the world in line with the global deployment of the ERP system. At the same time, it enhances coordination between BI tools and Companywide ERP data to visually depict comprehensive management information that cannot be obtained by CRM alone. CRM will be used not only for order management but also for after-sales service to increase the value of the customer experience by globally monitoring the results of product introduction and the status of customer support.

Promoting DX using data-driven human capital management and advanced technology

The Group has been developing a global human capital management (HCM) platform based on SAP® SuccessFactors®*2, which was introduced in 2019, and the Group has finished implementing that platform at 37 subsidiaries overseas. In addition to enhancing the implementation of personnel information management, personnel evaluations, training successors, and training management that are already in use, we plan to expand the number of users of e-Learning, which is a learning management feature of SuccessFactors®, and launch a global human resource development program using its recruiting management feature. We will continue to expand human resource development and evaluation on a global scale.

Promoting system usage through digital adoption tools

As the adoption of packaged business applications continues to grow, we have introduced the digital adoption tool WalkMe®*3 to enable users to operate systems without customization or reliance on manuals, by displaying intuitive operation guides. As of the end of May 2025, WalkMe is in use across 45 systems, with further expansion planned. This initiative has helped reduce the workload by decreasing user inquiries and has contributed to more efficient system operations through improved visibility into usage patterns. Thanks to these achievements, we received high recognition from WalkMe Inc., earning the Manager of the Year Award in 2023, and both the Builder of the Year Award and Influencer of the Year Award in 2024.

Groupwide introduction of ERP Roadmap

1. Build and expand data foundation

Build a digital platform

We will restructure core systems, construct a next-generation digital platform, and promote operational reforms accordingly.

Expand and sophisticate the digital domain

We will use cloud solutions to expand the scope of digitalized business and further advance our business.

2. Secure and nurture human resources / organizations

Develop data-driven talent and organizational structure

We will reform our organizational structure and develop human resources for DX. We will implement our DX strategy across the Group.

3. Realize integrated global management

Optimize management decision making through data utilization

We will analyze and manage data on a digital platform and implement more advanced data-driven management.

*1. Salesforce is a registered trademark of Salesforce, Inc. *2. SAP and SuccessFactors are registered trademarks of SAP SE. *3. WalkMe is a registered trademark of WalkMe Ltd.

DX Strategy

Risk Management

Strengthen Cybersecurity

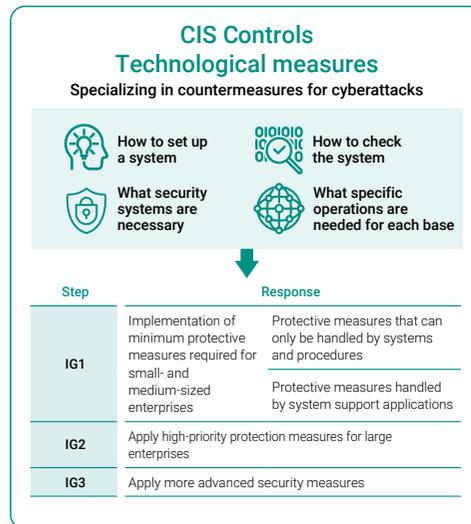
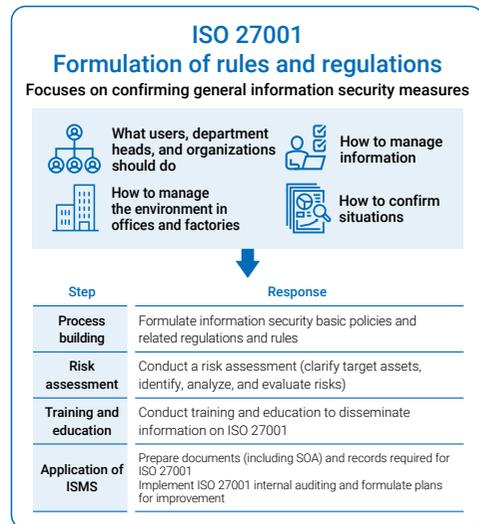
Cyber attacks targeting companies have become an everyday occurrence, and the Ebara Group is strengthening its response. Nowadays, business partners are also increasingly asking for cybersecurity measures as part of their supply chain management. Complying with international standards and frameworks that are globally recognized is important to gaining the market's trust.

In response to the requests mentioned earlier, we are promoting compliance with ISO 27001, an international information security standard, and CIS Controls*1. Enhanced security governance is required of global companies. To do so, we invited employees from Group companies overseas to build a system that complies with Global CSIRT standards*2 and to continuously operate and improve that system.

In relation to ISO 27001, we established a PDCA cycle in the operation of our information security management system by the end of 2024, but the specifications are for the previous iteration, so we will update them to the latest version by the end of 2025. We started implementing about 70% of the IG1 and IG2 controls in the CIS Controls by the end of 2024. While continuing to implement these items, we will include additional items and increase our implementation of CIS Controls by the end of 2025.

*1. Devised by the CIS, a US nonprofit organization specializing in cybersecurity, this is a framework encompassing the cybersecurity measures that companies should implement.

*2. Global Computer Security Incident Response Team



Metrics and Targets

Related Materiality	2025 Outcome Goals	KPIs	2025/12 Targets	2025/01 Results	Measures & Future Initiatives
1 	Expand ERP project across the Group	Number of Group companies with ERP implemented	20 or more	Implemented at 19; in progress at 1	Implement SAP at Group companies
2 	Strengthen information security and comply with NIST (US) and CIS	Rate of compliance with ISO 27001 categories at bases	100%	100%	Become compliant with ISO 27001 (Establishing a cycle for operation of an ISMS)
4 		Number of items needing to be handled by CIS Controls	100%	70%	Become compliant with CIS Controls Monitoring operational status

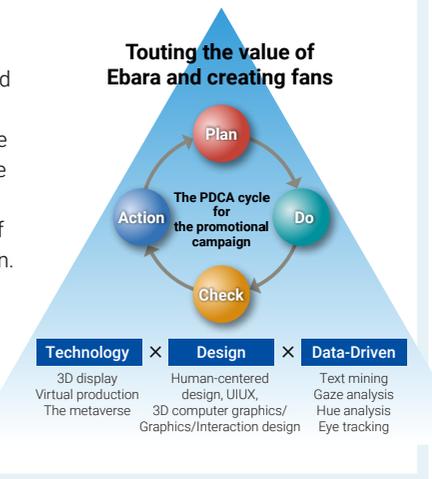
CLOSE-UP

A Promotional Campaign that Combines Technology × Design × Data-Driven

Providing new experiential value through the combination of physical and XR (virtual) experiences

In the past, issues with promotional campaigns have been delays in decision-making due to discrepancies between the subjective viewpoints of the creators and the audience, methods of evaluating outputs, and setting KPIs. Therefore, we use text mining to analyze our objective evaluations, identify aspects to promote and set KPIs based on those results, and make rational and speedy decisions based on the results of gaze analysis and hue analysis and thinking on design.

In addition, we are creating new experiential value by combining XR technologies, such as images shown on 3D displays using 3D CG technology that do not require glasses, video production that combines 3D CG and the physical world, and active communication using the metaverse.



Risk Management

Message from Chief Risk Officer



Toru Nakayama
Executive Officer, CRO

Linking operations and management to strengthen risk management

The CxO system is intended to provide thorough Group governance over the Ebara Group. Risk management used to be conducted separately by each in-house company or Group company, but the CxO system allows risk management to be conducted in an integrated manner through the CRO and risk officers (ROs). As a result, risk information from operational sites is reaching management more rapidly, and an integrated risk management system is being put in place across the Group.

The risks we face are increasingly diversifying, including changes in international affairs and issues related to technology succession. In 2025, we will conduct a Groupwide risk assessment, which we do every three years, to identify the risks the Group faces and to promote reliable risk management. In this context, we will also enhance our preparedness for

emerging risks such as geopolitical shifts and generative AI. We aim to build a sustainable risk management framework by incorporating diverse stakeholder perspectives, grounded in the integrity and flexibility that define the EBARA Way.

In response to recommendations from the Japan Fair Trade Commission regarding mold management, we are enhancing monitoring by all executive officers. We intend to fully enforce rules and raise awareness of legal compliance through education and training for employees, and we are also enhancing institutional systems and technical management frameworks to ensure reliable mold management at the operational level.

