(Translation)

The following is an English translation of the Notice of the 15th Ordinary General Meeting of Shareholders of Renesas Electronics Corporation to be held on March 30, 2017 (as well as the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements with respect to the 15th Business Period, and report on the results of the audit conducted on such Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors), except for translation of the instructions on voting rights and the access map for the place of the meeting in the Notice, and is provided for your reference and convenience only. Should there be any inconsistency between this translation and the official Japanese original, the latter shall prevail.

Renesas Electronics Corporation

Securities Code: 6723
3-2-24 Toyosu, Koto-ku,
Tokyo

Tetsuya Tsurumaru
Representative Director,
Chairman

March 9, 2017

To Our Shareholders:

NOTICE OF THE 15TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The Fifteenth Ordinary General Meeting of Shareholders (the "General Meeting") of Renesas Electronics Corporation (the "Company") will be held as follows:

1. DATE: March 30, 2017 (Thursday) at 10:00 A.M. (Japan Standard Time)
(The reception will begin at 9:30 A.M.)
※ The date for this General Meeting is different from the corresponding date of the previous Ordinary General Meeting of Shareholders (June 28, 2016), since the Company has changed the last day of the business year (the Company's fiscal year) from March 31 to December 31.

2. PLACE: Toyosu Civic Center Hall, 5F, at 2-18, Toyosu 2-chome, Koto-ku, Tokyo, Japan
※ Please note that the place for this General Meeting has been changed from that of the previous Ordinary General Meeting of Shareholders.

3. AGENDA OF THE GENERAL MEETING:

MATTERS TO BE REPORTED UPON

Report on the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, and report on the results of the audit conducted on the Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors with respect to the 15th Business Period from April 1, 2016 to December 31, 2016.

MATTERS TO BE VOTED UPON:

(1) Election of Five Directors

(2) Election of One Corporate Auditor

Please note that souvenirs will not be provided to the attendees at the General Meeting. We would appreciate your understanding.

(Translation)

Business Report

(For the Period from April 1, 2016 to December 31, 2016 (the "Period"))

1. Overview of Operations of the Group

Pursuant to the resolution of the 14th Ordinary General Shareholders' Meeting held on June 28, 2016, the Company implemented a change of the fiscal term in which the fiscal year-end changed from March 31 to December 31. The same change in the fiscal term has been applied to the consolidated subsidiaries of the Renesas Group (the "Group"), with some exceptions. As a result, this Period comprises 9 months from April 1, 2016 to December 31, 2016, and the business results listed below are compared with the same period of the previous fiscal year (from April 1st, 2015 to December 31th, 2015). In addition, a comparison of business results on a calendar year basis, prepared by assuming the accounting year of the previous year and this Period for the Group is 12 months from January to December, is provided for reference.

(1) Business Progress and Results

(i) Overview

The world economy during this Period was led by the solid US economy and furthermore was supported by the newly developing countries, where a recovery could be seen in the second half of this Period, and thus showed a gentle growth overall. The Japanese economy spent this Period treading water, since the recoveries in consumer spending and corporate investments in plant and equipment were weak.

The semiconductor market, which is the Group's business sector, saw accelerating growth in the second half in synchronization with the growth of the world economy. In particular, the market for automotive semiconductor devices saw a high growth rate due to the increasing number of semiconductor devices used in cars, in addition to the growth in the number of cars being manufactured. Furthermore, the semiconductor market for industrial and other products, was supported by the recovery of the Chinese market.

Within these business environment, the Group reliably moved forward by taking advantage of the results of its "Reform Plan", which aimed to win the struggle to survive in the global semiconductor market, with its rapid and extreme changes and competition. In particular, at the same time as setting up the fixed goal of creating a stable management foundation, we positioned this Period as the starting year for the Group to achieve dramatic growth as a global company. The Group worked together aggressively to achieve three goals: "Expanding and Strengthening of Business Portfolio for Growth Acceleration", "Promotion of Optimization of Sustainable Production Structure", and "Providing and Strengthening of a Management Infrastructure for Growth Acceleration".

First, with regard to "Expanding and Strengthening of Business Portfolio for Growth Acceleration", for focus areas, that is, for automotive, industrial, and broad based (aimed at a wide range of customers) products for which the Group can fully exhibit its strengths and achieve the stable and sustainable growth in the global marketplace, the Group aimed to become the global number one in these areas. To achieve this purpose, in addition to reducing products and businesses for which profitability cannot be expected, the Group used both organic approaches (approaches in which the Group expands and strengthens its own

existing businesses) and inorganic approaches (approaches in which the Group takes advantages of strategic alliances with other companies or in which the Group purchases other companies) to strategically, and in a concentrated manner, invest the Group management resources in these areas. In particular, as an example of an effort based on an organic approach, to quickly create attractive strategic technologies and products that have high added value and can be expected to have a high level of competitiveness at the global level, the Group aggressively invested management resources in these development efforts. One result of this effort during this Period was the development, for the first time in the industry, of memory cell technology for the flash memory integrated in the high-performance and high-reliability microcontrollers fabricated in leading-edge 16 and 14 nm (note 1) and later generation technologies that will support the self-driving cars which are rapidly developing and creation of a smart society based on the Internet of Things (IoT). Also, for achieving the age of self-driving cars, at the same time as providing self-driving car ECU (electronic control unit) solution kits, which can accelerate customers' system development, the Group presented at exhibitions a demonstration self-driving car that uses those kits. These efforts have earned high praise from its customers. In addition, the Group has introduced to the market many solutions and high-performance, high-quality products that respond to its customers diversifying needs, such as the solution platform as "RZ/G Linux Platform", that integrates as a single package of the high-performance microprocessor “RG/Z,” the Linux OS (note 2), and other items and is targeted for industrial equipment, which has seen a rapid increase in functionality in recent years. Also, to increase awareness of the Group businesses, technologies, and products around the world, the Group held Renesas DevCon (Developers Conference) events in Shenzhen, China and Taipei, Taiwan. These were well received by many of its customers and partner companies. The Group also engaged in an effort based on an inorganic approach. In order to accelerate the strengthening of its global competitiveness in the automotive and industrial equipment areas etc., which have seen increasingly strong competition in recent years, the Company agreed to acquire the major US analog semiconductor manufacturer Intersil Corporation (headquartered in California, USA, “Intersil”), whereby it will make Intersil its wholly owned subsidiary. Intersil can be expected to provide powerful synergy with the Group, because Intersil, which mainly centers on analog semiconductor devices (such as power management ICs and high-precision analog ICs etc.), has a business portfolio that complements the Group business. The whole Group worked together on the preparations to carry out that acquisition. In order to use the funds to acquire that company, the Company modified part of the purpose of funds for the allocation of new shares to third parties carried out on September 30, 2013.

Next, in "Continuous Promotion of Optimizing Sustainable Production Structure," in addition to the Group working together to quickly restore production at the Kawashiri Plant of Renesas Semiconductor Manufacturing Co., Ltd. (Kumamoto-shi, Kumamoto Prefecture) which is a Renesas semiconductor fabrication (semiconductor wafer processing) center after it was damaged by the 2016 Kumamoto Earthquake, the Group worked towards providing and strengthening an efficient production system that can flexibly respond to the needs of its customers worldwide. Specifically, first of all, to respond to the strong demand for RL78 microcontrollers, V850 microcontrollers, and other products that are the products

the Group focuses on, the Group invested in increasing production capacity and updating equipment and worked to increase and strengthen the production capacity at the manufacturing plant. In addition, the Group decided, for the present, to continue using the Nishiki Plant of Renesas Semiconductor Package & Testing Solutions Co., Ltd. (Nishiki-shi, Kumamoto Prefecture), which is a center for the assembly process (semiconductor device assembly and testing process), which we had been previously been looking into divesting or consolidating. The Group will be reconsidering the direction we take with regard to this facility in the future. Also, to increase production efficiency, the Group moved forward with activities including the development of a fault detection system for production equipment that takes advantage of AI (artificial intelligence), the introduction of high-efficiency production equipment, and improvement to production line layouts. Furthermore, as part of the production structure reforms in the Reform Plan, the Group came to a basic agreement with TDK Corporation and their subsidiary TDK Shonai Corporation regarding the transfer of the Tsuruoka Plant of Renesas Semiconductor Manufacturing Co., Ltd. (Tsuruoka-shi, Yamagata Prefecture) in the previous period, and reached a final agreement during this Period.

Finally, with respect to “Providing and Strengthening the Management infrastructure for Growth Acceleration”, given that the Group's business development is increasingly global in nature, the Group has basically changed the final day of the fiscal year from March 31 to December 31. Also, to implement reforms of the Group’s organization and employee awareness, which are indispensable for its future global growth, and improvements to its business processes, the Company has established the “Organization Development Unit” that integrates Human Resources & General Affairs Division with the Information Systems Division. During this Period, the Group implemented two further policies in this area. The first was to deploy the new system for treatment of personnel, which the Group had adopted gradually starting the year before last, to overseas group companies to strengthen global competitiveness and increase employee motivation. The other was extend to all group companies including overseas companies, the system for reflecting in salary and distribution the achievement status of KPIs (key performance indicators) that are set according to organization functionality to thoroughly instill results-oriented mindset throughout the Group. Furthermore, to increase the speed and efficiency of the Group’s business even further, the Group re-examined its whole business process from receipt of orders through production, distribution, and delivery, and moved forward with the construction of an information system (BPI: business process integration) that implements that system.

(Note) 1. nm: 1 nm (nanometer) equals one billionth of a meter.
2. OS: Abbreviation for Operating Systems. OS is a basic program to provide the common environment for various application software that manages the overall computer system.

(ii) Summary of Consolidated Financial Results

Consolidated financial results of the Group for this Period were as follows.

Consolidated Net sales

Consolidated net sales for this Period were 471.0 billion yen, a decrease of 10.4% from the same

period of the previous year. This was mainly due to the continuing strong yen and the Group's efforts to exit from non-focus products especially among the General-Purpose business, in addition to the temporary shutdown of the Group's part of the production lines that was damaged by the 2016 Kumamoto Earthquake.

