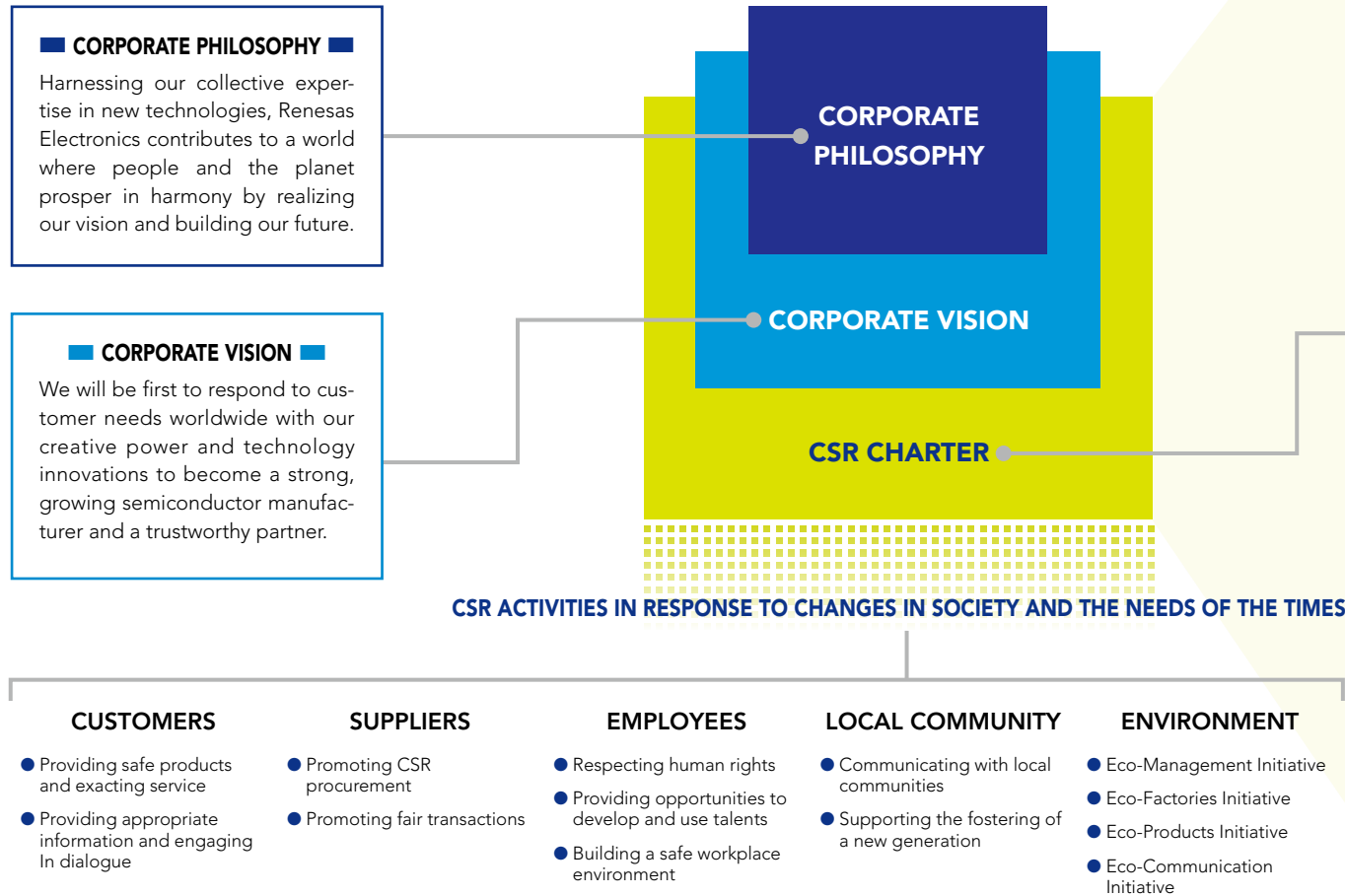


CORPORATE PHILOSOPHY AND CSR

The Renesas Electronics Group believes the CSR we are called on to practice is to contribute to solving the problems that society is facing, like the environment, human rights, poverty, and support for industrializing nations. We do this by conducting business based on our Corporate Philosophy. To that end, the Group undertakes business activities with a balance of environmental, social, and economic aspects. We maintain good relations and value dialogue with our various stakeholders (customers, suppliers, shareholders, and the local community), and we actively take on social problems and contribute to the sustainable development of society.