Strategy Overview

Changes in the risk environment the Ebara Group faces

Internal risks

- Further globalization of business
- Businesses becoming independent through a target market-specific structure
- Increased regulatory exposure due to evolving SME regulations and security trade controls

External risks

- Geopolitical risks such as the Russia-Ukraine conflict
- New technology risks such as generative AI
- More extreme weather-related disasters worldwide



*1. RMP: Risk Management Panel *2. RMC: Risk Management Committee *3. IMP: Incident Management Plan *4. BCP: Business Continuity Plan

Risk Management

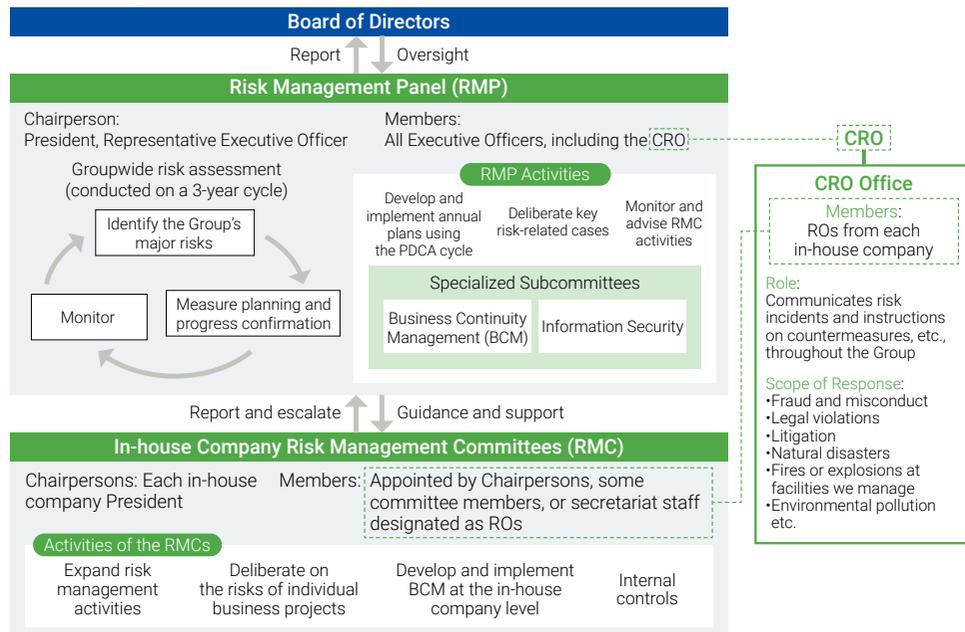
Risk Governance

Groupwide Risk Management Beyond Organizational Boundaries

The Ebara Group systematically identifies and assesses risks that may arise from its business operations and implements measures to minimize risk that may impact the ongoing survival and development of the Group. We are shifting from a system that focused on responding ad-hoc to individual risks that emerged in the course of business to a more systematic approach that emphasizes continuous implementation of system improvements parallel to enacting risk control measures. We have also established the CRO Office, which includes the CRO and ROs from each in-house company, thereby creating an overarching risk-response system that transcends traditional business silos.

The CxO system that was introduced in E-Plan 2025 has helped to clarify the division of roles and scope of responsibilities for management and the conducting of business, thus enabling us to provide further assistance to business divisions in terms of risk. Information on risks is reported mainly to the CxO in charge, so sharing information between CxOs is important. We have specified indices with which to identify potential incidents and whether information on those incidents needs to be shared so that necessary information on risks can be shared among CxOs. Moreover, we have been enhancing risk management training for managers and auditors of Group companies since 2023, and we are focusing on encouraging communication with personnel on-site and enhancing cooperation more than ever before.

Risk Management Framework

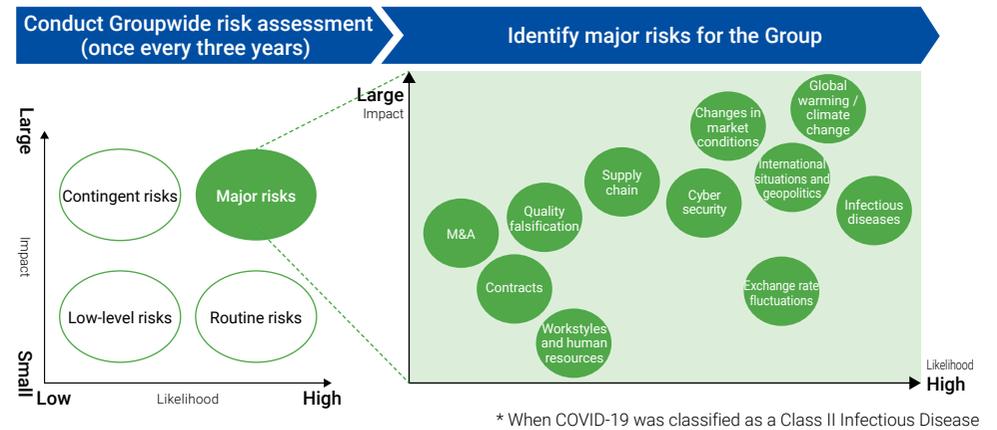


Process for Identifying Major Group Risks

We conduct a comprehensive groupwide risk assessment every three years to identify major Group risks. This assessment covers over 100 potential risk items relevant to our business operations. Through surveys of and group interviews with business and department managers, we evaluate each risk based on its likelihood, potential impact, and residual risk after mitigation. Identified key risks are assigned to lead departments responsible for risk response and are reported to the RMP. In the 2022 assessment, 11 key risks were selected, and their mitigation status has been continuously reported to the RMP. (See the risk map below.)

We will conduct the next full assessment in 2025. We plan to revise our risk categories with reference to international standards, incorporate multi-stakeholder perspectives, and update risk scenarios. Recognizing the rapid pace of change in today's environment, we also plan to introduce simplified interim assessments in off-years to ensure timely updates to our risk awareness.

Risk Map (Assessment Conducted in 2022*)



Strengthening Internal Controls in Business Divisions

As the globalization of the Group's business accelerates, continuing to transition to a target market-based organization and encouraging autonomous risk management by business divisions is becoming increasingly important. In light of these changes in the environment, we will strengthen our Groupwide legal compliance framework while also enhancing measures such as security trade controls in each segment. Each in-house company faces and manages business-specific risks, which are designated as in-house company major risks. In the past, each company has identified risks independently, but we plan to standardize the process of identifying risks by incorporating the process of selecting in-house company major risks in the Groupwide risk assessment conducted in 2025.

REFERENCE The EBARA Way and EBARA Group Code of Conduct <https://www.ebara.com/global-en/sustainability/think/ebara-identity/>

REFERENCE Compliance System <https://www.ebara.com/global-en/sustainability/governance/compliance/>

REFERENCE Basic Anti-Corruption Policy, Anti-Corruption Program <https://www.ebara.com/global-en/sustainability/governance/anti-corruption/>

REFERENCE Compliance Data <https://www.ebara.com/global-en/sustainability/data/esg/>

Risk Management

Compliance

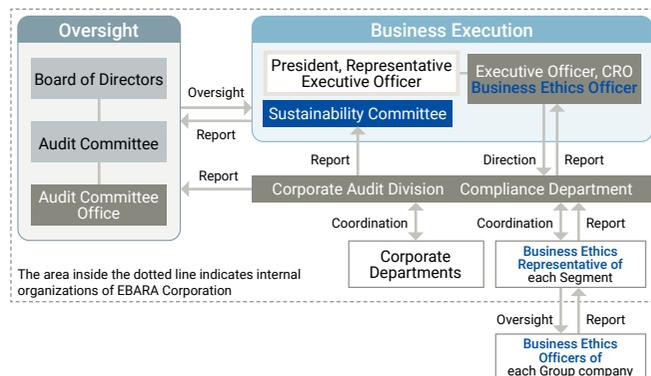
Ebara Group's Compliance System

The Ebara Group strives to act as a good corporate citizen that earns the trust of stakeholders. For this reason, the Ebara Way and the Ebara Group Code of Conduct are shared among all employees to form a common identity and set of values.

Consultations related to compliance are accepted widely, from directors, employees and their families, temporary employees working in the Group, business partners, and others. When a consultation is received, it is first reported to the Compliance Department through the Business Ethics Officers of each Group company or the Business Ethics Representatives of each segment, and then reported to the Business Ethics Officer, the Executive Officer, CRO of the Ebara Group. Under the direction of the CRO, the appropriate response is taken. In addition, the Compliance Department regularly reports the status to the Audit Committee Office, and compliance promotion activities, such as consultation matters and educational and awareness-raising activities, are reported to the Sustainability Committee, which is attended by Directors, to receive appropriate oversight and instructions.

Through the consultation hotline response, etc., the Group will continue its efforts to track risk information as promptly as possible and will implement preventive measures to curb the occurrence or spread of damages, as well as measures to correct potential legal violations through self-regulation.