The consolidated net sales of the Group are composed of the main product groups, "Automotive Business" and "General-Purpose Business", and "Other Semiconductor Business" and "Sales from Others" that fit into neither of the above product categories. Sales of respective areas were as follows:

(Automotive Business)

The automotive business includes the product categories "Automotive control," comprising semiconductor devices for controlling automobile engines and bodies, and "Automotive information", comprising semiconductor devices used in automotive information systems such as navigation systems. The Group supplies microcontrollers, analog & power semiconductor devices, and system-on-chip (SoC) products in each of these categories.

Sales of automotive business for this Period were 231.8 billion yen, a decrease of 3.5 % from the same period of the previous year. This was mainly due to decreased sales in the "Automotive information" category, despite the sales in the "Automotive control" category which increased.

(General- Purpose Business)

The general-purpose business includes the product categories "Industrial", comprising semiconductor devices for industrial equipment, "OA/ICT", comprising semiconductor devices for office automation (OA) equipment such as copy machines and information and communication technology (ICT) equipment such as network infrastructure, and "General-purpose", comprising general-purpose semiconductor devices for other applications (including home appliances). The Group supplies microcontrollers, analog & power semiconductor devices, and SoC products in each of these categories.

Sales of general-purpose business for this Period were 221.0 billion yen, a decrease of 17.8% from the same period of the previous year. This was mainly due to decreases in sales in the "Industrial", "OA/ICT" and "General-Purpose" categories resulting from the Group's ongoing efforts to withdraw from non-focus products, etc., as part of its promotion of selection and concentration.

(Other Semiconductor Business)

Sales of other semiconductors business include production by commissioning and royalties.

Sales of other semiconductors business for this Period were 4.4 billion yen.

(Sales from Others)

Sales from others include non-semiconductor products sold on a resale basis by the Group's sales subsidiaries, and development and production by commissioning conducted at the Group's design and manufacturing subsidiaries.

Sales from others for this Period were 13.9 billion yen, an increase of 5.8% from the same period of the previous year.

Consolidated Operating Income (Loss)

Consolidated operating income for this Period was 54.7 billion yen, a decrease of 33.3 billion yen from the same period of the previous year. This was mainly due to the continuing strong yen in addition to the opportunity loss incurred by the temporary shutdown of the Group's part of the production lines caused by the damages from the 2016 Kumamoto Earthquake.

Consolidated Ordinary Income (Loss)

Consolidated ordinary income for this Period was 50.0 billion yen, a decrease of 40.9 billion yen from the same period of the previous year. This was due to not only the decrease of operating income, but also downturn of exchange gain and loss from the continuing strong yen.

Consolidated Net Income (Loss) attributable to shareholders of parent company

Consolidated net income attributable to shareholders of parent company for this Period was 44.1 billion yen, a decrease of 31.9 billion yen from the same period of the previous year. This was mainly due to a decrease in ordinary income resulting from a decrease in sales and the continuing strong yen.

Calendar year-based comparison of business results for 2016 (as a reference)

Calendar year-based comparison of business results for 2016 is as follows: Consolidated net sales were 638.8 billion yen, a decrease of 9.7% from the same period of the previous year. Consolidated operating income was 70.4 billion yen, a decrease of 42.1 billion yen from the same period of the previous year. Consolidated ordinary income was 61.2 billion yen, a decrease of 52.7 billion yen from the same period of the previous year. Consolidated net income attributable to shareholders of parent company was 54.4 billion yen, a decrease of 30.6 billion yen from the same period of the previous year.

As above, the Group recorded a consolidated net income (net income attributable to shareholders of parent company) for this Period, but the Group regrettably forewent dividend payment for this Period. The Group will spend the internal reserve on strategic investment opportunities in order to correspond the rapidly environmental changes for surviving global competition, also dealing with improvement for the corporate value to increase shareholders' profit. We will continue to exert our efforts for further improvement of profitability and stabilization of the business toward the resumption of dividends from a long-term perspective. In this regard, we respectfully ask for our shareholders' continuous understanding and support.

(2) Issues to be Addressed by the Group

As indicated in the "1. (1) Business Progress and Results" section, during this Period, the Group, as a result of unified efforts to implement the above-mentioned Reform Plan, achieved double-digit operating margin in spite of a reduction in net sales from the same period of the previous year, bringing the establishment of a stable financial base clearly into view.

Nevertheless, the Group believes that it must make continuous improvements of product mix and maintain further growth and expanded earnings in order to come thrive in the rapidly changing fiercely competitive semiconductor industry and continue to meet the expectations of all stakeholders.

To achieve this goal, the Group will implement efforts of the following themes: “Expanding and Strengthening of Business Portfolio to Accelerate the Leap from Structural Reforms to the Growth Stage”, “Continuous Optimization of the Manufacturing Structure” and “Vigorously Advancement of the Growth Strategy through Organizational Restructuring”.

(i) Expanding and Strengthening of Business Portfolio to Accelerate the Leap from Structural Reforms to the Growth Stage

In order to make the leap from structural reforms to the growth stage and achieve stable earnings growth, the Group will accelerate efforts to expand and strengthen its business portfolio, through both organic and inorganic approaches, in its focus areas including automotive, industrial, and broad-based, where the Group possesses global strengths and is competitive.

First, efforts based on an organic approach will include ongoing efforts to further optimize the business structure, and research and development (R&D), while at the same time to deal with the accelerating changes in the Group’s business portfolio and areas of technology development accompanying the acquisition of Intersil. To achieve stable earnings growth in the focus areas, the Group will regularly analyze and evaluate the business environment in terms of markets, customers, competitors, etc., in each of these focus areas. At the same time, the Group will review its business portfolio from the standpoint of competitiveness and profitability, implement selection and concentration of business domains and products, and strengthen efforts to realize products and technologies that support product competitiveness and make possible the realization of platform solutions with high added value. Specifically, the Group will examine its common technologies such as intellectual property (IP), design technology, and manufacturing technology utilized in various products, taking into account factors such as future necessity, importance, and the Group’s technological position, select which common technologies should be focused on, and concentrate management resources on these key shared technologies. Moving forward, the Group will continue to strengthen these efforts in order to maintain and further bolster its solid position in the fiercely competitive global semiconductor market.

With regard to efforts based on an inorganic approach, during this Period, the Group signed an agreement with Intersil under which the Company will acquire Intersil to make Intersil its wholly owned subsidiary. The Group will work to complete the acquisition promptly, and maximize synergies by enhancing its product lineup, expanding sales routes while fusing development technologies and products, and by building a global manufacturing system based on the production models of both companies, and it will exert its efforts to expand and strengthen its business in the focus areas.

(ii) Continuous Optimization of the Manufacturing Structure

The Group has implemented a wide-ranging optimization of its manufacturing structure as part of its Reform Plan mentioned above. Moving forward, the Group will continue to make further improvements to make the production structure more efficient, while also putting in place a flexible production system capable of meeting the requirements of customers worldwide.

Specifically, some of the Group's production facilities continue to operate using equipment or manufacturing processes that are not as efficient as newer equipment. Therefore, moving forward, the Group will continue unceasingly its optimization of the manufacturing structure, with the goal of further improvement in production efficiency and reduced cost.

In addition, due to booming demand for the Group's focus products, in this Period, the Group invested aggressively, including investment to add equipment and to upgrade existing equipment. Moving forward, the Group will continue capital investment in facilities operated by the Group to support highly competitive production processes and smart factories, while also outsourcing some production, as it pushes forward with efforts to build a manufacturing structure capable of responding flexibly to customer demand.

(iii) Vigorously Advancement of the Growth Strategy through Organizational Restructuring

The Group believes that in order to vigorously advance its growth strategy described above, it must redouble efforts to clarify business ownership, reinforce global marketing functions, speed up decision-making, and eliminate organizational redundancy. In order to address with these issues, a fundamental organizational restructuring will be undertaken group-wide from the standpoint of optimal business process re-engineering (BPR).

(3) Research and Development of the Group

(i) First development in the industry of a flash memory cell technology for the 16 and 14 nm and later generations of the high-performance and high-reliability microcontrollers that will support and promote car automation and the smart society

The Group has developed for the first time in the industry (note) a flash memory cell technology for on-chip flash memory microcontrollers in the 16 and 14 nm circuit line width and later generations. This flash memory cell technology can achieve significant increases in memory capacity while at the same time maintaining the high-speed read out operations and reliability that have been achieved in the 28 nm generation microcontrollers.

In recent years, in association with advances of car automation, such as advanced driver assistance systems (ADAS), and the smart society mediated by the IoT, there are now demands for leading-edge microcontrollers that are fabricated with even narrower feature sizes. For example, in self-driving cars, instead of the driver, the car needs to acquire an understanding of the external environment based on information from sensors and controls the car. To make this possible, the microcontrollers are required to increase computational abilities and even larger memory capacities. Thus, even finer fabrication processes are required.

Given this background, the Group has led the industry by mass production microcontrollers fabricated in the 40 nm generation and developed microcontrollers in the 28 nm generation. However, to move towards achieving the next generation of microcontrollers, the Group has newly developed a flash memory cell technology for on-chip flash memory microcontrollers in the 16/14 nm and later generations

that looks ahead to even finer semiconductor fabrication processes than the 40/28 nm generation.

The Group has its own flash memory technology for use on chip in microcontrollers whose structure is easily adopted in finer feature size process technologies and which achieves both high performance and high reliability, and it uses this technology for the microcontrollers until 28 nm generations. Now, by evolving this flash memory technology from its traditional two-dimensional structure to a three-dimensional spatial structure, the Group succeeded in improving performance and reducing power consumption, and, for the first time in the industry, acquired the expectation that it would be possible to reduce feature sizes in flash memory to the 16/14 nm and later generations. Therefore, we announced this technology in December 2016.

This technology is promising for the achievement of high-reliability microcontrollers that include memory with capacities in the 100 MB class, which is four or more times of the capacities available comparing to 28 nm generation microcontrollers. Moving forward, once we have verified the operation of large-scale flash memories using this technology, we will push forward with development aimed at achieving practical microcontrollers fabricated in a 16/14 nm process, with 2023 as the target. The Group will continue to contribute to both car automation and the smart society in this and other ways.

(Note) First time in the industry: The point when this technology was announced, namely December 6, 2016 (PST) at IEDM 2016 (International Electron Device Meeting 2016) held in San Francisco, California, USA.

