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## Overview of the Results of the FY2015 Evaluation of the Effectiveness of the Company's Board of Directors

June 27, 2016

EBARA CORPORATION

EBARA CORPORATION positions the increase in corporate value and the return of profits to shareholders through sustained business development as the most important issues in management. To this end, the Company is constantly seeking to achieve the best corporate governance possible and is constantly improving upon it.

To ensure corporate governance functions effectively, the Board of Directors itself performs analysis and evaluation of the effectiveness of the Board of Directors as a whole for the purpose of examining the contributions of the Board of Directors, identifying issues and making improvements. Overviews of the results are disclosed.

Analysis and evaluation of the effectiveness of the Board of Directors in FY2015 was carried out and an overview of the results is shown below.

### 1. Analysis and evaluation process

With the cooperation of a third party organization, the Company's Board of Directors conducted a comparative analysis (benchmark analysis) of the Company's governance structure with global standards in addition to three domestic companies and two American companies as advanced cases, created a questionnaire for each Director based on confirmation of the content of discussion in past meetings of the Board of Directors and conducted analysis of the results of the responses (questionnaire result analysis). Based on those results, the Outside Directors' Meeting discussed sufficiently on the effectiveness of the Board of Directors, and also the Board of Directors analyzed and evaluated its own effectiveness in meetings held in May and June 2016.

#### Content of the Questionnaire

- Roles, functions and structure of the Board of Directors (roles, functions and structure of the Board of Directors, Chairman, Executive and Non-executive Inside Directors and Outside Directors)
- State of operation of the Board of Directors (adequate discussion of important issues, and securing enough time and information for this)
- Structure and roles of committees (Nomination, Compensation and Audit Committees)
- State of operation of committees (Nomination, Compensation and Audit Committees)
- Support systems for Outside Directors (provision of information to Outside Directors and communication between Outside Directors)

- Relationships with investors and shareholders (communication by the Company, evaluation feedback from investors and shareholders)
- Self-evaluation by each Director

## 2. Overview of the results of analysis and evaluation

In the benchmark analysis, it was found that the Company's corporate governance system meets all of the requirements of Japan's Corporate Governance Code, and most of the major requirements under global governance standards including those of the United Kingdom, the United States and the OECD, and that it is equal to or better than other Japanese companies.

In the analysis of the results of the questionnaire, each Director highly regarded the state of operation of the Board of Directors and each committee, and it was found that open, active and varied discussion is carried out.

As a result of discussion on the results of the benchmark analysis and questionnaire analysis, the Company's Board of Directors found that the effectiveness of the Board of Directors is sufficiently ensured.

However, it was also recognized that it is needed to deepen the discussion concerning medium- to long-term issues and relationships with investors and shareholders and that there is room for improvement in the proceedings of meetings.

## 3. Action to be taken

Based on the above results, the Board of Directors will make an effort to increase discussion on medium- to long-term issues and the communication of information to capital markets, and improve the efficiency of proceedings in meetings of the Board of Directors.

Furthermore, continuous examination of the results of action taken to address issues will be carried out, and unceasing efforts to improve the effectiveness of the Board of Directors will continue.

End