



EBARA CORPORATION

2nd ESG Meeting

Looking ahead,
going beyond expectations
Ahead > Beyond

October 26, 2020

EBARA CORPORATION

Speakers



Masao Asami
Director,
President and Representative
Executive Officer



Sakon Uda
Independent Director,
Chairman of the Board
of Directors



Shu Nagata
Executive Officer
Responsible for IR

2nd ESG Meeting

1. E-Vision 2030 and ESG-focused Management

◆ Masao Asami

President and Representative Executive Officer

2. Governance

◆ Sakon Uda

Chairman of the Board of Directors

1. E-Vision 2030 and ESG-focused Management

Masao Asami

President and Representative Executive Officer

EBARA's 108 years and the Future

1912~ Modernization of Japan	1945~ Post-WWII Reconstruction Japan's Economic Miracle	1980~ Development of Information Society	2000~ Search for Path to Sustainability	2020~ Toward a More Diverse and Inclusive Society
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Development of social infrastructure

- Development of water infrastructure

Increase in construction due to urbanization/development of industrial infrastructure

- Development of wind & water power products and waste incineration equipment

Demand & market growth for semiconductors

- Development & release of semiconductor manufacturing equipment and devices

Growing interest in environmental issues & accelerated innovation in semiconductor technology

- Provision of energy-saving products and reuse technologies

- Creation of a sustainable society

- Development of dynamic and abundant lifestyles

- Supporting the development of resilient social infrastructure

- Providing eco-friendly products

- Becoming a manufacturer used by people on 5 continents

- Increasing amounts of renewable energy through greater power generation efficiency at incineration plants