(ii) Developed solution kits that will lead the age of self-driving cars and was used to implement a demonstration self-driving car

The Group had previously provided the high-performance SoC “R-Car” for automotive information systems, and this device has been widely used in car navigation, dashboard image processing, high-precision displays, and other automotive applications, achieved the leading market share of products in this field. By both increasing the performance of the R-Car, which has a strong track record, and by increasing its robustness, the Group will evolve the R-Car into an automotive computing platform, which will be the brain of the rapidly advancing self-driving car.

A wide range of processing is required to develop a self-driving car. These include recognizing the conditions of the driving environment by sensing, collecting that sensor information to understand the environment and quickly determining the route the self-driving car should take, a human interface that warns any dangers to the driver and observes the state of the driver, and control processing that harmonizes drive, turn, and stop operations. As a result, enormous amounts of resources are required to develop the software used in that processing and the provision of an environment in which as many software developers as possible can easily work on that development is critical.

Accordingly, the Group has created and sells the “R-Car Starter Kit” as an environment in which developers can easily start developing R-Car software. Using this kit, superlative software developers from a variety of fields such as the IT industry can easily work on the development of self-driving car software, and an environment in which each developer has its own development environment can be

constructed easily. As a result, the population of automotive software developers can expand and the Group thinks that this will contribute significantly to the acceleration of development speed.

At the same time, we also announced a "Solution Kit for High-Level Self-Driving ECUs" that combines in a single package both two instances of the R-Car Starter Kit and an automotive control microcontroller “RH850/P1H-C” that can control the car's drive, turn, and stop operations so that our customers can perform repeated evaluations and tests on public roads with this developed software installed in an actual car. In addition, in a joint effort with partner companies, we developed a demo car capable of self-driving that was based on a current car model and that uses two copies of this solution kit plus a variety of software including an operating system, sensor information processing functions, and external communication functions. We then demonstrated this demo car at the Consumer Electronics Show (CES) 2017 held in Las Vegas, Nevada in January 2017, and during four days of that period has a total of 260 and more visitors to the show for test drive of the car. We received many positive reviews from these customers of this car as a demonstration of high-reliability and safety in self-driving car.

The Group has, through these efforts, supported the development of self-driving systems and has increased the speed of development of such systems significantly, and, moving forward, will remain a leader in the self-driving age.

(iii) Start of provision of the RZ/G Linux Platform that makes development of high-level industrial equipment easy

Currently, there is a trend towards increasing use of operational guidance using video display and the inclusion of smart phone like intuitive and holistic manipulation functions to increase ease of use in industrial equipment. Also, networking functions are being increasingly included in this equipment to increase operational efficiency by connecting it to a network, or to make use of external information by connecting this equipment to the Internet. Due to these trends, there is an increasing amount of application software for implementing this kind of multimedia processing and higher level network functions.

While “Real-time OS” is now the most common OS in industrial equipment and the Group is now supplying the “Renesas Synergy Platform” as a platform for real-time based 32-bit microcontrollers, even higher performance semiconductor devices and software are now required for this high-level multimedia and network related processing.

And the Group released the “RZ/G Linux Platform” based on the higher performance microprocessor “RZ/G” and used the open source OS “Linux.” This platform is provided in conjunction with partner companies and consists of an “RZ/G” microprocessor, a Linux system whose operation has already been verified and other standard software packages, evaluation boards, a cloud-based development tool set and an optional middleware set to make it easy to develop applications even by users who have never used Linux before.

Since Linux is an open system whose specifications are public, it is easy to acquire software that supports it and by putting the development and evaluation environment in the cloud, it becomes unnecessary for each user to provide their own development and evaluation environment. This allows

users' initial investment to be reduced significantly. Also, for industrial equipment, which has a longer product lifetime, since the support period for the OS used in that equipment is critically important, the Group plans to provide long-term support for these products sequentially. These products will provide significant reductions in the user's burdens, including the development period, costs, and software version upgrade management for industrial equipment products, and allow users to focus their efforts on the development of services with new added value.

In addition to the "Renesas Synergy Platform", the Group also positions this "RZ/G Linux Platform" as a platform solution and provides users not only semiconductor devices, but also solutions that combine software and development support tools so that users can quickly implement new functionality in their products.

(4) Capital Investment etc. of the Group

During this Period, the amount of capital investment by the Group was 72.8 billion yen. This was mainly used for investment of increasing the manufacturing equipment of production and investment in BPI etc.

(5) Financing Activities of the Group

The Company repaid the debt under the existing loan agreement with the main banks etc., such as Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, and Mitsubishi UFJ Trust and Banking Corporation. Furthermore, to secure the long-term operation fund, on September 28, 2016, the Company entered into loan agreement with main banks for the term loan of 150 billion yen and the commitment line of 50 billion yen, and executed the term loan on September 30, 2016. For this agreement, the Company has offered a part of its properties as collateral.

In addition, to secure the funds for implementing the growth strategy, the Company entered into a term loan agreement with main banks for the amount of 50 billion yen on October 5, 2016.

As of December 31, 2016, debt with interest of the Group was 157.3 billion yen, 87.0 billion yen decrease from March 31, 2016. This is because the Company made a loan described above, and made payments on existing borrowings and lease payments etc.

(6) Changes in the Results of Financial Position and Profit and Loss (Consolidated)

(In billions of yen except per share figures)

Indices \ Business Period	11th Business Period 4/1/12-3/31/13	12th Business Period 4/1/13-3/31/14	13th Business Period 4/1/14-3/31/15	14th Business Period 4/1/15-3/31/16	15th Business Period (the "Period) 4/1/16-12/31/16
Net sales	785.8	833.0	791.1	693.3	471.0
Operating income (loss)	(23.2)	67.6	104.4	103.8	54.7
Ordinary income (loss)	(26.9)	58.6	105.3	102.1	50.0
Income (loss) before income taxes	(157.8)	10.5	94.1	90.8	41.0
Net income (loss) attributable to shareholders of parent company	(167.6)	(5.3)	82.4	86.3	44.1
Net income (loss) per share (yen)	(401.76)	(5.07)	49.41	51.76	26.46
Total assets	669.1	786.0	840.1	849.4	823.1
Net assets	77.9	227.3	311.9	381.7	422.4

(Note) 1. "Net income (loss) per share" is calculated based on the average number of shares outstanding during each business period.

2. Major factor of large increase of net assets in 12th Business Period is increase of the capital (*shihonkin*) and capital reserve fund (*shihon-jyunbikin*) based on the third-party allotment implemented as of September 30, 2013.

3. As to 15th Business Period, it comprises nine months from April 1, 2016 to December 31, 2016, due to the change of the fiscal term.

(7) Principal Subsidiaries (as of December 31, 2016)

Company Name		Capital (Millions of yen)	Investment Ratio (%)	Main Business	Location
Japan	Renesas Semiconductor Manufacturing Co., Ltd.	100	100.0	Manufacture of semiconductors (front-end process)	Hitachinaka-shi, Ibaraki
	Renesas Semiconductor Package & Test Solutions Co., Ltd.	100	100.0	Manufacture of semiconductors (back-end process)	Takasaki-shi, Gunma
	Renesas System Design Co., Ltd.	100	100.0	Design and development of semiconductors	Kodaira-shi, Tokyo
Overseas	Renesas Electronics America Inc.	(1,000USD) 380,800	100.0	Design, development and sale of semiconductors in the U.S.A.	California, U.S.A
	Renesas Electronics Europe GmbH	(1,000Euro) 14,000	*100.0	Design, development and sale of semiconductors in Europe	Dusseldorf, Germany
	Renesas Electronics Hong Kong Limited	(1,000HKD) 15,000	100.0	Sale of semiconductors in Hong Kong	Hong Kong, China
	Renesas Electronics Taiwan Co., Ltd.	(1,000NTD) 170,800	100.0	Sale of semiconductors in Taiwan	Taipei, Taiwan
	Renesas Electronics Singapore Pte. Ltd.	(1,000USD) 32,287	100.0	Sale of semiconductors in ASEAN, India, Oceania and Middle East	Singapore

(Note) 1. There are a total of 30 consolidated subsidiaries as of December 31, 2016, consisting of 4 domestic companies and 26 overseas companies, including the principal subsidiaries described above.

2. An asterisk denotes the figures which include the indirect ownership.

3. There is no “Specific wholly owned subsidiary” which comes under Item4, Article 118 of Ordinance for Enforcement of the Companies Act.

(8) Main Business of the Group (as of December 31, 2016)

The Group conducts, as a semiconductor manufacturer, design, development, manufacture, sale and provision of services of semiconductors with focus on Automotive control, Automotive information, Industrial/Home electronics, OA/ICT, and General-purpose products.

(9) Principal Offices and Plants of the Group (as of December 31, 2016)

(i) The Company

	Location
Headquarters	Koto-ku, Tokyo
Research and Development Base	Musashi Site (Kodaira-shi, Tokyo)
	Takasaki Site (Takasaki-shi, Gunma)
	Naka Site (Hitachinaka-shi, Ibaraki)

(ii) Subsidiaries

Principal subsidiaries and their locations are described in "1-(7) Principal Subsidiaries" above.

(10) Employees of the Group (as of December 31, 2016)

Number of Employees	Decrease from March 31, 2016
18,884	276

(Note) 1. The above figure is the number of permanent employees (including employees temporarily transferred from outside Group to the Group, and excluding employees temporarily transferred from the Group to outside Group), and the number of temporary employees is excluded.

2. The number of employees decreased by 276 from the end of the previous period due to the structural reform of business and manufacturing such as transfer of Renesas Semiconductor Manufacturing, Co,. Ltd.'s Tsuruoka Plant as described in "1. (1) (i) Overview".

(11) Major Borrowings of the Group (as of December 31, 2016)

Lenders	Balance of Borrowings (Millions of yen)
Mizuho Bank, Ltd.	44,903
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	44,903
Sumitomo Mitsui Trust Bank, Limited	29,936
Mitsubishi UFJ Trust and Banking Corporation	29,936

2. Overview of the Company

(1) Shares of the Company (as of December 31, 2016)

(i) Total Number of Shares Authorized to be Issued 3,400,000,000 shares

(ii) Total Number of Shares Issued 1,667,121,909 shares
(excluding treasury stock of 2,581 shares)

(iii) Number of Shareholders 15,597

(iv) Major Shareholders

Name of Shareholders	Number of Shares Held (shares)	Percentage of Shares Held (%)
Innovation Network Corporation of Japan	1,152,917,000	69.15
Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Mitsui Trust Bank, Limited / NEC Corporation pension and severance payments Trust Account)	135,300,000	8.11
Hitachi, Ltd.	127,725,748	7.66
Mitsubishi Electric Corporation	104,502,885	6.26
Toyota Motor Corporation	41,666,600	2.49
Severance indemnities trust account of Nissan Motor Co., Ltd., Trustee: Mizuho Trust & Banking Co., Ltd., Re-trustee: Trust & Custody Services Bank, Ltd.	25,000,000	1.49
NEC Corporation	12,595,857	0.75
Denso Corporation	8,333,300	0.49
Canon Inc.	4,166,600	0.24
Panasonic Corporation	4,166,600	0.24

(Note) 1. Percentage of shares held is calculated excluding 2,581 shares of treasury stock.