RENESAS ELECTRONICS GROUP CSR CHARTER

The Renesas Electronics Group will contribute to the sustainable advancement of society. As an enterprise, we will conduct business that helps build a better future for people around the world by supplying superior semiconductor products powered with advanced technologies and by providing customer service that is honest and sincere. We pledge to conduct our business with integrity and in compliance with legal requirements. We will work with and for the benefit of our stakeholders based on the following guiding principles:

Customer focus

We will quickly provide optimized, high-quality solutions in response to our customers' needs to maximize customer satisfaction and to earn our customers' trust.

Sound business practices

We will carry out fair, ethical and transparent business practices and convey these practices to all our stakeholders. In addition, we will maximize our corporate value through business practices that allow us to continue to grow.

Healthy work environment

We will respect the individual personalities of our employees. We will promote a rewarding, safe, and flexible working environment where each person is able to demonstrate his/her best talents and capabilities.

Global perspective

As a member of the global community, we will respect the history, culture, customs and human rights of each country and region, and we will not practice or permit any forced or child labor. In addition, we will promote activities that contribute to the betterment of the global society.

Environmentally friendly

We pledge to develop, manufacture and sell semiconductor products that respect the environment, and we will strive to minimize the environmental impact of our products throughout the entire product life cycle. We will also participate in activities intended to harmonize human pursuits and the environment, promoting increased awareness of issues such as climate change and biodiversity.

CSR INITIATIVES ①

FOR OUR CUSTOMERS

▶ **Stance of the Renesas Electronics Group**

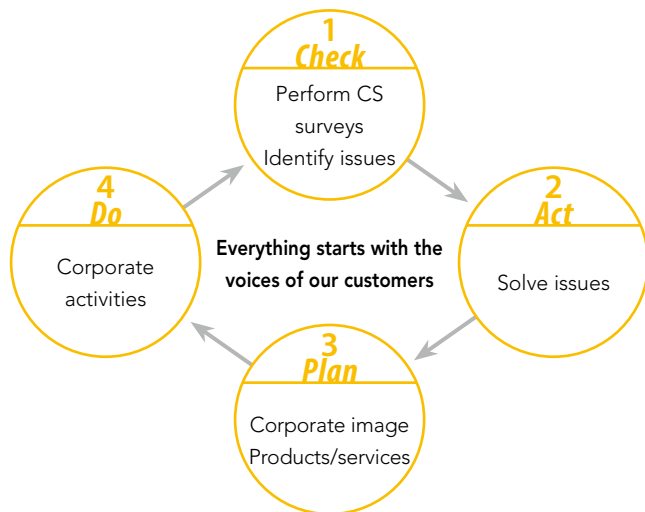
One of the basic policies of Renesas Electronics Group is to increase customer satisfaction and earn customer trust by responding quickly to their needs and offering appropriate high-grade solutions. In line with this policy, all Renesas Electronics employees in each division and each office are implementing business activities with Company's customers in mind.



▶ **SEEKING CUSTOMER SATISFACTION THROUGH COMPANY-WIDE IMPROVEMENT INITIATIVES**

Renesas Electronics Group believes that customer feedback is a valuable management resource for enhancing customer satisfaction (CS). For a Group-wide initiative, we strive to make improvements so that this management resource can help increase CS. The results are reported to upper management and disclosed throughout the Group so that all employees have the same information.