- Spreading chemical-recycling technology

- Providing products and services that support evolving semiconductor technology

- Reducing environmental load of semiconductor manufacturing processes

FMS Business

1958 Standard Pumps



2019 New FRESHER: Industry's smallest installation area



1912 Pumps

1921 Fans & Blowers



1963 Absorption Chiller-Heaters



1930 Centrifugal Chillers



1938 Compressors/Turbines

EP Business

1931 Rapid Filtration System



2002 Fluidized-bed Gasification and Ash Melting System



2003 EUP



2019 Automatic crane system with waste identification AI

1961 Grate-type Incineration System

1971 Municipal Solid Waste Fluidized-bed Incineration System

1989 ICFB



2006 ICFG (demo)

PM Business



1986 Roots-type Dry Vacuum Pumps

1998 Electron Beam Inspection Systems
Bevel Polishing Equipment

1990 Bump Plating Systems



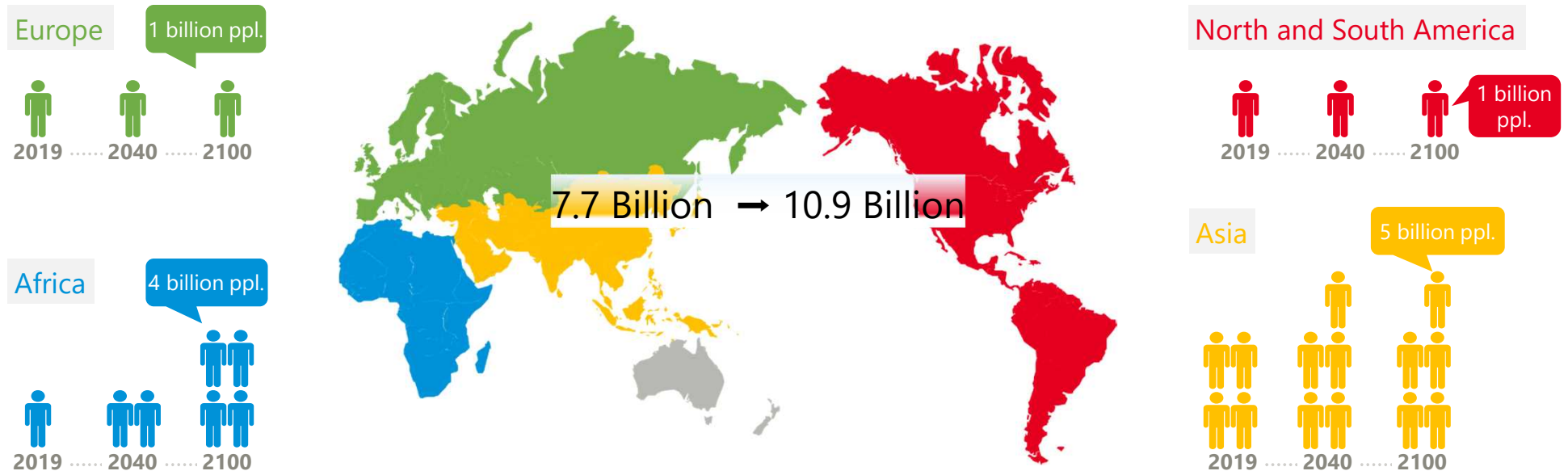
1992 CMP Systems
Gas Abatement Systems

2018 New Dry Vacuum Pump



Global Challenges in Next 100 Years

World Population Forecast in 2100 by the United Nations

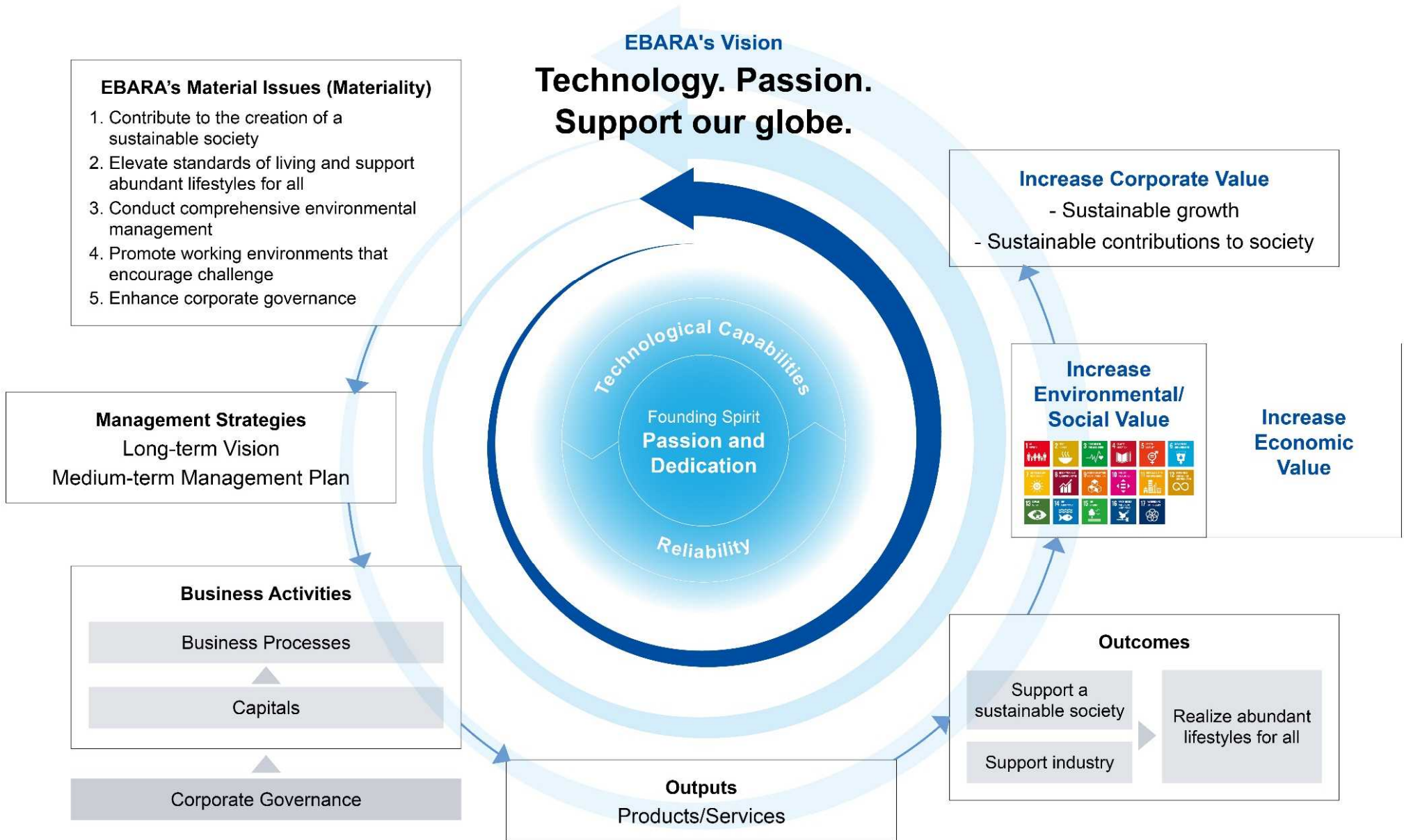


Increasing Problems and Demands Associated with Climate Change and Population Growth

