

April 9, 2024

To: All Shareholders

Renesas Electronics Corporation

**The 22<sup>nd</sup> Annual General Meeting of Shareholders  
Questions Received from Shareholders and Answers**

At the 22<sup>nd</sup> Annual General Meeting of Shareholders held on March 26, 2024 (the “Shareholders’ Meeting”), we received a total of 95 questions (including those only written as opinions) from shareholders, including questions submitted in advance, and questions made by attendees at the Shareholders’ Meeting.

We aim to provide as many shareholders as possible with a fair and equal opportunity to ask questions. However, in consideration of shareholders’ time and scheduling requirements, and due to the necessity of prioritizing questions related to the purpose of the Shareholders’ Meeting, we were unable to answer some of the questions during the Shareholders’ Meeting.

Because we received a large number of questions, including multiple questions regarding similar topics, we have summarized the questions we received into major categories and focused our answers on the main points for ease of understanding. Therefore, the number of questions listed below will not exactly match the number of questions received, as noted above. For questions that were answered during the General Meeting of Shareholders, detailed answers can be found in the video of the General Meeting of Shareholders published on our website.

This is the third year in which we have published questions and answers for the shareholders’ meeting. We will continue to actively consider and implement measures to further enhance communication with shareholders, including the option to hold a virtual-only shareholders’ meeting and the method and format of doing so. We thank you for your continued support.

<b>1.</b>	<b>Q: Bare die IGBT products for automotive applications (whether these are sold as bare die or as part of a packaged solution)</b>
	<b>A:</b> We currently sell most of our automotive IGBT products as bare die products in order to support our customers' product development. However, we are also committed to sell them as packaged products, as we do with other discrete products such as MOSFETs.

<b>2.</b>	<b>Q: Termination of the tender offer for shares of Sequans</b>
	<p><b>A:</b></p> <p>The MOU with Sequans regarding the tender offer for its shares stipulates that if Renesas receives a confirmation from the Tokyo Regional Taxation Bureau that Renesas will be required to recognize taxable gain and pay such tax under the Act on Special Measures Concerning Taxations of Japan if Renesas implements the prescribed reorganization, either Renesas or Sequans can terminate the MOU, and Renesas disclosed to the public to that effect at the beginning. On February 15, 2024 Renesas received the above confirmation from the Tokyo Regional Taxation Bureau, and consequently, Renesas exercised its right to terminate the MOU and as a result, the tender offer was terminated. For further details, please refer to the <a href="#">press release</a> regarding the termination of the Sequans acquisition.</p>

<b>3.</b>	<b>Q: Current status of India-related businesses</b>
	<p><b>A:</b></p> <p>We view India as an important market with high growth potential, backed by abundant human resources, especially in the R&amp;D field, and strong domestic demand. We intend to actively invest in India, including hiring human resources not only in the hardware field but also in the software field.</p> <p>In addition, as the reorganization of the global semiconductor supply chain accelerates, the federal and state governments of India have expressed their willingness to provide active financial support in the semiconductor field, and in February of this year, we signed a joint venture agreement with CG Power (a member of the Murugappa Group, an Indian conglomerate) and Stars Microelectronics (a Thailand-based OSAT provider) to establish and operate a back-end factory. Federal and state government subsidies for the joint venture have already been approved, and the parties are currently making preparations for the establishment of the OSAT plant in Sanand, Gujarat.</p>

<b>4.</b>	<b>Q: Forecast of Business Results for FY2024</b>
	<p><b>A:</b></p> <p>For automotive products, we expect low single-digit year-on-year growth, as we recognize that inventory adjustments by customers have settled down. For products for industrial, infrastructure, and IoT applications, we expect inventory adjustment to continue for a while longer, although it will largely depend on the progress of inventory</p>

adjustment by customers, mainly in the industrial/mass market sectors.  
We plan to announce our first quarter results for 2024 on April 25, 2024.

**5. Q: Approach to line width refinement**

**A:**  
We work with our foundry partners for the 7nm, 5nm and 3 nm nodes for our SoC and ASIC based products. For products manufactured internally, we focus on adding analog mixed-signal and power capabilities to the products with 40nm as well as other nodes.

**6. Q: Die bank: total volume and segment-specific volume**

**A:**  
We do not maintain die-bank for every product or divulge die bank levels by product family, but our targets are typically between 6-8 weeks.