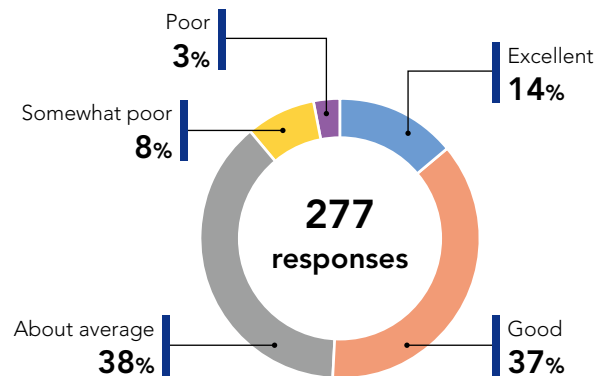
■ CS Management



▶ **STRENGTHENING CUSTOMER SATISFACTION AND COMMUNICATION**

Each year, the Group designates March 11 as Trust and Peace of Mind Day on which CS is surveyed, allowing us to regularly verify the level of our customers' trust in ourselves and obtain information that is used to further improve our products, services and business activities. We did a CS survey in March 2016 and received 277 responses from 150 corporate customers in Japan and abroad. We have been sharing the results throughout the Group to improve CS.

■ Customer Evaluation of Renesas Electronics



To help customers use the Group's products safely, appropriately and effectively, we have established centers to provide technical support for users. These centers provide a variety of technical information on our products.



Support/Design (Website)
<https://www.renesas.com/en-hq/support/contact.html>



FOR OUR CUSTOMERS

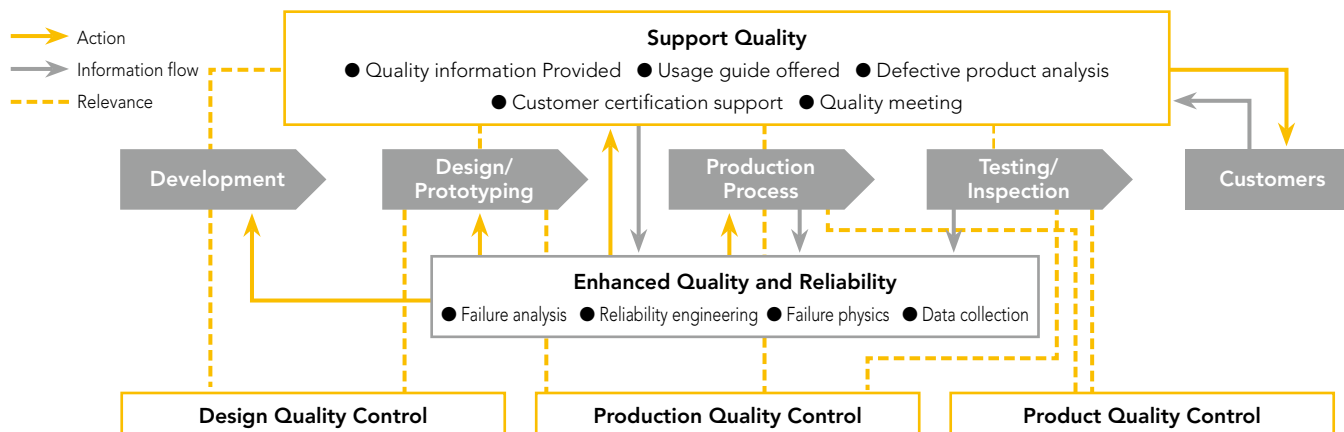
PRODUCT QUALITY IMPROVEMENT

The Renesas Electronics Group sets concrete quality objectives every fiscal year based on the Quality Policy top management has committed to. To achieve these objectives, we work for continuous improvement of overall quality in the development, design, manufacturing, and support processes. Individual divisions and offices set prioritized semiannual projects for quality improvement, and they formulate and implement action plans to accomplish these projects. Action plans go through an improvement cycle that checks their progress during each six-month period and revises them.

