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## Notice Regarding the Opinion of the Company's Board of Directors on Shareholder Proposals

EBARA JITSUGYO CO., LTD. (the "Company") received a document stating that they intend to make shareholder proposals (the "Shareholder Proposals") at the 87th Annual General Meeting of Shareholders the Company to be held on March 24, 2026 (the "General Meeting"). The Company hereby announces that it has resolved, at the meeting of the Board of Directors held today, to oppose the Shareholder Proposals. Details are as follows.

### I. Proposing shareholder

Name of the shareholder: Nippon Active Value Fund plc

### II. Details of the Shareholder Proposals

#### 1. Issues

- (1) Revision of Remuneration Amount under Restricted Share-based Remuneration System
- (2) Acquisition of Treasury Shares
- (3) Amendment to the Articles of Incorporation Concerning the Number of Outside Directors

#### 2. Details of the proposals

As described in the Annex "Details of the Shareholder Proposals."

Annex entitled "Details of the Shareholder Proposals," attached hereto, reproduces, verbatim and in the original Japanese, the relevant portions of the Shareholder Proposals submitted by the proposing shareholder.

### III. Opinion of the Company's Board of Directors on Shareholder Proposals

#### 1. "(1) Revision of Remuneration Amount under Restricted Share-based Remuneration System"

##### (1) Opinion of the Company's Board of Directors

The Board of Directors opposes this Shareholder Proposal.

##### (2) Reason for the opposition

The Company's basic policy on remuneration for the Company's Directors is to set an appropriate level that enables the recruitment and retention of excellent human resources who can implement the Company's management philosophy, functions sufficiently as an incentive to sustainably improve the Company's corporate value, and emphasize the sharing of value with shareholders. Furthermore, in determining remuneration, deliberations are conducted with fairness and objectivity ensured in the Remuneration Committee chaired by an Independent Outside Director and with Independent Outside Directors making up the majority of members, and decisions are made by the Board of Directors based on the advice thereof.

The Restricted Share-based Remuneration System approved at the Annual General Meeting of Shareholders held in March 2021 was introduced with the aim of providing an incentive to continuously improve the Company's corporate value and to further promote shared value with shareholders, and has been operated with consideration for the balance between fixed basic remuneration and performance-linked remuneration. The current remuneration system has been confirmed as appropriate through periodic verification in the Remuneration Committee.

Meanwhile, with the aim of sharing the benefits and risks associated with share price fluctuations with shareholders and providing an incentive to sustainably improve corporate value, the Company is requesting approval at this Annual General Meeting of Shareholders to increase the amount of restricted share-based remuneration from within ¥35 million per year to within ¥60 million per year. At the same time, by reducing the ratio of fixed basic remuneration and increasing the ratios of performance-linked remuneration and non-monetary remuneration, the Company will improve the remuneration system to be more closely linked to performance and shareholder value enhancement.

As a result, the previous remuneration ratio (fixed basic remuneration 65-75%, performance-linked remuneration 15-20%, non-monetary remuneration 10-15%) will be revised to a new remuneration ratio (fixed remuneration 55-65%, performance-linked remuneration 15-25%, non-monetary remuneration 15-25%), which will further enhance motivation for share price improvement and corporate value enhancement. All of these revisions have been decided by the Board of Directors after deliberation and advice from the Remuneration Committee as before.

While the Company is continuously reviewing its remuneration system in this manner, the shareholder proposal to set the remuneration amount for Directors eligible for the Restricted Share-based Remuneration System to within a total amount of ¥280 million per year (maximum number of shares to be granted of 112,000 shares) lacks a balance between the fixed basic remuneration and performance-linked remuneration and deviates considerably from the Company's basic policy for Director remuneration, and it can be considered as a disproportionate remuneration limit.

Furthermore, this shareholder proposal indicates that this Restricted Share-based Remuneration System would be introduced for all Directors including Outside Directors and Directors who are Audit and Supervisory Committee Members, but the Company, after giving consideration based on the contents of the advice from the Remuneration Committee, has set a policy to not include Outside Directors and Directors who are Audit and Supervisory Committee Members within the scope of those eligible for restricted share-based remuneration because they are expected to audit and supervise the execution of operations by Directors and strengthen the audit and monitoring functions of management by the Board of Directors.

The Board of Directors therefore opposes this Shareholder Proposal.

2. “(2) Acquisition of Treasury Shares”

(1) Opinion of the Company’s Board of Directors

The Board of Directors opposes this Shareholder Proposal.

