[Translation for Reference and Convenience Purpose Only]

Corporate Governance Report

Renesas Electronics Corporation

Last Update: January 30, 2020

Renesas Electronics Corporation

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https://www.renesas.com/

The corporate governance of Renesas Electronics Corporation (hereinafter “Renesas” or the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Based on the following corporate vision and mission, the Company aims for continuous growth and enhancement of corporate value over the medium and long term as well as co-existence and co-prosperity with every stakeholder. To win the struggle to survive in the global semiconductor industry, with its rapid and extreme changes and competition, and continue to satisfy the expectations of all the stakeholders and to grow with the expansion of profits, the Company aims to secure a firm footing as global semiconductor company by honing edge technology and supplying excellent semiconductor products and optimized solutions through elaborate marketing and sales activities. To achieve this, the Company recognizes that it is important to build a corporate governance structure and system that enables transparent and fair decision-making as well as quick and resolute decision-making. The Company will continue to enhance its corporate governance system and system through various measures such as dialogue and cooperation with our stakeholders including shareholders, appropriate information disclosure, and ensuring appropriate delegation of authority and highly effective oversight functions.

≪Corporate Vision≫

Renesas creates leading semiconductor solutions that spark innovation for a connected world, building a trusted brand we can be proud of.

≪Corporate Mission≫

1. **Drive** progress toward a safer, healthier, greener, and smarter world.
2. **Deliver** creative semiconductor solutions and support that meet and exceed customer expectations.
3. **Strengthen** our offering to customers in focus segments through strategic partnerships, alliances and acquisitions.
4. **Develop** a global culture that encourages open communication, collaboration and respect for diversity.
5. **Seek** continuous improvement in everything we do.

【Reasons for Non-compliance with the Principles of the Corporate Governance Code】

【Supplementary Principles 1-2-2: Early delivery of convocation notice of General Meeting of Shareholders】

As stated in "Section 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Right" in "Chapter Ⅲ Implementation of Measures for Shareholders and Other Stakeholders" of this report below, we are trying to send the convocation notice of General Meeting of Shareholders 3 weeks before the date of General Meeting of Shareholders or earlier in order to allow shareholders to have enough time to examine and consider the agenda. However, because the Company needed more time to fix the contents to be written in the notice for 17th Annual General Meeting of Shareholders held on March 20, 2019 than usual, the Company sent the notice to shareholder on March 5, 2019, i.e. clear 14 days before the date of General Meeting of Shareholders. On the other hand, the Company secured shareholder's consideration time for the agenda by disclosing/posting the notice on TDnet (disclosure system operated by Tokyo Stock Exchange) and our website on February 22, 2019. We will continue the efforts for the early delivery/disclosure of convocation notice of General Meeting of Shareholders.

【Principle 4-9: Independence Standards and Qualification for Independent Directors】

The Company currently applies the Independence Standard established by the Tokyo Stock Exchange. The Company will consider establishing its original Independence Standards, taking various items into account such as future business environment and shareholders structure.

【Supplementary Principle 4-11-3: Analysis on the Efficiency of the Board of Directors】

The Company did not conduct the survey on the efficiency of the Company's Board of Directors in FY2018, but analyzed the result of the self-evaluation conducted in FY2017 and have implemented the various measures to improve the efficiency of the Board of Directors based on these analyses, e.g. establishment of voluntary nomination committee and establishment of CEO's succession plan. The Company will make efforts to improve the efficiency of Board of Directors through various measures such as the periodic evaluation on the efficiency of Board of Directors, its analysis and implementation of improvement actions taking the PDCA cycles into account.

【Disclosure Based on the Principles of the Corporate Governance Code】

【Principle 1.4: Policies for Cross-Shareholdings, voting rights exercise standard of cross shareholdings】

The Company regards investment shares which the Company owns for the purpose other than pure investment as the Strategic Shareholdings (so-called "Cross-Shareholdings" in the Corporate Governance Code). The Company has a policy for the Strategic Shareholdings, under which the Company periodically confirms the significance and benefit to keep other company's share including strategic shareholdings, and, if the Company finds it does not have enough significance or benefit to do so, the Company will sell such share at the appropriate time flame. The Company does not own such shares as of the date of this report.

【Principle 1-7. Overview of the procedures which secures the appropriateness of related party transactions】

Please refer to Article 8 of our Corporate Governance Guidelines:
<https://www.renesas.com/about/ir/management/pdf/governance-guideline.pdf>

【Principle 2-6: Roles of Corporate Pension Funds as Asset Owners】

The Company have Corporate Pension Plan Fund (Defined Benefit type). Chairman of the Fund appoints Executive Director from Company's Accounting & Control Division, and the Executive Director conducts asset management of the contributions. Also, the Fund has Asset Management Committee as advisory board for the board of directors and board of representatives, which is consist of the directors selected by the Company and the same number of directors selected by beneficiaries and includes a member from finance department of the Company. Asset Management Committee establishes basic policy on the asset management, verify the appropriateness of fundamental asset mix, evaluate the outsourced asset management entity, etc. By reflecting the beneficiary's opinion to the asset management, we secure to manage conflict of the benefit between the beneficiaries of the Fund and the Company appropriately. In addition, the Fund enhance its administrators' and asset managers' knowledges necessary to fulfill its roles and responsibilities through various programs such as joining external seminars to improve professionals and expertise of the person in charge of the asset management.

【Principle 3-1 (i) Business principles, business strategies and business plans】

Please refer to Article 1.1. "Basic view" of this report for our business principles.

Please refer to following our website for business strategies and business plans:

<https://www.renesas.com/us/en/about/ir/management.html>

<https://www.renesas.com/us/en/about/ir/strategy.html>

【Principle 3-1 (ii) Basic views and guidelines on corporate governance based on each principles of the principles of the Code】

Please refer to Article 1.1. "Basic View" of this report.

【Principle 3-1 (iii) Board policies and procedures in determining the remuneration of the executive management and directors】

Please refer to "Director Remuneration" session in Article 2.1 "Organizational Composition and Operation" of this report for the remuneration of Directors.

