(Translation)

The following is an English translation of the Notice of the 18th Ordinary General Meeting of Shareholders of Renesas Electronics Corporation to be held on March 27, 2020 (as well as the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements with respect to the 18th 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 translations of the instructions on voting rights and the access map for the place of the meeting in the notice. The following English translation 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 6, 2020

To Our Shareholders:

NOTICE OF THE 18TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

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

1. DATE AND TIME: March 27, 2020 (Friday) at 10:00 A.M. (Japan Standard Time)
   (The reception will begin at 9:30 A.M.)
2. PLACE: Toyosu Civic Center Hall, 5F, at 2-18, Toyosu 2-chome, Koto-ku, Tokyo, Japan
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 18th Business Period from January 1, 2019 to December 31, 2019.

MATTERS TO BE VOTED UPON:

(1) Election of Six (6) Directors

(2) Election of One (1) Corporate Auditor

(3) Determination of the terms and the amount of renumeration etc. regarding stock acquisition rights to be granted as stock options to the Company's Outside Directors.

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

- Notes on Stock Acquisition Rights, etc. of the Company in the Business Report, Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are disclosed on the Company's website (https://www.renesas.com/us/en/about/ir.html) in accordance with Article 16 of its Articles of Incorporation, so they are not included in this notice.
- If revisions are made to the Reference Documents for this General Meeting, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, the Company will inform you through its website (https://www.renesas.com/us/en/about/ir.html).

(Translation)

REFERENCE DOCUMENTS FOR THIS GENERAL MEETING

Proposal No. 1: Election of Six (6) Directors

The terms of office held by all Directors will expire at the conclusion of this General Meeting. Accordingly, we request that six (6) Directors be elected at this General Meeting.

It is proposed that the following six (6) candidates be elected as Directors (including four (4) Outside Directors) in order to incorporate diverse and global perspectives to the Board of Directors.

These candidates for Directors have been selected by the Board of Directors based on suggestion by the Voluntary Nomination Committee which is chaired by an Independent Outside Director and a majority of such committee being comprised of Independent Outside Directors.

The candidates are as follows:

No.	Name (Age)	Current Position at the Company	Years Served as Director	Attendance at Meetings of the Board of Directors
1	Tetsuya Tsurumaru (65) <Reappointment>	Representative Director, Chairman	7 years and 9 months	100% (15 times out of 15 times)
2	Hidetoshi Shibata (47) <Reappointment>	Representative Director, President and CEO	4 years and 8 months	100% (15 times out of 15 times)
3	Tetsuro Toyoda (57) <Reappointment> <Outside Director> <Independent Director>	Outside Director	6 years and 1 month	100% (15 times out of 15 times)
4	Jiro Iwasaki (74) <Reappointment> <Outside Director> <Independent Director>	Outside Director	3 years and 9 months	100% (15 times out of 15 times)
5	Selena Loh Lacroix (55) <New appointment> <Outside Director> <Independent Director>	-	-	-
6	Arunjai Mittal (49) <New appointment> <Outside Director> <Independent Director>	-	-	-

(Note) 1. "Years Served as Director" for Mr. Hidetoshi Shibata indicates the total period served by him as Director.

2. Ms. Selena Loh Lacroix is a foreign national and female Director candidate. Mr. Arunjai Mittal is a foreign national Director candidate.

(Translation)

No.	Name	Brief Employment History, Position, Responsibility and Important Concurrent Positions	
1	Tetsuya Tsurumaru <Reappointment> Date of Birth: August 29, 1954 Number of the Company's Shares Held: 9,900 Attendance at Meetings of the Board of Directors: 15 times out of 15 times (100%)	April 1979 April 2003 April 2006 April 2008 April 2010 April 2011 June 2012 February 2013 June 2013 December 2015 June 2016	Joined Hitachi, Ltd. General Manager, Naka Factory, MCU & SOC Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation) General Manager, Strategic Production Planning Division, Production and Technology Unit, Renesas Technology Corp. Managing Officer, and Executive General Manager, Production and Technology Unit, Renesas Technology Corp. Senior Vice President, and Associate Chief of Production and Technology Unit, the Company Senior Vice President, and Chief of Production and Technology Unit, the Company Member of the Board of Directors, Senior Vice President, the Company Representative Director, President, the Company Representative Director, President and COO, the Company Representative Director, President and CEO, the Company Representative Director, Chairman, the Company (present)
	【Reasons for selection as a candidate for Director】 The Company selected this candidate for Director with the expectation that he would enhance the corporate value by demonstrating leadership skills to expedite the decision-making process and strengthen the ability to propose semiconductor solutions, based on the abundant knowledge, experiences and achievements cultivated through years of management experiences in the semiconductor industry. He has served as Director for 7 years and 9 months at the closure of this General Meeting.		

No.	Name	Brief Employment History, Position, Responsibility and Important Concurrent Positions	
2	Hidetoshi Shibata <Reappointment> Date of Birth: November 16, 1972 Number of the Company's Shares Held: 2,500 Attendance at Meetings of the Board of Directors: 15 times out of 15 times (100%)	April 1995 August 2001 August 2004 October 2007 September 2009 June 2012 October 2013 November 2013 June 2016 March 2018 July 2019	Joined Central Japan Railway Company Joined MKS Partners Limited as Principal Partner, MKS Partners Limited Joined Global Private Equity, Merrill Lynch Japan Securities Co., Ltd as Managing Director Joined Investment Group, Innovation Network Corporation of Japan (currently, Japan Investment Corporation) as Managing Director Executive Managing Director, Investment Group, Innovation Network Corporation of Japan (currently, Japan Investment Corporation) Member of the Board of Directors, the Company Executive Vice President, Member of the Board of Directors and CFO, the Company Executive Vice President and CFO, the Company Executive Vice President, Member of the Board of Directors and CFO, the Company Representative Director, President and CEO, the Company (present)
	【Reasons for selection as a candidate for Director】 The Company selected this candidate for Director with the expectation that he would enhance the corporate value by demonstrating leadership skills to expedite the decision-making process and strengthen the ability to propose semiconductor solutions, based on the abundant knowledge, experiences and achievements cultivated through global and various management experiences. He has served as Director for a combined total of 4 years and 8 months at the closure of this General Meeting.		

No.	Name	Brief Employment History, Position, Responsibility and Important Concurrent Positions	
3	Tetsuro Toyoda <Reappointment> <Outside Director> <Independent Director> Date of Birth: November 10, 1962 Number of the Company's Shares Held: 0 Attendance at Meetings of the Board of Directors: 15 times out of 15 times (100%)	April 1986	Joined Tokio Marine and Fire Insurance Co., Ltd. (currently, Tokio Marine & Nichido Fire Insurance Co., Ltd.)
		July 2001	Joined MKS Partners Limited as Partner
		May 2008	Joined Deloitte Tohmatsu FAS Co., Ltd. (currently, Deloitte Tohmatsu Financial Advisory LLC) as Senior Advisor
		September 2009	Joined Innovation Network Corporation of Japan (currently, Japan Investment Corporation) as Managing Director
		June 2012	Executive Managing Director, Investment Group, Innovation Network Corporation of Japan (currently, Japan Investment Corporation)
		June 2013	Senior Executive Managing Director, Innovation Network Corporation of Japan (currently, Japan Investment Corporation)
		February 2014	Outside Member of the Board of Directors, the Company (present)
		June 2016	Co-Chief Investment Officer, Member of the Board, Head of Investment Group, Innovation Network Corporation of Japan (currently, Japan Investment Corporation)
		September 2018	Co-Chief Investment Officer, Member of the Board, Head of Investment Group, INCJ, Ltd. (present) (Important Concurrent Position) Co-Chief Investment Officer, Member of the Board, Head of Investment Group, INCJ, Ltd.
	【Reasons for selection as a candidate for Outside Director】 Mr. Tetsuro Toyoda currently serves as Co-Chief Investment Officer and Member of the Board of INJC, Ltd. and previous served as Co-Chief Investment Officer and the Member of the Board of Innovation Network Corporation of Japan (currently, Japan Investment Corporation). Based on his abundant knowledge, experiences and deep insight cultivated through his career in wide-ranging investment businesses at these companies, the Company selected this candidate for Outside Director with the expectation that the Board of Directors will be strengthened by him demonstrating supervising and monitoring capabilities on the overall management of the Company. He has served as Outside Director for 6 years and 1 month at the closure of this General Meeting.		

No.	Name	Brief Employment History, Position, Responsibility and Important Concurrent Positions	
4	Jiro Iwasaki <Reappointment> <Outside Director> <Independent Director> Date of Birth: December 6, 1945 Number of the Company's Shares Held: 0 Attendance at Meetings of the Board of Directors: 15 times out of 15 times (100%)	April 1974 June 1996 June 1998 June 2006 March 2008 June 2009 March 2011 April 2011 March 2015 March 2016 June 2016	Joined Tokyo Denki Kagaku Kogyo K.K. (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) Director and Senior Vice President, Executive Officer of Strategic Human Resources and Administration Division, JVC KENWOOD Holdings, Inc. (currently, JVC KENWOOD Corporation) Audit and Supervisory Board Member, SBS Holdings, Inc. Professor at Teikyo University, Faculty of Economics/Department of Business Administration Outside Director, SBS Holdings, Inc. (present) Outside Director (Full-time Audit and Supervisory Committee Member), GCA Savvian Corporation (currently, GCA Corporation) (present) Outside Member of the Board of Directors, the Company (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 a director at multiple companies for a long time and thus possesses management experiences in electrical and electronic components businesses. He currently serves as an outside director at other companies. Based on his abundant knowledge, experiences and deep insight cultivated through these experiences, the Company selected this candidate for Outside Director with the expectation that the Board of Directors will be strengthened by him demonstrating supervising and monitoring capabilities on the overall management of the Company. He has served as Outside Director for 3 years and 9 months at the closure of this General Meeting.		