2. Percentage of shares held is calculated by truncating the numbers beyond the third decimal place.

3. 135,300,000 shares (percentage of shares held: 8.11%) owned by Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Mitsui Trust Bank, Limited / NEC Corporation pension and severance payments Trust Account) were shares that were contributed by NEC Corporation as severance indemnities trusts. The voting rights of such shares will be exercised at the instruction of NEC Corporation.

4. 25,000,000 shares (percentage of shares held: 1.49%) owned by Severance indemnities trust account of Nissan Motor Co., Ltd., Trustee: Mizuho Trust & Banking Co., Ltd., Re-trustee: Trust & Custody Services Bank, Ltd. were shares that were contributed by Nissan Motor Co., Ltd. as severance indemnities trusts. The voting rights of such shares will be exercised at the instruction of Nissan Motor Co., Ltd.

(2) Stock Acquisition Rights, etc. of the Company

(i) Overview of stock acquisition rights granted as stock options

The overview of the stock acquisition rights the Company granted as stock options is as follows.

Name (issuance date)	Total number of stock acquisition rights	Type and number of the Company's stocks to be issued upon exercise of the stock acquisition rights	Amount to be paid for stock acquisition rights	Exercise price (per share)	Exercise period
No. 1 of Year 2016 (June 28, 2016)	2,059	common stock 205,900 shares	600 yen	1 yen	August 2, 2016 ~August 1, 2026
No. 2 of Year 2016 (June 28, 2016)	598	common stock 59,800 shares	None	1 yen	August 2, 2016 ~August 1, 2026
No. 3 of Year 2016 (June 28, 2016)	228	common stock 22,800 shares	None	1 yen	August 2, 2016 ~August 1, 2026

(Note) 1. A person granted of stock acquisition rights may exercise the prescribed portion of those rights respectively each time the exercise date is arrival, starting on the day one year after the issuance date.
2. If a person granted of stock acquisition rights ceases to be a board member, a corporate officer or the like, the person can exercise any vested portion of the stock acquisition rights for 13 months from such date.
3. Regarding "No.1 of Year 2016", the debt for the amount to be paid for issuance of stock acquisition rights is offset by the remuneration to the Company and there is no monetary payment.
4. The stock acquisition rights granted under "No.1 of Year 2016", 139 of such rights (common stock of 13,900 shares) have lapsed without being exercised until the end of this Period.

(ii) Stock acquisition rights held by officers of the Company (as of December 31, 2016)

Name (issuance date)	A person granted of stock acquisition rights	Total number of stock acquisition rights	Type and number of the Company's stocks to be issued upon exercise of the stock acquisition rights
No. 1 of Year 2016 (June 28, 2016)	2 directors	1,043	common stock 104,300 shares

(Note) Outside directors and corporate auditors do not have any stock acquisition rights.

(iii) Stock acquisition rights granted to the Employees (excluding those Employees who are also directors of the Company) of the Company (as of December 31, 2016)

Name (date of issuance)	A person granted of stock acquisition rights	Total number of stock acquisition rights	Type and number of the Company's stocks to be issued upon exercise of the stock acquisition rights
No. 1 of Year 2016 (June 28, 2016)	8 corporate officers	1,016	common stock 101,600 shares
No. 2 of Year 2016 (June 28, 2016)	2 corporate officers	598	common stock 59,800 shares
No. 3 of Year 2016 (June 28, 2016)	1 corporate officer	228	common stock 22,800 shares

(Note) The stock acquisition rights granted under "No.1 of Year 2016", 139 of such rights (common stock of 13,900 shares) have lapsed without being exercised until the end of this Period.

(3) Directors and Corporate Auditors of the Company

(i) Name, etc. of Directors and Corporate Auditors of the Company (as of December 31, 2016)

Name	Position at the Company	Responsibility and Important Concurrent Positions
Tetsuya Tsurumaru	*Representative Director and Chairman	Management of important matters relating to the business; chairman of General Meeting of Shareholders and Meeting of Board of Directors; and matters relating to Quality Assurance Division and Procurement Division (main)
Bunsei Kure	*Representative Director, President and CEO	Management of important matters relating to the overall business; hosting of Executive Committee, Corporate Management Meeting and other important meetings; and matters relating to Internal Audit Office
Mikihide Katsumata	Member of the Board	President and COO/CIO, Innovation Network Corporation of Japan
Tetsuro Toyoda	Member of the Board	Co-Chief Investment Officer, Member of the Board, Head of Investment Group, Innovation Network Corporation of Japan
Jiro Iwasaki	Member of the Board	Outside Director (Full-time Audit and Supervisory Committee Member), GCA Corporation Outside Director, SBS Holdings, Inc.
Kazuki Fukuda	Corporate Auditor (Full time)	
Yoshinobu Shimizu	Corporate Auditor	Outside Director (Audit and Supervisory Committee Member), Mitsubishi UFJ Trust and Banking Corporation Outside Corporate Auditor, Daio Paper Corporation
Kazuyoshi Yamazaki	Corporate Auditor	Representative, Yamazaki Law Office
Takeshi Sekine	Corporate Auditor	Senior Executive Managing Director, Business Management Group, Innovation Network Corporation of Japan

(Note) 1. Messrs. Mikihide Katsumata, Tetsuro Toyoda and Jiro Iwasaki are outside Directors, as stipulated in Item 15, Article 2 of the Companies Act.

2. Messrs. Kazuki Fukuda, Yoshinobu Shimizu, Kazuyoshi Yamazaki and Takeshi Sekine are outside Corporate Auditors, as stipulated in Item 16, Article 2 of the Companies Act.

3. Under the rules stipulated by Tokyo Stock Exchange, Inc., the Company has notified the same of Messrs. Mikihide Katsumata, Tetsuro Toyoda, and Jiro Iwasaki, who are outside Directors, and Messrs. Yoshinobu Shimizu, Kazuyoshi Yamazaki and Takeshi Sekine, who are outside Corporate Auditors, as Independent Executives who will have no conflict of interests with the Company's general shareholders.

4. Mr. Kazuki Fukuda, who is a Corporate Auditor, was involved in accounting operation for many years at NEC Corporation etc. and thus has considerable knowledge of finance and accounting. Messrs. Yoshinobu Shimizu and Takeshi Sekine, who are Corporate Auditors, are certified public accountants and have considerable knowledge of finance and accounting.
5. The Members of the Board were changed during this Period as follows:
   (i) At the 14th Ordinary General Meeting of Shareholders held on June 28, 2016, Messrs. Bunsei Kure, Mikihide Katsumata and Jiro Iwasaki were newly elected and took office as Members of the Board.
   (ii) Upon the closure of the 14th Ordinary General Meeting of Shareholders held on June 28, 2016, Messrs. Hidetoshi Shibata, Takao Endo and Nobuyuki Nakano retired from their positions as Members of the Board due to expiration of term of office as Members of the Board.
6. Innovation Network Corporation of Japan, where Messrs. Mikihide Katsumata and Tetsuro Toyoda, who are outside Directors, and Mr. Takeshi Sekine, who is an outside Corporate Auditor, concurrently hold the positions, is a major shareholder of the Company owing 69.15% of Company's share.
7. The Company has a business relating to loans etc. with Mitsubishi UFJ Trust and Banking Corporation where Mr. Yoshinobu Shimizu, who is an outside Corporate Auditor, concurrently holds the position.
8. The Company adopts a corporate officer system and asterisks denote the Directors who have been acting as Corporate Officers. The names of other Corporate Officers (who are not Directors) as of January, 1, 2017 are as follows:

Name	Position at the Company	Responsibility
Hidetoshi Shibata	Executive Vice President and CFO	Matters relating to Corporate Planning Unit and Procurement Division (sub)
Yoshikazu Yokota	Executive Vice President	Management of 2nd Solution Business Unit
Ryuji Omura	Executive Vice President	Matters relating to 1st Solution Business Unit
Masahiko Nozaki	Executive Vice President	Matters relating to Production and Technology Unit
Manabu Kawashima	Executive Vice President	Management of Global Sales Unit
Michael Hannawald	Senior Vice President	Matters relating to Global Sales Unit (Europe)
Ali Sebt	Senior Vice President	Matters relating to Global Sales Unit (North America/South America)
Hideto Hidaka	Senior Vice President and CTO	Matters relating to CTO Office and Intellectual Property Division
Tomomitsu Maoka	Senior Vice President	Matters relating to 2nd Solution Business Unit (General Purpose Analog & Power Business)
Hirotaka Yamanami	Senior Vice President	Matters relating to Organization Development Unit

(ii) Outline of Liability Limitation Agreements

Pursuant to the Articles of Incorporation of the Company, the Company executed liability limitation agreements with Messrs. Mikihide Katsumata, Tetsuro Toyoda and Jiro Iwasaki, who are outside Directors, and Messrs. Yoshinobu Shimizu, Kazuyoshi Yamazaki and Takeshi Sekine, who are outside Corporate Auditors respectively, limiting their liabilities for damages as defined in Paragraph 1, Article 423 of the Companies Act. The liability limitation under such agreements is the minimum liability amount stipulated in the Articles of Incorporation of the Company.

(iii) Remuneration, etc. for Directors and Corporate Auditors

	Number / Total Amount Paid
Directors	5 persons / 144 million yen (including 1 outside Corporate Auditor / 6 million yen)
Corporate Auditors	3 persons / 24 million yen (including 3 outside Corporate Auditors / 24 million yen)
Total	8 persons / 168 million yen (including 4 outside Corporate Auditors / 30 million yen)

(Note) 1. As of December 31, 2016, there were five (5) Directors (including three (3) outside Directors) and four (4) Corporate Auditors (all were outside Corporate Auditors). The number of Directors and Corporate Auditors above includes two (2) Director who retired upon the closure of the 14th Ordinary General Meeting of Shareholders held on June 28, 2016.