(2) Reason for the opposition

To achieve its long-term vision of becoming a “Total Environmental Solutions Company,” the Company believes that it needs to increase the scope and diversity of the environmental solutions in which its business is involved. Going forward, it may be expected that many external new technologies and expertise will be used in the manufacturing business dealing with “environment,” where further market growth is anticipated. Furthermore, to maximize revenues in stable revenue businesses such as engineering and trading over the medium to long term, it is essential that we improve our market share and presence.

With all these perspectives in mind, we believe that measures leveraging our financial capital, such as M&As and partnerships that involve contributing funds, will play a prominent role.

Under these circumstances, the Company aims to continuously improve corporate value by expanding profits through making capital investments for new business development and making growth investments such as business alliances and M&As, while pursuing a balance between financial soundness, capital efficiency, and profit returns.

As outlined in the “EJ2027” Medium-term Management Plan, the Company plans to allocate a total of between ¥5,500 million and ¥9,500 million to growth investment, which includes between ¥2,500 million and ¥3,500 million for “R&D investment” related to new products and solutions, and between ¥3,000 million and ¥6,000 million for “capital investment and growth strategy investment” for facility improvements, operational efficiency, decarbonization and climate change measures, and synergy formation through capital relationships. Additionally, the Company considers the return of profits to shareholders to be an important management issue, and has revised its previous basic policy for shareholder returns. As a result, the dividend policy, which was previously “with a target consolidated payout ratio of about 35%,” has been changed to a policy “with a target consolidated payout ratio of about 40%.” The new shareholder return policy is “to continue to provide stable dividends with target consolidated payout ratio of 40%, and to flexibly acquire treasury shares with consideration for aspects such as funding needs and share price as one means of providing returns.”

Based on this basic policy, the Company is continuously engaged in improving and strengthening returns to shareholders as shown in the table below. For the fiscal year ended December 31, 2025, the Company decided to pay an annual dividend of ¥120 per share, representing an increase of ¥25 per share. Additionally, at the Board of Directors meeting held in February 2026, the Company resolved to acquire treasury shares, setting the acquisition period from February 10, 2026 to August 31, 2026. The resolution established an upper limit of 600,000 shares (equivalent to 2.52% of issued shares, excluding treasury shares) and a maximum amount of ¥1,000 million.

Furthermore, for the fiscal year ending December 31, 2026, the Company conducted a 1:2 share split effective January 1, 2026, and plans a dividend of ¥75 per share after the share split, which is equivalent to ¥150 per share on a pre-split basis, representing an increase of ¥30 per share compared to the planned dividend of ¥120 per share for the fiscal year ended December 31, 2025. This is expected to result in a payout ratio of approximately 40%.

Meanwhile, the upper limit of ¥6,465 million set for the acquisition of treasury shares based on this shareholder proposal is well above the ¥4,500 million profit forecast for the fiscal year ending December 31, 2026, and is also an excessive level when considering the liquidity of the Company’s shares. If such a proposal were to be approved, the source of funding for growth investment would be impaired, and this may stagnate the Company’s initiatives toward medium- to long-term growth and improvement of corporate value, and it is believed that this would damage the interests of shareholders as a result.

The Board of Directors therefore opposes this Shareholder Proposal.

(Reference) Status of shareholder returns

Classification	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025 (Note 1)	Fiscal year ending December 31, 2026 (Note 2)
Annual dividend per share	¥85	¥85	¥95	¥120	(Note 3) ¥75
Acquisition of treasury shares	¥320 million	¥670 million	¥310 million	¥180 million	(Note 4) ¥1,000 million
Payout ratio	48.0%	32.3%	36.0%	32.6%	39.7%
Total payout ratio	63.1%	53.8%	45.8%	37.0%	61.9%

- Notes:
1. The annual dividend per share, payout ratio and total payout ratio for the fiscal year ended December 31, 2025 are subject to approval of the Company proposal at this Annual General Meeting of Shareholders.
  2. The figures for the fiscal year ending December 31, 2026 are forecasts at this time.
  3. A 1:2 share split was conducted on January 1, 2026, and the values of the annual dividend per share are shown based on the value after the share split. On a pre-split basis, it is ¥150 per share, representing an increase of ¥30 per share compared to the planned dividend of ¥120 per share for the fiscal year ended December 31, 2025.
  4. At the Board of Directors meeting held on February 9, 2026, the Company resolved to acquire up to 600,000 treasury shares with a total acquisition value of up to ¥1,000 million during the period from February 10, 2026 to August 31, 2026.