- ✓ Expansion of abnormal climate and intensification of natural disasters due to global warming
- ✓ High tide and erosion of land due to elevation of sea level
- ✓ Depletion of food and water resources, etc.
- ✓ Expansion of various problems to Asia and Africa



E-Vision 2030 — Value Creation Process to Support our Globe with Technology and Passion



Material Issues We will Solve and Improve toward 2030

■ 5 Material Issues (Materiality)



1. Contribute to the creation of a sustainable society

We will utilize our technologies to passionately support the creation of a sustainable, environmentally-friendly world with ample food and water, and safe and reliable social infrastructure



2. Elevate standards of living and support abundant lifestyles for all

We will utilize our technologies to passionately support economic development that enables the world to end poverty and realize ever-evolving and abundant lifestyles



3. Conduct comprehensive environmental management

We will promote the reduction of CO₂ emissions from our business operations and maximizing our use of renewable energy to move toward a carbon-neutral world



4. Promote working environments that encourage challenge

We will promote a corporate group culture of competition and challenge, and provide diverse employees with meaningful work and comfortable working environments



5. Enhance corporate governance

We will lay out a vision for and pursue growth through offensive and defensive governance that supports high-level management capabilities

Initiatives to Achieve Material Issues

1. Sustainable Society and 2. Abundant Lifestyles

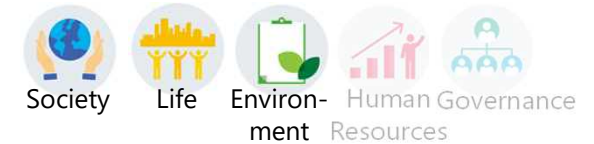


- Help Mitigate Climate Change by Reducing Greenhouse Gas Emissions Equivalent to ~100 million tons of CO₂

How much is 100 million tons of CO₂?

Japan's total energy consumption in 2018 generated around 500 million tons of CO₂ (excluding PFC to CO₂ calculated emissions)

→ 100 million tons is 20% of the above amount.



EBARA Group Initiatives

Develop Energy-saving and Highly Efficient Pumps

Developed and commercialized in Japan, one of the smallest products in the industry, utilizing technology that integrates motor and inverter.

- Continue to work to minimize energy consumption at consumer sites



Develop High-performance, Highly Efficient Gas Abatement Systems

Developed and expanded sales globally

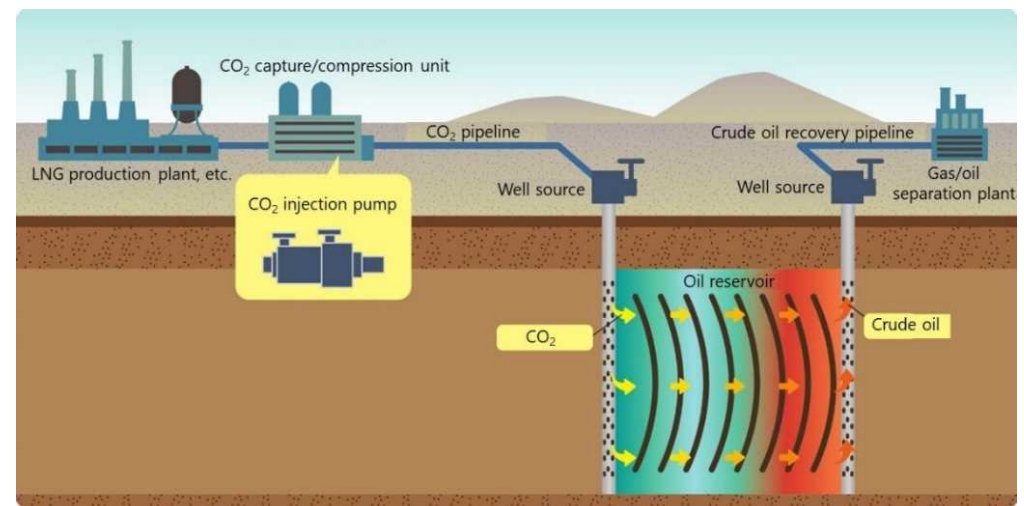
- Create systems that more efficiently treat gasses high global warming potential