Ebara Group Compliance Structure



2024 Overview of Priority Compliance Strategies

Priority Strategies	Details	Management Indicators and Quantitative Progress
Priority Strategy 1 Establish frameworks and implement measures for ensuring compliance in the Group		
Ensure compliance awareness across the entire Group	<ul style="list-style-type: none"> Held domestic Ebara Group Compliance Liaison Meetings (attended by domestic Group companies) twice a year to share compliance information, such as the status of consultation matters, between the Company and its subsidiaries Overseas, starting in 2024, the theme of the meetings was expanded to cover risk management in general, and the framework was changed to a CRO liaison meeting, within which compliance information is shared (CRO liaison meetings are held with 34 subsidiaries in North America, South America, Europe, the Middle East, Asia, Oceania, and Africa) Continued to conduct training on the Ebara Way and the Code of Conduct for all employees 	<ul style="list-style-type: none"> Rate of training participation across the domestic Group: <ul style="list-style-type: none"> - 98.6% for the Ebara Group - 98.6% for the Code of Conduct Rate of training participation at Group companies overseas: <ul style="list-style-type: none"> - 97.5% for the Ebara Way - 97.6% for the Code of Conduct
Implement the Anti-Corruption Program across the Group	<ul style="list-style-type: none"> Reviewed internal regulations and verified the latest legal developments in each country Continued providing training to employees who should be aware of the risks of corruption (planning and administration departments, sales departments, procurement departments, etc.) 	
Compliance with the Subcontract Act in Japan	<ul style="list-style-type: none"> Held training on the Subcontract Act for all employees in Japan 	
Priority Strategy 2 Implement ongoing initiatives for improving the capability of Group companies to independently manage and improve compliance and risk mitigation activities		
Introduce a unified global hotline	<ul style="list-style-type: none"> Continued the operation of domestic internal consultation hotlines, domestic external consultation hotlines, and the EBARA Group Overseas Hotline By the end of 2025, we will introduce a globally unified hotline, transfer consultations from existing hotlines, and enable reporting from all sites, including overseas subsidiaries that lack external consultation hotlines 	<ul style="list-style-type: none"> 22 overseas Ebara Group companies with access to the EBARA Group Overseas Hotline Number of consultations: 12
Prevent misconduct through insights gained from handling consultation cases	<ul style="list-style-type: none"> Provided training and education to divisions and in-house companies deemed high-risk due to an increasing number of consultations By seeking legal advice from law firms as necessary, we will achieve prompt responses to consultation cases and ensure the quality of our responses 	<ul style="list-style-type: none"> Number of consultations: 57 Number of inquiries handled: 91 (including 34 carried over from 2023) Of which, number of cases resolved: 66 Number of cases continuing through to 2025: 25
Enhance the compliance liaison system to offer accessible and familiar consultation channels within the workplace	<ul style="list-style-type: none"> Assigned and trained compliance liaison members Strengthened collaboration with compliance liaison committee members <ol style="list-style-type: none"> Collaborated on handling consultation cases received through the consultation hotline Provided support such as consultation services from the Compliance Department to help resolve cases, primarily led by compliance liaisons. 	<ul style="list-style-type: none"> Number of compliance liaison members: 120 Of which, <ul style="list-style-type: none"> - Ebara: 61 members - Group companies: 59 members
Priority Strategy 3 Foster comfortable workplace environments founded on respect for human rights and diversity		
Promote respect for human rights and diversity in workplaces through the activities of specialized divisions and compliance liaison members	<ul style="list-style-type: none"> In accordance with our Human Rights Policy, we implemented the following measures to address human rights issues and report on the status of these measures to the Human Rights Committee Provided human rights remedies through the consultation hotline (of the 66 cases resolved in 2024, 6 were related to harassment) Posted human rights-related educational content on the Company intranet (regarding Human Rights Week, requests for human rights slogans, educational materials, etc.) Continued to participate in the Global Compact Network Japan and other external organizations 	

Toward Sustainable Water, Air, and Environment

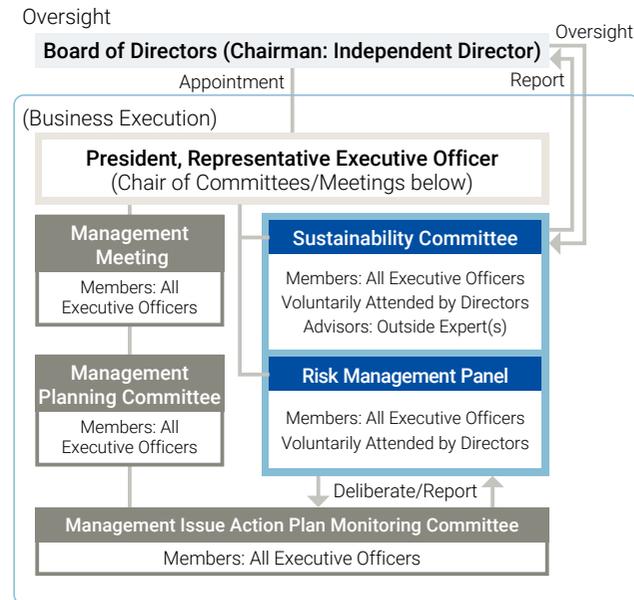
REFERENCE **Climate-Related Disclosures (TCFD Recommendations)**
 Details of the IFRS® Sustainability Disclosure Standard S2 “Climate-Related Disclosures” (formerly TCFD) are disclosed on the website.
<https://www.ebara.com/global-en/sustainability/think/tcfid/>

Governance

Environmental Governance Structure

The Group aims to enhance social and environmental value as well as economic value by continuously contributing to the resolution of social issues, including the SDGs, through our business. With the aim of enhancing our corporate value over the medium- to long-term, we practice sustainability management, which is based on the pillars of taking aim at environmental issues (E), fostering bonds with society (S), and enhancing governance (G). The Board of Directors incorporates sustainability-related topics, such as climate and nature-related issues, into its agenda and provides feedback to the Sustainability Committee on the results of these discussions. The Sustainability Committee, chaired by the President, Representative Executive Officer, explores how the Group can contribute to building a sustainable society and environment through its business operations, while continuously enhancing corporate value. **P100** Major Initiatives for the Board of Directors in 2024

Environmental Governance Structure



Environment-Related Deliberations and Reports in 2024

Board of Directors Agenda Items

Jan.	● Sustainability Committee Report
Apr.	● Review of sustainability management measures ● Sustainability Committee Report
Jun.	● Deliberation on 2024 climate-related disclosures (IFRS® S2 standards)
Jul.	● Sustainability Committee Report
Oct.	● Review of carbon neutrality initiatives ● Sustainability Committee Report

Note: Executive Officers submit monthly reports on non-financial information.

Sustainability Committee

Met in March, June, September, and December. Each meeting included climate-related agenda items. Reports regarding matters discussed are made to the next Board of Directors meeting following each committee session

Main Agenda Items on Environment (2024)

- Promotion of carbon neutrality (including consideration of ICP)
- Climate-related disclosures
- Scope 1, 2, and 3 GHG emission reduction efforts
- Nature-related risk assessment using the LEAP approach based on TNFD recommendations, etc.

Our Approach to the Environment

Global environmental challenges, such as climate change, resource depletion, and biodiversity loss, are complex and interconnected. Addressing these issues requires action toward decarbonization, a circular economy, and a nature-positive approach. Our business is both impacted by these challenges and uniquely positioned to contribute positively. With this understanding, we have established the Ebara Group Environmental Policy.

Ebara Group Environmental Policy

The Ebara Group aims to support the sustainable development of countries around the world and realize safe and reliable living and abundant lifestyles by providing products and services relating to water, air and the environment. We commit to implementing the following activities while pursuing our aims.

- 1 Contribute to the creation of a decarbonized society **P57**
- 2 Contribute to the creation of a circular society **P60**
- 3 Contribute to the creation of a society in harmony with nature **P60**
- 4 Actively disclose information and communicate with stakeholders
- 5 Continuous improvement of environmental performance **P62** Metrics and Targets
- 6 Compliance with laws, regulations, standards, and responding to the demands of society

REFERENCE **EBARA Group Environmental Policy**
<https://www.ebara.com/global-en/sustainability/environment/environmental-policy/>

Toward Sustainable Water, Air, and Environment

REFERENCE Climate-related Disclosure (TCFD Recommendations) <https://www.ebara.com/global-en/sustainability/think/tcfd/>

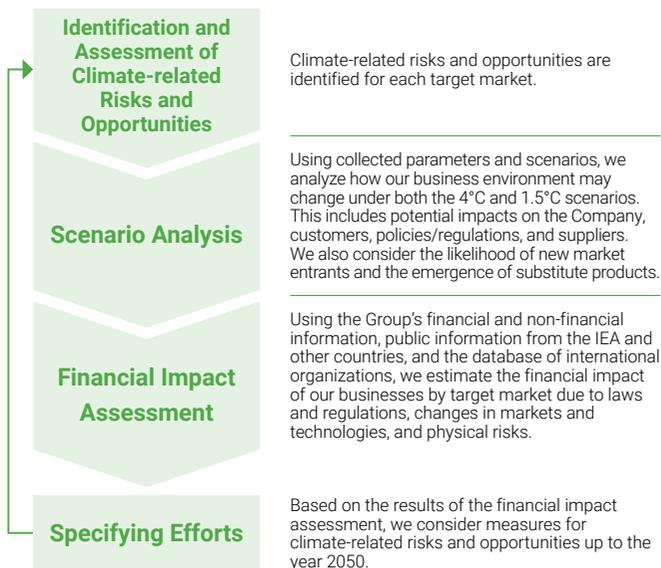
Strategy

Contribute to the Creation of a Decarbonized Society

Climate Change Strategy

The following process is used to analyze the impact of climate change on the Group's business in each target market. Climate-related strategies for businesses in the building services and industrial equipment market, the oil and gas market, the water-related infrastructure market, the solid waste treatment market, and the semiconductor manufacturing market are formulated at the behest of each in-house company president and are reflected in the medium-term management plan. Each in-house company's progress against the plan is checked at the Management Issue Action Plan Monitoring Committee, which is chaired by the CEO, and progress across the Company is checked by the Sustainability Committee. The details of discussions taking place at meetings of the Sustainability Committee are reported to and reviewed by the Board of Directors.