【Principle 3-1 (iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors and corporate auditors (kansayaku) candidates】

Please refer to Articles 15 and 17 of our Corporate Governance Guidelines:

<https://www.renesas.com/about/ir/management/pdf/governance-guideline.pdf>

【Principle 3-1 (v) Explanations with respect to the individual appointments/dismissals and nominations】

For the reason to appointment to each director, please refer to Proposal No1. "Election of seven directors" in the reference document of "NOTICE OF THE 17TH ORDINARY GENERAL MEETING OF SHAREHOLDERS" (Translation) which is posted on our website:

<https://www.renesas.com/about/ir/event/pdf/fy2018/notice-meeting-17th.pdf>

For the reason to appoint each corporate auditor, please refer to in "Outside Corporate Auditor' (*Kansayaku'*)

Relationship with the Company (2)" in Corporate Auditor (*Kansayaku*) session of "Article 2.1 "Organizational Composition and Operation" of this report.

【Supplementary principle 4-1-1. The scope and content of the matters delegated to the management】

Please refer to Articles 17 and 18 of our Corporate Governance Guidelines:
<https://www.renesas.com/about/ir/management/pdf/governance-guideline.pdf>

The items which requires the resolution of Board of Directors other than those specified in our Articles of Incorporation and applicable laws and regulations are as follows:

- Fundamental management policy (mid-term management plan, annual operating plan, basic policy on management of subsidiaries, etc.)
- Matters related to HR and organization (appointment of corporate officers and assignment their responsibilities, revision of HR/compensation systems, etc.)
- Acquisition or disposal of important assets (capital investment, M&A, etc.)
- Accounting and financial matters (huge amount of expenditures, etc.)

【Supplementary Principle 4-11-1. View on a board structure】

Please refer to Article 15 of our Corporate Governance Guidelines.
<https://www.renesas.com/about/ir/management/pdf/governance-guideline.pdf>

【Supplementary Principle 4-11-2. Concurrently Position of Directors and Corporate Auditors】

Please refer to our "17th Securities Report" posted on our website for the situation of concurrent position of Directors and Corporate Auditors. Mr. Bunsei Kure resigned Director of the Company as of June 30, 2019.
<https://www.renesas.com/about/ir/library/security.html>

【Supplementary Principle 4-11-3. Summary of the evaluation of board effectiveness】

On March 2018, we reported the self-evaluation result (including the evaluation of improvement status addressed previous year) and items to be improved prevailed through the questionnaire which covers the Board of Directors meetings held during FY2017 and plans to improve effectiveness of Board of Directors. Such self-evaluation covers, including but not limited to, the structure/diversity of Board of Directors, activation of independent outside directors, the maturity of the materials for the Board of Directors meeting, agenda of Board of Directors meeting, sufficiency of explanation provided for each agenda by executive managements, appropriateness of proceeding management of Board pf Directors meeting (whether or not the board members feel free to give its comments, etc.), time reserved to discuss the agenda, frequency of Board of Directors meeting.

Please refer to the following for the self-evaluation result:

(1) Board of Directors filled its role to the certain extent in FY2017 and is expected to make deeper discussion for business strategy and technology strategy;

(2) There is no issue under current operation as for the sufficiency of materials for Board of Directors meeting and explanations provided to board members by executive managements, proceeding management of Board

pf Directors meeting, discussion time, and frequency of the Board of Directors meeting. On the other hand, aiming for "Accelerate the Leap from Structural Reforms to the Growth Stage", we need to consider how to make more fruitful and constructive discussion, e.g. frequency of Board of Directors meeting and its agenda;

(3) We need to consider how to further activate independent outside directors, e.g. expand the discussion opportunity with independent outside directors;

(4) Regarding the discussion for the appointment of executive managements and directors, we need to consider how to establish more suitable process including the establishment of voluntary nomination committee to secure more fairness and transparency.

Based on these results, and taking future business environment and our shareholders structure, etc. into account, the Company has been discussed and developed improvement measures and countermeasures, and implemented these measures. For example, we established the voluntary nomination committee on November 2018 and the committee has been making the CEO's succession plan. The Company will continuously implement the measure to improve the effectiveness of Board of Directors taking the PDCA cycles into account such as making self-evaluation and pointing out the matters to be improved.

【Supplementary Principles 4-14-2. Training policy for Director and Corporate Auditor】

Please refer to Article 21 of our Corporate Governance Guidelines.

<https://www.renesas.com/about/ir/management/pdf/governance-guideline.pdf>

【Principle 5-1. Policy for Constructive Dialogue with Shareholders】

Please refer to Article 6 of our Corporate Governance Guidelines and Exhibit of this report.

<https://www.renesas.com/about/ir/management/pdf/governance-guideline.pdf>

(Implementation Status for other principles which are required to explain)

【Principle 1-3. Establishment of Basic Strategy for Capital Policy and explanation thereof】

As of now, the Company believes the improvement of profitability taking Gross Marin ratio and Operation Margin as KPI (Key Performance Indicator) will lead improvement of our strong financials. The Company put it the first priority to achieve 50% in Gross Margin ratio and 20% in Operation Margin ratio targeting at the end of FY2020. We will review and revise this strategic mid to long range plan along with the expansion and enhancement of our business portfolio and continuous optimization of manufacturing structure as appropriately.

In addition, our basic policy on profit return to shareholders are to distribute a part of profit as dividends while aiming to keep adequate internal reserve for the research and development activity for new product and capital investment from the viewpoint of maximization of company value and realize strong financial capability. We will decide the amount of dividend for each business period considering various factors into consideration such as consolidated and non-consolidated retained earnings, consolidated net income, forecast of net income and cash flow for the following business periods, etc.

2. Capital Structure

Foreign Shareholding Ratio	30 % or more

【Status of Major Shareholders】 Updated

Name / Company Name	Number of Shares held (shares)	Percentage of Shares held (%)
INCJ, Ltd.	556,842,175	32.55
DENSO Corporation	153,143,625	8.95
Mitsubishi Electric Corporation	75,706,885	4.42
Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Mitsui Trust Bank, Limited / NEC Corporation pension and severance payments Trust Account)	71,779,857	4.19
GIC PRIVATE LIMITED-C	63,572,300	3.71
Hitachi, Ltd.	61,990,548	3.62
The Master Trust Bank of Japan, Ltd. (Trust Account)	52,254,900	3.05
Toyota Motor Corporation	50,015,990	2.92
Japan Trustee Services Bank, Ltd. (Trust Account)	40,106,900	2.34
BNYM RE FMSF-FRANKLIN MUTUAL GLO DISCOVERY FD	23,512,917	1.37

Controlling Shareholder (except for Parent Company)	—
Parent Company	n/a

Supplementary Explanation Updated

(1) Status of major shareholders described above is based on shareholder registry as of December 31, 2019.