Contribute to CO₂ Reduction at Oil and Gas Plants

Isolate CO₂ underground with injection pump

- Contribute to capturing, utilization, and storage of CO₂ (CCUS)



Initiatives to Achieve Material Issues

1. Sustainable Society and 2. Abundant Lifestyles

- Help Mitigate Climate Change by Reducing Greenhouse Gas Emissions Equivalent to ~100 million tons of CO₂

Endorsement of Taskforce on Climate-related Financial Disclosures (TCFD)

Initiative established by Financial Stability Board (FSB) to support disclosure of corporate information on climate-related risks and opportunities to stabilize financial markets through smooth transition to low-carbon society. EBARA endorses the purport and signed this initiative to promote activities related to climate change.



New Challenges

Entry into Hydrogen Energy Field

Develop and bring liquid hydrogen pumps to market to realize hydrogen society

Participate in NEDO's technology development project to construct hydrogen society and demonstrate proof of concept by 2022 (projected)

→ Contribute to commercial viability around 2025 and to the commercialization* of hydrogen power generation and global hydrogen supply chain by around 2030

* Based on METI Hydrogen/Fuel Cell Strategy Roadmap

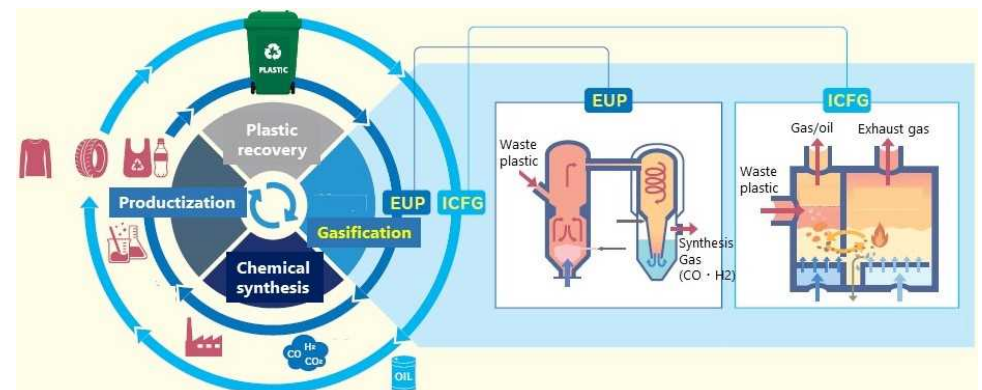


Promote Chemical Recycling

Concluded EUP (Ebara Ube Process) licensing agreement with JGC CORPORATION

Utilize Internally Circulating Fluidized-bed Gasification system (ICFG)

→ Spread chemical recycling of waste plastics



Initiatives to Achieve Material Issues

1. Sustainable Society and 2. Abundant Lifestyles

■ Deliver Water to 600 million People and Contribute to Poverty Reduction

Today, it is said that over 600 million people worldwide do not have access to safe water. As the world's population grows, EBARA will provide safe and secure water broadly to help reduce the number of children who cannot attend school because they have to go to fetch water instead.



EBARA Group Initiatives

Expand Standard Pumps Share

We plan to open more than 10 sites during the period of E-Plan 2022 and expand our coverage (especially in Africa/Latin America). In 2020,

- June: Antenna shop opened in Brazil
- July: Distribution center opened in Vietnam
- September: Company established in Mexico

→ Aiming for approx. 5% share growth under E-Vision 2030



New Challenges

Deliver Water to Areas where Electricity is not Available

Solar pump sales started in Brazil to meet the needs of regions where electricity is not available and sales continue to expand

Plan to launch the products in regions outside of Brazil

→ Accurately grasp each country's needs and deliver water to more people around the world



Looking ahead, going beyond expectations
Ahead Beyond

Initiatives to Achieve Material Issues

1. Sustainable Society and 2. Abundant Lifestyles

■ Contribute to ICAC5 and Challenge 14Å World

As a result of ICAC5 (IoT, cloud, AI, automated driving, and 5G) boosting demand for semiconductors, performance of semiconductor chips has grown surprisingly. Around 2030, state-of-the-art semiconductor devices are expected to enter 14Å (=angstroms, one ten-billion part of 1m) generation.