Management Process of Climate-related Risks and Opportunities



Identification and Assessment of Climate-related Risks and Opportunities

The review of climate-related risks and opportunities is performed in the same cycle as the Group's medium-term management plan. In order to connect the climate-related strategies to the next medium-term management plan starting in 2026, a review of the key climate-related risks and opportunities was performed for each of the major target markets. Originally developed in line with the TCFD framework, we have transitioned from TCFD to IFRS® S2, and identified and assessed the risks and opportunities with reference to the IFRS® S2 disclosure standards.

In evaluating transition risks and opportunities, we assessed them from the perspectives of policies, laws, regulations, markets, technology, and reputation. Physical risks were evaluated from both acute and chronic perspectives. The evaluation narrowed important risks and opportunities by setting certain criteria for the time frame, likelihood of occurrence, and magnitude of impact. For the evaluation of the magnitude of impact, we reviewed the evaluation methodology, including setting a threshold for the impact on operating profit.

Scenario Analysis

To incorporate climate-related strategies into the next medium-term management plan, we reviewed climate-related scenarios in the 1.5°C and 4°C worldviews for each of the Group's major target markets. Our previous scenario analysis concluded that the oil and gas market will be transformed into a next-generation energy market. In our review conducted through April 2025, we based the analysis on the current energy market.

In the worldview of 1.5°C and 4°C, how will government, customers, suppliers, and new entrants and substitutes change? We organized how these changes will impact the Company's business environment to gain a comprehensive overview of the

risks and opportunities throughout the value chain.

The external information used in the previous analysis was updated with the latest data, and the worldview was revised. Climate-related disclosures, including the revised scenario analysis, are available on our website.

Financial Impact Assessment

We updated the external information in the previous scenario analysis and reviewed the financial impact calculation methodology. We aimed for a more quantitative calculation than the previous financial impact assessment. We also disclosed and explained items for which objective information is difficult to obtain. The financial impact of physical risks in the building services and industrial equipment market businesses has been reassessed. After reviewing our calculation methods, we concluded that the likelihood of physical risks arising from climate change is not significant under either the 4°C or 1.5°C scenario.

The results of this financial impact assessment will be available on the Company's website.

Specifying Efforts

We will continue with the efforts in the current E-Plan 2025 medium-term management plan, and the results of the review of the scenario analysis will be taken into account when formulating the next medium-term management plan for 2026–2028.

Toward Sustainable Water, Air, and Environment

REFERENCE Climate-related Disclosure (TCFD Recommendations) <https://www.ebara.com/global-en/sustainability/think/tcfd/>

REFERENCE Carbon Neutrality Efforts by the EBARA Group <https://www.ebara.com/global-en/sustainability/environment/carbon-neutrality/>

Strategy

Contribute to the Creation of a Decarbonized Society

Roadmap to Achieve Carbon Neutrality by 2050

Proactive efforts to address climate change are essential to achieving a sustainable society and the growth of the Ebara Group. We are promoting measures to reduce GHG emissions throughout the value chain (Scope 1, 2, and 3) and contribute to our customers' GHG reductions.

One of the management strategies in the Ebara Group's vision for 2030 is to "further refine ESG-focused management." We have set targets for reducing GHG emissions across Scope 1, 2, and 3, as well as for avoided emissions and Ebara-specific GHG reduction goals, and set a goal to create businesses that support carbon neutrality.

Summary of Key Changes for the Roadmap

Point 1 Set Scope 3 reduction targets

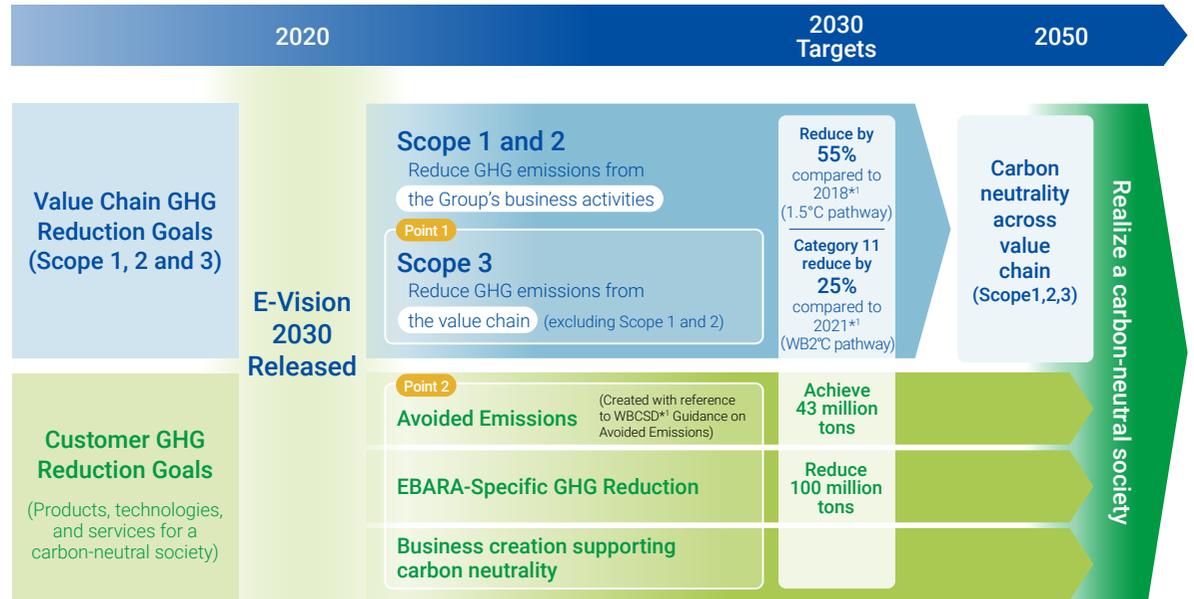
Point 2 Set three new targets for avoided emissions (referencing WBCSD Guidance), Ebara-specific GHG reduction, and business creation supporting carbon neutrality.

Value Chain GHG Reduction Targets (Scope 1, 2, and 3)

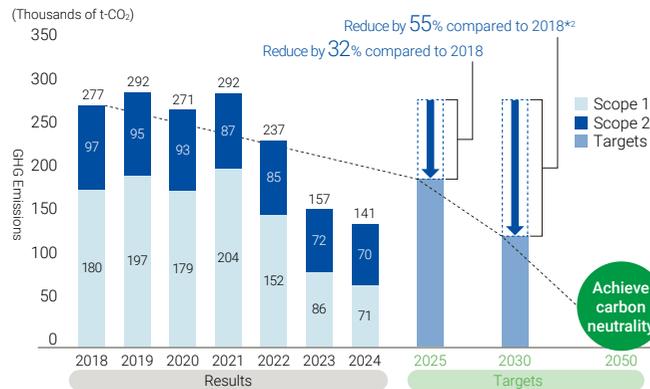
We have set a target for 2030 to reduce Scope 1 and 2 GHG emissions by 55% compared to 2018. We are steadily advancing initiatives such as improving energy efficiency and switching to low global warming potential gases for substitute fluorocarbons used in product testing. Additionally, we have introduced an internal

carbon pricing mechanism set at 10,000 yen/t-CO₂, which is used to guide decisions on renewable energy procurement and promote the expansion of renewable electricity use.

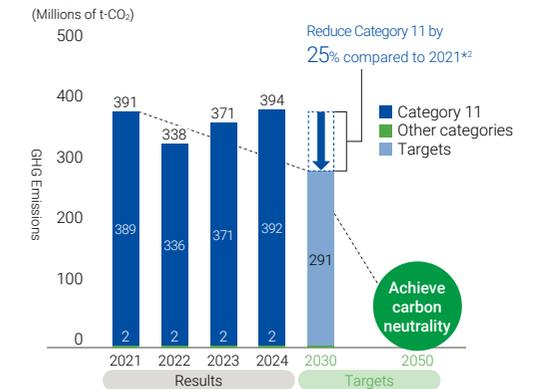
As for Scope 3 emissions, more than 90% are from Category 11, the use of sold products. We have set a target to reduce emissions in this category by 25% by 2030, compared to 2021. In addition to improving the efficiency of the Company's products, measures will be taken to reduce emissions in cooperation with customers. Ebara will also promote measures to reduce emissions other than Category 11 in collaboration with our suppliers.