No.	Name	Brief Employment History, Position, Responsibility and Important Concurrent Positions	
5	Selena Loh Lacroix <New appointment> <Outside Director> <Independent Director> Date of Birth: November 18, 1964 Number of the Company's Shares Held: 0 Attendance at Meetings of the Board of Directors: N/A	1988 August 1992 June 1995 December 2004 May 2010 December 2016 June 2017 November 2017 December 2019	Joined a Singaporean law firm as an associate Joined Gray Cary Ware & Freidenrich LLP (now DLA Piper) as an associate Senior Counsel, Texas Instruments Incorporated Vice President & General Counsel, Asia Pacific, Honeywell International Inc. Global Semiconductor Practice Leader & Global Legal, Regulatory and Compliance Practice Leader, Egon Zehnder Member of Board of Directors, Integrated Device Technology, Inc. (Part-time; resigned March 2019) Global Technology & Communication Practice Leader, Egon Zehnder Board Member, National Association of Corporate Directors - North Texas Chapter (Part-time; present) Vice Chair, Technology Practice, Korn Ferry (present) (Important Concurrent Positions) Vice Chair, Technology Practice, Korn Ferry Board Member, National Association of Corporate Directors - North Texas Chapter
	【Reasons for selection as a candidate for Outside Director】 The Company selected this candidate for Outside Director with the expectation that the Board of Directors will be strengthened by her demonstrating supervising and monitoring capabilities on the overall management of the Company, from the perspective of promoting diversity and by leveraging her global insight in the field of corporate legal, corporate governance and human resources gained through extensive experiences in the semiconductor industry and several other industries.		

No.	Name	Brief Employment History, Position, Responsibility and Important Concurrent Positions	
6	Arunjai Mittal <New appointment> <Outside Director> <Independent Director> Date of Birth: February 8, 1971 Number of the Company's Shares Held: 0 Attendance at Meetings of the Board of Directors: N/A	1996	Manager, Regional Development Asia-Pacific, Discrete & Power Semiconductors, Siemens Components Pte. Ltd.
		1998	Senior Manager, Business Operations Asia-Pacific, Power Semiconductors, Siemens Components Pte. Ltd.
		1999	Senior Manager, Business Operations Asia-Pacific, Power Semiconductor Business Group, Infineon Technologies AG
		2001	Vice President & General Manager, Automotive & Industrial Business Group, Power Management & Supply Business Unit, Infineon Technologies AG
		2005	Vice President & General Manager, Automotive, Industrial & Multimarket Business Group, Power Management & Drives Business Unit, Infineon Technologies AG
		2006	Senior Vice President & General Manager, Automotive, Industrial & Multimarket Business Group, Power Management & Drives Business Unit, Infineon Technologies AG
		2008	Business Division President & General Manager, Industry & Multimarkets Division, Infineon Technologies AG
		January 2012	Member of the Management Board, Infineon Technologies AG (responsible for Regions, Sales, Marketing, Strategy Development and M&A)
		June 2014	Member of the Supervisory Board, tesa SE (present)
		February 2015	Board Member, Singapore Economic Development Board
		May 2018	Director, Silicon Solutions Ventures Pte. Ltd. (present)
		August 2018	Member of the Supervisory Board, OSRAM Licht AG (present)
		March 2019	Non-Executive Chairman, ZERO-ERROR SYSTEMS PTE. LTD. (present)
		February 2020	Member of the Board, Agency for Science, Technology and Research (present)
			(Important Concurrent Positions) Member of the Supervisory Board, tesa SE Director, Silicon Solutions Ventures Pte. Ltd. Member of the Supervisory Board, OSRAM Licht AG Non-Executive Chairman, ZERO-ERROR SYSTEMS PTE. LTD. Member of the Board, Agency for Science, Technology and Research

	【Reasons for selection as a candidate for Outside Director】 The Company selected this candidate for Outside Director with the expectation that the Board of Directors will be strengthened by him demonstrating supervising and monitoring capabilities on the overall management of the Company, from the perspective of promoting diversity and by leveraging his global insight in the business operations cultivated through years of extensive experiences in the semiconductor industry and related industries.

(Note) 1. INCJ, Ltd., where Mr. Tetsuro Toyoda has a concurrent position, is a principal shareholder of the Company owning 32.55 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 descriptions in the "Brief Employment History, Position, Responsibility and Important Concurrent Positions" section above, responsibilities held by each candidate who is currently a Director of the Company are described in the Business Report (p.28).
4. Mr. Tetsuro Toyoda, Mr. Jiro Iwasaki, Ms. Selena Loh Lacroix and Mr. Arunjai Mittal are candidates for Outside Directors.
5. The Company has notified the Tokyo Stock Exchange of Mr. Tetsuro Toyoda and Mr. Jiro Iwasaki as Independent Executives stipulated under the regulations of the Tokyo Stock Exchange. If their reappointments are approved, the Company will continue this notification. Also, if the appointments of Ms. Selena Loh Lacroix and Mr. Arunjai Mittal are approved, the Company will notify the Tokyo Stock Exchange that they are Independent Executives.
6. The Company has already entered into liability limitation agreements with Mr. Tetsuro Toyoda and Mr. Jiro Iwasaki, limiting their 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 continue such liability limitation agreements with them. Also, if the appointments of Ms. Selena Loh Lacroix and Mr. Arunjai Mittal are approved, the Company will enter into similar liability limitation agreements with them.

Proposal No. 2: Election of One (1) Corporate Auditor

The terms of office held by Corporate Auditor, Mr. Kazuki Fukuda, will expire at the conclusion of this General Meeting and accordingly, we request that one (1) Corporate Auditor is elected at this General meeting.

The candidate Corporate Auditor is as follows.

The candidate has been selected by the Board of Directors based on suggestion by the Voluntary Nomination Committee which is chaired by an Independent Outside Director and a majority of such committee being comprised of Independent Outside Directors.

Further, the Board of Corporate Auditors has approved the submission of this proposal in advance.

Name	Brief Employment History, Position, Responsibility and Important Concurrent Positions	
Kazuki Fukuda <Reappointment> Date of Birth: November 15, 1950 Number of the Company's Shares Held: 4,500 Attendance at Meetings of the Board of Directors: 15 times out of 15 times (100%) Attendance at Meetings of the Board of Corporate Auditors: 12 times out of 12 times (100%)	April 1974 April 2000 December 2000 July 2005 June 2010 June 2012	Joined NEC Corporation Department Manager, Finance Systems & Finance Affairs Office, Corporate Finance & Controller Division, NEC Corporation Senior Vice President, NEC (China) Co., Ltd. Associate Senior Vice President, NEC Soft, Ltd. (now NEC Solution Innovators, Ltd.) Corporate Auditor, NEC Mobiling, Ltd. (now MX Mobiling Co., Ltd.) Corporate Auditor (full-time), Renesas Electronics Corporation (present)
【Reasons for selection as a candidate for Corporate Auditor】 He has served as Corporate Auditor of the Company for 7 years and 9 months and is familiar with the Company's business. Over the years, he has gained experiences in the accounting departments, experiences in the business operation as an executive officer and experiences in the auditing tasks as a corporate auditor at other companies. Based on his abundant knowledge, experiences and deep insight cultivated through these experiences, the Company selected this candidate for Corporate Auditor with the expectation that he would strengthen the audit function of the Company's management. He has served as Corporate Auditor for 7 years and 9 months at the closure of this General Meeting.		

(Note) There is no special interest between the Company and this candidate.

Proposal No. 3: Determination of the terms and the amount of renumeration etc. regarding stock acquisition rights to be granted as stock options to the Company's Outside Directors.

Based on the approval of the 14th Ordinary General Meeting of Shareholders held on June 28, 2016, the Company has introduced "stock compensation type stock options" that use stock acquisition rights in order to secure talented personnel and enhance the willingness to contribute to the increase in the Company share price and corporate values by sharing the interests with the Company's shareholders and strengthen a linkage with the Company share price. However, the stock options can only be granted to full-time Directors and not Outside Directors.

In order to achieve a global growth in the rapidly changing and highly competitive semiconductor industry, the Company needs to further increase the diversity of the Board of Directors. In this regard, global companies generally use stock-based compensations as compensations for outside directors. By establishing a system that allows provision of stock-based compensations to the Company's Outside Directors and enabling a more flexible and agile compensation policy, the Company can secure a more diverse and talented individuals, including outside directors who are foreign nationals. Further, providing stock-based compensations to Outside Directors could further raise awareness in respect of the various roles required to be played by Outside Directors in order to increase the Company's share prices and corporate values, such as providing advice utilizing their knowledge and experience and supervising and monitoring over the management of the Company operations.

Therefore, the Company requests the approval of the terms and the amount of renumeration of stock acquisition rights to be granted to Outside Directors as a stock compensation (the "Proposed Stock Acquisition Rights") in order to secure diverse and talented individuals and raise the awareness of the roles of Outside Directors as described above.