EBARA Group Initiatives

Automated Plant for Dry Vacuum Pumps

Constructed a new building at Fujisawa District, and full-scale production of dry vacuum pumps will start in next FY

This will contribute to enhanced quality and stability in addition to reduced cost and lead time

→ Contribute widely to the growing semiconductor industry



New Challenges

Respond to Cutting-edge EUV Exposure Equipment

Developed and commercialized vacuum pump exhaust system for EUV exposure equipment

Support EUV exposure equipment 24/7

Conduct Maintenance without stopping operation

→ Contribute to development of cutting-edge technologies



4. Promote Working Environments that Encourage Challenge

■ Enhance Job Satisfaction and Ease of Working, and Transform Corporate Culture

We will promote a corporate group culture of competition and challenge, and provide diverse employees with meaningful work and comfortable working environments, while monitoring the with/after COVID-19 situation.



EBARA Group Initiatives

Pursuit of “Job Satisfaction”

Shift from seniority system to performance-based evaluation system
 All HR systems in Japan have changed, step by step, to a role-based system since 2018 (completed)

Global deployment of role-/job grade-based system and succession planning to assign right person to the right position and provide further development

New Challenges

Pursuit of “Ease of Working”

We will pursue a flexible and comfortable working environment unconstrained by location and time

Promotion of telework, satellite offices, web conferencing, etc.

Both required to build foundation for a Corporate Group Culture of Competition and Challenge

Accelerate transformation into “One Ebara HR,” a globally integrated HR system, to raise employee engagement

Prioritized “ease of working” ahead of schedule due to COVID-19

New Initiatives to Explore New Business and Raise Engagement



■ New Business Idea Competition: E-Start 2020

- ✓ Recruited new business ideas from employees, totaling 120 applications
- ✓ Study specifics of winning ideas for future commercialization



■ Ebara Global Challenge Award

- ✓ Established a new award system to evaluate employees challenging new things
- ✓ Transform into a corporate group with a culture of competition and challenge through encouraging that behavior in individual employees



Sustainability Committee for Sustainable Growth and Contribution to Society

■ History

- 2005** Established Corporate Ethics Committee, to foster a company with adequate compliance
- 2011** Title changed to CSR Committee, to promote actions to fulfill social responsibilities
- 2020** Established Sustainability Committee, to contribute to the creation of sustainable society

■ What is the Sustainability Committee?

Looking ahead to global and social issues, the committee deliberates on what the EBARA Group can contribute to and how we can respond to changes in the business climate from a long-term perspective

First Session: Social trends toward climate change (TCFD) and our risks and opportunities

Second Session: Strategy and initiatives regarding our outcome goals of “reduce CO₂ by 100 million tons,” “deliver water to 600 million people,” and “challenge 14Å,” and other outcome goals