2. The amount of remuneration of Directors (excluding the Outside Directors) above includes below.
   (i) The total amount recorded as expenses in this Period for bonuses: 81 million yen
   (ii) The total amount recorded as expenses in this Period for the stock acquisition rights granted as equity-incentive stock options: 6 million yen
3. The amount of Director's remuneration above does not include the amount paid as salary for employees to those Directors who are also employees of the Company.
4. The maximum yearly remuneration for Directors as approved at the General Meeting of Shareholders is 500 million yen, including a million yen for outside Directors. (Approved at the Ordinary General Meeting of Shareholders held on June 28, 2016)
5. The maximum monthly remuneration for Corporate Auditors as approved at the General Meeting of Shareholders is 12 million yen. (Approved at the Extraordinary General Meeting of Shareholders held on February 24, 2010)

(4) Outside Directors and Outside Corporate Auditors of the Company

(i) Important Concurrent Positions of Outside Directors and Outside Corporate Auditors and Relation Between Organizations where they hold Important Concurrent Positions and the Company (as of December 31, 2016)

Important concurrent positions and relation between organizations where they hold important concurrent positions and the Company are described in "2-(3)-(i) Name etc. of Directors and Corporate Auditors of the Company" above.

(ii) Principal Activities

Title	Name	Principal Activities
Director	Mikihide Katsumata	Mr. Mikihide Katsumata attended all 10 Meetings of Board of Directors held after his assumption of office as Member of the Board in June 2016, and made necessary remarks to discussion of proposals based on his extensive knowledge, experience and deep insight mainly gained from his career in wide investment business at Innovation Network Corporation of Japan.
	Tetsuro Toyoda	Mr. Tetsuro Toyoda attended all 15 Meetings of Board of Directors held during this Period, and made necessary remarks to discussion of proposals based on his extensive knowledge, experience and deep insight mainly gained from his career in wide investment business at Innovation Network Corporation of Japan.
	Jiro Iwasaki	Mr. Jiro Iwasaki attended all 10 Meetings of Board of Directors held after his assumption of office as Member of the Board in June 2016, and made necessary remarks to discussion of proposals based on his extensive knowledge, experience and deep insight mainly gained from his career engaged in business operation in the variety of corporations for many years.

Title	Name	Principal Activities
Corporate Auditor	Kazuki Fukuda	(i) Mr. Kazuki Fukuda attended all 15 Meetings of Board of Directors held during this Period, and made necessary remarks mainly based on his wealth of knowledge of business operations and accounting, so that decisions at the Meetings of Board of Directors were fairly and properly made. (ii) He attended all 11 Meetings of Corporate Auditors held during this Period. Further, as a full-time Corporate Auditor, mainly based on his wealth of knowledge of business operations and accounting, he (a) explained the contents of the discussion at the Executive Committee, etc. regarding the matters to be presented to the Meetings of Board of Directors, (b) reported the audit status and results thereof, and (c) answered the questions to the part-time Corporate Auditors.
	Yoshinobu Shimizu	(i) Mr. Yoshinobu Shimizu attended 13 of 15 Meetings of Board of Directors held during this Period, and mainly from accounting point of view as a certified public accountant, made necessary remarks on finance and accounting procedures so that decisions at the Meetings of Board of Directors were fairly and properly made. (ii) He attended 9 of 11 Meetings of Corporate Auditors held during this Period, and from independent and fair position and from accounting point of view as a certified public accountant, made necessary remarks for ensuring appropriate accounting procedure, etc.
	Kazuyoshi Yamazaki	(i) Mr. Kazuyoshi Yamazaki attended all 15 Meetings of Board of Directors held during this Period, and mainly from legal point of view as an attorney-at-law, made necessary remarks for ensuring procedures in accordance with the laws and regulations so that decisions at the Meetings of Board of Directors were fairly and properly made. (ii) He attended all 11 Meetings of Corporate Auditors held during this Period, and from independent and fair position and from legal point of view as an attorney-at-law, made necessary remarks regarding establishment and maintenance of the Company's compliance system, etc.

	Takeshi Sekine	(i) Mr. Takeshi Sekine attended all 15 Meetings of Board of Directors held during this Period, and mainly from accounting point of view as a certified public accountant, made necessary remarks on finance and accounting procedures so that decisions at the Meetings of Board of Directors were fairly and properly made. (ii) He attended all 11 Meetings of Corporate Auditors held during this Period, and based on his specialized knowledge, experience and deep insight as a certified public accountant, made necessary remarks for ensuring appropriate accounting procedures, etc.

(Note) In addition to the above Meetings of Board of Directors, there were five (5) Written Resolutions pursuant to Article 370 of the Companies Act and Article 24 of the Articles of Incorporation of the Company, which shall be deemed that the resolution of Meeting of Board of Directors has been made.

(5) Independent Auditors of the Company

(i) Independent Auditor's Name: Ernst & Young ShinNihon LLC

(ii) Remuneration and Other Amounts to be Paid to the Independent Auditors for this Period:

Classification	Amount (in millions of yen)
(i) The total amount of money and other property benefits to be paid by the Company and its subsidiaries to the Independent Auditors	132
(ii) Remuneration and other amounts to be paid by the Company to the Independent Auditors for the services stipulated in Paragraph 1, Article 2 of the Certified Public Accountants Act.	96

(Note) 1. As a result of getting necessary documents and being reported by the Directors, relevant departments and Independent Auditors as well as studying audit plan for this Period and the previous period, status of actual audit and the appropriateness of the estimated remuneration amount, the Board of Corporate Auditors agreed to the above amount.

2. As there is no explicit distinction in the audit contract (entered into between the Company and the Independent Auditors) between the fees for audits under the Companies Act and the fees for audits based on the Financial Instruments and Exchange Law, and as it is unable to distinguish between these two (2) types of fees, the fees set forth in (ii) above include both of such fees.

3. Four (4) of five (5) overseas subsidiaries described in "1-(7) Principal Subsidiaries" above were audited by other Independent Auditors.

(iii) Non-Audit Services Rendered by the Independent Auditor

The Company paid the Independent Auditor compensation for advisory and information providing services for planning to adopt International Financial Reporting Standards (IFRS) as services other than those under Paragraph 1, Article 2 of the Certified Public Accountants Act (Non-Audit Services).

(iv) Policy Regarding Decision to Either Dismiss or Not Reappoint the Independent Auditor

The Board of Corporate Auditors, by unanimous consent, will dismiss the Independent Auditor when confirmed that the Independent Auditor falls under any item of Paragraph 1, Article 340 of the Companies Act. In addition, should anything occur to negatively impact the qualifications or independence of the Independent Auditor, making it unlikely that the Independent Auditor will be able to properly perform an audit, the Board of Corporate Auditors will propose to dismiss or not to reappoint the Independent Auditor at General Meeting of Shareholders.

(v) Business Suspension Order for the Independent Auditor in the past two (2) years

Summary of disciplinary actions to Ernst & Young ShinNihon LLC ("the firm") announced by Financial Services Agency as of December 22, 2015 is as follows.

1. Details of the actions:
   - Business improvement order (improvement of business management system)
   - Suspension from accepting new engagements for three (3) months (from January 1, 2016, to March 31 of the same year)
2. The reason for the action:
   - Seven (7) partners of the firm had, in negligence of due care, attested the financial statements of other company containing material misstatements as if the statements contained no material misstatements
   - The firm's operations were judged to have been significantly inappropriate.

(Note) Business improvement taken by the firm for the actions are as follows.
- Strengthen the quality management system of the firm.
- Improve information sharing among the audit teams of the firm and review the organizational structure of the firm such as revising its rotation rules.
- Reform a climate of the firm through revision of the employee review system and outside experts' involvement in the governance of the firm.

(6) Systems Necessary to Ensure the Properness of Operations of the Company and Operational Status of these Systems

The Meeting of the Board of Directors made the resolution with respect to the basic policies for the development of systems set forth in Item 6, Paragraph 4, Article 362 of the Companies Act and Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act (the "Internal Control System"). Summaries of those are as follows.

As to the operation status of the Internal Control System during this Period, related important matters were deliberated in the Internal Control Promotion Committee that was held two (2) times with CEO as a chairman and an annual plan of the basic policies and an operational status were monitored and supervised by the Committee. Also, the Group promoted compliance education and, in Japan, carried out CSR Compliance Education of 2016 by using IT in October, 2016. Further, after confirming that the Internal

Control System works effectively based on the evaluation of its operation in the Executive Committee, such results were reported to the Meeting of the Board of Directors.

(i) Systems Necessary to ensure that the execution of duties by Directors, Corporate Officers and employees (hereinafter "Members, etc.") complies with laws and regulations and Articles of Incorporation

- The Directors shall take the lead in complying with the "Renesas Electronics Group CSR Charter" and the "Renesas Electronics Group Code of Conduct" that have been adopted for the purpose of establishing corporate ethics and ensuring compliance with laws and regulations, the Articles of Incorporation and internal rules of the Company by Members, etc. The Directors shall keep the Members, etc. of the Company and its subsidiaries (collectively, "Renesas Electronics Group") informed of such principles and conduct, and shall have Renesas Electronics Group comply with them.
- The Directors shall stipulate basic matters such as implementation system and educational programs for compliance in "Global Rule for Compliance Management within the Renesas Group", shall oblige attendees to deliberate and resolve matters regarding compliance at "Internal Control Promotion Committee", and shall offer training programs and the like for the Renesas Electronics Group to be fully aware of compliance.
- The Directors shall set up "Renesas Electronics Group Hot Line" as internal contact points for Renesas Electronics Group and its business partners to report violations or possible violations of compliance. Furthermore, the Directors shall keep Renesas Electronics Group and its business partners informed that they assure the anonymity of informants upon requests from informants and informants shall never be adversely affected.
- The Directors shall keep away from any antisocial force, shall work closely with external specialized institutions, and shall act resolutely in an organized manner when contacted by it.

(ii) Systems for properly preserving and managing information related to execution of duties by Directors

The Directors shall properly prepare, preserve and manage minutes of the General Meetings of Shareholders, Meetings of Board of Directors and other documents in accordance with applicable laws and regulations. The Directors shall also properly prepare, preserve and manage other documents, books and records pertaining to the duties of Members, etc. in accordance with "Basic Rule of Document Management and Retention".