Just like the stock options granted to the Directors who are not Outside Directors, the current proposed stock options are "stock compensation type stock options" and the exercise price to receive one (1) share of the Company stock is one (1) yen per share. The Company believes that the terms are appropriate given the purpose of securing diverse and talented individuals and further raise the awareness of the roles of Outside Directors.

The amount of renumeration of the Proposed Stock Acquisition Rights will be limited to up to 400 million yen per year, which is consistent with the Company's conventional renumeration cap, and it shall be calculated by multiplying (i) the fair value of one (1) Proposed Stock Acquisition Rights derived by using a fair calculation formula based on the terms of the Proposed Stock Acquisition Rights and the Company's share price, etc. by (ii) the aggregate number of the Proposed Stock Acquisition Rights to be granted to Outside Directors.

In consideration of the roles of the Outside Directors, the Company plans to limit the number of Proposed Stock Acquisition Rights that can be exercised and have other restrictions on the exercise of such rights in the stock acquisition rights allotment agreements to be separately entered into between the Company and the grantees, in addition to an enrollment requirement and other conditions to exercising the Proposed Stock Acquisition Rights as described below. The Company believes such restrictions will function as an incentive to improve the Company's corporate values.

In addition, allocations of the Proposed Stock Acquisition Rights to Outside Directors will be determined after consultation with the Voluntary Renumeration Committee that is chaired by an Independent Outside Director and a majority of such committee being comprised of Independent Outside Directors.

There are currently four (4) Outside Directors and, if Proposal No. 1 is approved as proposed, there will be four (4) Outside Directors.

1. Cap on the number of the Proposed Stock Acquisition Rights

The number of the Proposed Stock Acquisition Rights that will be granted to Outside Directors within one (1) year from the date of the Ordinary General Meeting of Shareholders of each business period shall be capped at 2,000.

2. Class and number of shares to be allotted upon exercise of the Proposed Stock Acquisition Rights

The class of shares to be allotted upon exercise of the Proposed Stock Acquisition Rights shall be the Company's common stock, and the number of shares to be allotted upon exercise of each Proposed Stock Acquisition Rights (the "Number of Stocks to be Granted") shall be 100 shares. However, in the case of a stock split (including gratuitous allotment of common stocks; the same applies to all stock splits hereinafter) or a reverse stock split of the Company's common stocks by the Company after the resolution date of this proposal (the "Resolution Date"), the Number of Stocks to be Granted shall be adjusted using the following formula with respect to the Proposed Stock Acquisition Rights that have not been exercised at the time of such stock split or reverse stock split:

(Adjusted Number of Stocks to be Granted)
＝(Number of Stocks to be Granted before adjustment)×(Ratio of stock split or reverse stock split)

In addition to the above, if, after the Resolution Date, the Company carries out a merger or company split, or deems it necessary (to essentially the same extent) to adjust the Number of Stocks to be Granted in other situations, the Company may appropriately adjust the Number of Stocks to be Granted to a reasonable extent. A fraction less than one (1) share generated as a result of the adjustment shall be truncated.

3. Payment to be made for the Proposed Stock Acquisition Rights

The payment to be made shall be either of the following (1) or (2), which shall be determined by the Board of Directors of the Company, which will determine the subscription requirements of the Proposed Stock Acquisition Rights.

(1) No payment is required in exchange for the Proposed Stock Acquisition Rights; or
(2) The amount to be paid per one (1) Proposed Stock Acquisition Right shall be determined by the Board of Directors based on the fair value of the Proposed Stock Acquisition Right derived by a

fair calculation formula such as a binomial model when the Proposed Stock Acquisition Rights are allocated. The grantees shall not be required to make cash payments to the Company, and instead their claims for cash compensations against the Company shall be offset by the amount to be paid for the Proposed Stock Acquisition Rights.

4. Amount of assets to be contributed upon exercise of the Proposed Stock Acquisition Rights

The contribution to be made upon exercise of the Proposed Stock Acquisition Rights shall be in cash, and the value to be contributed upon exercise of each Proposed Stock Acquisition Rights shall be obtained by multiplying (i) one (1) Japanese yen, which is the value per share to be delivered upon exercise of such Proposed Stock Acquisition Rights, by (ii) the Number of Stocks to be Granted.

5. Exercise period of the Proposed Stock Acquisition Rights

The exercise period shall be determined by the Board of Directors but shall be within the range of ten (10) years starting from the day immediately following the day the Proposed Stock Acquisition Rights are granted (the "Exercise Period").

6. Transfer Restrictions on the Proposed Stock Acquisition Rights

A transfer of the Proposed Stock Acquisition Rights requires the approval of the Company's Board of Directors.

7. Conditions to exercising the Proposed Stock Acquisition Rights

(i) As a general rule, the Proposed Stock Acquisition Rights can be exercised starting from the day that is one (1) year after the day immediately following the date the applicable Proposed Stock Acquisition Right has been granted.

(ii) The grantees shall be in the position of Director, Corporate Officer, Corporate Auditor, Executive Officer or employee of the Company or its subsidiaries (the "Exercise Qualification") at the time of the exercise of the Proposed Stock Acquisition Rights.

(iii) If a grantee loses his/her Exercise Qualification (other than loss due to a death), such individual may exercise his/her Proposed Stock Acquisition Rights only within the period of thirteen (13) months starting from the day immediate following the day such person lost the Exercise Qualification (but must be during the Exercise Period).

(iv) If a grantee dies, his/her Proposed Stock Acquisition Rights may be succeeded by only one (1) of his/her heirs (the "Rights Successor"). In such case, a Rights Successor may exercise the Proposed Stock Acquisition Rights in a lump sum and only before the day that is six (6) months after the day immediately following the day on which the grantees dies (but must be during the Exercise Period). If a Rights Successor dies, such person's heirs may not further succeed to the Proposed Stock Acquisition Rights.

(v) If a grantee waives his/her Proposed Stock Acquisition Rights, such person shall not be able to exercise such Proposed Stock Acquisition Rights.

(8) Other terms of the Proposed Stock Acquisition Rights

Other terms of the Proposed Stock Acquisition Rights shall be determined at the same meeting of the Company's Board of Directors which resolves on subscription requirements etc. of the applicable Proposed Stock Acquisition Rights.

-end

(Translation)

Business Report

(For the period from January 1, 2019 to December 31, 2019 (this "Business Period"))

1. Overview of Operations of the Group

(1) Business Progress and Results

(i) Overview

During this Business Period, the growth of the global economy slowed down due to factors such as the calming of IT demands, adjustments in corporate capital investments and geopolitical risks. In particular, the trade friction between the United States and China has heightened uncertainties over the economic outlook, led to suppression of capital investments mainly in the manufacturing industry, and affected the global trades including Europe and Japan.

Since the beginning of the current Business Period, the semiconductor market in which Renesas group companies (the "Group") operates has also declined from the previous business period due to uncertainties over the global economic outlook which continued and expanded since the latter half of the previous business period. In the second half of this Business Period, the market continued to decelerate due to factors such as low demands and adjustments in inventories of products for distribution. Overall, the Group experienced a negative year on year growth of at least double digits in U.S. dollars.

In these business environments and against the backdrop of the semiconductor market that is experiencing changes to its environment at an increasingly global level and is becoming intensely competitive, the Group worked together aggressively to realize a stable and sustainable growth and secure profits throughout the future, to become the world's number one semiconductor solution provider in its focused business sectors, and to implement various measures centered on "Expanding and Strengthening of Business Portfolio to Accelerate the Leap to the Growth Stage", "Continuous Optimization of the Manufacturing Structure" and "Strengthening of the Management Foundation".

With regards to "Expanding and Strengthening of Business Portfolio to Accelerate the Leap to the Growth Stage", the Group strategically and intensively invested its management resources into focus areas for which the Group can fully exhibit its global competitiveness through both organic approach (approach in which the Group expands and strengthens its own existing businesses) and inorganic approach (approach in which the Group takes advantages of strategic alliances with other companies or in which the Group acquires other companies). In particular, in order to strengthen the Group's solution offerings and expand its business growth opportunities, the Company acquired Integrated Device Technology, Inc. (headquartered in the State of California, U.S.A.) ("IDT", and it has integrated with Renesas Electronics America Inc. as of January 1, 2020), a company that has a business portfolio centered on analog mixed-signal that complements the Group's businesses, and promoted various Group-wide initiatives directed at early maximization of the synergy effects from the acquisition. Further, the Group took leverage of its global competitive advantages to develop and introduce to the market various highly profitable and highly value-added products that meet the needs of the market and the customers in both the automotive and industrial, infrastructure, and Internet of Things ("IoT") fields that the Group is focused on.

With regards to "Continuous Optimization of Manufacturing Structure", in order to establish a

production system that can respond flexibly and efficiently to customers' needs, the Group focused on securing appropriate production capacity through facility renovations and improving efficiency. Simultaneously, the Group reconsidered its domestic production system and integrated into the Company, a portion of Renesas Semiconductor Manufacturing Co., Ltd. which specializes in front-end operations (semiconductor wafer processing), and Renesas Semiconductor Package & Test Solutions Co., Ltd., which specialized in back-end operations (semiconductor device assembly and testing process), in order to simplify the organization and simplify and expedite the decision-making process.