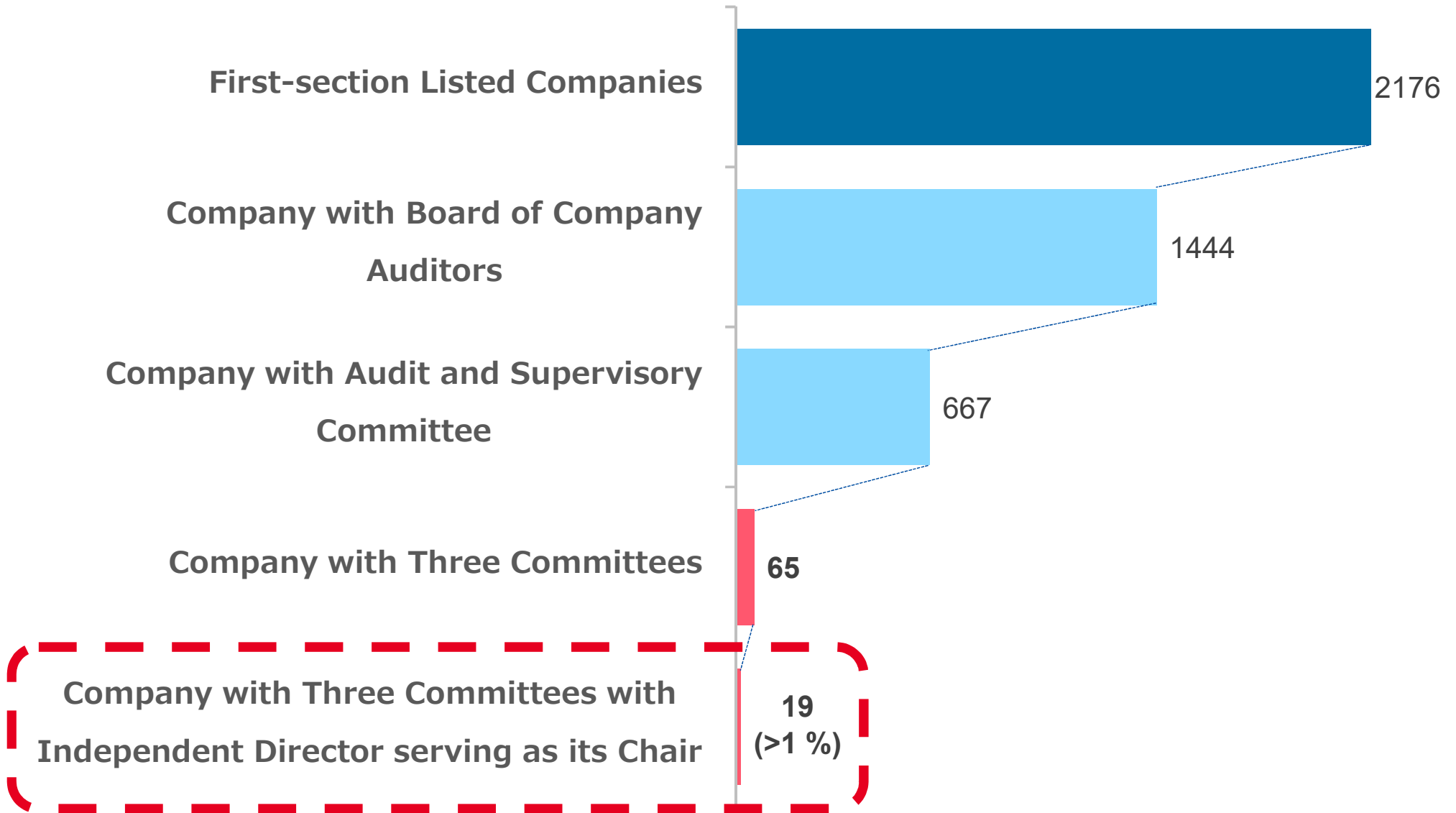
→ Set KPIs and targets for important issues, monitor and report on progress