Scope 1 and 2 GHG Emissions



Scope 3 GHG Emissions*3



*1. World Business Council for Sustainable Development

*2. The 2030 targets for Scope 1, 2, and 3 have been certified by the Science Based Targets initiative (SBTi), a joint initiative by WWF, CDP, the World Resources Institute (WRI), and the United Nations Global Compact, as short-term goals grounded in scientific evidence.

*3. The 2024 performance figures are preliminary as of June 2025. Final figures will be published on our website at a later date.



Toward Sustainable Water, Air, and Environment

REFERENCE Climate-related Disclosure (TCFD Recommendations) <https://www.ebara.com/global-en/sustainability/think/tcfd/>

REFERENCE Carbon Neutrality Efforts by the EBARA Group <https://www.ebara.com/global-en/sustainability/environment/carbon-neutrality/>

Strategy

Contribute to the Creation of a Decarbonized Society

Customer GHG Reduction Goals

(Products, technologies, and services for a carbon-neutral society)

Since most of the Group's GHG emissions fall under Category 11, emissions generated during customer use of products, we recognize that supporting our customers in reducing their GHG emissions is critically important. Following the announcement of E-Vision 2030 in 2020, various GHG calculation methods and guidance frameworks have been introduced. Incorporating the principles from these developments, we have identified and organized three key initiatives through which the Ebara Group can contribute to customer emissions reductions. These initiatives form the basis of our customer GHG reduction goals.

Target 1

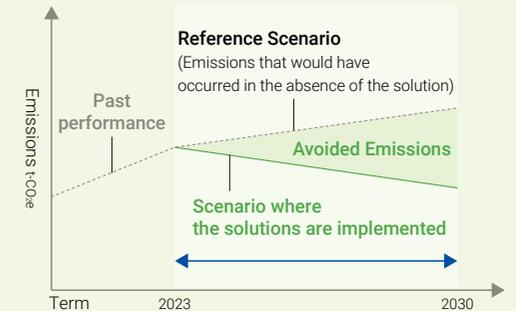
Avoided Emissions
(in Line with WBCSD Guidance)
Achieve 43 million tons

Cumulative CO₂ equivalent emissions avoided by eligible Ebara products sold between 2023 and 2030, throughout their operational lifetimes

This target was set with reference to the Guidance on Avoided Emissions announced by the WBCSD in 2023.

Applicable Products/Services

- Energy-efficient building and industrial equipment (pumps)
- Efficiency improvements and upgrade services for compressors and turbines (Engineered services)
- High-efficiency water pumping systems for municipal and agricultural use
- Waste-to-energy ● Biomass power generation



Target 2

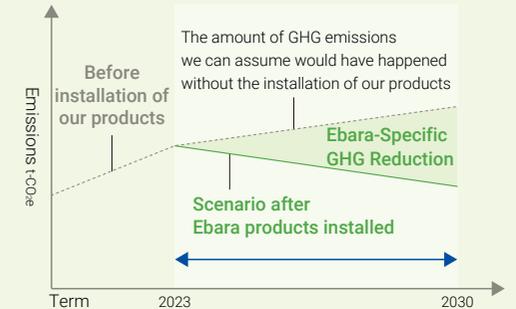
Ebara-Specific GHG Reduction
Reduce 100 million tons

Cumulative CO₂ equivalent emissions that certain Ebara products sold from 2023 to 2030 can reduce over their lifetime

This GHG reduction target is for products that contribute to energy savings at LNG plants and for those capable of decomposing high global warming potential PFC gases used in semiconductor manufacturing without combustion using fossil fuels. Through the use of these products by our customers, we aim to achieve the E-Vision 2030 outcome goal of a 100 million ton reduction.

Applicable Products/Services

- **Gas abatement systems** Combustion type using hydrogen fuel, Fluorine fixation type, dry type, others
- **Expanders** We can contribute to energy savings at LNG plants through our products by recovering surplus pressure generated during LNG storage to convert to electricity



Target 3

Business creation supporting carbon neutrality

We are developing products that support hydrogen and ammonia as energy resources. We are also developing products that support structures for capturing and utilizing CO₂ and developing processes for recycling plastics into chemical raw materials.

P84 Hydrogen-related business

Toward Sustainable Water, Air, and Environment

REFERENCE Environmental Management <https://www.ebara.com/global-en/sustainability/environment/environmental-management/>

Strategy Contribute to the Creation of a Circular Society

Our Awareness and Approach

Effective resource utilization is a key issue for the Group, as the amount of waste generated reflects how efficiently resources are used and is closely tied to our business activities. Therefore, we monitor the amount of waste generated at all of our manufacturing sites. Waste is recycled through appropriate treatment, but to maintain a high recycling rate, it is essential to thoroughly sort waste at the time of discharge and select reliable disposal contractors. Through these measures, we are contributing to creating a circular society.

Measures for Waste Reduction

Waste generated by the Company's procurement activities includes film-based plastics and wooden pallets. At the Fujisawa Plant, film-based plastics were previously processed into solid fuel as industrial waste. However, starting in 2024, we began selling them as raw materials for recycled plastic bags. These bags are sold commercially as eco-friendly plastic bags and are used as designated trash bags at the Fujisawa Plant. In addition, the Procurement Department is moving forward with measures to replace wooden pallets with plastic pallets, which are being evaluated for reuse as raw materials for recycled plastic after use.

Compliance with the Plastic Resource Circulation Act

In Japan, the Plastic Resource Circulation Act began being enforced in April 2022, and Ebara surveyed its actual plastic waste discharge accordingly. Our main types of waste discharge plastic are packaging and cushioning materials used in logistics, scraps of resin and packing used in product manufacturing and other consumer goods and stationery used in our offices. The amount of waste plastic that the Company discharged in 2024 was approximately 474 tons, classifying us as a large volume generator. To reduce emissions and increase recycling resources, we will organize the flow of waste, including waste plastic, and engage in the following activities.

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

Strategy Contribute to the Creation of a Society in Harmony with Nature

Our Awareness and Approach

Sustainable water resource management is an extremely important topic for the Ebara Group. To address this, we promote efficient water use and are committed to maximizing recycling and reuse. Additionally, wastewater discharged into rivers and oceans must undergo appropriate treatment to minimize pollutants. These efforts help reduce our dependence and impact on water resources, an essential form of natural capital, while supporting the long-term sustainability of our business and, from a broader perspective, contributing to the restoration and regeneration of nature.

Measures for Green Procurement

Ebara procures product materials, supplies, and services based on the Ebara Corporation Green Procurement Guidelines. As one of the requirements for green procurement, Ebara sends requests to our suppliers to investigate the chemical substances contained in their products, and asks for their cooperation in responding appropriately and promptly to information disclosure requests from our customers. To facilitate the collection, search, and viewing of information, we have introduced a System for Managing Chemical Substances Contained in Products and are building a management system that can efficiently respond to new laws and regulations.

REFERENCE Ebara Corporation Green Procurement Guidelines
<https://www.ebara.com/global-en/sustainability/environment/environmental-management/#green-procurement>

Acquired "Water Cycle ACTIVE Company" Certification

The Company has been certified as a Water Cycle ACTIVE Company by the Cabinet Secretariat's Headquarters for Water Cycle Policy Secretariat. This certification is given to companies that have achieved results that contribute to water circulation within the last three years and have been recognized under the Water Cycle Company Registration/Certification Program established by the Secretariat in fiscal 2024.

In the Water Quantity & Quality Category*¹, the Fujisawa Plant was certified for setting and adhering to internal standards that are stricter than legally mandated effluent standards, and in the Human Resources & Funds Category*², for cooperating with cleanup efforts at rivers and streams throughout Japan.

*1. Evaluated contributions to water circulation through improvements in water quantity and quality

*2. Evaluated contributions to water circulation through human resources, funds, and equipment, etc.