(iii) Rules and other systems regarding risk management for loss

- The Directors shall stipulate basic matters of risk management in the Company's own fundamental rules of risk and crisis management, and shall establish a risk management framework in accordance with the rules.
- The Corporate Officers and division managers responsible for classified risk shall strive to

minimize loss by developing prevention measures against risk materialization and by developing countermeasures in case of risk materialization.

- The Corporate Officers shall, depending on its importance, establish an appropriate organization chaired by themselves, and shall implement appropriate measures in accordance with the Company's own fundamental rules of risk and crisis management when serious risk materializes.

(iv) Systems for ensuring efficient execution of duties by Directors

- The Directors shall hold an ordinary Meeting of the Board of Directors once a month and extraordinary meetings as needed for the sake of quick decision-making.
- The Directors shall adopt a Corporate Officer System, shall make prompt decisions on the important management issues at the Meeting of the Board of Directors, and shall supervise the execution of duties by the Corporate Officers. Furthermore, the important issues for the Company's management shall be discussed at the Executive Committee prior to the Meeting of the Board of Directors in order to enhance the Board's deliberations.
- The Corporate Officers (including Corporate Officers who also act as Directors) shall make quick decisions for the business operation by transferring their authorities to the relevant division managers or other employees. The Corporate Officers, the relevant division managers, and other employees shall execute their authority properly and efficiently in accordance with "Basic Rules of Ringi Approval".
- The Corporate Officers (including Corporate Officers who also act as Directors) shall execute their duties quickly and efficiently in accordance with office routine regulations determined by the Meeting of the Board of Directors, and shall periodically confirm the status of execution of management plans and the budget determined at a Meeting of the Board of Directors.

(v) Systems necessary to ensure appropriate operation of Corporate Group

- The Directors shall guide and support the subsidiaries to establish the Group-wide compliance system in accordance with the "Renesas Electronics CSR Charter", "Renesas Electronics Group Code of Conduct" and "Global Rule for Compliance Management within the Renesas Group".
- The Directors shall constantly oversee, guide and support the Company's subsidiaries through the divisions responsible for the business and supervision of the subsidiaries and have the matters relating to the execution of duties by directors of the subsidiaries periodically reported, in accordance with "Basic Rule of Operation and Management of Affiliate Companies".
- The Directors shall, through a division responsible for risk management, have the subsidiaries establish rules for risk and crisis management, and, make contact lists and action plans in emergency.
- The Directors shall, through the divisions responsible for the business and supervision of the subsidiaries of the Company, have Internal Audit Office audit the Group, and shall have principal subsidiaries allocate internal auditing staff or divisions and cooperate with the Internal Audit Office

and the subsidiaries' own Corporate Auditors to ensure appropriate operations of Renesas Electronics Group.

(vi) Matters relating to employees assigned to assist Corporate Auditors and independence of such employees from Directors etc.

The Directors shall establish the Corporate Auditors Office composed of specialized staff for the purpose of assisting the Corporate Auditors' audit activities. Any evaluation, personnel transfer, reprimand and the like of such specialized staff shall require prior consultation with the full-time Corporate Auditors, and such staff shall not be directed or supervised by the Directors for duties to assist the Corporate Auditors.

(vii) Systems for Members, etc. of the Group, corporate auditors of the Company's subsidiaries etc. to report to Corporate Auditors

Members, etc. of the Group shall, upon requests from the Corporate Auditors, report to the Corporate Auditors on matters such as the execution of their duties.

(viii) Other systems necessary to ensure effective auditing by Corporate Auditors

- The Corporate Auditors shall attend Meetings of the Board of Directors, and may attend important meetings of the Company as they deem necessary. Furthermore, the Directors shall guarantee the right of Corporate Auditors to access important corporate information.
- The Corporate Auditors shall hold Meetings of Board of Corporate Auditor in principle at least once a month, and shall exchange information and deliberate on the status of audits and related matters. The Corporate Auditors also shall receive regular reports from accounting auditors on their audit activities, and shall exchange opinions on them.

CONSOLIDATED BALANCE SHEET

(As of December 31, 2016)

(In millions of yen)

Assets		Liabilities and net assets	
Accounts	Amount	Accounts	Amount
Current assets	**558,499**	Liabilities	
Cash and deposits	354,569	**Current liabilities**	**185,588**
Notes and accounts receivable-trade	80,480	Electronically recorded obligations	11,138
Merchandise and finished goods	34,432	Notes and accounts payable-trade	74,750
Work in process	55,754	Current portion of lease obligations	4,481
Raw materials and supplies	7,110	Accounts payable-other	44,652
Deferred tax assets	3,579	Accrued expenses	32,473
Accounts receivable-other	12,721	Accrued income taxes	2,309
Other current assets	9,925	Provision for product warranties	287
Allowance for doubtful accounts	(71)	Provision for business structure improvement	2,002
Long-term assets	**264,555**	Provision for contingent loss	220
Property, plant and equipment	**201,505**	Provision for loss on disaster	708
Buildings and structures	59,892	Asset retirement obligations	22
Machinery and equipment	85,995	Other current liabilities	12,546
Vehicles, tools, furniture and fixtures	18,960	**Long-term liabilities**	**215,073**
Land	22,456	Long-term borrowings	152,568
Construction in progress	14,202	Lease obligations	269
Intangible assets	**28,553**	Deferred tax liabilities	9,198
Software	13,882	Provision for business structure improvement	89
Other intangible assets	14,671	Net defined benefit liability	39,571
Investments and other assets	**34,497**	Asset retirement obligations	2,645
Investment securities	6,098	Other liabilities	10,733
Net defined benefit asset	2,113	**Total liabilities**	**400,661**
Deferred tax assets	2,263	Net assets	
Long-term prepaid expenses	21,971	**Shareholders' equity**	**408,253**
Other assets	2,411	**Common stock**	**10,000**
Allowance for doubtful accounts	(359)	**Capital surplus**	**191,919**
		Retained earnings	**206,345**
		Treasury stock	**(11)**
		Accumulated other comprehensive income	**11,909**
		Unrealized gains (losses) on securities	474
		Deferred gains (losses) on hedges	9,012
		Foreign currency translation adjustments	(3,221)
		Remeasurements of defined benefit plans	5,644
		Subscription rights to shares	**23**
		Non-controlling interests	**2,208**
		Total net assets	**422,393**
Total assets	**823,054**	**Total liabilities and net assets**	**823,054**

CONSOLIDATED STATEMENT OF OPERATIONS

(For the Year Ended December 31, 2016)

(In millions of yen)

Accounts	Amount
Net sales	**471,031**
Cost of sales	268,345
Gross profit	**202,686**
Selling, general and administrative expenses	147,975
Operating income	**54,711**
Non-operating income	**1,456**
Interest income	483
Settlement received	200
Other non-operating income	773
Non-operating expenses	**6,181**
Interest expenses	1,578
Foreign exchange losses	2,055
Other non-operating expenses	2,548
Ordinary income	**49,986**
Special income	**2,230**
Gain on sales of property, plant and equipment	2,096
Other special gain	134
Special loss	**11,195**
Loss on sales of property, plant and equipment	37
Impairment loss	254
Loss on disaster	7,915
Business structure improvement expenses	2,206
Other special loss	783
Income before income taxes	**41,021**
Income taxes-current	3,794
Income taxes-deferred	(7,055)
Net income	**44,282**
Net income attributable to non-controlling interests	163
Net income attributable to shareholders of parent company	**44,119**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the Year Ended December 31, 2016)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the period	10,000	191,919	162,226	(11)	364,134
Changes during the period					
Net income attributable to shareholders of parent company			44,119		44,119
Net changes other than shareholders' equity					
Total changes during the period			44,119		44,119
Balance at the end of the period	10,000	191,919	206,345	(11)	408,253

	Accumulated other comprehensive income				Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans				
Balance at the beginning of the period	316	-	(201)	15,230	15,345	-	2,260	381,739
Changes during the period								
Net income attributable to shareholders of parent company								44,119
Net changes other than shareholders' equity	158	9,012	(3,020)	(9,586)	(3,436)	23	(52)	(3,465)
Total changes during the period	158	9,012	(3,020)	(9,586)	(3,436)	23	(52)	40,654
Balance at the end of the period	474	9,012	(3,221)	5,644	11,909	23	2,208	422,393

(Translation)

BALANCE SHEET

(on a non-consolidated basis)

(As of December 31, 2016)

(In millions of yen)

Assets		Liabilities and net assets	
Accounts	Amount	Accounts	Amount
Current assets	**494,285**	Liabilities	
Cash and deposits	300,191	**Current liabilities**	**241,610**
Accounts receivable-trade	86,521	Electronically recorded obligations	5,069
Finished goods	22,813	Accounts payable-trade	100,164
Work in process	24,419	Current portion of lease obligations	4,352
Raw materials and supplies	788	Accounts payable-other	31,212
Prepaid expenses	2,496	Accrued expenses	9,903
Short-term loans receivable	18,863	Accrued income taxes	1,026
Accounts receivable-other	34,318	Deferred tax liabilities	1,005
Other current assets	3,876	Advances received	293
Long-term assets	**246,471**	Deposits received	82,328
Property, plant and equipment	**108,131**	Provision for product warranties	287
Buildings	29,538	Provision for business structure improvement	500
Structures	2,828	Provision for contingent loss	110
Machinery and equipment	39,866	Other current liabilities	5,361
Vehicles	13	**Long-term liabilities**	**180,250**
Tools, furniture and fixtures	12,080	Long-term borrowings	152,568
Land	16,347	Lease obligations	10
Construction in progress	7,458	Deferred tax liabilities	4,055
Intangible assets	**23,642**	Accrued retirement benefits	14,477
Software	12,564	Provision for business structure improvement	93
Other intangible assets	11,078	Asset retirement obligations	1,779
Investments and other assets	**114,697**	Other liabilities	7,268
Investment securities	108	**Total liabilities**	**421,861**
Stocks of subsidiaries and affiliates	91,529	Net assets	
Long-term prepaid expenses	21,755	**Shareholders' equity**	**309,846**
Other assets	1,664	**Common stock**	**10,000**
Allowance for doubtful accounts	(359)	**Capital surplus**	**207,061**
		Other capital surplus	207,061
		Retained earnings	**92,796**
		Other retained earnings	92,796
		Retained earnings brought forward	92,796
		Treasury stock	**(11)**
		Valuation and translation adjustments	**9,026**
		Unrealized gains (losses) on securities	14
		Deferred gains (losses) on hedges	9,012
		Subscription rights to shares	**23**
		Total net assets	**318,895**
Total assets	**740,756**	**Total liabilities and net assets**	**740,756**