**7. Q: Shareholder composition: latest changes and current status (especially major shareholders) after recent sale of Renesas shares by shareholders**

**A:**  
The list of our major shareholders as of March 31, 2024 is available on [our website](#).

**8. Q: Establishment of a compliance program and training of employees in compliance with laws and regulations of Japan and other countries**

**A:**  
Renesas is committed to establishing compliance systems in each country, including Japan, and to compliance education for its employees.  
Specifically, in 2022, we revised the Renesas Global Code of Conduct, which is common to all Renesas Group companies, and ensure awareness of the Code of Conduct throughout the Group. With regard to other individual laws and regulations as well as the regulations of each country, the Legal Division and other divisions continuously obtain the latest information and take necessary measures such as establishing various rules and updating their operation.  
To ensure that the compliance program is properly managed, the Audit Committee and Internal Audit Office audit each department, and the Internal Control Promotion Committee, chaired by the CEO, regularly discusses important compliance-related matters.  
In terms of employee education and awareness, we conduct compliance e-learning

compliance for all Group employees on an ongoing basis, regularly send out newsletters summarizing the latest information on compliance, and conduct surveys on compliance awareness and compliance status.

**9. Q: Approach to returning profits to suppliers**

**A:**

We consider suppliers to be indispensable to our business and trusted partners. By mutually agreeing on appropriate business terms and conditions, we strive to build good relationships in which both the supplier and our company enjoy business benefits, not to mention compliance with related laws and regulations such as the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, Etc.

**10. Q: Impact of the establishment of TSMC's Kumamoto Plant**

**A:**

We expect the following to be the main positive impacts for our company.

- (1) The Company will be able to secure production capacity and diversify risks by outsourcing production to the Kumamoto plant in addition to Taiwan.
- (2) The revitalization of the semiconductor industry in Kumamoto, and thus in Kyushu, will increase the number of excellent human resources who are interested in working in the semiconductor industry and will increase opportunities to recruit human resources at our three bases in Kyushu (Kawashiri, Nishiki, and Oita).

**11. Q: The current status of and plan for R&D expenses**

**A:**

R&D expenditures for FY2023 totaled approximately 220 billion yen (about 15% of total sales) on a Non-GAAP basis. By business segment, about 1/3 of R&D investments were in automotive, and about 2/3 in industrial, infrastructure, and IoT. By product, about half will be in microcontrollers and SoCs for digital products, and about half in analog and power products. By region, Japan accounts for about half, the U.S. for about one-fourth, and the rest are in Europe, Asia, and other regions.

**12. Q: Number of domestic engineers hired**

**A:**

The number of domestic engineers hired has been expanding in recent years. We hired approximately 100 new graduates in 2022, approximately 150 new graduates in 2023, and approximately 200 new graduates in 2024. We have also been hiring

experienced engineers on an as-needed basis, considering position and skills required, on a scale equal to or greater than that of new graduate hires.

**13. Q: Trends in the number of domestic patent applications and publications, and the impact on technological capabilities**

**A:**

The number of domestic patent applications and publications has seen a decline in recent years, but this is the result of shifting our approach from that of obtaining a large number of patents over a broad area, towards a policy of building a high-quality patent portfolio and striving to achieve a rationalization of intellectual property maintenance costs, with focus on patents that are truly necessary for the business. After rationalization, our number of patent applications worldwide in 2023 exceeded 870 and we continue to hold about 20,000 patents worldwide.

**14. Q: Participation in academic conferences and effects on business**

**A:**

We have been actively participating in major conferences and symposiums to present the results of its research and development. Major examples include the International Solid-State Circuits Conference (ISSCC) and the VLSI Symposium. Both conferences cover a wide range of semiconductor technology fields and are authoritative academic conferences with the world's top-class number of participants. Renesas is one of only eight companies in the world to have two or more papers accepted for ISSCC 2024, and four of our employees have been elected to serve on the ISSCC International Program Committee, thus maintaining its important position. We will continue to use this event as an opportunity to make the superiority of our technology known to our stakeholders.

**15. Q: Impact of Ukraine conflict on local employees and production**

**A:**

We have a base in Lviv, a city in the western part of Ukraine, with approximately 200 employees, mainly in charge of development and operation of non-automotive products. We consider our employees and business partners in Ukraine as indispensable. Since the beginning of the conflict in Ukraine, we have continued our business in Ukraine by implementing telecommuting and using operations in other locations as substitutes. In terms of production, we do not have any production subcontractors in the relevant region. We have secured sufficient quantities of raw

materials, so there is no impact to the production activities of the Company and its subcontractors.