(2) In calculating percentage, treasury shares (2,581 shares) are excluded and numbers are round off to two decimal places.

(3) 71,779,857 shares (percentage of shares held: 4.19%) 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 employee pension trusts. The voting rights of such shares will be exercised at the instruction of NEC Corporation.

(4) Capital Research and Management Company submitted large shareholding report dated October 6, 2017 with Capital Guardian Trust Company, Capital International Limited and Capital International K.K. as joint holder. According to latest revised report dated September 7, 2018 and amendment report dated November 19, 2018, they jointly hold 61,961,977 shares (3.62% of the Company's outstanding shares as of December 31, 2019) as of August 31, 2018 (i.e. report due date). However, this has not been taken into account in the above "Status of Major Shareholders", because the number of shares substantially held as of December 31, 2019 has not been able to be confirmed by the Company.
The numbers of shares stated in revised report dated September 7, 2018 and amendment report dated November 19, 2018 are as follows: (percentages of shares are calculated based on the outstanding shares as of December 31, 2019)

【Personal Name or Company name (Number of shares held, shareholding percentage】
Capital Research and Management Company (40,564,077shares, 2.37%)
Capital Guardian Trust Company (8,746,600shares, 0.51%)
Capital International Limited (2,047,300shares, 0.11%)

Capital International K.K. (10,604,600shares, 0.62%)

(5) GIC Private Limited submitted revised report no.3 to large shareholding report dated September 11, 2019. According to the report, holds 85,699,400 shares (5.01% of the Company's outstanding shares as of December 31, 2019) as of September 4, 2019 (i.e. report due date). However, this has not been taken into account in the above "Status of Major Shareholders", because the Company is not able to confirm the number of shares held by GIC Private Limited as of the submission date of this report.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	December
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance Updated

Although, INCJ, Ltd. owns 32.55% of voting rights of the Company and JAPAN INVESTMENT CORPORATION owns whole outstanding shares of INCJ, Ltd. as of December 31, 2019, the Company secures the independence from both companies as follows:

- The Company conducts its business based on the policy that the Company secures the independence in management decision-making for its business operation and transactions from INCJ, Ltd. and JAPAN INVETMENT CORPORATION as well as other major shareholders, third parties with which the Company has business relationship.
- The Company appoints one outside director from INCJ, Ltd. However, based on the fact that the total number of Directors are 6, the Company believes it secures enough independence from INCJ, Ltd. for management decision-making. In addition, regarding execution of daily business operations, Corporate Officers (Senior Vice President and higher), head of each division makes decision based on the Company's unique viewpoint in accordance with the roles and responsibilities defined by the Basic Rules of Ringi Approval.
- The Company appoints 3 outside Directors and 2 Corporate Auditors who don't have any interest with the Company, INCJ, Ltd. nor JAPAN INVESTMENT CORPORATION as independent officer to improve our business performance and corporate governance. These independent officers give comments at the Board of Directors from independent and equitable viewpoint.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with *Kansayaku* Board (i.e. Board of Corporate Auditors)

【Directors】

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Company Chairperson (excluding the case of President)
Number of Directors	6
Status of election of Outside Directors	Yes (elect Outside Directors)
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tetsuro Toyoda (Mr.)	From another company							○				
Jiro Iwasaki (Mr.)	From another company											
Kyoko Okumiya (Ms.)	Lawyer											
Yukiko Nakagawa (Ms.)	Academic											

* Categories for "Relationship with the Company"
* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past
* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Tetsuro Toyoda (Mr.)	Yes	He currently serves as Co-Chief Investment Officer (CO-CIO) and Member of the Board, Head of Investment Group, INCJ, Ltd.	The Company appointed Mr. Tetsuro Toyoda as 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 Company has notified the Tokyo Stock Exchange of Mr. Tetsuro Toyoda as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item which may cause conflict with general shareholders specified by Tokyo Stock Exchange.
Jiro Iwasaki (Mr.)	Yes	Nothing	The Company appointed Mr. Jiro Iwasaki as 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 at plural companies for a long time and experiences in business operations. The Company has notified the Tokyo Stock Exchange of Mr. Jiro Iwasaki as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item which may cause conflict with general shareholders specified by Tokyo Stock Exchange.
Kyoko Okumiya (Ms.)	Yes	Nothing	The Company appointed Ms. Kyoko Okumiya as an outside Director with expectation that she would oversee and check the overall management of the Company and thereby strengthen the decision-making function of the Board of Directors by leveraging her extensive knowledge, experience and deep insight gained from the her career she has acted as a lawyer

			for many years and served as Outside Director or Outside Corporate Auditor at several companies for a long time and the perspective of promoting female success although she has never been involved in the company management other than becoming an Outside Director or an Outside Corporate Auditor. The Company has notified the Tokyo Stock Exchange of Ms. Kyoko Okumiya as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item which may cause conflict with general shareholders specified by Tokyo Stock Exchange.
Yukiko Nakagawa (Ms.)	Yes	Nothing	The Company appointed Ms. Yukiko Nakagawa as an outside Director with expectation that she would oversee and check the overall management of the Company and thereby strengthen the decision-making function of the Board of Directors by leveraging her extensive knowledge, experience and deep insight gained from her career in a wide range of business operations mainly in human resources at international financial institutions and operating companies and the perspective of promoting female success. The Company has notified the Tokyo Stock Exchange of Ms. Yukiko Nakagawa as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item which may cause conflict with general shareholders specified by Tokyo Stock Exchange.

【Voluntary Committee】

Voluntary establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

Committee Corresponding to Nomination Committee

Committees' Name			Nomination Committee			
Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Expert	Others	Chairperson
4	0	1	3	—	—	Outside Director

Committee Corresponding to Remuneration Committee

Committees' Name			Compensation Committee			
Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Expert	Others	Chairperson
5	0	2	3	—	—	Outside Director

Supplementary Explanation

・Committee members described above are as of the date of this report.