2. Governance

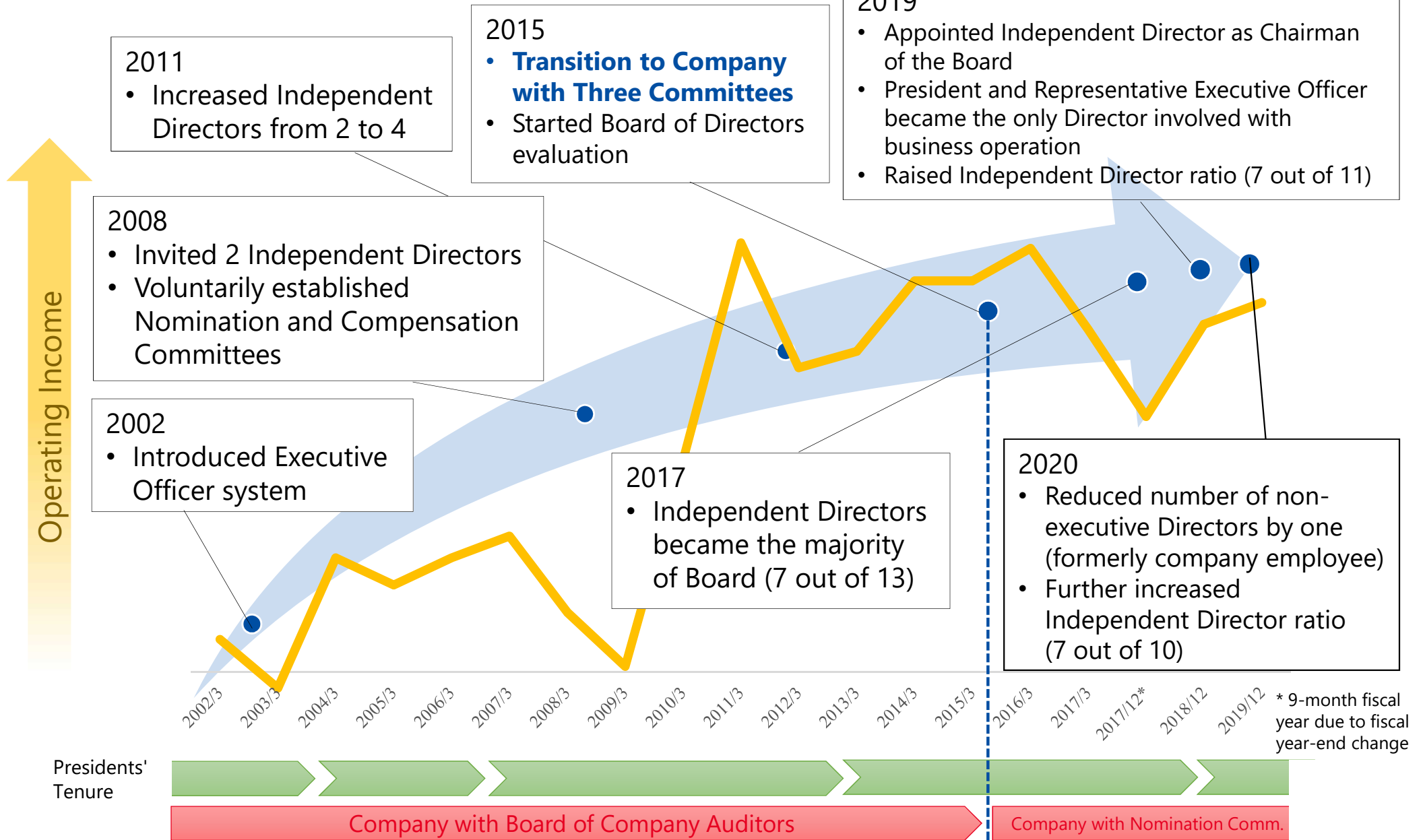
Sakon Uda

Independent Director, Chairman of Board of Directors

Status of Corporate Governance in Japan



History of EBARA's Governance













































Important Points for Governance

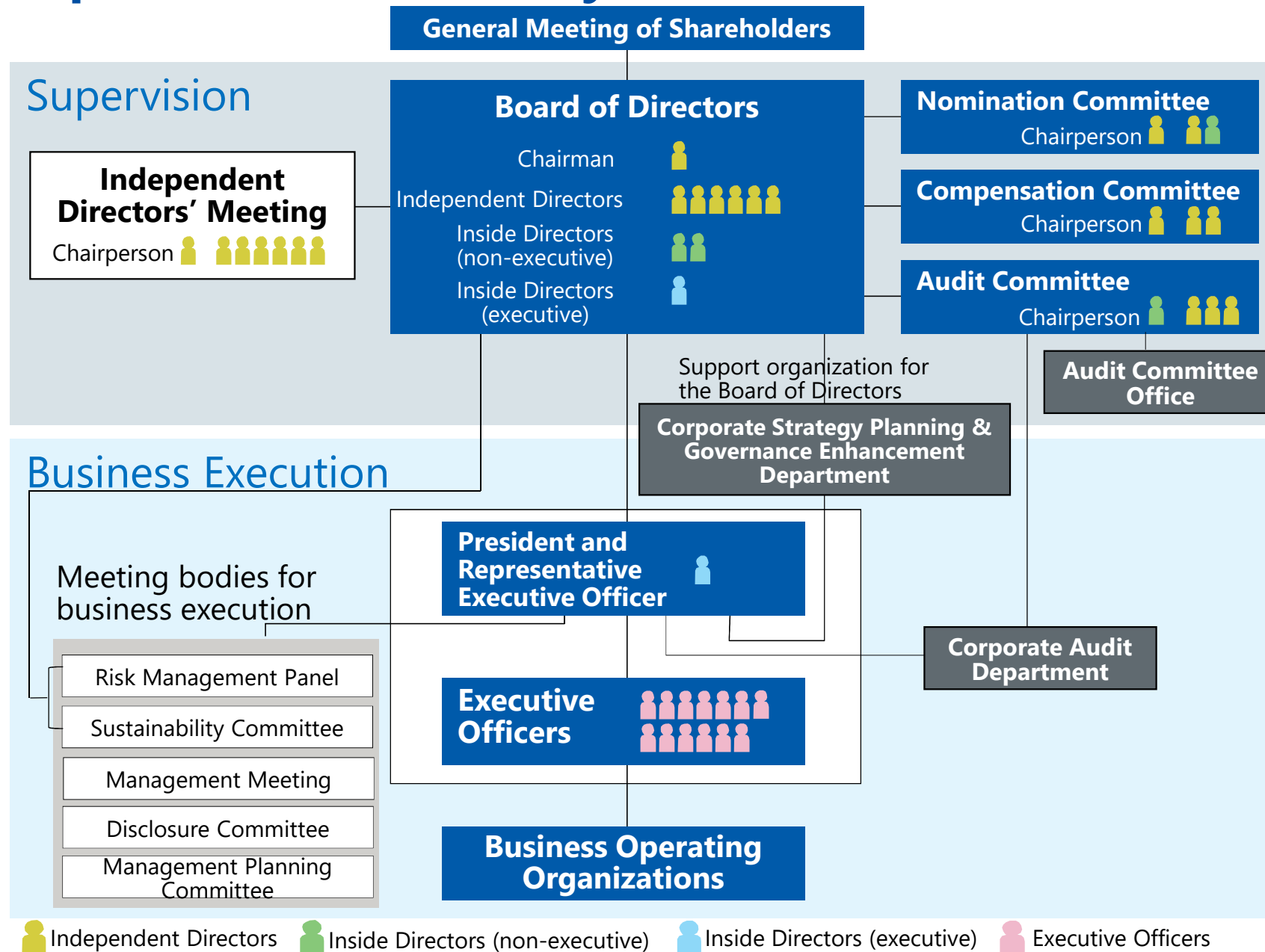
- Role and structure of Nomination Committee and role of the Independent Director Chairman at Company with Three Committees
- Role of Board of Directors and the importance of appropriate composition of Directors
- Role of Nomination Committee in selection of Directors
- Meaning of Independent Director serving as Chairman of Board of Directors
- Meaning of the Independent Directors' Meetings
- Commitment and trust from organization