With regards to "Strengthening of the Management Foundation", the Group endeavored to strengthen its management foundation that supports its global business operations. Specifically, the Group established a new management system by appointing a new President and CEO given the current situation of the Group in the highly competitive semiconductor industry. Following the acquisition of IDT, the Group reorganized its conventional three business units system into two business units system comprised of the "Automotive Solutions Business Unit" in charge of the automotive business and the "IoT and Infrastructure Business Unit" in charge of the industrial, infrastructure and IoT business, and a system has been developed to transform these business units into individual profit centers, each with attributable management and profit responsibility. And in order to strengthen the coordination of the administrative divisions, the conventional framework of the unit-level organization was dissolved and instead established an individual division-level organization. Further, in order to improve profits and cashflows, the Group also focused on various measures to optimize expenses including research and development ("R&D") expenses and sales, general and administrative expenses, improving various operational processes and optimizing inventory levels. The Group also started the voluntary application of International Financial Reporting Standards ("IFRS") commencing from the annual securities report submitted in March 2019 in order to improve the comparability of its financial information in the global capital markets.

(ii) Summary of Consolidated Financial Results

In connection with the disclosures of its consolidated operating results, the Group uses both internal indicators used by the management for decision making ("Non-GAAP Indicators") as well as indicators based on IFRS as helpful information for understanding the constant business performance of the Group.

Non-GAAP operating income is a value derived as follows: IFRS operating income minus or reconciling non-recurring items and certain other reconciliation items in accordance with certain rules established by the Group. Specifically, items such as amortization of intangible assets and other impacts from purchase price allocations recognized in connection with acquisitions, acquisition related costs, stock compensation expenses and one-off gains or losses that the Group deems should be deducted are deducted or adjusted.

(Note) The Group references standards determined by the U.S. Securities and Exchange Commission in connection with the disclosures of the Non-GAAP Indicators, but the disclosures do not fully comply with such standards.

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

< Results for this Business Period (Non-GAAP Basis) >

(Consolidated Net Revenues on Non-GAAP Basis)

Consolidated net revenues for this Business Period decreased by 5.1% year on year, resulting in 718.2 billion yen. This was mainly due to lower demands in the automotive and industrial, infrastructure and IoT fields, where the Group is focused on, against the backdrop of heightened uncertainties over the global economy.

(Non-GAAP Consolidated Operating Income)

Consolidated operating income for this Business Period decreased by 10.6% year on year to 93.1 billion yen. This was mainly due to a decrease in revenues in the automotive and industrial, infrastructure and IoT fields.

(Adjustments from Non-GAAP Consolidated Operating Income to IFRS Consolidated Operating Income)

During this Business Period, the amortization of intangible assets and fixed assets deducted from non-GAAP consolidated operating income was 47.6 billion yen, the stock compensation expenses were 12.0 billion yen, and the market value of inventories was 11.3 billion yen. Further, one-time and limited-in-scope gains or losses, including acquisition-related expenses, are included in non-recurring items of 15.2 billion yen.

< Results for this Business Period (IFRS Basis) >

Consolidated net revenues for this Business Period decreased by 5.1% year on year and were 718.2 billion yen, and consolidated operating income decreased by 90.0% year on year and was 6.8 billion yen. Further, net income attributable to shareholders of the parent company for this Business Period decreased by 111.6% year on year, resulting in 5.9 billion yen of loss.

(in billion yen)

	17th Business Period (1/1/18-12/31/18)	18th Business Period (This Business Period) (1/1/19-12/31/19)
Consolidated Revenue	756.5	718.2
Non-GAAP Consolidated Operating Income	104.0	93.1
Amortization of intangible assets and fixed assets	(17.1)	(47.6)
Stock Compensation Expenses	(5.5)	(12.0)
Market value of inventories	—	(11.3)
Non-Recurring Items	(13.3)	(15.2)
IFRS Consolidated Operating Income	68.2	6.8
Profit or Loss Attributable to Shareholders of the Parent	51.0	(5.9)

< Segment Overview>

Following the completion of the acquisition of IDT in March 2019, the Group reorganized its business structure into the two business units system in July 2019. As a result, the segments for the financial information disclosures have been changed to “Automotive Business” and “Industrial, Infrastructure and IoT Business”, the two main segments of the Group, and “Other”. The performance of each segment is 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 mainly supplies microcontrollers, system-on-chips (SoCs), analog semiconductor devices and power semiconductor devices in each of these categories.

Revenues of the Automotive Business for this Business Period were 371.1 billion yen, a decrease of 4.8% year on year, mainly due to weakening of the automobile market reflecting the growing uncertainties over the global economy. Non-GAAP operating income increased by 91.7% year-on-year to 31.0 billion yen, due to improved profits during the latter half of the year.

(Industrial, Infrastructure and IoT Business)

The Industrial, Infrastructure and IoT Business includes “Industrial”, “Infrastructure” and “IoT” that support the smart society. The Group mainly supplies microcontrollers, SoCs and analog semiconductor devices in each of these categories.

Revenues of the Industrial, Infrastructure and IoT Business for this Business Period were 329.7 billion yen, a decrease of 4.9% year on year, as a result of a decrease in the overall demand due to suppressions of capital investments in facilities reflecting the growing uncertainties over the global economy. Non-GAAP operating income decreased 26.7% year on year to 59.1 billion yen.

(Other)

The Other category includes contract development and contract manufacturing of semiconductors. Revenues of the Other for this Business Period decreased 14.1% year on year to 17.4 billion yen. Non-GAAP operating income decreased 11.7% year on year to 1.6 billion yen.

The Group will spend the internal reserves on strategic investment opportunities in order to correspond the rapid environmental changes and survive global competitions, which are aimed to increase corporate values and shareholder returns. We would like to forgo declaring dividends for this Business Period. In the future, we will aim to achieve stable and sustainable profit growth from a log-term perspective and resume declaring and paying dividends. 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 Business Period, as a result of unified efforts to implement "Expanding and Strengthening of Business Portfolio to Accelerate the Leap to the Growth Stage", "Continuous Optimization of the Manufacturing Structure", etc., the Group maintained and further strengthened its stable management foundation despite the slowing down of the global economy, although the sales revenues declined compared with the previous business period.

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

To achieve this goal, the Group will continue to implement the following efforts.

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

In order to make the leap to the growth stage and achieve a stable earnings growth, the Group will further increase the authority and responsibilities of each business unit as a profit center, while accelerating efforts to expand and strengthen its business portfolio through both organic and inorganic approaches in its focused areas including automotive and industrial, infrastructure and IoT fields, where the Group possesses global strengths and competitiveness.

First, as efforts based on an organic approach, the Group will invest in R&D activities intensively in focused areas with respect to microcontrollers and SoC, while it will further optimize the expansion of business opportunities and R&D and respond to changes in the Group's business portfolio and technology development areas associated with the acquisition of Intersil Corporation ("Intersil") and IDT with respect to analog mixed signals. In order to achieve a 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 continue to review its business portfolio from the standpoint of competitiveness and profitability, implement selection and concentration of business domains and products, and focus management resources on selected business areas and products.

With regards to efforts based on an inorganic approach, in addition to Intersil acquired in 2017, the Company has completed its acquisition of IDT during this Business Period as mentioned in "1. (1) Business Progress and Results" section. Going forward, the Group will maximize synergy effects, such as strengthening solution proposal capabilities by acquiring highly complementary products and technologies, expanding sales channels, integrating development technologies and products, and forming a global production system that leverages production models of all group companies, and will strive to expand business growth opportunities.

(ii) Continuous Optimization of the Manufacturing Structure

The Group has achieved a significant optimization of its manufacturing structure through its "Reform Plan", which has been implemented from 2013 to 2015 in order to survive in the rapidly changing and competitive global semiconductor market. The Group will continue to make further improvements to achieve a more efficient production structure, while also establishing a production system that flexibly

meets the needs of customers around the world.

Specifically, since some of the Group's production factories use facilities or manufacturing processes that are not as efficient as newer facilities or processes, the Group will continue to optimize manufacturing structure to further improve production efficiency and reduce production costs

In addition, during this Business Period, the Group also made capital investments focusing on facility renovation, etc. in order to secure the appropriate production capacity and improve efficiency of the Group's focus products. The Group will continue to make capital investments in its facilities in response to highly competitive production processes and smart factories, while also outsourcing some productions in order to push forward with efforts to build a manufacturing structure capable of responding flexibly to customer demands.

(3) Research and Development of the Group

(i) Announced the new family "Renesas Advanced (RA) Family" with Arm Cortex-M to strengthen the lineup of 32-bit microcontrollers for next-generation IoT devices

In recent years, there is an increase in users who want to quickly and easily introduce the next generation IoT devices to the market. In response to such user needs, the Group has enhanced its 32-bit microcontroller lineup and launched its new family, "RA Family" equipped with Arm Cortex-M.

This product aims to enhance and strengthen various functions required for the development of next-generation embedded devices. In addition, the product pursues the ultimate combination of peripheral function intellectual properties full of the Group's experience and know-how accumulated over the years regarding embedded systems such as security and connectivity, as well as Flexible Software Package ("FSP") that supports various use cases.

This product adopts Arm Inc.'s high performance advanced CPU core "Arm Cortex-M" and will use ecosystems of the Group and Arm in the IoT field to provide the latest technologies such as security, safety, connectivity and Human Machine Interface in the field of various IoT devices such as Industrial Automation, Building Automation, meters, healthcare and home appliances, and support their developments.