【Corporate Auditor (*Kansayaku*)】

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditor (*Kansayaku*) Stipulated in Articles of Incorporation	6
Number of Corporate Auditor (*Kansayaku*)	4

Cooperation among Corporate Auditor (*Kansayaku*), Accounting Auditors and Internal Audit Departments

Each of Corporate Auditors requests Accounting Auditor to report the mattes related to its audit as needed. In addition, Board of Corporate Auditors have meetings with Accounting Auditor periodically to make Accounting Auditor to report accounting audit plan, audit result, etc. and exchange opinions about audit activities from time to time as needed. Through these activities, Board of Corporate Auditors and Accounting Auditors make efforts to enhance their alignment. Furthermore, full-time Corporate Auditor attends the actual inspections on the Company's major assets (inventories, etc.) conducted by Accounting Auditor. Through this activity, full-time Corporate Auditor confirms that Company's assets are properly booked.

Full-time Corporate Auditor make efforts to enhance alignment with Internal Audit Office through various measures such as periodic meeting with Vice President of Internal Audit Office to make the Vice President to report internal audit result and exchanges opinions and information about the matters to be improved.

Appointment of Outside Corporate Auditor (*Kansayaku*)	Appointed
Number of Outside Corporate Auditor (*Kansayaku*)	4
Number of Independent Corporate Auditor (*Kansayaku*)	3

Outside Corporate Auditor's (*Kansayaku*'s) Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kazuki Fukuda (Mr.)	From another company													
Kazuyoshi Yamazaki (Mr.)	Lawyer													
Noboru Yamamoto (Mr.)	From another company													
Takeshi Sekine (Mr.)	From another company									○				

* Categories for "Relationship with the Company"
* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past
* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. *Kansayaku* of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)
k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)
m. Others

Outside Corporate Auditor's (*Kansayaku*'s) Relationship with the Company (2)

Name	Designation as Independent Kansayaku	Supplementary Explanation of the Relationship	Reasons of Appointment
Kazuki Fukuda (Mr.)	—	—	The Company appointed Mr. Kazuki Fukuda as an outside Corporate Auditor with expectation that he audits the overall management of the Company by leveraging his extensive knowledge, experience and deep insight gained from his experiences in the Company as outside Corporate Auditor from June 2012 resulted in his familiar with the Company's business and his long-term accounting experiences at NEC

			Corporation and experiences of business operation at subsidiaries of NEC Corporation as a corporate officer.
Kazuyoshi Yamazaki (Mr.)	Yes	—	The Company appointed Mr. Kazuyoshi Yamazaki as an outside Corporate Auditor with expectation that he audits the overall management of the Company independently and fairly, mainly from a legal perspective by leveraging his professional knowledge, extensive experience and deep insight gained from through many years of experience as an attorney-at-law. The Company has notified the Tokyo Stock Exchange of Mr. Kazuyoshi Yamazaki as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item which may cause conflict with general shareholders specified by Tokyo Stock Exchange.
Noboru Yamamoto (Mr.)	Yes		The Company appointed Mr. Noboru Yamamoto as an outside Corporate Auditor with expectation that he audits the overall management of the Company by leveraging his extensive knowledge, experience and deep insight gained from his career in global financial institution and operating company. The Company has notified the Tokyo Stock Exchange of Mr. Noboru Yamamoto as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item which may cause conflict with general shareholders specified by Tokyo Stock Exchange.
Takeshi Sekine (Mr.)	Yes		The Company appointed Mr. Takeshi Sekine as an outside Corporate Auditor with expectation that he audits the overall management of the Company mainly from financial and accounting viewpoint by leveraging his professional knowledge and experience and deep insight gained as a certified public accountant (including knowledge rearing finance and accounting). The Company has notified the Tokyo Stock Exchange of Mr. Noboru Yamamoto as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item

			which may cause conflict with general shareholders specified by Tokyo Stock Exchange.

【Independent Officers (Directors/Corporate Auditors)】

Number of Independent Directors/Corporate Auditors	7

Matters relating to Independent Directors/Corporate Auditor Updated

The Company has notified the Tokyo Stock Exchange of 4 independent outside directors and 3 independent outside corporate auditors. In light of the purpose of the Corporate Governance Code, the Company is aware that 1 of independent outside director and 1 of outside independent corporate auditor may not be regarded to have enough independency from the appearance because such independent outside director is a Member of the Board of INCJ, Ltd.(which owns 32.55% of voting rights of the Company as of December 31, 2019) and such independent outside corporate auditor is a Senior Executive Managing Director, Business Management Group, JAPAN INVESTMENT CORPORATION, which owns entire outstanding shares of INCJ, Ltd.

However, such Director gives frank opinions and advises from unique external viewpoint and supervises business execution by the board of directors, and such corporate auditor gives frank opinions and advises from its unique external viewpoint and professional knowledge and deep insight as certified public accountant and audits the business execution by directors. They fulfill their roles and responsibilities adequately.

Please refer to “Principle 4-9: “Independence Standards and Qualification for Independent Directors“ in “Reasons for Non-compliance with the Principles of the Corporate Governance Code” session of “1.1. Basic Views”.

【Incentives】

Incentive Policies for Directors	Performance-linked Remuneration Stock Options

Supplementary Explanation

Please refer to “Policy on Determining Remuneration Amounts and Calculation Methods” session in “2.1 Director Remuneration”.

Recipients of Stock Options	Inside Directors, Employee, Subsidiaries’ Directors, Subsidiaries’ employees

Supplementary Explanation

From FY2016, the Company introduced “stock compensation type stock options” for Directors (excluding Outside Directors), Corporate Officers and employees of the Company and its subsidiaries” in order to encourage the motivation for the contribution to increase the stock price and the corporate value.

【Director Remuneration】

Disclosure of Individual Directors' Remuneration	Selected Directors

Supplementary Explanation

Securities report and business report which shows total amount of compensations for internal directors and external directors are disclosed and publicly available on our webpage. In Securities report, the Company disclosed the individual remuneration amount for specific directors in accordance with Japan's Cabinet Office Ordinance on Disclosure of Corporate Information, etc.
https://www.renesas.com/ja-jp/about/ir/library/security.html (only Japanese version is available)

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Followings are our basic policy on the remuneration of directors and corporate officers:

- Remuneration should be highly linked with the Company's performance, and highly transparent and objective;
- Remuneration should be linked with the increase of company value so that they can have the same mindset for profit with shareholders; and
- To achieve the realization of corporate vision based on corporate mission, remuneration should help to secure the global management which fulfill the appropriate capacity requirement and their retention.