3. “(3) Amendment to the Articles of Incorporation Concerning the Number of Outside Directors”

(1) Opinion of the Company’s Board of Directors

The Board of Directors opposes this Shareholder Proposal.

(2) Reason for the opposition

The Company has established the Nomination Committee chaired by an Independent Outside Director and with Independent Outside Directors making up the majority of members as a voluntary advisory body to the Board of Directors in order to ensure objectivity and fairness concerning the election of Directors. The selection of candidates for Director is determined in the Board of Directors based on advice and proposals from the Nomination Committee, and the candidates for Director submitted to this Annual General Meeting of Shareholders have also undergone the same determination process.

The Nomination Committee defines skills such as in corporate management; management strategy; finance and accounting; legal and internal control; technology and development; and human resource and organizational development as those that will contribute to the monitoring function of the Board of Directors aimed at continuously improving the Company’s corporate value. The Company believes that the Board of Directors, which is composed based on this view, has realized high capital efficiency through the practical implementation of the management philosophy and constructive discussions aimed at continuously improving corporate value, and also by flexibly acquiring treasury shares while emphasizing a balance between growth investment, such as R&D investment, human resource investment, and capital investment, and the return of profits to shareholders.

At this Annual General Meeting of Shareholders, if the proposal on the election of Directors submitted by the Company is approved, the composition of the Board of Directors will be four of the nine Directors as Independent Outside Directors.

All four candidates for Director (excluding Audit and Supervisory Committee Members and Outside Directors) are well-versed in the Company’s operations, and each has knowledge, experience and expertise in areas such as corporate management; management strategy; finance and accounting; legal and internal control; technology and development; and human resource and organizational development. Additionally, the candidates for Independent Outside Director who are not Audit and Supervisory Committee Members possess a high level of insight and expert knowledge in corporate management and human resource and organizational development. Moreover, of the four candidates for Directors who are Audit and Supervisory Committee Members, three are Independent Outside Directors, and its composition consists of a certified public accountant, an attorney, and a person with corporate planning division experience, with each having expert knowledge and a wide variety of experience in addition to deep insight into corporate governance. Two of the nine Officers are female, resulting in a female Officer ratio of 22%. Please refer to the attached Skill Matrix on the next page for information on the skills possessed by the candidates for Director proposed by the Company at this Annual General Meeting of Shareholders.

The Company’s Board of Directors believes that the Board of Directors made up of the candidates for Director proposed by the Company has adequate independence and is optimally diverse in composition for supervising the execution of management aimed at the achievement of the Company’s “EJ2027” Medium-term Management Plan as well as the long-term vision, and that this will lead to the continuous enhancement of the Company’s corporate value, and is thereby in the interest of shareholders.

Meanwhile, the Company believes that establishing this provision in the Articles of Incorporation as proposed in this shareholder proposal would rather limit the scope when selecting candidates for Director and that, as a result, it could hinder the Company’s efforts to optimize the composition of the Board of Directors and enhance its effectiveness.

The Board of Directors therefore opposes this Shareholder Proposal.

(Reference) Skill Matrix

The Company has set forth “Evolution into a ‘Total Environmental Solutions Company’ that enables people’s health, harmony with nature, and comfortable, convenient, and safe living” as its long-term vision. Not only for short-term performance improvement, but to steadily execute the Medium-term Management Plan “EJ2027” formulated as a midpoint toward the realization of this long-term vision, the Company believes it is essential for the Board of Directors to appropriately fulfill its decision-making function and its monitoring function of management. Based on this idea, in order to clarify the composition of knowledge, experience and abilities that the Board of Directors should possess as a whole, the Company has deliberated on the expected roles and possessed skills and experience of each director in the Nomination Committee, organized them as a skill matrix, and resolved them at the Board of Directors.

Furthermore, if the Company’s proposals for the election of directors are approved as proposed, the skill matrix of Directors is as follows. Additionally, in the selection of Director candidates, in addition to the relevant skills and experience, consideration is given not only to possessing appropriate power of judgment, expertise and knowledge, but also to having a high sense of ethics as an important element. Taking these into account, deliberations are conducted in the Nomination Committee, which is chaired by an Independent Outside Director and whose members are made up of a majority of Independent Outside Directors, and decisions are made by the Board of Directors in accordance with the advice and suggestions thereof.