**16. Q: Accounting Auditor's audit of amortization associated with large-scale investments**

**A:**

For investment projects, impairment losses are determined on a regular basis and when indications of a decrease in profitability are recognized. The accounting auditor has provided its unqualified opinion as stated in the audit report, as a result of audits conducted in accordance with auditing standards.

**17. Q: Reasons for the recent resignations of foreign executive officers**

**A:**

Since last fall, two foreign executive officers, Roger Wendelken and Andrew Cowell, have resigned, but each executive officer's resignation was based on individual circumstances.

**18. Q: Bonus system (differences among business units, etc.)**

**A:**

The bonus system is based on our Pay for Performance policy in order to motivate top talents to achieve great performance. In addition to individual performance, we determine appropriate levels of bonuses based on the performance of each business units.

**19. Q: Personnel evaluations (differences based on (1) employee's age, (2) length of service, (3) gender, (4) dependents, and (5) use of childcare leave)**

**A:**

Personnel evaluations are also based solely on performance, according to our Pay for Performance policy, and employees are not evaluated on the basis of age, length of service, gender, dependents, or use of childcare leave.

**20. Q: Employment of the elderly outside of Japan**

**A:**

We have implemented appropriate measures to employ the elderly in other countries outside of Japan in accordance with laws and regulations. We currently have one foreign employee aged 60 or older in Japan.

<b>21.</b>	<b>Q: Re-employment system (salaries, etc.)</b>
	<p><b>A:</b></p> <p>For employees re-employed after mandatory retirement, salaries will be changed based on differences in job descriptions and related responsibilities. Duties and roles will be determined appropriately, taking into account the organization's workforce plan and business strategy, as well as the specialized knowledge, skills, and techniques possessed by each employee.</p>

<b>22.</b>	<b>Q: Our policy on remote work</b>
	<p><b>A:</b></p> <p>We have proactively introduced a remote work system from an early stage, including investing in the IT necessary to enable this, to provide employees with a variety of work style options. Our remote work system is in line with the guidelines of the Ministry of Health, Labor and Welfare. We intend to meet the needs of the organization and individuals as much as possible, and will continue to respond in accordance with the guidelines.</p>

<b>23.</b>	<b>Q: Introduction of the hourly annual leave system</b>
	<p><b>A:</b></p> <p>We introduced the hourly annual leave system in January 2022 to increase options and enable flexibility of working styles. It has been actively used for childcare, nursing care, school events, etc. (Approximately 89 employees used the system per month in 2023.)</p>

<b>24.</b>	<b>Q: Compliance with labor-related laws and regulations</b>
	<p><b>A:</b></p> <p>We conduct our business in compliance with labor-related laws and regulations and will continue to comply with laws and regulations to respond to various situations.</p>

All answers above are based on information available as of the date of the 22<sup>nd</sup> Annual General Meeting of Shareholders (March 26, 2024).

The following questions were answered at the General Meeting of Shareholders, so please refer to the video of the General Meeting of Shareholders available on our [website](#). The questions and answers are generally listed in the order in which they were asked and answered at the General Meeting of Shareholders, although some questions with similar

content have been combined.

25.	<b>Q: Background and purpose of the Altium acquisition, rationale for the acquisition price, post-acquisition synergies and business strategy, etc. (In addition to answering questions and answers, we gave a general presentation of approximately 20 minutes on the Altium acquisition after explaining the contents of the business report.)</b>
26.	<b>Q: Reasons for adopting the Virtual Only General Meeting, number of participants, etc.</b>
27.	<b>Q: Evaluation of the Company's stock price and future initiatives, etc.</b>
28.	<b>Q: Reason for resumption of dividends, dividend payout ratio, planned quarterly dividends and other future dividend policy, etc.</b>
29.	<b>Q: Personnel measures (postponement of recent salary increases, personnel reductions)</b>
30.	<b>Q: Current status of and measures to promote gender equality</b>
31.	<b>Q: Respect for employee rights</b>
32.	<b>Q: Share ownership by Directors</b>
33.	<b>Q: The progress of and outlook for “2030 Aspiration”</b>
34.	<b>Q: AI-related initiatives and product development plans</b>
35.	<b>Q: Development status of power semiconductor products</b>
36.	<b>Q: Development of SOC and advanced logic semiconductors</b>
37.	<b>Q: Status of business operations in China</b>
38.	<b>Q: Communication between the Board of Directors and Executive Officers and other members of management</b>