Toward Sustainable Water, Air, and Environment

REFERENCE Environmental Management <https://www.ebara.com/global-en/sustainability/environment/environmental-management/>

Environmental Risk Management

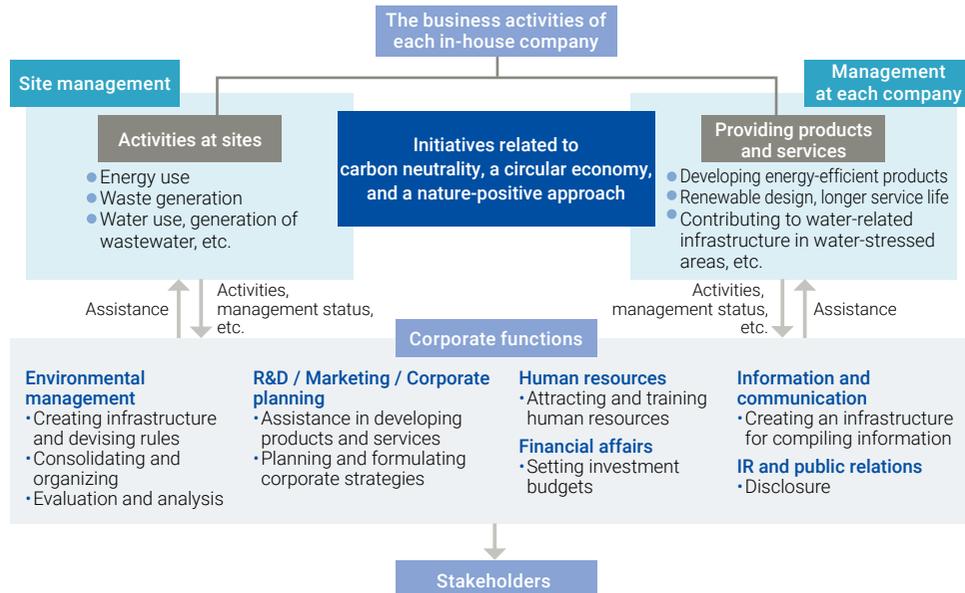
Our Vision

The Group's environmental risks refer to adverse environmental impacts, legal sanctions due to violations of laws and regulations, and adverse effects on our reputation. These environmental risks are appropriately managed through an environmental management system.

Main Environmental Risks

Legal and regulatory risk	Violations of environmental laws or regulations may result in legal consequences such as fines, lawsuits, or suspension of business operations.
Environmental pollution risk	Improper waste, wastewater, or gas emissions management may pollute the air, water, or soil.
Reputation risk	Inadequate response to environmental issues may lead to public criticism and loss of customer trust.
Resource depletion risk	Poor management of resources such as water may accelerate depletion, potentially increasing production costs and reducing competitiveness.

Environmental Management Framework



ISO 14001 Certification

As a part of our efforts to tackle the material issue of comprehensive environmental management identified in E-Vision 2030, we are working to obtain ISO 14001 certification for Group companies with manufacturing and maintenance plants. As of March 1, 2025, 8 domestic and 31 overseas Group companies have received ISO 14001 certification. Twenty-eight of the 29 overseas Group companies planning to acquire certification by 2025 are certified, plus 3 companies have voluntarily acquired certification. In the future, we plan to acquire ISO 14001 certification at all Group companies with manufacturing and maintenance plants by the end of 2025. In addition, for new companies joining the Group, after confirming their current environment management system, if they have not yet acquired ISO 14001 certification, we will formulate and implement a plan to acquire the certification.

Analysis and Management of Water Risks

We face the risk of operations being affected by water resource shortages stemming from climate change. Therefore, we must use water efficiently and understand whether water usage is appropriate for business activities. We regularly use Aqueduct 4.0, a tool made available by the World Resources Institute that provides global maps and information indicating water risks worldwide, to identify sites in water-stressed areas. In the survey conducted in 2022, we found that eight of our sites are located in high-risk areas, and their water intake was 219 ML, accounting for 21% of the Group's total water intake. Going forward, we will examine the local water supply and drainage management at sites located in such high-risk areas, seek to understand the risks associated with water intake and discharge systems, and then implement measures to reduce risks.

REFERENCE **Water Risk Level Survey Results (2022)**

<https://www.ebara.com/global-en/sustainability/environment/environmental-management/#survey-on-regional-water-stress>

Business Continuity

We are enhancing cooperation with Group companies in each country and building a global business continuity system. In response to increasingly severe natural disasters such as heavy rains, floods, and typhoons, we have worked to reduce damage by implementing physical measures such as sandbags, particularly at our main domestic sites and Group companies. We are also working to raise awareness for disaster preparation and mitigation by distributing disaster preparation guides to every employee and putting disaster response posters up at sites. We are also taking measures to prepare for volcanic eruptions, including Mt. Fuji.

Toward Sustainable Water, Air, and Environment

REFERENCE Environmental Targets <https://www.ebara.com/global-en/sustainability/environment/environmental-goals/>

REFERENCE ESG Data <https://www.ebara.com/global-en/sustainability/data/esg/>

Metrics and Targets

Setting Targets for Priority Measures Based on Their Relationship to Materiality

The Ebara Group positions its response to the five material issues identified in the long-term vision E-Vision 2030 as a key management topic for a sustainable society. In the activities outlined in our Environmental Policy, such as a decarbonized society, a circular society, and a society in harmony with nature, we aim to make social contributions through our business in order to achieve our 2030 goals.

Key Environmental Policy Activities	2025 Outcome Goals	Non-Financial KPIs	2024 Results	2030 Targets	Related Materiality
Decarbonization	Customer GHG Reduction	Avoided emissions	Completed redefinition of 2030 targets	Achieve 43 million tons*1	 <p>1 Contribute to the creation of a sustainable society</p>
		EBARA-Specific GHG Reduction		Reduce 100 million tons*2	
		Business creation supporting carbon neutrality		New business creation	
	Disaster reduction for floods identified as acute physical risks due to climate change	Total drainage capacity of pumps delivered for disaster preparedness (drainage volume per second)	129 tons/second	150 tons/second	
	Value Chain GHG Reduction (Scope 1, 2 and 3)	Scope 1, 2	141 thousand tons emitted (49.1% reduction compared to 2018)	125 thousand tons emitted 55% reduction compared to 2018	
Scope 3		394 million tons emitted (preliminary figures as of June 2025)*3	291 million tons emitted Reduce Category 11 emissions by 25% compared to 2021		
Circular Society	Improve rate of material recycling	Material recycling rate (domestic Group)	97.7%	Maintain rate of 95% or higher	 <p>3 Conduct comprehensive environmental management</p>
Harmony with Nature	Limit water use	Continuous improvement of basic unit of water use	0.108 ML/¥100 million (Improvement over last year)	Below 2029 result	
	Wastewater and gas emission regulations	Compliance with legal or voluntary regulation limits	Number of cases exceeding the regulatory limits: 0	Number of cases exceeding the regulatory limits: 0	

*1. The cumulative amount of CO₂-equivalent emissions avoided through the use of applicable Ebara products sold between 2023 and 2030, throughout their operational lifetimes

*2. The cumulative amount of CO₂-equivalent emissions that certain Ebara products sold from 2023 to 2030, can reduce over their lifetime

*3. Final figures will be published on our website at a later date

Upholding Global Responsibilities

Ebara Group Human Rights Policy

Basic Approach to Human Rights

The Ebara Group sets forth the Ebara Group Human Rights Policy based on the provision in the Universal Declaration of Human Rights that “all human beings are born free and equal in dignity and rights,” and publicizes it both internally and externally.

The Ebara Group Human Rights Policy respects the principles of the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

REFERENCE Ebara Group Human Rights Policy
<https://www.ebara.com/global-en/sustainability/social/respect/>

Human Rights Management System

We have established the Ebara Group Human Rights Committee to continuously improve our human rights management system in accordance with our human rights policy. The committee operates with the recognition that respecting the human rights of stakeholders involved in our business activities is fundamental. In 2024, the Ebara Group Human Rights Committee met in February and August. The Ebara Group Human Rights Committee reported on its activities at the Sustainability Committee and Board of Directors meetings held in December.

