

(Translation)

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April 11, 2023

To whom it may concern,

Company EBARA CORPORATION
Representative Masao Asami, Representative Executive Officer, CEO & COO
(Securities code: 6361, TSE Prime Market)
Contact Shugo Hosoda, Executive Officer, Division Executive, Corporate Strategic Planning, Finance and Accounting Division & CFO
(Tel: +81-3-3743-6111)

Notice of Issuance of New Shares as Performance-linked Stock Compensation

EBARA CORPORATION (hereinafter referred to as the “Company”) hereby announces that the Board of Directors resolved today to issue the following new shares as performance-linked stock compensation (hereinafter referred to as the “Issuance of New Shares”).

1. The Summary of Issuance of New Shares

(1)	Payment date	May 10, 2023
(2)	Class and number of shares to be issued	Common stock of the Company 177,200 shares
(3)	Issue Price	5,860 yen per share
(4)	Total issue price	1,038,392,000 yen
(5)	Allotees etc.	Those who served in the following positions for all or part of the evaluation period, January 1, 2020 through December 31, 2022 Directors (*1) 2 persons 1,800 shares Executive Officers (*2) (*3) 17 persons 89,400 shares Employees in certain positions 25 persons 50,100 shares Directors of the Company’s subsidiaries 13 persons 32,100 shares Employees in certain positions at the Company’s subsidiaries 3persons 3,800 shares
(6)	Other	The Issuance of New Shares is conditional upon the Securities Registration Statement becoming effective in accordance with the Financial Instruments and Exchange Act.

*1 Includes Independent Outside Directors

*2 Includes Executive Officers who also serve as Directors

*3 Includes Executive Officers who also serve as Executive Director of the Company’s subsidiaries.

2. Objectives and Reasons for Issuance

The Company resolved at the Compensation Committee meeting held on March 8, 2018 to establish the restricted stock compensation plan and the performance-linked stock compensation plan (Performance Share Unit)(hereinafter referred to as the “PSU”) as compensation plans to provide medium- to long-term incentives and share shareholder value to Directors, Executive Officers, and employees in positions of a certain grade or higher at of the Company or its subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as the “Subject Company” and such Directors, Executive Officers, and employees are hereinafter referred to as the “Subject Officers, etc.”).

The Subject Officers, etc. will pay all of the monetary remuneration claims paid by the Subject Company under the PSU as property to be contributed in kind, and will be issued or disposed of shares of common stock of the Company.

The summary of the PSU and other details are the following.

[Summary and other details of the PSU]

(1) Summary of the PSU

The PSU is a performance-linked stock compensation plan, using the Company’s medium-term management plan as the evaluation period, under which the Company issues or disposes of a number of shares of the Company’s common stock equivalent to the amount obtained by adjusting the variable remuneration standard amount calculated based on the position of the Subject Officers, etc., within the range corresponding to the degree of achievement of performance indicators predetermined by the Board of Directors in the fiscal year in which the medium-term management plan ends.

Granting of shares of the Company’s common stock to the Subject Officers, etc. will be made to the Subject Officers, etc. enrolled during the evaluation period as described in (2) below. Therefore, even if they retire or resign during the evaluation period or after December 31, 2022, they will receive the number of shares corresponding to their performance during their term of office. The payment in cash will be made in part for the funding tax payments purpose.

The amount to be paid per share of the Company’s common stock to be granted as performance-linked stock compensation shall be determined by the Board of Directors of the Company based on (i) the average closing price of the Company’s common stock on the Tokyo Stock Exchange during the month preceding the month in which the Board of Directors meeting to resolve the third-party allotment of such common shares is held or (ii) the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of such Board of Directors meeting (or if no transaction is executed on the same day, the closing price of the most recent trading day prior to that day), whichever is higher, to the extent not particularly favorable to the Subject Officers, etc. who will subscribe for such common stock.

If the total number of shares issued by the Company increases or decreases during the evaluation period due to a consolidation of shares or share split, the maximum number of shares and the number of Company shares per performance-linked stock compensation will be adjusted in accordance with the ratio of such consolidation or split.

(2) Evaluation Period and Performance Indicators

The Issuance of New Shares is for the evaluation period from FY2020 to FY2022 (January 2020 to December 2022), the period covered by the medium-term management plan, E-Plan 2022. The performance indicator is the consolidated return on invested capital (ROIC) for the fiscal year ending December 31, 2022.

The Compensation Committee of the Company and the Board of Directors of the Company's subsidiary, at their meetings held today, resolved to pay a total of 1,038,392,000yen in monetary remuneration claims, under the PSU, to two (2) of the Company's Directors, seventeen (17) of its Executive Officers, and twenty-five (25) of its Employees in certain positions during the evaluation period, as well as thirteen (13) Directors of the Company's subsidiary and three (3) of its Employees in certain positions. The Company's Board of Directors also resolved at a meeting held today to issue 177,200 shares of the Company's common stock by the contribution in kind of the said monetary compensation claims.

3. Basis of calculation and specific details for the payment amount

The number of shares to be granted is calculated in accordance with [Summary of the PSU], and the share price is set at 5,860 yen, the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on April 10, 2023 (the business day immediately preceding the date of the Board of Directors' resolution) to eliminate any arbitrariness.

This price deviates by 0.39percent (0.39%) (rounded to two (2) decimal places. The same applies hereafter in the calculation of the percentage of deviation) from the simple average of the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market for one (1) month (from March 11, 2023 to April 10, 2023), which is 5,837yen (rounded down to the nearest yen. The same applies hereafter to the simple average of closing prices), 4.98percent (4.98%) from the simple average of the closing price for three (3) months (from January 14, 2023 to April 10, 2023), which is 5,582yen, and 11.15percent (11.15%) from the simple average of the closing price for six months (from October 11, 2022 to April 10, 2023), which is 5,272yen. This issuance of new shares falls under the category of a third-party allotment, as it includes nine (9) retirees.

The amount to be paid in described above is in accordance with the "Guidelines Concerning Handling of Allocation of New Shares to a Third Party" of the Japan Securities Dealers Association, and the Company has determined that the amount to be paid does not fall under the category of an amount particularly favorable to the allottees.

END of the News Release