Based on these basic policies, the Company pays the remuneration to directors within the limit approved by the General Meeting of Shareholders (JPY2,000million/year, which was approved at 16th Annual General Meeting of Shareholders on March 29, 2018. (Remuneration for outside directors is up to JPY400M within the limitation)) taking into consideration the advice of voluntary compensation committee composed of the members including outside directors.

Remuneration consists of Base Remuneration and Performance-linked Remuneration. Performance indicator is defined based on the Company's financial situation, company value, etc. In particular, directors' remuneration consists of monthly remuneration, bonus and stock compensation type stock options. Monthly remuneration is defined for each position taking the remuneration level of competitors' officers and amount which the Company believes is appropriate for the roles and responsibilities of the Company's officer into account. Bonus is decided taking into the consideration the recommendation by compensation committee based on the amount set for each position, which is calculated based on the Company Group's net profit ratio in the preceding business period. Stock compensation type stock options is decided by the Board of Directors based on the standard amount set for each position, which is calculated based on the Company Group's TSR (Total Shareholders Return). On the other hand, the Company does not pay bonus and stock compensation type stock options to outside directors due to their expected roles and responsibilities.

【Supporting System for Outside Directors and/or Corporate Auditors (Kansayaku)】

(1) Support structure

The Company does not have dedicated staff who supports outside directors, but staffs of Legal Division (a secretarial office of the Board of Directors meeting) in cooperation with the department which is responsible for subject agenda are supporting outside directors as appropriately such as explanation of the discussion item of Board of Directors meeting and Executive Committee meeting in advance as needed.

The Company have 4 dedicated staffs in Corporate Auditors Office to support execution of outside Corporate Auditors' duties. Regarding the operation of Board of Corporate Auditors (*Kansayaku* Board), full-time Corporate Auditor explains the Company's business situation and report the audit activities, etc. and part-time Corporate Auditors introduce other companies' cases, etc. and Corporate Auditors share the information and exchange the opinions for their audit activities.

(2) Communication system

Depending on the importance of subject management information or business information, the Company's concerned department in charge provides information to outside directors and outside corporate auditors as appropriately. In addition, the Company has established the system for outside directors and outside corporate auditors to share information in a timely manner including the establishment of environment which enables outside directors and outside corporate auditors to access the Company's internal web site.

In case the Company hold Board of Directors meeting or Board of Corporate Auditors meeting, Legal Division staff issues the notice and provide materials and so on necessary for the deliberation at Board of Directors meeting, and Corporate Auditor Office staff issues the notice and provide materials and so on necessary for the deliberation of Board of Corporate Auditors meeting. Both staffs make effort to provide enough information in a timely manner as prior arrangement for each board (Board of Directors and Board of Corporate Auditors) and Legal Division staff researches and answers quickly to the inquiries such as findings and questions if made by outside Directors and Corporate Auditors Office staff researches and answers quickly to the inquiries such as findings and questions if made by outside Corporate Auditors.

【Retired presidents holding advisory positions (sodanyaku, komon, etc.)】

Information on retired presidents holding advisory positions (sodanyaku, komon, etc.)

Name	Title/Position	Responsibilities	Employment terms (Full/Part time, with/ without compensation, etc.	Retirement date from President etc.	Term
-	-	-	-	-	-

Number of retired presidents holding advisory positions (sodanyaku, komon, etc.)	0

Supplementary Explanation

・The Company don't have advisory positions so called "Sodanyaku" or "Komon".

・As of the date of this report, no retired President has title or position in the Company such as Sodanyaku, Komon or other similar position, nor influence of the management of the Company

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

(1) Overview of current system

The Company appoints outside officers who have various experiences and expertise aiming to proactively incorporate external viewpoint to deal with business challenges from various perspectives. Currently, the Company appoints 4 outside Directors out of 6 Directors and 4 outside Corporate Auditors out of 4 Corporate Auditors. Further, aiming for obtaining appropriate and objective advice to improve the Company's business performance and corporate governance, the Company appoints 4 outside Directors and 3 outside Corporate Auditors as independent officers (defined by Tokyo Stock Exchange). 3 of these outside Directors and 2 of outside Corporate Auditors are the independent officers who don't have any conflict in interest with the Company, Company's major shareholders or their mother company.

(2) Business execution

In order to appoint suitable person as Directors who execute business, the Board of Directors of the Company deliberates and decides the candidates for Directors to be submitted to General Meeting of Shareholders in consideration of their careers and experiences, etc. comprehensively. The Company has nomination committee to improve objectivity and transparency of decision of Director candidates. The nomination committee is composed of 4 members, majority of which is occupied by independent outside Directors and is chaired by an independent outside Director. In the process of deciding Director candidates, the Board of Directors consult with the nomination committee and Board of Directors decides the candidates taking the advice by the nomination committee into consideration.

The Company's Board of Directors has 6 Directors including 4 outside Directors. It is held once each 3-months in principle and at other times as needed. The Directors reach decisions with speed and flexibility about important matters involving management and supervise the execution of business operations by directors. The outside directors have two primary functions. One is to supervise and check the execution of business operations by directors to determine if these directors are performing their duties properly. The other is to use their knowledge, experience and insight to reflect external viewpoints in the decision-making process for management.

All proposals to be submitted for approval by the Board of Directors are, in principle, first submitted to the Executive Committee, which is composed of full-time Directors and executive vice presidents, senior vice presidents, etc. for a preliminary deliberation except for matters which does not require preliminary discussion. These deliberations provide for more thorough discussions of the resolutions. In addition, the Company has the Internal Control Promotion Committee, which includes the President & CEO, the corporate officer

responsible for internal control, and the corporate officer responsible for administrative divisions. The committee holds meetings once in every 2 months in principle to supervise the PDCA cycle related to internal control matters of the Company Group, and if a serious compliance violation does occur, to discuss and examine how it occurred and how it can be prevented in the future.

