

Notes:

- 1) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
- 2) The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Overview of the Results of the FY2016 Evaluation  
about  
the Effectiveness of the Company's Board of Directors

June 13, 2017  
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 questionnaire <sup>(1)</sup> for each Director, conducted analysis of the responses, and then implemented individual interviews <sup>(2)</sup> with all of the Directors to confirm the thoughts of each Director based on their responses to the questionnaire, and analyzed the results of the questionnaire and individual interviews. Furthermore, the state of improvements made to issues identified in the benchmark analysis <sup>(3)</sup> performed during the previous fiscal year were confirmed based on disclosure reports as of March 2017. The Board of Directors discussed the effectiveness of the Board of Directors in the Board Meetings held in May and June 2017 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 composition and status of operation of the Company's Board of Directors and Committees were generally high, indicating that they are being operated appropriately. In particular, it was confirmed that sufficient time was spent on medium- to long-term issues to conduct deeper discussion when formulating the new Medium-Term Management Plan, that progress has been made in improvements addressing issues recognized in the previous fiscal year's evaluation (enhancement of discussion of medium- to long-term issues and the communication of information to capital markets, and improvement of the efficiency of proceedings in meetings of the Board of Directors) and that Independent Directors have a high level of contribution to discussions. Based on

the above information the Board of Directors' evaluation concluded that the Board of Directors is fully exercising its oversight functions, and that greater effectiveness has been provided.

However, it was recognized that further discussion and deeper understanding concerning long-term issues contributing to the improvement of corporate value are required, and 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. Action to be taken

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 identification and discussion of long-term issues contributing to the improvement of corporate value
- Periodic reviews of the size and composition of the Board of Directors
- Enhancement of discussion on succession planning in the Nomination Committee
- Ongoing monitoring of the state of progress of the new Medium-Term Management Plan (E-Plan 2019)

END

---

<sup>(1)</sup> Items in 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 Independent Directors)
- Status of operation of the Board of Directors (status of efforts to address issues recognized in the previous fiscal year's evaluation of the Board of Directors, current state of discussion, and changes since the previous fiscal year)
- Structure and roles of committees (Nomination, Compensation and Audit Committees)
- State of operation of committees (Nomination, Compensation and Audit Committees)
- Support systems for Independent Directors (provision of information to Independent Directors)

---

and communication between Independent Directors)

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

(2) Items in Individual Interviews

- Size of the Board of Directors
- Ratio of Independent Directors and Inside Directors
- Composition of Independent Directors
- Composition of Inside Directors
- Succession planning for the Representative Executive Officer
- Succession planning for Independent Directors

(3) Comparative analysis of the forms of governance of the Company with three Japanese companies and two U.S. companies deemed to be advanced cases, in addition to the comparison with global standards implemented in the previous fiscal year's evaluation of the Board of Directors.