Composition of the Board of Directors

(Reposted from the Integrated Report)

Name		Classification Committee positions	Areas in which Directors (Non-Executive Directors) are expected to contribute ⁴²								
			Legal affairs and risk management	Personnel and human resource development	Finance, accounting, and capital policy	Auditing	Corporate management and manage- ment strategy	Research and development	The environment	Social	Internal control and governance
Toichi Maeda	Director, Chairman of the Company, Member of the Nomination Committee	Non-Executive Nomination Committee									
Masao Asami	Director, President and Representative Executive Officer		—	—	—	—	—	—	—	—	—
Sakon Uda	Independent Director, Chairman of the Board of Directors, Member of the Nomination Committee	Independent Nomination Committee									
Hajime Sawabe	Independent Director, Chairperson of the Compensation Committee	Independent Compensation Committee									
Shozo Yamazaki	Independent Director, Member of the Audit Committee	Independent Audit Committee									
Hiroshi Oeda	Lead Independent Director, Chairperson of the Nomination Committee	Independent Nomination Committee									
Masahiro Hashimoto	Independent Director, Member of the Compensation Committee and the Audit Committee	Independent Compensation Committee Audit Committee									
Junko Nishiyama	Independent Director, Member of the Audit Committee	Independent Audit Committee									
NEW Mie Fujimoto	Independent Director, Member of the Compensation Committee	Independent Compensation Committee									
Tetsuji Fujimoto	Director, Chairperson of the Audit Committee	Non-Executive Audit Committee									

Corporate Governance Systems



Summary: Mindset to Serve as Independent Director



1. Independent Director must maintain both independence from execution of business and understanding of essential issues of company.
2. Understanding essential issues of company is necessary for Board of Directors to deliberate on medium to long term issues. Independent Directors' Meeting is important as a process to identify such essential issues.
3. If Board of Directors is expected to “boost the growth in the age of unknown,” composition of Board needs to reflect “portfolio capable of generating collective wisdom”.
4. A Nomination Committee at Company with Three Committees needs to take care to ensure it is able to report to the Board of the Directors why and through what processes a Director (including President) candidate was nominated.
5. Nomination Committee must make decisions based on “strategic,” “independent,” and “reliability” perspectives.
6. Independent Directors must clearly understand their roles, and commit a considerable amount of time to fulfill the role.
7. The significance of an Independent Director serving as Chair of the Board of Directors is that the Board is able to discuss the right topic and the Chair is responsible for setting the right agenda.
8. Independence does not mean only a matter of non-existence of business relationship, but rather, it is a matter of mindset. The Independent Director must hold the mindset that their independence is the value they offer to the company.

Appendix: External Evaluations



FTSE4Good



FTSE Blossom
Japan

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



2020



Sampo Sustainability Index

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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