(Translation)

STATEMENT OF OPERATIONS

(on a non-consolidated basis)

(For the Year Ended December 31, 2016)

(In millions of yen)

Accounts	Amount
Net sales	**434,837**
Cost of sales	269,144
Gross profit	**165,693**
Selling, general and administrative expenses	129,180
Operating income	**36,514**
Non-operating income	**814**
Interest income	342
Dividends income	53
Other non-operating income	419
Non-operating expenses	**7,007**
Interest expenses	1,905
Foreign exchange losses	3,637
Other non-operating expenses	1,465
Ordinary income	**30,321**
Special income	**812**
Gain on sales of property, plant and equipment	653
Other special income	159
Special loss	**2,579**
Business structure improvement expenses	1,734
Other special loss	845
Income before income taxes	**28,553**
Income taxes-current	3,990
Income taxes-deferred	(2,677)
Net income	**27,241**

(Translation)

STATEMENT OF CHANGES IN NET ASSETS

(on a non-consolidated basis)

(For the Year Ended December 31, 2016)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
		Other capital surplus	Other retained earnings		
			Retained earnings brought forward		
Balance at the beginning of the period	10,000	207,061	65,555	(11)	282,606
Changes during the period					
Net Income			27,241		27,241
Net changes other than shareholders' equity					
Total changes during the period	-	-	27,241	-	27,241
Balance at the end of the period	10,000	207,061	92,796	(11)	309,846

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Total of valuation and translation adjustments		
Balance at the beginning of the period	11	-	11	-	282,617
Changes during the period					
Net Income					27,241
Net changes other than shareholders' equity	2	9,012	9,014	23	9,037
Total changes during the period	2	9,012	9,014	23	36,278
Balance at the end of the period	14	9,012	9,026	23	318,895

[Translation]

Independent Auditor's Report

February 6, 2017

The Board of Directors
Renesas Electronics Corporation

Ernst & Young ShinNihon LLC

Masayuki Miyairi
Certified Public Accountant
Designated and Engagement Partner

Noriaki Kenmochi
Certified Public Accountant
Designated and Engagement Partner

Noriyasu Hanafuji
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Renesas Electronics Corporation (the "Company") applicable to the fiscal year from April 1, 2016 through December 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Renesas Electronics group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended December 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the other notes to the consolidated financial statements, the Company resolved at the Meeting of Board of Directors to reach an agreement with Intersil Corporation (hereafter "Intersil"), whereby Intersil will become a wholly-owned subsidiary of the Company, and concluded merger agreements for the purpose of implementing the acquisition on September 13, 2016.

Our opinion is not qualified in respect of this matter.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

[Translation]

Independent Auditor's Report

February 6, 2017

The Board of Directors
Renesas Electronics Corporation

Ernst & Young ShinNihon LLC

Masayuki Miyairi
Certified Public Accountant
Designated and Engagement Partner

Noriaki Kenmochi
Certified Public Accountant
Designated and Engagement Partner

Noriyasu Hanafuji
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of operations, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Renesas Electronics Corporation (the "Company") applicable to the 15th fiscal year from April 1, 2016 through December 31, 2016.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Renesas Electronics Corporation applicable to the 15th fiscal year ended December 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the other notes to the financial statements, the Company resolved at the Meeting of Board of Directors to reach an agreement with Intersil Corporation (hereafter "Intersil"), whereby Intersil will become a wholly-owned subsidiary of the Company, and concluded merger agreements for the purpose of implementing the acquisition on September 13, 2016.

Our opinion is not qualified in respect of this matter.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Translation)

Audit Report of Board of Corporate Auditors

The Board of Corporate Auditors, after deliberating the contents, prepares this audit report regarding the execution of the duties by Directors for the 15th fiscal year from April 1, 2016 through December 31, 2016 based on the audit reports from each Corporate Auditor, and reports as follows.

1. Auditing Method Employed by the Corporate Auditors and Board of Corporate Auditors and the Details

(1) The Board of Corporate Auditors established auditing policies and plans and received reports from each Corporate Auditor on the status of the implementation of audits and the results thereof, as well as reports from Directors and the Independent Auditors regarding the status of execution of their duties, and requested explanations as necessary.

(2) On the basis of the Board of Corporate Auditors Rules established by the Board of Corporate Auditors, and in accordance with the auditing policies and plans, each Corporate Auditor sought mutual understanding with Directors, corporate officers, and employees in their efforts to collect information and create an environment for audit, as well as conducted an audit as follows.

1. Attended meetings of the Board of Directors and other important meetings, and received reports from Directors, corporate officers, and employees regarding performance of their duties, requested explanations as necessary, and perused important documents regarding decisions and approvals made, and investigated the status of operations and the financial position at the Group's head office and principal offices of business. Also, regarding the subsidiaries, the Board of Corporate Auditors sought to achieve a mutual understanding and exchanged information with directors and corporate auditors of the subsidiaries, and, where necessary, visited the subsidiaries, received business reports from the subsidiaries, and examined their operations and assets.
2. The Board of Corporate Auditors received the periodical reports from the Directors, corporate officers, and employees about its framework and operation status of (i) the contents of the Board of Director's resolutions on establishment of systems as set forth in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act, as systems necessary to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and to otherwise ensure the appropriateness of the business of a Kabushiki Kaisha and its subsidiaries, as stated in the Business Report, and (ii) the systems established pursuant to such resolution ("Internal Control System") ; requested explanations as necessary; and provided opinions on those.
3. Regarding the Internal Control System for financial reporting, the Board of Corporate Auditors received the reports from the Directors and the Independent Auditors about its assessment and audit and requested explanations as necessary.
4. The Board of Corporate Auditors audited and verified whether the Independent Auditors maintained their independence and carried out their audits appropriately, received reports from the Independent Auditors regarding the execution of their duties and, where necessary, requested explanations. Also, the Board of Corporate Auditors received notification from the Independent Auditors to the effect that the "structure to ensure that duties are executed appropriately" (the matters listed in Article 131 of the Corporation Accounting Regulations) has been established in accordance with "Quality Control Standards for Auditing" (adopted by the Business Accounting Council on October 28, 2005), etc., and requested explanations as necessary.

Based on the above methods, the Board of Corporate Auditors audited the Business Report and supplementary schedules thereto for the 15th fiscal year ended December 31, 2016, the financial statements related to the 15th fiscal year ended December 31, 2016 (the balance sheet, the statement of operations, the statement of changes in net assets and notes to the financial statements) and supplementary schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets and notes to the consolidated financial statements).

2. Results of Audit

(1) Results of the Audit on the Business Report, etc.

1. We found that the Business Report and supplementary schedules accurately reflect the conditions of the Group in accordance with applicable laws and regulations and the Articles of Incorporation.
2. No inappropriate conducts concerning the execution of duties by Directors or material facts in violation of applicable laws and regulations or the Articles of Incorporation were found.
3. We found that the contents of Board of Directors' resolutions concerning the Internal Control System were appropriate. Further, no material defects were found with respect to the information provided in the Business Report, or Director' execution of duties in regards to the Internal Control System.

(2) Results of the Audit on the Consolidated Financial Statements

We found that the methods and the results of the audit conducted by the Independent Auditors, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of the Audit on the Financial Statements and Supplementary Schedules

We found that the methods and the results of the audits conducted by the Independent Auditors, Ernst & Young ShinNihon LLC, are appropriate.

February 7, 2017
Board of Corporate Auditors of Renesas Electronics Corporation

Corporate Auditor (Full-time)	Kazuki Fukuda	(Seal)
Corporate Auditor	Yoshinobu Shimizu	(Seal)
Corporate Auditor	Kazuyoshi Yamazaki	(Seal)
Corporate Auditor	Takeshi Sekine	(Seal)

Note: Messrs. Kazuki Fukuda, Yoshinobu Shimizu, Kazuyoshi Yamazaki and Takeshi Sekine are outside Corporate Auditors stipulated in item 16, Article 2, and paragraph 3, Article 335 of the Companies Act.

REFERENCE DOCUMENTS FOR THE GENERAL MEETING

Proposal No. 1: Election of Five Directors

Upon closure of this General Meeting, the term of office held by all Directors will expire. We therefore propose that five Directors be elected.

The candidates are as follows:

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
1	Tetsuya Tsurumaru (August 29, 1954)	April 1979	Joined Hitachi, Ltd.	9,900
		April 2003	General Manager, Naka Factory, MCU & SOC Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation)	
		April 2006	General Manager, Strategic Production Planning Division, Production and Technology Unit, Renesas Technology Corp.	
		April 2008	Managing Officer, and Executive General Manager, Production and Technology Unit, Renesas Technology Corp.	
		April 2010	Senior Vice President, and Associate Chief of Production and Technology Unit, the Company	
		April 2011	Senior Vice President, and Chief of Production and Technology Unit, the Company	
		June 2012	Senior Vice President and Member of the Board, the Company	
		February 2013	Representative Director, President, the Company	
		June 2013	Representative Director, President and COO, the Company	
		December 2015	Representative Director, President and CEO, the Company	
		June 2016	Representative Director, Chairman, the Company (to the present)	

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
	【Reasons for selectin as a candidate for Director】 The Company selected the candidate for Director with expectation that he would increase the corporate value by enhancing global capability for semiconductor solutions and strengthen the decision-making function of the Board of Directors, leveraging the leadership with abundant knowledge, experiences and achievements based on his work and management experiences in the semiconductor business for more than 30 years.			
2	Bunsei Kure (May 20, 1956)	April 1979 May 2000 January 2001 May 2003 December 2007 June 2008 April 2013 June 2013 June 2014 June 2015 April 2016 June 2016	Joined the Industrial Bank of Japan, Limited (currently, Mizuho Bank, Ltd.) Joined GE Capital Japan as Managing Director of Business Development Division Joined GE Fleet Services Corporation as Managing Executive Officer Representative Director, President and CEO, GE Fleet Service Corporation Joined Calsonic Kansei Corporation as Adviser Representative Director, President and CEO, Calsonic Kansei Corporation Joined Nidec Corporation as Special Adviser Member of the Board, Executive Vice President, Nidec Corporation Representative Director, Executive Vice President and COO, Nidec Corporation Representative Director, Executive Vice President, Nidec Corporation Joined the Company as Executive Adviser to CEO Representative Director, President and CEO, the Company (to the present)	0