Name		Skills particularly necessary for the Board of Directors					
		Corporate management	Management strategy	Finance and accounting	Legal and internal control	Technology and development	Human resource and organizational development
Directors	Hisashi Suzuki	●	●				●
	Takashi Ishii	●	●			●	
	Shuji Ohno		●	●		●	
	Masufumi Shimojo			●	●		●
	Atsuko Sakamoto [Independent Outside]	●					●
Directors who are Audit and Supervisory Committee Members	Hitoshi Kobayashi				●	●	
	Kazuo Ishibashi [Independent Outside]		●	●	●		
	Aki Shimizu [Independent Outside]				●		●
	Tomoki Kitagawa [Independent Outside]	●	●	●			

- Notes: 1. The above does not represent all of the knowledge and experience of each person, and ● indicates areas in which they have particular strengths.  
2. The definitions and reasons for selection of skill items particularly required for the Board of Directors are as follows.

[Corporate management]

Having broad and deep knowledge, experience, and abilities to integrate the organization, human resources, and management resources as a management executive of a listed company or equivalent organization, appropriately manage business execution and organizational operations, and oversee overall management aimed at enhancing corporate value. Skills necessary to steadily promote the Medium-term Management Plan “EJ2027” formulated toward the realization of the Group’s purpose (meaning of existence) and long-term vision in a rapidly changing business environment.

[Management strategy]

Having broad and deep knowledge, experience, and abilities to formulate and make decisions on strategies related to optimizing the business portfolio and building competitive advantages aimed at enhancing corporate value over the medium- to long-term. Skills necessary to envision and formulate management visions, business strategies and competitive strategies from a medium- to long-term perspective, and determine the direction of the Group’s growth with a view to realizing the Group’s purpose (meaning of existence) and long-term vision.

[Finance and accounting]

Having broad and deep knowledge, experience, and abilities to appropriately make decisions and monitor the securing of financial soundness, improvement of capital efficiency conscious of capital costs, and creation and allocation of free cash flow toward achieving the Group's medium- to long-term management plans. Skills necessary to realize the enhancement of corporate value and sustainable growth by optimally allocating management resources and balancing growth investment and shareholder returns.

[Legal and internal control]

Having broad and deep knowledge, experience, and abilities to appropriately identify, assess and manage risks related to the Group's management and business, ensure the stability of management, and continuously monitor its effectiveness. Skills necessary to support the foundation for sound and sustainable business operations through the development and operation of risk management systems and compliance systems.

[Technology and development]

Having broad and deep knowledge, experience, and abilities to accurately analyze diversifying and increasingly sophisticated environmental issues and promote the creation of new products and solutions based on market and social needs. Skills necessary to realize the enhancement of corporate value and sustainable growth by continuously promoting research and development of technologies that will be the source of future competitiveness.

[Human resource and organizational development]

Having broad and deep knowledge, experience, and abilities to maximize the value of the Group's human capital through building an optimal personnel composition that supports the realization of management strategies, and improving employee engagement. Skills necessary to realize the enhancement of corporate value and sustainable growth by promoting human resource strategies and organizational development that flexibly respond to changes in the business environment and enable the transformation of business models.

(Annex “Details of the Shareholder Proposals”)

\*The relevant portions of the Shareholder Proposals submitted by the proposing shareholder are reproduced verbatim and in the original Japanese.

## I Proposals

- 1 Revision of Remuneration Amount under Restricted Share-based Remuneration System
- 2 Acquisition of Treasury Shares
- 3 Amendment to the Articles of Incorporation Concerning the Number of Outside Directors

## II Outline and reasons for the proposals

### 1 Revision of Remuneration Amount under Restricted Share-based Remuneration System

#### (1) Outline of the proposals

It is proposed that, in order to grant a monetary remuneration claim for granting restricted shares, the remuneration amount for Directors eligible for the Restricted Share-based Remuneration System (hereinafter referred to as “the System”) (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) is set to within a total amount of ¥280 million per year apart from the annual remuneration amount of basic remuneration, and that the maximum number of shares to be granted is 112,000 shares, and also that the annual remuneration amount for Outside Directors and Directors who are Audit and Supervisory Committee Members who are eligible for the System for granting a monetary remuneration claim for granting restricted shares is set up to ¥60 million apart from the annual remuneration amount of basic remuneration, and that the maximum number of shares granted is 24,000 shares. It is proposed that the specific timing of payment and distribution is to be determined in the Board of Directors.

