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Overview of the Results of the FY2018 Evaluation
about
the Effectiveness of the Company's Board of Directors

February 22, 2019
EBARA CORPORATION

To ensure corporate governance functions effectively, the Board of Directors itself performs analysis and evaluation of the effectiveness of the Board of Directors for the purpose of examining the contributions of the Board of Directors, identifying issues and making improvements, and the Company discloses overviews of the results.

1. Analysis and Evaluation Process

With the cooperation of a third-party organization, the Company prepared a questionnaire¹ for each Director, conducted analysis of the responses, and then implemented individual interviews² by the third-party organization with all of the Directors to directly confirm the thoughts of each Director based on their responses to the questionnaire, and analyzed the results of the questionnaire and individual interviews. The Board of Directors discussed the effectiveness of the Board of Directors in the Board Meetings held in February 2019 based on the report from the third-party organization on the above analysis, and confirmed the evaluation and future action to be taken.

2. Summary of the Results of Analysis and Evaluation

As a result of the above analysis, it was found that Directors' evaluations of the current state of operation of the Company's Board of Directors and Committees were generally high, and that adequate discussion is carried out on significant issues in the Board of Directors and Committees, indicating that they are being operated appropriately. It was confirmed that issues recognized in last year's evaluation (identification and enhancement of discussion of long-term issues such as growth strategy, ongoing monitoring of Medium-term Management Plan³, consideration of the size and composition of the Board of Directors, enhancement of discussion of the succession plans for the President, Chairman of the Board of Directors and Independent Directors) are being addressed and improvements are being made. Furthermore, it was confirmed that the quality of discussion in the Board of Directors has improved due to the efforts of both Independent Directors and Internal Directors, and the increase in Independent Directors with management experience, and also that Independent Directors made substantial contributions to discussion by making statements based on experience and expertise while remaining aware of importance of their roles. Based on the above information the Board of Directors' evaluation concluded that the oversight functions of the Board of

Directors are functioning adequately, and that greater effectiveness has been provided.

However, it was found that it is necessary to continuously engage in the enhancement of identification and discussion concerning long-term issues and the monitoring of the progress of the Medium-term Management Plan, and that it is necessary to monitor and strongly encourage efforts and improvements to address issues deliberated upon in the Board of Directors in order to improve the supervision functions of the Board of Directors. Furthermore, it was confirmed that important elements related to the effectiveness of the oversight function of the Board of Directors need to be periodically reviewed to ensure the size and composition of the Board of Directors is right for the Company in response to changes in the Company's business and the management environment.

3. Future Action

Through the above discussion, the Company's Board of Directors re-affirmed that it will further increase the effectiveness of the Board of Directors by continuously engaging in the following actions.

- Enhancement of discussion of long-term issues contributing to the improvement of corporate value, along with progress of and issues with the Medium-term Management Plan
- Strengthening of support aimed at ongoing monitoring and enhancement of the state of efforts and improvements after deliberation of important issues in the Board of Directors
- Periodic reviews of the size and composition of the Board of Directors
- Enhancement of discussion on succession plans for Independent Directors

END

¹ Main Items in the Questionnaire

- Roles and functions of the Board of Directors (functions and roles of the Board of Directors, Chairman of the Board of Directors, Executive and Non-executive Internal Directors and Independent Directors)
- Size and composition of the Board of Directors (size (number of members) of the Board of Directors, ratio of Internal and Independent Directors, composition of members, etc.)
- State of operation of the Board of Directors (State of operation and discussion, state of initiatives to address the previous year's issues, state of follow-up of proposals deliberated upon, important management issues, etc.)
- Structure (member composition, chairman) and roles of committees (Nomination,

Compensation and Audit Committees)

- State of operation of committees (Nomination, Compensation and Audit Committees) (preparation time, deliberation time, state of discussion, etc.)
- Support systems for Independent Directors (provision of training/education opportunities and information, state of communication, etc.)
- Relationships with investors and shareholders (provision of information from management team, state of communication of information to capital markets, etc.)
- Self-evaluation by each Director

² Main Items in Individual Interviews

- View of Board of Directors (discussion in the Board of Directors, size of Board of Directors, composition of Independent Directors and Internal Directors)
- Succession plan for Independent Directors
- Sharing of information by the Nomination Committee and the Board of Directors

³ The three-year Medium-term Management Plan starting in FY 2017 (E-Plan 2019).