In addition, this product is equipped with the Group's unique Secure Crypto Engine which allows the setting of advanced encryption keys, and it can also be used in wide range of equipment from equipment with simple configurations to those with complex security functions.

Further, as development loads of software in the development of IoT devices pose an issue, the FSP of this product adopts a flexible open architecture that allows for a use in combination with the Group's ecosystem. As a result, the users can reuse the existing software assets or quickly implement complex functions by combining with the software of the Group or Group's partners, thereby enabling expedited development of IoT devices.

The Group will contribute to the distribution and expansion of the next-generation IoT devices by accurately capturing the market needs and enhancing the lineup of new Arm core-equipped microcontrollers in a timely manner.

(ii) Announced the "RH850/U2A" cross-domain microcontroller for automotive control, the world's first microcontroller to realize the virtualization assist technology for the integration of Electronic Control Units ("ECU") and responds to increasingly complex digitalization of automobiles aimed at Advanced Driver Assistance System ("ADAS") and autonomous driving.

In recent years, there is a growing need to integrate multiple applications into a single chip in order to realize a unified ECU for the evolving architecture of Electrical/Electronic ("E/E") vehicles aimed at ADAS and autonomous vehicles.

In order to meet this need, the Group has developed "RH850/U2A", an automotive-controlled microcontroller with embedded flash memory that adopts 28 nanometer (Note 1) process technology. This product is the world's first microcontroller with embedded flash that integrates a hard-ware based virtualization-assisted function.

The hardware based virtualization assist technology of this product can support the highest functional safety level "ASIL D" (Note 2) required for automotive chassis while maintaining the real-time performance conventionally retained by the RH850 family of the Group. Further, this product allows users to implement multiple software with different functional safety levels to be operated on one microcontroller and run concurrently without interference, thereby allowing users to efficiently use the existing software assets to integrate ECUs with different functional safety levels.

Since this product is equipped with 16 megabytes of built-in flash ROM, 3.6 megabytes of SRAM and a strong security function, it can use Over The Air ("OTA") (Note 3) and safely update software while driving a vehicle.

This product is a successor model that integrates the functions of the Group's chassis control microcontroller and the body control microcontroller, and it is ideal not only for vehicle chassis and body control but also domain control and gateway ECUs from low-end to mid-range. The Group plans to position this product as the first round of the new generation automotive control "cross-domain microcontrollers" that can be used for various purposes, and it plans to establish software and development environments.

The Group will use this "cross-domain microcontroller" as the principal product for the automotive control microcontrollers and actively promote improvements in performance, security, network compatibility and scalability (extensibility), and will continue to lead the industry to realize a safe vehicle society.

(iii) Announced a lithium-ion battery management IC that maximizes battery cell life and driving range for hybrid and electric vehicles.

For hybrid and electric vehicles, maximizing the battery cell life and driving range of lithium-ion rechargeable batteries mounted on such vehicles are key to improving performance. To meet this need, the Group has developed the lithium-ion battery management IC "ISL78714" that can maintain extremely high voltage measurement accuracy for an extended period of time.

This product can provide an accurate cell voltage and temperature monitoring of up to 14 cells as well as an adjustment of cell voltage. Specifically, it can monitor and adjust with ±2mV accuracy across automotive temperature ranges, thereby realizing a Battery Management System ("BMS") that allows system designers make informed decisions based on absolute voltage levels.

Further, it meets the stringent reliability and performance requirements of BMS and enables automotive manufacturers to achieve the automotive functional safety level "ASIL D".

This product can be combined with the Group's RH850 Family of automotive control microcontroller to build a BMS that monitors multiple cells. As a reference design kit, the Group also provides five sets of this product and a RH850/P1M microcontroller unit-embedded evaluation platform that can monitor up to 70 cells. Using this reference design kit allows for an easy transfer to the RH850 microcontroller family software and an easy scale change according to the battery pack size, contributing to shortening of the BMS development period.

(Note) 1. Nanometer: 1 nanometer is one billionth of a meter.
2. ASIL: This is an abbreviation of "Automotive Safety Integrity Level" and is a functional safety level in the functional safety standard ISO 26262 for vehicles.
3. OTA: This is a mechanism that allows drivers to update and upgrade automotive software over wireless networks.

(4) Capital Investments etc. of the Group

The total amount of capital investments made by the Group (on the investment decision basis) during this Business Period was 10.8 billion yen. This was mainly for renewing the manufacturing equipment at production facilities etc.

(5) Financing Activities of the Group

In order to finance the acquisition of IDT, as indicated in the "1. (1) Business Progress and Results" section, and to refinance medium- to long-term working capitals, the Company has entered into a syndicated loan agreement (total amount: 897.0 billion yen) with the Company's main banks including MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited in January 2019 and made borrowings under such agreement in both March and June of 2019.

The outstanding debt of the Group as of the end of this Business Period was 771.7 billion yen, a 579.5 billion yen increase from the end of the previous business period.

During this Business Period, the Group did not raise funds through an issuance of new equity or bonds.

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

<IFRS>

(In billions of yen except per share figures)

Indices \ Business Period	16th Business Period (1/1/17-12/31/17)	17th Business Period (1/1/18-12/31/18)	18th Business Period (This Business Period) (1/1/19-12/31/19)
Sales revenue	779.3	756.5	718.2
Operating income	101.9	68.2	6.8
Non-GAAP operating income	-	104.0	93.1
Profit before income taxes	99.5	67.7	0.3
Profits attributable to shareholders of parent company (losses)	102.0	51.0	(5.9)
Basic earnings per share (losses) (in yen)	61.20	30.57	(3.49)
Total assets	1,136.0	1,055.2	1,667.4
Total capital	578.6	601.0	623.6

(Note) 1. Starting from this Business Period, the consolidated financial statements are being prepared in accordance with IFRS. In addition, the numbers for the 16th and 17th business periods prepared in accordance with IFRS are also shown as a reference above.

2. "Basic earnings (or losses) per share" is calculated based on the average number of shares outstanding during the applicable business period.

3. Non-GAAP operating income is calculated by deducting or adjusting non-recurring items and other specific adjustment items from operating income in accordance with IFRS pursuant to certain rules. We determined such information is useful to understand the Group's constant operating results.

<Japanese GAAP>

(In billions of yen except per share figures)

Indices \ Business Period	14th Business Period (4/1/15-3/31/16)	15th Business Period (4/1/16-12/31/16)	16th Business Period (1/1/17-12/31/17)	17th Business Period (1/1/18-12/31/18)
Net sales	693.3	471.0	780.3	757.4
Operating income	103.8	54.7	78.4	66.8
Ordinary income	102.1	50.0	75.3	65.1
Income before income taxes	90.8	41.0	84.8	55.6
Net income attributable to shareholders of parent company	86.3	44.1	77.2	54.6
Net income per share (yen)	51.76	26.46	46.3	32.74
Total assets	849.4	823.1	1,051.5	967.8
Net assets	381.7	422.4	511.9	531.6

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

2. As to 15th Business Period, it comprises nine (9) months from April 1, 2016 to December 31, 2016 due to the change of the Group's fiscal term.

(7) Principal Subsidiaries (as of December 31, 2019)

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
Overseas	Renesas Electronics America Inc.	(1,000 USD) 1,379	100.0	Design, development, manufacturing and sale of semiconductors in the U.S.A.	California, U.S.A.
	Renesas Electronics Europe GmbH	(1,000 Euro) 14,000	100.0	Design, development and sale of semiconductors in Europe	Dusseldorf, Germany
	Renesas Electronics Hong Kong Limited	(1,000 HKD) 15,000	100.0	Sale of semiconductors in Hong Kong	Hong Kong, China
	Renesas Electronics Taiwan Co., Ltd.	(1,000 NTD) 170,800	100.0	Sale of semiconductors in Taiwan	Taipei, Taiwan
	Renesas Electronics Singapore Pte. Ltd.	(1,000 USD) 32,287	100.0	Sale of semiconductors in ASEAN, India, Oceania and Middle East	Singapore
	Integrated Device Technology, Inc.	(1,000 USD) 2,952,449	100.0	Development, manufacturing and sale of analog IC such as mixed signals	California, U.S.A.

(Note)
1. There is a total of 87 consolidated subsidiaries as of December 31, 2019, consisting of 4 domestic companies and 83 overseas companies, including the principal subsidiaries described above.
2. Renesas Semiconductor Package & Test Solutions Co., Ltd., a wholly owned subsidiary of the Company, has merged into the Company as of January 1, 2019.
3. Renesas Electronics Europe GmbH became a wholly and directly owned subsidiary of the Company after the Company acquired the entire equity interests of such subsidiary on January 1, 2019.
4. The Company acquired IDT, a U.S. analog semiconductor manufacturer, as of March 30, 2019, making IDT a wholly owned subsidiary.
5. Renesas Electronics America Inc., a wholly owned subsidiary of the Company, was merged into IDT on January 1, 2020 and IDT changed its name to Renesas Electronics America Inc.
6. There is no “Specific wholly owned subsidiary” which comes under Item 4, Article 118 of Ordinance for Enforcement of the Companies Act.

(8) Main Business of the Group (as of December 31, 2019)

As a semiconductor manufacturer, the Group designs, develops, manufactures and sells and provides services in connection with semiconductor products with focus on products for automotive, industrial, infrastructure and IoT-based applications.