#### (2) Reasons for the proposals

The Company resolved to pay up to a total amount of ¥35 million per year as remuneration for granting restricted shares to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) in the Annual General Meeting of Shareholders held in March 2021, but it cannot be considered that value is sufficiently shared between Directors and shareholders, which is the objective of the Restricted Share-based Remuneration System, because the amount is extremely small and Outside Directors and Directors who are Audit and Supervisory Committee Members are excluded from the Eligible Directors. Looking at the results of granting by the Company in the 86th fiscal year (from January 1, 2024 to December 31, 2024), in contrast to fixed remuneration of ¥95 million, restricted share-based remuneration was equivalent to ¥25 million, which is only 26.3% of the amount of fixed remuneration. At this pace, it would take approximately 11 years until this reaches three times the amount of fixed remuneration, which is a guideline for effective share-based remuneration for sharing value between Directors and shareholders. Due to the purpose being to share value between Directors and shareholders, restricted share-based remuneration has no meaning unless granted while in office, and as it cannot be assumed that the term of office will be approximately 11 years, it is necessary to grant a certain amount within a shorter period.

Furthermore, the Company should establish shareholding guidelines pertaining to the Restricted Share-based Remuneration System, specify that the target for acquisition of the Company’s shares while an officer is in office is equivalent to three times the amount of fixed basic remuneration, and disclose the status of acquisition of the Company’s shares by individual officers in the Corporate Governance Report submitted to the Tokyo Stock Exchange by the Company.

### 2 Acquisition of Treasury Shares

#### (1) Outline of the proposals

It is proposed that the Company acquires a total of 2,586,000 of the Company’s common shares in exchange for cash with a total acquisition value of up to ¥6,465,000,000 within one year of the conclusion of this Annual General Meeting of Shareholders pursuant to the provision of Article 156, Paragraph (1) of the Companies Act.

#### (2) Reasons for the proposals

As a reflection of the Company’s initiatives that take into account the business and share price, the Company’s share price has grown steadily during 2025. However, the Company holds approximately ¥25,000 million in cash and cross-shareholdings and its capital efficiency remains insufficient. As such, it is believed that steps should be taken to acquire approximately 10% of the Company’s total number of issued shares as treasury shares and cancel them pursuant to Article 178 of the Companies Act to further expand shareholder returns and increase capital efficiency.

3 Amendment to the Articles of Incorporation Concerning the Number of Outside Directors

(1) Outline of the proposals

It is proposed to amend Article 18 of the Company’s Articles of Incorporation as follows to make the Company’s Outside Directors a majority.

Before Amendment	After Amendment
(Number of Directors) Article 18 1. The number of the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not exceed eight (8). 2. The number of the Company’s Directors who are Audit and Supervisory Committee Members shall be no more than five (5). 3. <u>(New)</u>	(Number of Directors) Article 18 1. The number of the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not exceed eight (8). 2. The number of the Company’s Directors who are Audit and Supervisory Committee Members shall be no more than five (5). 3. <u>The majority of the Company’s Directors shall be Outside Directors prescribed under Article 2, paragraph (1), item (xv) of the Companies Act.</u>

(2) Reasons for the proposals

Principle 4.8 of Japan’s Corporate Governance Code states “Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.” Furthermore, Principle 4.7 of Japan’s Corporate Governance Code states one of the roles and responsibilities of independent outside directors to be “Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.”

Although the Company satisfies the requirement of one-third or more with four Outside Directors among the nine Directors, it is believed that more actively appointing Outside Directors as a majority of Directors will enable the establishment of a governance system that increases capital efficiency, seeks shareholder returns, and contributes to the Company’s sustained growth and enhancement of medium- to long-term corporate value. Furthermore, with regard to not only the number of Outside Directors, but also the qualifications of Outside Directors, personnel able to contribute to the Company’s sustained growth and enhancement of medium- to long-term corporate value are required, and the appointment of stock analysts with a high level of experience and skill should be considered to address this point.

The appointment of “personnel with a high level of experience and skill as stock analysts” will bring the viewpoints of external investors and shareholders to the Board of Directors, and at the same time, is believed to be an effective means of contributing to the enhancement of corporate value through sound risk taking. Although the Board of Directors of a listed company originally shares the same goal as investors and shareholders of enhancing long-term corporate value, unfortunately, the two are often understood as being in conflict in Japan. Directors with the experience and skills mentioned above participating in discussion and decision making in the Board of Directors are believed to make the intrinsic constructive relationship between the Board of Directors and the stock market through sound risk taking and capital allocation, and better communication with the market. It is frequently explained that personnel from banks or accountants handle the financial part of the Director skill matrix, but expertise in both accounting and debt markets is inadequate from the perspective of promoting “sound risk taking,” and the appointment of equity market experts is believed to be meaningful in this respect.

End