In addition, the Company uses the Corporate Officer System to clarify responsibility for the execution of business operations and enable decisions about these operations to be reached quickly. A suitable level of authority is delegated to each corporate officer (CEO, executive vice president, senior vice president, etc.) in accordance with the responsibilities assigned to each corporate officer by the Board of Directors and the Company' own fundamental rules for decision-making and authorization procedure "Basic Rules of Ringi Approval".

(3) Corporate Auditors and Board of Corporate Auditors (*Kansayaku* Board)

Corporate Auditors are responsible for supervising the Directors' performance of duties. The Board of Corporate Auditors (*Kansayaku* Board) is composed of 4 outside Corporate Auditors and holds regular meetings once each 3-months, in principle, and other meetings as required. At these meetings, the Corporate Auditors determine auditing policies and other matters and receive reports from each Corporate Auditor about the status of audits and other subjects. 2 out of 4 outside Corporate Auditors are either an attorney or a certified public accountant, and 2 of the Corporate Auditors have extensive knowledge concerning finance and accounting.

In accordance with auditing policies and other items determined by the Board of Corporate Auditors, each Corporate Auditor performs the following duties to supervise the performance of the Directors:

- Attend meetings of the Board of Directors and other important meetings;
- Interview Directors, Corporate Officers and employees about business activities;
- Receive business reports from Directors, Corporate Officers and employees;
- Examine documents approving decisions and other important business documents;
- Perform investigations to determine the status of business operations and finances (including the compliance framework and internal controls system); and
- Conduct investigations at subsidiaries.

In addition, Corporate Auditors receive periodic reports from the Internal Audit Office, other related divisions and the accounting auditor for their audits. Corporate Auditors also exchange information, share opinions and collaborate in other ways with these parties as required. Now, there is no female Corporate Auditor in the Board of Corporate Auditors.

(4) Internal Audit

Regarding internal audit, Internal Audit Office which is consist of dedicated staffs serves as an autonomous third party for verifying and evaluating other parts of the management organization, including business

execution division, corporate staff divisions, consolidated subsidiaries and other areas, in terms of compliance, risk management and internal control. The Internal Audit Office also proposes concrete measures for rectifying or improving any problems that arise. In addition, Corporate Auditors and the Accounting Auditor regularly exchange information and share opinions each other.

(5) Accounting Audit

The Company appointed Ernst & Young ShinNihon LLC as Accounting Auditor for FY2018. Certified public accounts who conducted the Company's accounting audit (designated limited partner and executive employee) are Mr. Noriaki Kenmochi and Mr. Toshiyuki Matsumoto. Assistants for auditing activities are certified public accountant, Certified public accountant passer, etc.

The total amount of cash and other property benefits to be paid by the Company and its consolidated subsidiaries to Ernst & Young ShinNihon LLC for FY2018 is JPY 258 million. Remuneration and other amounts to be paid by the Company to the Accounting Auditor for the services stipulated in Paragraph 1, Article 2 of the Certified Public Accountants Act is JPY 128 million and included in above amount.

Ernst & Young ShinNihon LLC, the Company's Accounting Auditor retired at the conclusion of the Company's 17th Annual General Meeting of Shareholders held on March 20, 2019 due to the expiration of its term of office. After their retirement, PricewaterhouseCoopers Aarata LLC was appointed as the Company's Accounting Auditor from 18th business period (FY2019).

(6) Liability Limitation Agreement

Pursuant to the Articles of Incorporation of the Company, the Company executed liability limitation agreements with Mr. Tetsuro Toyoda, Mr. Jiro Iwasaki, Ms. Kyoko Okumiya and Ms. Yukiko Nakagawa, who are outside Directors, and Mr. Kazuyoshi Yamazaki, Mr. Noboru Yamamoto and Mr. 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.

3. Reasons for Adoption of Current Corporate Governance System

The Company is a company with Board of Corporate Auditors (*Kansayaku* Board) and, hence, Corporate Auditors supervise and audit the business execution by Directors under our corporate governance system. Considering the current status described in "II-2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)", the Company believes this governance system works well. The Company will move forward the study for the items described in "I-1. Reasons for Non-compliance with the Principles of the Corporate Governance Code" and improve and enhance our corporate governance

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company is trying to deliver the convocation notice 3 weeks before the date of General Meeting of Shareholders. FY2017: sent on March 9 (disclosed electrically on February 28) FY2018: sent on March 8 (disclosed electrically on February 27) FY2019: sent on March 5 (disclosed electrically on February 22) Regarding the General Meeting of Shareholders in 2019 (for 17th business period), the Company sent convocation notice on March 5, 2019 (clear 2 weeks before the meeting), but the Company tried to secure shareholders' enough consideration time by disclosing the notice on TDnet (disclosure system operated by Tokyo Stock Exchange) and the Company's website on February 22, 2019.
Scheduling AGMs Avoiding the Peak Day	The Company held the 17th Annual General Meeting of Shareholders on March 20, 2019. The Company will keep in mind that the General Meeting of Shareholders will be held on the date when many shareholders can attend easily and avoid the date many companies hold general meeting of shareholders.
Allowing Electronic Exercise of Voting Rights	The Company has the voting site through which shareholders can exercise voting right by their own PC or mobile phone.
Participation in Electronic Voting Platform	The Company is participating the electronic voting platform operated by ICJ, Inc.
Providing Convocation Notice in English	English translation of the convocation notice of General Meeting of Shareholders (summary) and its appendices are available.
Others	The Company posts the convocation notice of General Meeting of Shareholders and its appendices (Japanese and English) on the Company's website, Tokyo Stock Exchange and electronics voting platform operated by ICJ, Inc. from about 1 month before the general meeting of shareholders.