(9) Principal Offices and Plants of the Group (as of December 31, 2019)

(i) The Company

Type	Location
Headquarters	Koto-ku, Tokyo
R&D Base	Musashi Site (Kodaira-shi, Tokyo)
	Takasaki Site (Takasaki-shi, Gunma)
	Naka Site (Hitachinaka-shi, Ibaraki)
Manufacturing Base	Yonezawa Factory (Yonezawa-shi, Yamagata)
	Oita Factory (Nakatsu-shi, Oita)
	Nishiki Factory (Kuma-gun, Kumamoto)

(ii) Subsidiaries

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

(10) Employees of the Group (as of December 31, 2019)

Number of Employees	Decrease from December 31, 2018
18,958	588

(Note) The above figures are the number of permanent employees (including individuals seconded from outside the Group to the Group, and excluding individuals seconded from the Group to outside the Group), and the temporary employees are excluded.

(11) Major Lenders of the Group (as of December 31, 2019)

Lenders	Balance of Borrowings (Millions of yen)
MUFG Bank, Ltd.	340,283
Mizuho Bank, Ltd.	307,875
Sumitomo Mitsui Trust Bank, Limited	74,970

2. Overview of the Company

(1) Matters related to the Company's Shares (as of December 31, 2019)

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

(ii) Total Number of Shares Issued 1,710,274,209 shares
(excluding treasury stock of 2,581 shares)

(iii) Number of Shareholders 41,374

(iv) Major Shareholders

Name of Shareholders	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	50,015,900	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

(Note) 1. "Percentage of Shares Held" is calculated by excluding 2,581 shares of treasury stock.
2. "Percentage of Shares Held" is shown by truncating the numbers beyond the third decimal place.
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 severance indemnities trusts. The voting rights of such shares will be exercised at the instruction of NEC Corporation.

(2) Matters related to Directors and Corporate Auditors

(i) Name, etc. of Directors and Corporate Auditors (as of December 31, 2019)

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 the General Meeting of Shareholders and the Meeting of Board of Directors; and matters relating to Internal Audit Office
Hidetoshi Shibata	*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 Quality Assurance Division and CEO Office
Tetsuro Toyoda	Member of the Board of Directors	Co-Chief Investment Officer, Member of the Board, Head of Investment Group, INCJ, Ltd.
Jiro Iwasaki	Member of the Board of Directors	Outside Director (Full-time Audit and Supervisory Committee Member), GCA Corporation Outside Director, SBS Holdings, Inc.
Kyoko Okumiya	Member of the Board of Directors	Partner, Attorney-at-Law, Tanabe & Partners Law Office Outside Director, The Bank of Yokohama, Ltd. Audit & Supervisory Board Member, Toshiba Tec Corporation
Yukiko Nakagawa	Member of the Board of Directors	Professor, the Graduate School of Business Design, Rikkyo University Outside Director, NISSIN FOODS HOLDINGS CO., LTD.
Kazuki Fukuda	Corporate Auditor (Full time)	
Kazuyoshi Yamazaki	Corporate Auditor	Representative, Yamazaki Law Office Outside Director, G-holdings Co., Ltd.
Noboru Yamamoto	Corporate Auditor	Representative Director, Representative Partner & CEO, XIB Capital Partners, Inc. Outside Director, Koki Holdings Co., Ltd. Senior Advisor, CLSA Capital Partners K.K. Outside Director, TSUBAKI NAKASHIMA CO., LTD.
Takeshi Sekine	Corporate Auditor	Senior Executive Managing Director, Business Management Group, Japan Investment Corporation

(Note) 1. Mr. Tetsuro Toyoda, Mr. Jiro Iwasaki, Ms. Kyoko Okumiya and Ms. Yukiko Nakagawa are Outside Directors, as stipulated in Item 15, Article 2 of the Companies Act.

2. Mr. Kazuki Fukuda, Mr. Kazuyoshi Yamazaki, Mr. Noboru Yamamoto and Mr. Takeshi Sekine are Outside Corporate Auditors, as stipulated in Item 16, Article 2 of the Companies Act.

3. The Company has notified Tokyo Stock Exchange, Inc., on which the Company lists its shares, of 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, as Independent Executives who will have no conflict of interests with the Company's general shareholders.

4. Mr. Kazuki Fukuda, a Corporate Auditor, has many years of experience in accounting operations at other companies and thus has considerable knowledge of finance and accounting. Mr. Takeshi Sekine, a Corporate Auditor, is a certified public accountant and has considerable knowledge of finance and accounting.
5. At the 17th Ordinary General Meeting of Shareholders held on March 20, 2019, Ms. Kyoko Okumiya and Ms. Yukiko Nakagawa were newly elected and took office as Members of the Board of Directors.
6. The Director who retired during this Business Period is as follows:

Name	Retirement Date	Reason	Position, Responsibility and Important Concurrent Positions at the time of Retirement
Bunsei Kure	June 30, 2019	Resignation	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 Quality Assurance Division

7. As of July 1, 2019, Hidetoshi Shibata, who served as an Executive Vice President, Member of the Board of Directors and CFO, took office as Representative Director, President and CEO.
8. INCJ, Ltd., where Mr. Tetsuro Toyoda, an Outside Director, concurrently holds the position, is a major shareholder of the Company owning 32.55% of the Company's shares. Japan Investment Corporation, where Mr. Takeshi Sekine, an Outside Corporate Auditor, concurrently holds the position, owns all of the outstanding shares of INCJ, Ltd. There is no other special interested relationship between the Company and the applicable concurrent employer.
9. 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, 2020 are as follows:

Name	Position at the Company	Responsibility
Masahiko Nozaki	Executive Vice President	Matters relating to Production and Technology Unit
Shingo Yamamoto	Executive Vice President	Matters relating to Automotive Solution Business Unit
Sailesh Chittipeddi	Executive Vice President	Matters relating to IoT and Infrastructure Business Unit
Tomomitsu Maoka	Senior Vice President	Matters relating to Automotive Solution Business Unit (A&P Products)
Hiroto Nitta	Senior Vice President	Matters relating to IoT and Infrastructure Business Unit (SoC Business)
Shinichi Yoshioka	Senior Vice President and CTO	Formulation of the Company's technology strategy and R&D policies
Chris Allexandre	Senior Vice President	Matters relating to IoT and Infrastructure Business Unit (Global Sales and Corporate Digital Marketing)
Roger Wendelken	Senior Vice President	Matters relating to IoT and Infrastructure Business Unit (MCU Business)

Name	Position at the Company	Responsibility
Shuhei Shinkai	Senior Vice President and CFO	Matters relating to Corporate Strategy & Finance Division, Accounting & Control Division, Human Resources & General Affairs Division, and Supply Chain Management Division
Jason Hall	Senior Vice President and CLO	Matters relating to Legal Division, Information Systems Division and Procurement Division

(ii) Outline of Liability Limitation Agreements

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 liabilities pursuant to such agreements are limited to the minimum liability amount stipulated in the Articles of Incorporation of the Company.

(iii) Aggregate Remuneration, etc. of Directors and Corporate Auditors for this Business Period

Classification	Number of Persons/Total Amount Paid
Directors	6 persons/575 million yen (including 3 Outside Directors / 35 million yen)
Corporate Auditors	3 persons/32 million yen (including 3 Outside Corporate Auditors/32 million yen)
Total	9 persons/607 million yen (including 6 outside officers/68 million yen)

(Note)
1. As of the end of this Business Period, there were six (6) Directors (including four (4) Outside Directors) and four (4) Corporate Auditors (all were Outside Corporate Auditors).
2. The amount of remuneration of Directors (excluding the Outside Directors) above includes the following:
   (i) The total amount recorded as expenses during this Business Period for bonuses: 371 million yen; and
   (ii) The total amount recorded as expenses during this Business Period for the stock acquisition rights granted as equity-incentive stock options: 91 million yen.
3. The amount of remuneration of Directors above does not include the amount paid as salary for employees to those Directors who are also employees of the Company.
4. The maximum annual remuneration of Directors as approved at the General Meeting of Shareholders is 2 billion yen, including 400 million yen for Outside Directors (approved at the Ordinary General Meeting of Shareholders held on March 29, 2018).
5. The maximum monthly remuneration of 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).
6. Amounts in yen are rounded to the nearest million yen. Therefore, the total amount in yen in "Directors" and "Corporate Auditors" columns may not add up to the total amount in yen in the "Total" column.

(3) Matters related to Outside Directors and Outside Corporate Auditors

(i) Important Concurrent Positions held by Outside Directors and Outside Corporate Auditors, and Relationships Between the Company and the Organizations where they hold Important Concurrent Positions (as of December 31, 2019)

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

(ii) Principal Activities during this Business Period

Title	Name	Principal Activities
Director	Tetsuro Toyoda	He attended all 15 meetings of the Board of Directors held during this Business Period and made remarks necessary to discussions of proposals based on his extensive knowledge, experience and deep insight mainly gained from his career in a wide-range investment business at INCJ, Ltd. and former Innovation Network Corporation of Japan.
	Jiro Iwasaki	He attended all 15 meetings of the Board of Directors held during this Business Period and made remarks necessary to discussions of proposals based on his extensive knowledge, experience and deep insight mainly gained from his career in business operations at various companies for many years.
	Kyoko Okumiya	She attended all 12 meetings of the Board of Directors held since the appointment as Director in March 2019 and made remarks necessary to discussions of proposals based on her extensive knowledge, experience, and deep insights mainly gained from her career as a lawyer for many years.
	Yukiko Nakagawa	She attended 11 of 12 meetings of the Board of Directors held since the appointment as Director in March 2019 and made remarks necessary to discussions of proposals based on her extensive knowledge, experience, and deep insights mainly gained from engagements in business operations principally in human resources at various companies.