Ebara Group Human Rights Committee Framework



Human Rights Due Diligence (DD)

Process	For Employees	For Suppliers
1 Identification and assessment of human rights risks	<ul style="list-style-type: none"> The Human Resources Strategy Department conducts the annual Global Engagement Survey (GES), targeting all employees across the Group, to monitor employee human rights, with a focus on workplace fairness and equity, discrimination, and occupational safety and health. In 2024, we surveyed 58 domestic and overseas organizations. The Ebara Group Human Rights Committee instructs organizations that have low GES scores to formulate human rights action plans and those organizations implement measures for improvement. The results of these activities are then evaluated based on the scores from the following year's GES. 	<ul style="list-style-type: none"> To ensure that our suppliers understand and implement our CSR Procurement Guidelines, which include Human Rights clauses, the Procurement Department conducts a CSR procurement questionnaire for our suppliers. The questionnaire includes items related to human rights. The Human Rights Committee shares with the Procurement Department to assess whether suppliers are taking measures to prevent child labor, forced labor, and discrimination at our partners, and whether appropriate working environments are being maintained. Through this collaboration, we promote the development of a healthy supply chain.
2 Prevention and reduction of human rights risks	Initiatives for 2024 <ul style="list-style-type: none"> Three organizations with low GES survey scores in 2023 acted based on the action plan. Four organizations had low survey scores in the 2024 GES. We will continue to promote improvement activities by establishing action plans. 	Initiatives from 2022 to 2024 <ul style="list-style-type: none"> In 2022, we launched a questionnaire targeting Tier 1 suppliers, representing 95% of our total procurement volume. By 2024, we received responses from a total of 1,573 companies, 852 domestic and 721 overseas companies. (85% response rate) Scores were generally high in areas such as human rights, labor practices, safety, and information security. For suppliers requiring improvement in specific areas, we continue to engage in careful dialogue and work collaboratively to resolve issues.
3 Evaluation of the effectiveness of the initiatives	<ul style="list-style-type: none"> The four organizations with low survey scores in the 2024 GES will formulate action plans to promote improvement activities, and the effectiveness of the action plans will be evaluated in the results of the 2025 GES. The results of human rights due diligence with employees were reported to Directors as part of the Sustainability Committee Report. 	<ul style="list-style-type: none"> On-site guidance was provided for the 23 suppliers identified as having a high risk. For those suppliers whose scores were low but not considered high risk, we provided educational materials and delivered messages from the President, Representative Executive Officer. The results of the survey and the progress of improvement measures were reported to the Sustainability Committee, where they received appropriate supervision with the Board of Directors participating.
4 Internal and external communication and disclosure	Internal and External Communication <ul style="list-style-type: none"> To increase understanding of corporate social responsibility, we also explain to internal and external entities that laws, regulations, and attitudes differ in each country and that human rights are the responsibility of every company doing business. External Dialogues <ul style="list-style-type: none"> The Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) was invited to exchange views on the purpose and significance of grievance mechanisms, the importance of addressing human rights issues throughout the value chain, the actual situation of business and human rights relief, and challenges faced by companies. 	

Upholding Global Responsibilities

Ebara Group Human Rights Policy

Human Rights Grievance Mechanisms

From April 2025, we launched a global hotline at Ebara Corporation to receive and address reports, including complaints related to human rights. We will expand this system to accommodate employees from 41 countries and 91 locations in 2025 (as of June 2025). The hotline will support 18 languages, allowing us to identify risks that may not be captured by workplace reporting lines and enabling timely and relevant responses.

Consultations from suppliers are accepted through the global hotline and at the inquiry counter listed on our website. When complaints or consultations regarding human rights are received, the Compliance Consultation Hotline responds to them in collaboration with relevant departments and other necessary parties. In April 2024, we joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and are working on the development of a structure to resolve issues through cooperation among relevant departments within the company.

External Dialogues

The Ebara Group Human Rights Committee engages in dialogue with external human rights experts to broaden awareness of human rights issues and enhance the Group's human rights management. We will enhance the effectiveness of human rights management by considering information gathered from conversations with external experts, as well as international standards and guidance.

2020	Dialogue with institutional investors about their perspectives on human rights
2021	Dialogue with NPOs that support water supplies in developing countries
2022	Dialogue with experts who have knowledge around issues related to foreign technical trainees and foreign workers
2023	Dialogue with a journalist specializing in human rights and IT
2024	Dialogue with JaCER for continuous improvement of the grievance redress system

Supply Chain Management

Approach

In accordance with the Ebara Group Business Ethics Framework, we work to foster trust with our suppliers and engage in fair and equitable transactions, in line with our procurement policy.

The Group sets forth its procurement policy with the aim of fulfilling its responsibilities throughout our supply chain in cooperation not only with its employees Groupwide but also with its suppliers. We are promoting fair and equitable business activities by implementing the Ebara CSR Procurement Guidelines with our suppliers.

Policy Framework for Supply Chain Management



Collaborative Value Creation with Suppliers

Building up global procurement systems

To conduct procurement activities on a global basis, the Global Procurement and SCM Strategy Department was established in 2020 as an organization directly under the President, overseeing all Group procurement.

When the worldwide supply of parts was affected by the COVID-19 pandemic, we were able to overcome the situation with minimal impact on our business by effectively utilizing our Groupwide procurement network. In addition, to optimize the entire supply chain from upstream to downstream, we are reviewing logistics processes, standardizing parts, involving procurement divisions from the development stage, and implementing appropriate purchasing processes. These efforts are part of our commitment to sustainable growth and our ongoing journey toward becoming a globally excellent company.

Solving logistics issues through the EBARA Logistics Value Program

The environment surrounding logistics is undergoing significant changes, including growing social demands to mitigate environmental impact and updates to logistics-related laws. To respond flexibly to these changes, we have launched the "EBARA Logistics Value Program" across all business departments and are focusing on solving the Group's logistics issues and creating new value.

For example, we have introduced a truck berth reservation system at our primary business location. We are working to understand and improve the actual situation to reduce truck driver waiting time and enhance the efficiency of incoming and outgoing shipments. We are also working to reduce our environmental impact by promoting modal shifts and introducing pallets made of recycled materials. Furthermore, to create a supply chain that can quickly adapt to changes that are difficult to predict, we are actively pursuing future-oriented measures, such as network design utilizing cutting-edge digital technology.

Upholding Global Responsibilities

Initiatives in Response to the Recommendations of the Japan Fair Trade Commission

Ebara has been outsourcing the manufacture of some of its products to suppliers under the Subcontract Act. The wooden molds, dies, jigs, etc., owned by the Company and used in manufacturing were also loaned to some of our business partners.

The Japan Fair Trade Commission (JFTC) determined that this practice violated Article 4, Paragraph 2, Item 3 (“prohibit unfair request to provide economic gains”) of the Subcontract Act, which prohibits the imposition of unfair economic burdens on subcontractors. Specifically, the Company failed to place orders for extended periods while requiring subcontractors to store molds and related equipment free of charge. The JFTC’s recommendation covers the period beginning February 1, 2023, and involves 176 subcontractors and approximately 8,900 molds and related items.

Ebara takes this recommendation seriously and is committed to implementing corrective measures to prevent recurrence.

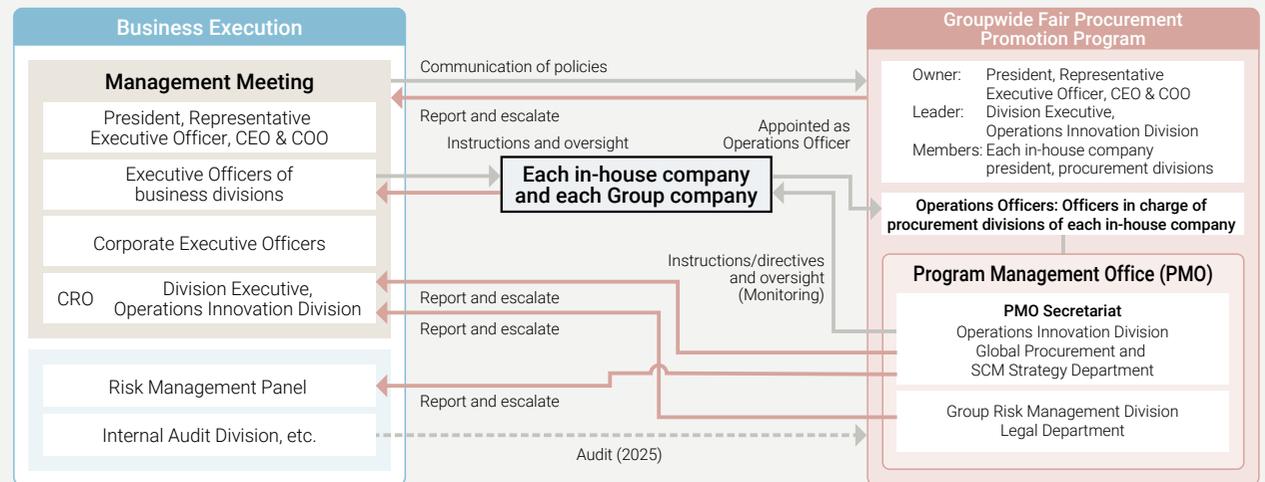
Overview of Improvement Measures

- 1 We will speed up our response to cost increases due to inflation and other factors **to reduce the economic burden on our suppliers.**
- 2 We will set up a **framework to receive consultations and reports from suppliers.**
- 3 We will conduct **ongoing education for all employees** regarding appropriate relationships with business partners.
- 4 We will enhance the activities of the **Groupwide Fair Procurement Promotion Program**, which is owned by the President and Chief Executive Officer.
- 5 We will **develop internal regulations governing all molds, implement systems**, and conduct ongoing monitoring.