2. IR Activities

	Supplementary Explanations	Explanation by representative
Preparation and Publication of Disclosure Policy	For Disclosures in accordance with timely disclosure rules of Tokyo Stock Exchange and applicable laws such as companies act and Financial Instruments and Exchange Act, the Company prepared its disclosure policy and posts it on its web site (https://www.renesas.com/about/ir/other/disclosure.html)	
Regular Investor Briefings for Individual Investors	N/A	No

Regular Investor Briefings for Analysts and Institutional Investors	The Company holds briefing session for quarterly financial announcement (4 times/year) for analysts and institutional investors. Approximately 100-200 people join the session.	Yes
Regular Investor Briefings for Overseas Investors	The Company visits directly the institutional investors in North America, Europe and Asia or meet them at conference held by securities company, and full-time director, executive vice president or other appropriate person gives explanation to them about management policy and business performance.	No
Posting of IR Materials on Website	Please visit the Company's web site (https://www.renesas.com/about/ir.html） for earnings report, annual securities report, quarterly report, timely disclosure materials, and the materials related to the Company's general meeting of shareholders, etc. * Only Japanese version is available as for some material such as annual securities report and quarterly report.	
Establishment of Department and/or Manager in Charge of IR	Department in Charge: Corporate Communications Department Responsible Officer: Hidetoshi Shibata, Representative Director, President & CEO Contact: Yoichi Kobayashi, Director, Corporate Communications Department	
Others		

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Aiming for establishment of business ethics and secure compliance, the Company established "Renesas Electronics Group Code of Conduct" and "Renesas Electronics Group CSR Charter" and have department in charge of CSR promotion and Internal Control Promotion Committee. Based on these systems, the Company declare its stance to fulfill social responsibilities to every stakeholder internally and externally. Under these systems, CSR Promotion department is responsible for the matters related to CSR activities, and Internal Control Promotion Committee deliberates matters related to promotion of compliance to promote Renesas Group's CSR activities and compliance activities.

Implementation of Environmental Activities, CSR Activities etc.	The Company agreed on “Global Compact” proposed by United Nations. “Global Compact” requests enterprises, etc. to comply and implement 10 principles in 4 categories, i.e. human rights, labor, environment and anti-corruption, and the Company conducts its business based on these 10 principles. For environment protection activities, Renesas Group promote activities concentrating on 3 major categories, i.e. “eco product”, “eco factory” and “eco communication” and establish and operate environment management systems in accordance with ISO14001. The Company makes efforts to protect the environment of the Earth such as reduction of CO2 through actions such as energy saving in factory operation and encourage for the development of environment-conscious product. In addition, the Company makes effort to protect water source forest through actions such as participation in a project to protect forest. In addition to these activities related to the environment protection, Renesas Group proactively makes effort in overall CSR activities including respect of human rights and execution of equal opportunity and treatment in employment such as prohibition of forced labor and child labor, creation of better working environment, improvement of customer satisfaction (CS) and other social action program. The Company posts “CSR Activities (Social and Environmental)” and “Environmental Report” on the Company’s website to introduce these activities internally and externally to the Company’s stakeholders. Please visit our website below to see the report. <https://www.renesas.com/us/en/about/company/csr.html>
Development of Policies on Information Provision to Stakeholders	Based on “Renesas Electronics Group CSR Charter”, the Company is making efforts to promote fair, equitable, faithful and transparent corporate activities and proactively disclose the activities. The Company disclose information in timely and appropriate manner in accordance with Companies Act, Financial Instruments and Exchange Act and other applicable laws and regulation as well as timely disclosure rules established by Tokyo Stock Exchange. Also, the Company proactively disclose material information which may influence on investor’s invest decision in quick and fair manner.
Other	<Policies on Women’s career promotion and its implementation> The Company evaluates its employees based on the employee’s capability and performance at every stage such as hiring, assignment and promotion regardless of gender in order to secure diversity and achieve women’s career promotion. In addition, to support their balance private with work, the Company has and operate workstyle program and support program which supports childbirth/childcare and nursing care, etc., and re-employment program for employees who retired the Company due to the reasons such as childbirth and childcare.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Board of Directors of the Company 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") and established systems based on these policies. Please refer to the Company's webpage (https://www.renesas.com/ja-jp/about/ir/company/governance.html) for these policies.

Outline of the policies are as follows:

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

- The Directors shall take the lead in complying with the "Renesas Electronics 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. The Directors shall keep the Members of the Company and its subsidiaries (collectively, the "Group") informed of such rules, and shall have 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 Group to be fully aware of compliance.
- The Directors shall set up "Renesas Electronics Group Hot Line" as whistle blowing window/ internal contact points for the Group and its business partners to report violations or possible violations of compliance. Furthermore, the Directors shall keep the 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.

2. 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 in accordance with "Basic Rule of Document Management and Retention".

3. Rules and other systems regarding risk management for loss

- The Directors shall stipulate basic matters of risk management in the Company's "Global Rule for Risk

and Crisis Management within the Renesas Group", 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 "Global Rule for Risk and Crisis Management within the Renesas Group" when serious risk materializes.
- The Directors shall evaluate, maintain and improve the internal control status related to financial report of the Group in accordance with applicable domestic and foreign laws and regulations such as Financial Instruments and Exchange Act.

4. 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 general managers or other employees. The Corporate Officers, the relevant general 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.

5. Systems necessary to ensure appropriate operation of the Group

- The Directors shall guide and support the Company's 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 Company's subsidiaries establish rules for risk and crisis management, and, make contact lists and action plans in emergency.

・The Directors shall, through Internal Control Promotion Committee, etc., establish the Group-wide common decision making rules and policies on the Group governance.

・The Directors shall 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 the Group.

6. 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.

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

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

・Internal Audit Office shall submit the internal audit report for the Group to Corporate Auditor, and report the internal audit report to the Meeting of Board of Directors where Corporate Auditor attends.

・Internal Control Promotion Committee shall periodically report to Corporate Auditor the situation of the matters reported to "Renesas Electronics Group Hot Line" by Member.

・The Company prohibits adverse treatment to the Member of the Group and corporate auditors of the Company's subsidiaries who reported to Corporate Auditors for the reason that they reported so, and clearly state these rules in "Basic Rules of Renesas Electronics Group Hot Line" and on the Company's intranet.

8. Procedures for the advance payment or compensation of the expenditure which occurs in connection with the execution of Corporate Auditor's duties, and policies on the treatment of cost, expenditure and obligations which occurs in connection with the execution of Corporate Auditor's duties.

・Upon the Corporate Auditor's request for the advance payment of the expenditures, etc., the Company shall bear cost, expenditure and payables except for the case it is proved that such cost, expenditure and payables are not necessary to execute the Corporate Auditor's duties.

9. 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 a Meetings of Board of Corporate Auditors in principle once each 3-months, 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.