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
	【Reasons for selection as a candidate for Director】 The Company selected the candidate for Director with expectation that he would increase the corporate value by enhancing global capability for semiconductor solutions and strengthen the decision-making function of the Board of Directors, leveraging the leadership with abundant knowledge, experiences and achievements based on his service as Director at a wide variety of global companies.			
3	Tetsuro Toyoda (November 10, 1962)	April 1986 July 2001 May 2008 September 2009 June 2012 June 2013 February 2014 June 2016	Joined Tokio Marine and Fire Insurance Co., Ltd. (currently, Tokio Marine & Nichido Fire Insurance Co., Ltd.) Joined MKS Partners Limited as Partner Joined Deloitte Tohmatsu FAS Co., Ltd. (currently, Deloitte Tohmatsu Financial Advisory LLC) as Senior Advisor Joined Innovation Network Corporation of Japan as Managing Director Executive Managing Director, Investment Group, Innovation Network Corporation of Japan Senior Executive Managing Director, Innovation Network Corporation of Japan Member of the Board, the Company (to the present) Co-Chief Investment Officer, Member of the Board, Head of Investment Group, Innovation Network Corporation of Japan (to the present) (Important Concurrent Position) Co-Chief Investment Officer, Member of the Board, Head of Investment Group, Innovation Network Corporation of Japan	0

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
	【Reasons for selection as a candidate for outside Director】 Mr. Tetsuro Toyoda currently serves as Co-Chief Investment Officer and Member of Board of Innovation Network Corporation of Japan. The Company selected this candidate for an outside Director with expectation that he would oversee and check the overall management of the Company and thereby strengthen the decision-making function of the Board of Directors by leveraging his extensive knowledge, experience and deep insight gained from his career in wide-ranging investment business at Innovation Network Corporation of Japan. The term of office of Mr. Tetsuro Toyoda as an outside Director of the Company will be about 3 years and 1 month at the closure of this General Meeting.			
4	Kenichi Hattori (March 24, 1960) <New candidate>	April 1988	Joined Ministry of International Trade and Industry (currently, Ministry of Economy, Trade and Industry), Agency of Industrial Science and Technology, Electrotechnical Laboratory (currently, the National Institute of Advanced Industrial Science and Technology) as Researcher	0
		April 1990	Joined McKinsey & Company as Consultant	
		July 1992	Joined Ministry of International Trade and Industry (currently, Ministry of Economy, Trade and Industry), Agency of Industrial Science and Technology, Electrotechnical Laboratory (currently, the National Institute of Advanced Industrial Science and Technology) as Senior Researcher	
		November 1996	Joined Arthur D Little as Senior Manager	
		July 1999	Joined Bain & Company as Principal	
		October 2001	Joined Roland Berger as Associate Director	
		June 2004	Joined Sony Corporation, HQ Institute of Strategy as Chief Strategist	
		July 2014	Joined Intellectual Ventures LLC, Invention Development Fund as Director	

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
		March 2016	Joined Innovation Network Corporation of Japan, Value Creation Investment Group, Managing Director (to the present) (Important Concurrent Position) Managing Director, Value Creation Investment Group, Innovation Network Corporation of Japan	
	【Reasons for selection as a candidate for outside Director】 Mr. Kenichi Hattori currently serves as Managing Director of Innovation Network Corporation of Japan. The Company selected this candidate for an outside Director with expectation that he would oversee and check the overall management of the Company and thereby strengthen the decision-making function of the Board of Directors by leveraging his extensive knowledge, experience and deep insight gained from his career in wide-ranging investment business at Innovation Network Corporation of Japan.			
5	Jiro Iwasaki (December 6,1945)	April 1974 June 1996 June 1998 June 2006 March 2008 October 2008 June 2009	Joined Tokyo Denki Kagaku Kogyo (currently, TDK Corporation) Director, General Manager of Human Resources, TDK Corporation Director and Senior Vice President, Executive Officer of Recording Media & Solutions Business Group, TDK Corporation Director and Executive Vice President, Senior Executive Officer of Administration Group, TDK Corporation Audit and Supervisory Board Member, GCA Savvian Corporation (currently, GCA Corporation) Outside Director, JVC KENWOOD Holdings, Inc. (currently, JVC KENWOOD Corporation) Director and Senior Vice President, Executive Officer of Strategic Human Resources and Administration Division,	0

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
			JVC KENWOOD Holdings, Inc.	
		March 2011	Audit and Supervisory Board Member, SBS Holdings, Inc.	
		April 2011	Professor at Teikyo University, Faculty of Economics/Department of Business Administration	
		March 2015	Outside Director, SBS Holdings, Inc.(to the present)	
		April 2015	Audit and Supervisory Board Member (Full-time), GCA Savvian Corporation (currently, GCA Corporation)	
		March 2016	Outside Director (Full-time Audit and Supervisory Committee Member), GCA Savvian Corporation (to the present)	
		June 2016	Member of the Board, the Company (to the present)	
			(Important Concurrent Position) Outside Director (Full-time Audit and Supervisory Committee Member), GCA Corporation Outside Director, SBS Holdings, Inc.	
	【Reasons for selection as a candidate for outside Director】 Mr. Jiro Iwasaki has served as Director at plural companies for a long time and thus possesses experiences in business operations. He currently serves as Outside Director (Supervisory Committee Member) etc. at other companies. The Company selected this candidate for an outside Director with expectation that he would oversee and check the overall management of the Company and thereby strengthen the decision-making function of the Board of Directors by leveraging his extensive knowledge, experience and deep insight gained from the above career. The term of office of Mr. Jiro Iwasaki as an outside Director of the Company will be about 9 months at the closure of this General Meeting.			

(Note) 1. Innovation Network Corporation of Japan, where Messrs. Tetsuro Toyoda and Kenichi Hattori have concurrent positions, is a major shareholder of the Company owning 69.15 percent of voting rights.

2. Except as described in Note 1 above, none of the candidates have any special interest in the Company.

3. In addition to what is described for in the “Brief Employment History, Position, Responsibility and Important Concurrent Positions” section above, responsibilities in the Company of each candidate who is currently a Director of the Company are described in the Business Report (p. 22).
4. Messrs. Tetsuro Toyoda, Kenichi Hattori and Jiro Iwasaki are candidates for outside Directors.
5. The Company has notified the Tokyo Stock Exchange of Messrs. Tetsuro Toyoda and Jiro Iwasaki as Independent Director stipulated under the regulations of the Tokyo Stock Exchange. If the reappointment of Messrs. Tetsuro Toyoda and Jiro Iwasaki is approved, the Company will continue this notification. If the appointment of Mr. Kenichi Hattori is approved, the Company will notify Tokyo Stock Exchange of him as Independent Director stipulated under the regulations of the Tokyo Stock Exchange.
6. The Company has already entered into a liability limitation agreements with Mr. Tetsuro Toyoda and Jiro Iwasaki, limiting his liabilities as defined in Paragraph 1, Article 423 of the Companies Act to the minimum liability amount specified in the Company’s Articles of Incorporation, and if their reappointments are approved, the Company will renew such liability limitation agreements with them. If the appointment of Mr. Kenichi Hattori is approved, the Company will enter into the same liability limitation agreement with him.

Proposal No. 2: Election of One Corporate Auditor

Upon closure of this General Meeting, the term of office held by Mr. Takeshi Sekine will expire. We therefore propose that one Corporate Auditor be elected. The consent of the Board of Corporate Auditors for this Proposal has been obtained.

The candidate is as follows:

Name (Date of Birth)	Brief Employment History, Position and Important Concurrent Positions		Number of the Company's Shares Held
Takeshi Sekine (February19, 1961)	October 1991	Joined Deloitte Touche Tohmatsu (currently, Deloitte Touche Tohmatsu LLC)	0
	August 1995	Registered Certified Public Accountant	
	April 2002	Joined Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry	
	July 2006	Revested Deloitte Touche Tohmatsu (currently, Deloitte Touche Tohmatsu LLC)	
	December 2009	Joined Innovation Network Corporation of Japan as Managing Director	
	June 2012	Executive Managing Director, Business Management Group, Innovation Network Corporation of Japan	
	October 2013	Corporate Auditor, the Company (to the Present)	
	June 2016	Senior Executive Managing Director, Business Management Group, Innovation Network Corporation of Japan (Important Concurrent Position) Senior Executive Managing Director, Business Management Group, Innovation Network Corporation of Japan	

Name (Date of Birth)	Brief Employment History, Position and Important Concurrent Positions	Number of the Company's Shares Held
【Reasons for selection as a candidate for outside Corporate Auditor】 The Company selected this candidate for an outside Corporate Auditor because he is familiar with the Company's business having served as an its outside Corporate Auditor for about 3 years and a half of the Company and the Company expects that he would audit the overall management of the Company by leveraging his extensive knowledge, experience and deep insight as a certified public accountant. The term of office of Mr. Takeshi Sekine as an outside Corporate Auditor of the Company will be about 3 years and 6 months at the closure of this General Meeting.		

(Note) 1. Innovation Network Corporation of Japan, where Mr. Takeshi Sekine has concurrent positions, is a major shareholder of the Company owning 69.15 percent of voting rights.

2. Except as described in Note 1 above, the candidate does not have any special interest in the Company.

3. Mr. Takeshi Sekine is a candidate for an outside Corporate Auditor.

4. The Company has notified the Tokyo Stock Exchange of Mr. Takeshi Sekine as Independent Director stipulated under the regulations of the Tokyo Stock Exchange. If his reappointment is approved, the Company will continue this notification.

5. The Company has already entered into a liability limitation agreement with Mr. Takeshi Sekine, limiting his liabilities as defined in Paragraph 1, Article 423 of the Companies Act to the minimum liability amount specified in the Company's Articles of Incorporation, and if his reappointment is approved, the Company will renew such liability limitation agreement with him.

-end-