Title	Name	Principal Activities
Corporate Auditor	Kazuki Fukuda	(i) He attended all 15 meetings of the Board of Directors held during this Business Period and, mainly based on his wealth of knowledge of business operations and accounting, made necessary remarks so that decisions at the meetings of the Board of Directors were fair and properly made. (ii) He attended all 12 meetings of the Corporate Auditors held during this Business Period. Further, as a full-time Corporate Auditor and mainly based on his wealth of knowledge of business operations and accounting, he (a) explained the contents of the discussion items to the part-time Corporate Auditors at the Executive Committee meetings, etc. regarding the matters to be submitted to the Board of Directors, (b) reported the audit status and results to the part-time Corporate Auditors, and (c) answered the questions of the part-time Corporate Auditors.
	Kazuyoshi Yamazaki	(i) He attended all 15 meetings of the Board of Directors held during this Business 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 are being followed so that decisions at the meetings of the Board of Directors were fair and properly made. (ii) He attended all 12 meetings of the Corporate Auditors held during this Business 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.
	Noboru Yamamoto	(i) He attended all 15 meetings of the Board of Directors held during this Business Period and, mainly based on his extensive knowledge, experience and deep insight gained from his career in global financial institution and business operations, made necessary remarks so that decisions at the meetings of the Board of Directors were fair and properly made. (ii) He attended all 12 meetings of the Corporate Auditors held during this Business Period and, based on his extensive knowledge, experience and deep insight gained from his career in global financial institution and business operations, made necessary remarks regarding improvement of the governance of global management, etc.

Title	Name	Principal Activities
Corporate Auditor	Takeshi Sekine	(i) He attended 14 of 15 meetings of the Board of Directors held during this Business 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 the Board of Directors were fair and properly made. (ii) He attended all 12 meetings of the Corporate Auditors held during this Business Period and, based on his specialized knowledge, experience and deep insight as a certified public accountant, made necessary remarks for ensuring appropriate accounting procedures were followed, etc.

(Note) In addition to the above meetings of the Board of Directors, nine (9) written resolutions were made pursuant to Article 370 of the Companies Act and Article 24 of the Articles of Incorporation of the Company, which shall be deemed to constitute the resolutions of the meeting of the Board of Directors.

(4) Accounting Auditors

(i) Accounting Auditor's Name: PricewaterhouseCoopers Aarata LLC

(Note) Ernst & Young ShinNihon LLC retired as the Company's accounting auditor upon expiration of the term at the 17th Ordinary General Meeting of Shareholders held on March, 20, 2019. At such general meeting, PricewaterhouseCoopers Aarata LLC was newly appointed as the Company's accounting auditor.

(ii) Remuneration and Other Amounts to be Paid to the Accounting Auditor for this Business 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 Accounting Auditor	241
(ii) 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.	219

(Note) 1. As a result of obtaining necessary documents and being reported by the Directors, relevant departments of the Company and the Accounting Auditor as well as reviewing an audit plan, the status of actual audit, the basis for calculating the estimated remuneration amount, and the level of renumerations from the previous business period, the Board of Corporate Auditors determined that the above renumeration amounts are reasonable and has agreed to the amount.

2. As there is no explicit distinction in the audit contract (entered into between the Company and the Accounting Auditor) 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 in substance, the renumeration and other amounts set forth in (ii) above include both of such fees.

3. All overseas subsidiaries described in "1-(7) Principal Subsidiaries" above were audited by auditors other than the Accounting Auditor.

(iii) Non-Audit Services Rendered by Accounting Auditor

The Company paid the Accounting Auditor compensations for the financial advisory services other than the services provided under Paragraph 1, Article 2 of the Certified Public Accountants Act.

(iv) Policy Regarding a Decision to Either Dismiss or Not Reappoint Accounting Auditor

The Board of Corporate Auditors, by unanimous consent, will dismiss the Accounting Auditor upon determination that the Accounting 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 Accounting Auditor, thereby making it unlikely that the Accounting Auditor will be able to properly perform an audit, the Board of Corporate Auditors will propose to dismiss or not to reappoint the Accounting Auditor at a General Meeting of Shareholders. Further, if the Board of Corporate Auditor determines that the change in the Accounting Auditor will enable the Company to establish a more appropriate audit system, it will propose not to reappoint the Accounting Auditor at a General Meeting of Shareholders.

(5) Systems to Ensure Appropriate Operations of the Company and Operational Status thereof

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") have been resolved at the meeting of the Board of Directors, and the summaries are as follows.

As to the operational status of the Internal Control System during this Business Period, related important matters were deliberated and reported through the Internal Control Promotion Committee lead by CEO as a chairman (during this Business Period, the committee met five (5) times including in writing), and the committee also monitored and supervised an annual plan and operational status of the basic policies. Also, the Group promoted a compliance education and, in Japan, carried out the CSR Compliance Education for FY 2019 by using the IT systems in October and November of 2019. Further, after confirming that the Internal Control System works effectively based on the evaluation of its operation at the meeting of the Executive Committee, such results were reported at the meeting of the Board of Directors.

(i) Systems 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" (collectively, "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 Group informed of and cause them to comply with such Code of Conduct.

- The Directors shall stipulate basic matters such as an implementation system and educational programs for compliance in "Global Rule for Compliance Management within the Renesas Group", shall oblige members of the Internal Control Promotion Committee to deliberate and resolve matters regarding compliance, and shall offer training programs to the Group to ensure full awareness of compliance.
- The Directors shall set up "Renesas Electronics Group Hot Line" as internal contact points for the Group and its business partners to report any compliance issues. 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 and shall work closely with external specialized institutions to act resolutely in an organized manner when contacted by antisocial forces.

(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 the 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 risks shall strive to minimize loss by developing prevention measures against risk materialization and by developing countermeasures in case of risk materialization.
- When a serious risk materializes, the Corporate Officers shall, depending on the materiality of such risk, establish an appropriate organization chaired by themselves and implement appropriate measures in accordance with the Company's own fundamental rules of risk and crisis management.

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

- The Directors shall hold an ordinary meeting of the Board of Directors regularly once every three (3) months 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 meetings of the Executive Committee prior to meetings of the Board of Directors in order to enhance the deliberations by the Board of Directors.

- The Corporate Officers (including Corporate Officers who also act as Directors) shall make quick decisions for the business operations 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 at the meeting of the Board of Directors, and shall periodically confirm the status of execution of management plans and budgets determined at meetings of the Board of Directors.

(v) Systems to ensure appropriate operation of Corporate Group

- The Directors shall guide and support the subsidiaries to establish a 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 the event of an emergency.
- The Directors shall have Internal Audit Office audit the Group, assign internal auditing staffs or establish internal auditing divisions at principal subsidiaries, and have them cooperate with the Internal Audit Office and the subsidiaries' own Corporate Auditors to ensure Group-wide appropriate operations.

(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 staffs for the purpose of assisting the Corporate Auditors' audit activities. Any evaluation, personnel transfer, reprimand and the like of such specialized staffs shall require prior consultation with the full-time Corporate Auditor, and such staffs shall not be subject to direction or supervision of the Directors with respect to 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 of 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 may attend meetings of the Board of Directors and important meetings of the Company as they deem necessary. Furthermore, the Directors shall guarantee the right of Corporate Auditors to access important corporate information.
- In principle, the Corporate Auditors shall hold meetings of the Board of Corporate Auditors once every three (3) months and shall exchange information and deliberate on the status of audits and related matters. The Corporate Auditors shall also receive regular reports from the Accounting Auditors on their audit activities and shall exchange opinions on them.

(Translation)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As of December 31, 2019)

(In millions of yen)

Accounts	Amount	Accounts	Amount
Assets		Liabilities	
Current assets	**332,819**	**Current liabilities**	**268,641**
Cash and cash equivalents	146,468	Trade and other payables	100,187
Trade and other receivables	84,459	Bonds and Borrowings	93,182
Inventories	89,642	Other current financial liabilities	4,362
Other current financial assets	468	Income tax payables	7,861
Income tax receivables	4,438	Provisions	7,521
Other current assets	7,344	Other current liabilities	55,528
Non-current assets	**1,334,540**	**Non-current liabilities**	**775,103**
Property, plant and equipment	232,579	Trade and other payables	845
Goodwill	625,030	Bonds and Borrowings	678,577
Intangible assets	414,582	Other non-current financial liabilities	10,093
Other non-current financial assets	9,995	Income tax payables	4,499
Deferred tax assets	46,404	Retirement benefit liabilities	29,572
Other non-current assets	5,950	Provisions	3,860
		Deferred tax liabilities	43,257
		Other non-current liabilities	4,400
		Total liabilities	**1,043,744**
		Equity	
		Issued capital	22,213
		Share premium	201,588
		Retained earnings	403,068
		Treasury shares	(11)
		Other components of equity	(6,192)
		Total equity attributable to owners of the parent	**620,666**
		Non-controlling interests	**2,949**
		Total equity	**623,615**
Total assets	**1,667,359**	**Total liabilities and equity**	**1,667,359**

(Translation)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(The Year Ended December 31, 2019)

(In millions of yen)