2. Basic Views on Eliminating Anti-Social Forces

Any and all officers and employees of Renesas Electronics Group companies will take resolute actions against the entity or organization which will threaten the order and safety of the society and will not have any relationships with such an entity or organization and will not have any actions which may encourage such an entity or organization.

The Company established and is maintaining internal rules and systems, and is implementing various measures such as promotion of anti-social forces clauses in business transaction contracts.

(1) Status for establishment of internal rules, etc.

The Company clarify above basic view in its “Renesas Electronics Group Code of Conduct” and declare them internally and publicly. In addition, the Company continuously offers training programs to officers and employees of Renesas Electronics Group so that they are aware of the Code of Conduct and raise compliance sense.

(2) Status for the establishment of internal systems

In case anti-social forces contact to the Company, Human Resources & General Affairs Division and Corporate Strategy & Finance Division will take a lead and are responsible to deal with the ant-social forces. In addition, the Company have close alignment with external expert bodies such as periodic information exchanges with assigned police office at its daily business.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

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2. Other Matters Concerning to Corporate Governance System

The Company has “Corporate Communications Department” in CEO Office as a department which is responsible for information disclosure. Internal important information is managed centrally by this department which is headed by a person responsible for information management. This department centrally controls external disclosure. Corporate Communications Department, Accounting Department and Legal Division work together and check one another for the necessity of timely disclosure (required by Tokyo Stock Exchange) and Corporate Communications department executes the procedures for timely disclosure. Detailed

processes of our timely disclosure of the Company information are as follows:

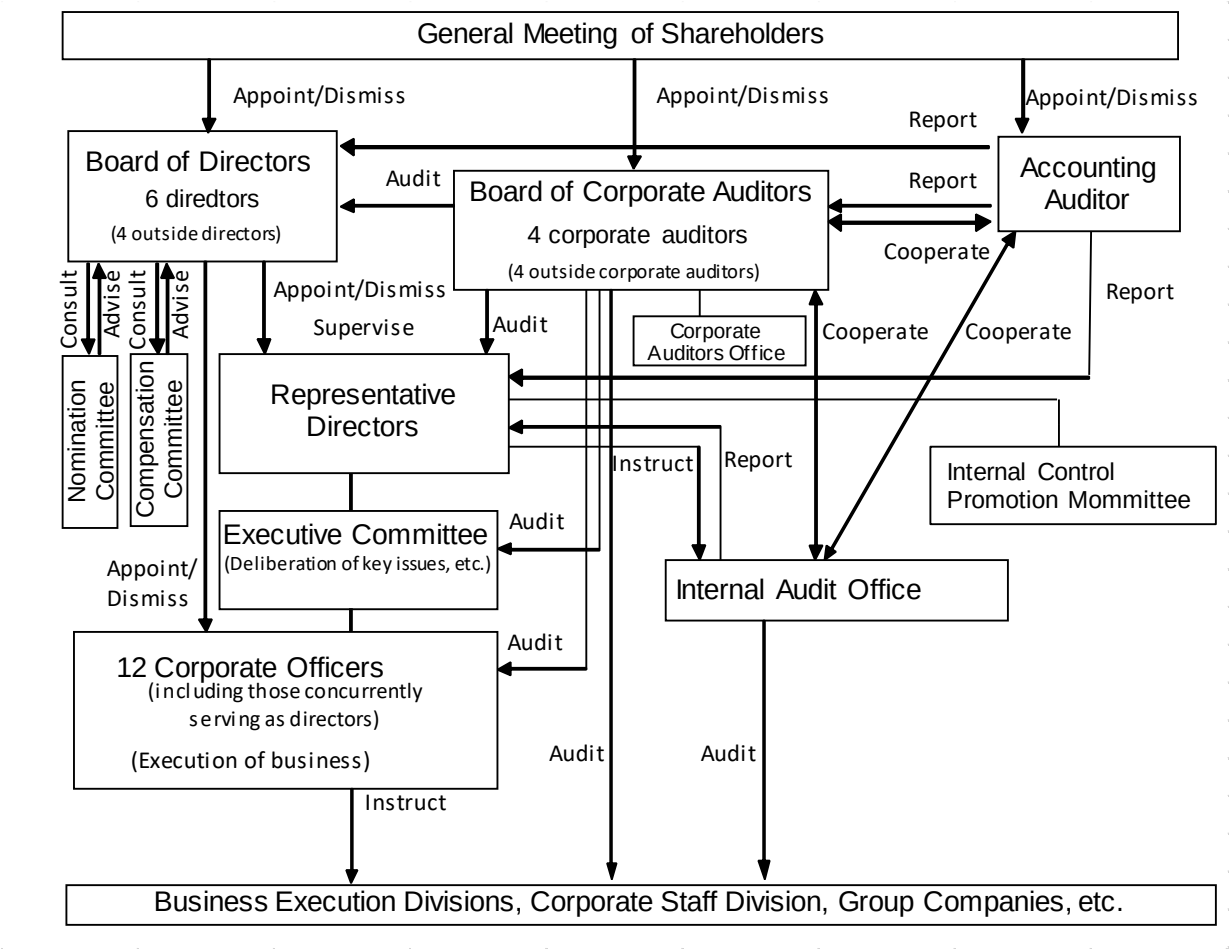
(1) In case any of department head of each administration department and general managers of each unit/business unit recognize “information subject to timely disclosure” related to their department or subsidiaries they control (all the consolidated subsidiaries), they will report such information to the head of Corporate Communications Department.

(2) Regarding timely disclosure information, Corporate Communications Department, Accounting Department and Legal Division check and report one another.

(3) “Timely disclosure information”, which is subject to the resolution of or reporting to Board of Directors in accordance with Ringi Approval Criteria, is resolved by or reported to Board of Directors through Legal Division, a secretarial office of the Meeting of Board of Directors, and those subject to the resolution of or reporting to Executive Committee meeting is resolved by or reported to Executive Committees through CEO Office, an administration office of Meeting of Executive Committees.

(4) The head of Corporate Communications Department immediately (for the matters subject to the resolution of Board of Directors or requires the approval in accordance with Ringi Approval Criterial, immediately after the completion of these procedures) execute timely disclosure to Tokyo Stock Exchange.

【Corporate Governance System Chart (for reference)】



End of the report.