

February 14, 2023

FY2022 Evaluation of the Effectiveness of the Board of Directors

EBARA CORPORATION

Board of Directors

To ensure corporate governance effectively, the Board of Directors (“the Board”) performs analysis and evaluation of its own effectiveness every year for the purpose of verifying the contributions of the Board, identifying issues and making improvements.

Analysis and evaluation of the effectiveness of the Board in FY2022 were carried out and an overview of the results is disclosed below.

1. Process of Evaluation of Effectiveness

With the cooperation of an external independent expert, the Board prepared a questionnaire⁽¹⁾ for each Director, the Independent Director who serves as Chairman of the Board conducted individual interviews⁽²⁾ with all of the Directors to directly confirm the thoughts of each Director based on the results of questionnaire responses. The Board also performed self-evaluation and peer evaluation of individual Directors. The Board analyzed the results of the above questionnaire and individual interviews, discussed the effectiveness of the Board in the Board Meetings held in December 2022 and January 2023 based on these, and confirmed the evaluation results and future action to be taken. All Directors other than the Chairman conducted evaluation of the Chairman.

2. Overview of the Results of Analysis and Evaluation

It was confirmed that Directors’ evaluations of the current state of operation of the Board and Committees were high, the Board, the Chairman of the Board, Independent Directors and Inside Directors each appropriately fill their respective roles and responsibilities, adequate discussion is carried out based on appropriate agenda setting and proceedings in the Board and Committees, and efforts to address the matters brought up as issues in the last year evaluation have progressed.

The self-evaluation and peer evaluation of individual Directors were performed based on the roles and responsibilities of Directors clarified last year, and through the evaluations, it was confirmed that each Director appropriately fulfills their responsibilities and contributes to discussion in the Board. An overview of the evaluations was shared with the Nomination Committee. The Committee also referred to the results of the evaluations when selecting Directors.

Based on these analyses the Board evaluation concluded that the oversight functions of the Board are

performing adequately, and that greater effectiveness has been provided.

Meanwhile, it was confirmed that there are issues to continue considering and improving in future, and that it is necessary to continue to periodically verify these and continue to make improvements.

3. Future Action

The Board will continue with existing reforms, and also further increase the board effectiveness by engaging in ongoing discussion of the following matters.

- Strengthening the push for periodic verification, follow-up and speedy execution of action to address long-term issues contributing to the enhancement of corporate value (business portfolio, human capital, human resource development, promotion of diversity, important issues on sustainability, etc.)
- Confirmation and verification of the state of the governance system enabling the resolution of such issues
- Confirmation and verification of the scope of information sharing from committees to the Board
- Improvement of discussion on dialogue with capital markets as the Board

End

⁽¹⁾ “Major Items in the Questionnaire”

1. Roles and functions of the Board
2. Size and composition of the Board
3. Status of operation of the Board
4. Composition and roles of the Nomination Committee
5. State of operation of the Nomination Committee (evaluation made by members of the Nomination Committee)
6. Composition and roles of the Compensation Committee
7. State of operation of the Compensation Committee (evaluation made by members of the Compensation Committee)
8. Composition and roles of the Audit Committee
9. State of operation of the Audit Committee (evaluation made by members of the Audit Committee)
10. Relationships with investors and shareholders

⁽²⁾ “Items Confirmed in Individual Interviews”

1. Evaluation of business and management
2. Discussion in the Board: Discussion of long-term issues
3. Discussion in the Board: Promotion of diversity
4. Evaluation of discussion and overall operation of the Board
5. Status of the Independent Directors’ Meeting
6. Operation of the Board (materials and presentations)
7. Operation of the Board (agenda setting)
8. Composition of members of the Board
9. Evaluation of the Chairman of the Board

10. Audit Committee: Composition
11. Audit Committee: Sharing of information with the Board
12. Nomination Committee: Sharing of information with the Board
13. Compensation Committee: Sharing of information with the Board
14. Dialog with capital markets
15. Self-evaluation of individual directors
16. Peer evaluation of individual directors