Accounts	Amount
Revenue	**718,243**
Cost of sales	(415,315)
Gross profit	**302,928**
Selling, general and administrative expenses	(281,008)
Other income	2,302
Other expenses	(17,377)
Operating profit	**6,845**
Finance income	2,186
Finance costs	(8,774)
Profit before tax	**257**
Income tax expense	(6,082)
Loss for the year	**(5,825)**
Profit for the year attributable to	
Owners of the parent	(5,914)
Non-controlling interests	89
Loss for the year	**(5,825)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The Year Ended December 31, 2019)

(In millions of yen)

	Equity attributable to owners of the parent				
	Issued capital	Share premium	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of January 1, 2019	10,699	190,074	410,652	(11)	611,414
Profit or loss			(5,914)		(5,914)
Other comprehensive income					—
Total comprehensive income			(5,914)		(5,914)
Issue of new shares	11,514	12,097			23,611
Share-based payments					—
Transfer to retained earnings		(583)	(1,670)		(2,253)
Transfer to non-financial assets					—
Total amount of transactions with owners	11,514	11,514	(1,670)	—	21,358
Balance as of December 31, 2019	22,213	201,588	403,068	(11)	626,858

	Equity attributable to owners of the parent						Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Other components of equity								
	Stock acquisition rights	Remeasurements of defined benefit plans	Equity instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Changes in fair value of cash flow hedges	Total other components of equity			
Balance as of January 1, 2019	5,165	—	(1,072)	(3,089)	(14,318)	(13,314)	598,100	2,868	600,968
Profit or loss						—	(5,914)	89	(5,825)
Other comprehensive income		(3,203)	(177)	(18,025)	5,614	(15,791)	(15,791)	(8)	(15,799)
Total comprehensive income		(3,203)	(177)	(18,025)	5,614	(15,791)	(21,705)	81	(21,624)
Issue of new shares						—	23,611		23,611
Share-based payments	11,956					11,956	11,956		11,956
Transfer to retained earnings	(1,068)	3,203	118			2,253	—		—
Transfer to non-financial assets					8,704	8,704	8,704		8,704
Total amount of transactions with owners	10,888	3,203	118	—	8,704	22,913	44,271	—	44,271
Balance as of December 31, 2019	16,053	—	(1,131)	(21,114)	—	(6,192)	620,666	2,949	623,615

(Translation)

NON-CONSOLIDATED BALANCE SHEET

(As of December 31, 2019)

(In millions of yen)

Accounts	Amount	Accounts	Amount
Assets		Liabilities	
Current assets	**200,589**	**Current liabilities**	**407,150**
Cash and deposits	70,083	Electronically recorded obligations	12,013
Electronically recorded receivables	1,760	Accounts payable-trade	80,109
Accounts receivable-trade	59,196	Current portion of long-term borrowings	93,170
Finished goods	15,799	Current portion of lease obligations	1
Work in process	25,120	Accounts payable-other	16,092
Raw materials and supplies	1,441	Accrued expenses	19,513
Prepaid expenses	1,631	Accrued income taxes	1,469
Short-term loan receivable	784	Advances received	863
Accounts receivable-other	24,625	Deposits received	180,378
Other current assets	151	Provision for product warranties	178
Long-term assets	**1,413,090**	Provision for business structure improvement	13
Property, plant and equipment	**139,906**	Provision for contingent loss	1,943
Buildings	37,538	Asset retirement obligations	37
Structures	4,381	Other current liabilities	1,371
Machinery and equipment	54,683	**Long-term liabilities**	**702,098**
Vehicles	473	Long-term borrowings	683,928
Tools, furniture and fixtures	14,042	Lease obligations	1
Land	19,431	Accrued retirement benefits	14,499
Construction in progress	9,360	Provision for contingent loss	750
Intangible assets	**16,269**	Asset retirement obligations	1,935
Software	14,055	Other liabilities	985
Other intangible assets	2,214	**Total liabilities**	**1,109,248**
Investments and other assets	**1,256,914**	Net assets	
Investment securities	15	**Shareholders' equity**	**488,378**
Stocks of subsidiaries and affiliates	1,227,499	**Common stock**	**22,213**
Long-term prepaid expenses	13,777	**Capital surplus**	**219,274**
Prepaid pension cost	6,788	Capital legal reserve	12,213
Deferred tax assets	7,875	Other capital surplus	207,061
Other assets	960	**Retained earnings**	**246,902**
Allowance for doubtful accounts	(0)	Other retained earnings	246,902
		Retained earnings brought forward	246,902
		Treasury stock	**(11)**
		Subscription rights to shares	**16,053**
		Total net assets	**504,431**
Total assets	**1,613,679**	**Total liabilities and net assets**	**1,613,679**

(Translation)

NON-CONSOLIDATED STATEMENT OF OPERATIONS

(The Year Ended December 31, 2019)

(In millions of yen)

Accounts	Amount
Net sales	**554,313**
Cost of sales	359,862
Gross profit	**194,451**
Selling, general and administrative expenses	160,047
Operating income	**34,404**
Non-operating income	**1,081**
Interest income and dividends income	896
Other non-operating income	185
Non-operating expenses	**18,554**
Interest expenses	8,932
Commission for syndicate loan	7,548
Other non-operating expenses	2,074
Ordinary income	**16,932**
Special income	**7,228**
Gain on extinguishment of tie-in shares	6,059
Other special income	1,169
Special loss	**6,264**
Business structure improvement expenses	4,605
Provision for contingent loss	1,308
Other special loss	351
Income before income taxes	**17,896**
Income taxes-current	2,678
Income taxes-deferred	(2,216)
Net income	**17,433**

(Translation)

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(The Year Ended December 31, 2019)

(In millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings	Treasury stock	Total Shareholders' equity
		Capital legal reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward		
Balance at the beginning of the period	10,699	699	207,061	207,761	229,468	(11)	447,918
Changes during the period							
Issuance of new shares (exercise of share acquisition rights)	11,514	11,514		11,514			23,027
Net income					17,433		17,433
Net changes other than shareholders' equity							
Total changes during the period	11,514	11,514	-	11,514	17,433	-	40,461
Balance at the end of the period	22,213	12,213	207,061	219,274	246,902	(11)	488,378

	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	131	(14,318)	(14,186)	5,165	438,896
Changes during the period					
Issuance of new shares (exercise of share acquisition rights)					23,027
Net income					17,433
Net changes other than shareholders' equity	(131)	14,318	14,186	10,888	25,074
Total changes during the period	(131)	14,318	14,186	10,888	65,535
Balance at the end of the period	-	-	-	16,053	504,431

(Translation)

[Translation]

Independent Auditor's Report

February 10, 2020

To the Board of Directors of Renesas Electronics Corporation

PricewaterhouseCoopers Aarata LLC

Hiroyuki Sawayama, CPA
Designated limited liability Partner
Engagement Partner

Kenichi Shishido, CPA
Designated limited liability Partner
Engagement Partner

Hitoshi Kondo, CPA
Designated limited liability Partner
Engagement Partner

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to the consolidated financial statements of Renesas Electronics Corporation (hereinafter referred to as the "Company") for the fiscal year from January 1, 2019 to December 31, 2019.

Management's Responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provision of the second sentence of Article 120 (1), which permits the omission of some disclosure items required under Designated International Accounting Standards, and for such internal control as management determines is necessary to enable the preparation 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 the 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. In making those risk assessments, the auditor considers internal control 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, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as examining 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 its financial performance for the period covered by the consolidated financial statements in accordance with the provision of the second sentence of Article 120 (1), which permits the omission of some disclosure items required under Designated International Accounting Standards.

Conflict of Interest
We have no interest in or relationship with the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Translation)

[Translation]

Independent Auditor's Report

February 10, 2020

To the Board of Directors of Renesas Electronics Corporation

PricewaterhouseCoopers Aarata LLC

Hiroyuki Sawayama, CPA
Designated limited liability Partner
Engagement Partner

Kenichi Shishido, CPA
Designated limited liability Partner
Engagement Partner

Hitoshi Kondo, CPA
Designated limited liability Partner
Engagement Partner

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of Renesas Electronics Corporation (hereinafter referred to as the "Company") for the fiscal year from January 1, 2019 to December 31, 2019.

Management's Responsibility for the financial statements and the supplementary schedules
Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the 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 the financial statements and the 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 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 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 supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as examining the overall presentation of the financial statements and the 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 supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Conflict of Interest
We have no interest in or relationship with the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Translation)

Audit Report of Board of Corporate Auditors

The Board of Corporate Auditors, after deliberating the contents, prepared this audit report regarding the execution of the duties by Directors for the 18th fiscal year from January 1, 2019 through December 31, 2019 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 18th fiscal year ended December 31, 2019, the consolidated financial statements related to the 18th fiscal year ended December 31, 2019 (the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to the consolidated financial statements) and supplementary schedules as well as the financial statements (the balance sheet, the statement of operations, the statement of changes in net assets and notes to the 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.
   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, PricewaterhouseCoopers Aarata 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, PricewaterhouseCoopers Aarata LLC, are appropriate.

February 10, 2020
Board of Corporate Auditors of Renesas Electronics Corporation

Corporate Auditor (Full-time)	Kazuki Fukuda	(Seal)
Corporate Auditor	Kazuyoshi Yamazaki	(Seal)
Corporate Auditor	Noboru Yamamoto	(Seal)
Corporate Auditor	Takeshi Sekine	(Seal)

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