Management System for Molds

- In light of the recommendations by the JFTC, we will work to prevent recurrence, build healthier relationships with our suppliers, and conduct appropriate transactions with business partners to ensure compliance with the Subcontract Act and other applicable laws*.
- For that reason, the existing “Groupwide Fair Procurement Promotion Project” will be renamed the “Groupwide Fair Procurement Promotion Program” to make it more comprehensive and continuous, and strengthen our activities.
- Specifically, in order to comply with the Subcontract Act and other related laws*, we will ensure proper management of molds, appropriate subcontractor transactions (prevention of late payment, reduction of payment, forcing an unfair price reduction, refusal to accept, delivery of bills difficult to discount, refusal to receive, etc.), appropriate handling of price negotiations and price transfers, review and improvement of related business processes, regulations, and internal systems, and thorough Groupwide monitoring of the implementation status of the measures that were decided upon.

* Besides the Subcontract Act, compliance with other evolving regulations, such as the Act on the Promotion of Subcontracting, Construction Business Act, Freelance Protection Act, and logistics-related laws, is increasingly essential for ensuring fair transactions with SMEs and sole proprietors.



POINT 1
Reporting to the Risk Management Panel
 Conducts periodic reports to the Risk Management Panel, which deliberates and makes policy decisions based on reports on the progress of measures and monitoring of legal compliance.

POINT 2
Expansion of companies to be monitored
 Expansion of Group companies to be monitored.

POINT 3
Operational entity changed to the Global Procurement and SCM Strategy Department
 The operational entity was transferred from the Group Risk Management Division and Legal Department to the Operations Innovation Division, Global Procurement and SCM Strategy Department, to implement measures that are more closely aligned with the field.

Upholding Global Responsibilities

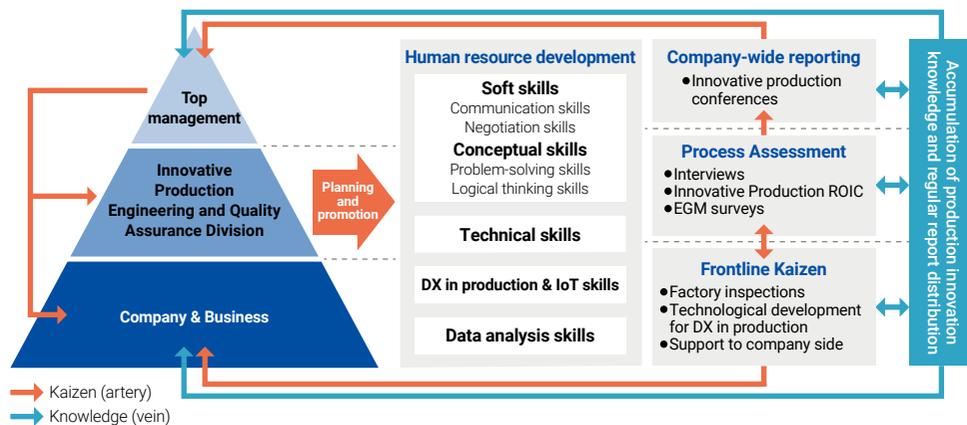
Production Management

With optimize manufacturing processes via a scientific approach as the Group's basic policy, we aim to create an organizational culture that relentlessly innovates productivity. To create the industry's most efficient production system, we are engaged in efforts to innovate production based on thorough analysis using the IE (Industrial Engineering) method*.

*A method that scientifically analyzes and improves production activities to enhance productivity

Governance Production Management System

The Group's efforts to innovate production began in 2008 with the Precision Machinery Company. In 2011, those efforts were expanded to production sites in Japan, and in 2012 they were expanded to production sites overseas. Those efforts have now been expanded Company-wide. From top management to frontline staff, we are working to improve skills through human resources development, promoting Kaizen, process assessment, and knowledge sharing, and strive to provide value and improve reliability to our customers.



Strategy / Risk Management Company-wide innovative production efforts

We hold innovation production conferences in Japan and overseas with the participation of all Group employees from senior management to frontline personnel, engage in exchange activities (plant inspection activities) that emphasize members workplace, actual products, and reality, provide practical training for human resource development through voluntary research activities, and provide support to the in-house company side and the development of DX in production.



Metrics and Targets Creating steady achievements through data-driven PDCA

Innovative Production ROIC, an Indicator for Quantitative Evaluation

Our innovative production efforts are targeted at reducing lead times by 50%, cutting inventory by 50%, and doubling productivity. In addition to the monetary effects of efforts to innovate production, we have defined the Innovative Production ROIC as an indicator for quantitative evaluation that we use worldwide. This is a tool for measuring achievements using an organized and scientific approach, which evaluates the contribution to the return on invested capital (ROIC), which is our most important management indicator, as the Innovative Production ROIC Improvement Effect. Since its introduction in the fiscal year ended 2020, it has served as a guideline in efforts to innovate production efforts through two medium-term management plans, contributing to profit creation through continuously applying the PDCA cycles.

Definition of Innovative Production ROIC

$$\text{Innovative Production ROIC} = \frac{\text{After-tax operating profit ratio}}{\text{Fixed asset turnover in days} + \text{Working asset turnover in days}}$$

$$\text{Innovative Production ROIC Improvement Effect (\%)} = \frac{\text{Innovative Production ROIC after improvement} - \text{Innovative Production ROIC before improvement}}{\text{Innovative Production ROIC before improvement}}$$

The EGM Survey, an Indicator for Qualitative Evaluation

The EGM Survey, introduced in the fiscal year ended December 31, 2020, is a qualitative evaluation that gauges the degree to which business efforts are achieved, and evaluates the level of production efforts on a 10-point scale. The EGM Survey identifies issues in areas such as business structure, organization, human resources, safety, and DX, and works to eliminate gaps between the target levels and actual activities levels set for each business unit. We monitor on an annual basis the degree of achievement of our targets and strive to continuously improve our scores, with the aim of realizing industry-leading process systems.

EGM Survey: Items Evaluated



Upholding Global Responsibilities

Quality Management

Based on the Ebara Way, we have formulated Ebara Global Quality (EGQ), the Ebara Group's basic policy on quality, and we are engaged in efforts to firmly establish "reliability" in our products and services.

Ebara Global Quality Declaration

To help create a sustainable society and to elevate standards of living and support abundant lifestyles for all, we will deliver safe, reassuring, and optimal solutions that exceed expectations and we will build trust with our customers by providing quality products and services with the slogan of Technology. Passion. Support our Globe.

REFERENCE Quality Management <https://www.ebara.com/global-en/sustainability/governance/quality-control/>

Governance Quality Management System

We are creating a quality management system based on Ebara Global Quality. The President, Representative Executive Officer, is the chief executive, and each company promotes activities in cooperation with the Risk Management Panel (RMP) and the Corporate Quality Assurance Department, and reports regularly to Audit Committee members and the Executive Officers. In addition, each manufacturing base has obtained the necessary and effective ISO 9001 (Quality Management System) certification to achieve its quality policy and quality objectives, and we have maintained a 100% certification rate through the fiscal year ended December 31, 2024.

The Ebara Group's Quality Assurance System



REFERENCE ISO 9001 Certification

<https://www.ebara.com/global-en/sustainability/governance/quality-control/>

Strategy / Risk Management Continuous Ebara Global Quality Improvement Efforts

Establishment and operation of the Ebara Standard DR Guidelines

We established the "Ebara Group's Standard DR Guidelines" as an internal regulation in 2024. We aim to minimize quality nonconformities caused by design through thorough preventive measures during design reviews (DR). The regulations clearly outline the roles and structure of DR, the flow as well as follow-up procedures and indicators for the evaluation of effectiveness, positioning them as the fundamental framework for the DR regulations implemented by each company and business.

Fostering Human Resources for Quality Assurance

We have begun offering training programs on quality to all employees, from new employees to senior management, offered based on seniority. We are fostering human resources who can use a common language regarding quality and who can act independently via organizational and scientific approaches, and we are providing opportunities to build a career in quality assurance.

Vision for EGQ Efforts

To achieve Ebara Global Quality (EGQ), we have set quantitative and qualitative targets as our vision for EGQ efforts, which are Groupwide quality assurance efforts, and are working to achieve both. We have introduced Cost of Quality (COQ) as a quantitative target, and we are evaluating the results of our quality assurance efforts in relation to our business performance. As a qualitative target, we have established the EGQ Survey to evaluate the degree of EGQ achievement, thereby raising the overall level of quality assurance.

Quality Assurance Assessment Framework



Metrics and Targets Monitoring using EGQ Survey Score

Target: To Achieve a Score of 5 by 2030

Based on Ebara Global Quality, we conduct surveys annually according to seven evaluation items to monitor the progress of structural reforms. Each item evaluated is classified into one of five categories. We have set medium-term targets for each of our domestic and overseas Group companies.

EGQ Survey Score Targets

Domestic	Achieve a score 3 by 2025 Achieve a score 5 by 2030
Overseas	Achieve a score 3 by 2026 Achieve a score 5 by 2030

Score 3: In the status of managing ISO 9004 recommendations, the target processes have been established and efforts are being made to improve them.

Score 5: Achievements have been made, the vision has been realized, the company is benchmarked by other companies, and is aiming even higher.