[Quality Assurance Systems]

The Renesas Electronics Group has quality assurance systems Group-wide, which we use from development and design to production and delivery. This way, we are able to provide high-quality, reliable products and services for greater CS. We supply products to many companies involved with automobile production. In view of this, we use manufacturing tools that conform to automobile sector standards. Through such activities as these, we are continuing to improve the quality of our products and services so that we are always able to accommodate the specific requirements of our customers. Regarding quality management certifications, we have acquired ISO 9001 certification on a Group-wide basis. In the meantime, individual manufacturing sites and their support sites have acquired ISO/TS 16949 certification.

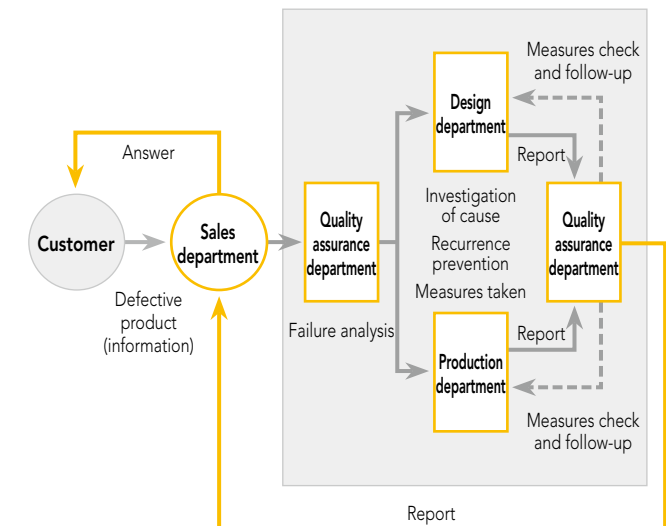
Quality Assurance System



STUDYING DEFECTIVE PRODUCTS AND TAKING CORRECTIVE ACTION

If a shipped product is found to be defective, the quality assurance department leads an effort to determine the cause and take corrective measures. The quality assurance department tracks defects found by customers and uses measuring and analysis instruments of various types to analyze the product failure. Design, production, and other concerned departments confer with each other and take the necessary corrective measures as based on study results, and those results are reported to the customer.

Defective Product Inquiry Flow



CSR INITIATIVES ②

WORKING WITH SUPPLIERS

▶ Stance of the Renesas Electronics Group

Renesas Electronics provides suppliers with equal opportunities for competition, while engaging in fair, impartial and open business transactions. Our goal is to contribute to the development of a sustainable society by working with the cooperation of all our partners in the supply chain on collaborative initiatives to meet the various demands of society.



PROCUREMENT POLICIES

1. Provision of opportunities for fair competition

We provide information on procurement in an appropriate and timely manner in order to offer opportunities for fair competition to all domestic and overseas companies who express an interest in working with us.

2. Fair evaluation and selection of suppliers

We employ a comprehensive supplier evaluation and selection process that considers: the reliability of the potential supplier's management; the prices, quality, delivery time-lines and advanced technical features of the products and services to be procured; and the supplier's CSR policies.

3. Development of mutual trust

We value communication with our suppliers and always strive to form relationships of mutual trust that will grow stronger in the years to come.

4. Management and protection of information

We recognize the value of the information that we obtain through our procurement transactions, and we manage it appropriately.

CSR PROCUREMENT INITIATIVES

[CSR Activities through Procurement]

The Renesas Electronics Group asks its business partners to actively work together to drive CSR initiatives that uphold social responsibility with regard to environmental protection, fair business and corporate ethics, quality and safety, information security, health and safety, and human rights and labor. In order to facilitate a deeper understanding of our position on CSR and to promote activities based on a shared perspective, we have created a CSR promotion handbook for the supply chain, which has been distributed to around 1,000 of our business partners.



Promotion of CSR Procurement (Website)

<https://www.renesas.com/en-hq/about/company/procurement/csr.html>

[Promoting Green Procurement]

The Renesas Electronics Group is promoting green procurement. Specifically, when procuring raw materials for use in its products, the Company prioritizes eco-friendly products free of hazardous substances from suppliers who are proactively promoting environmental protection. These requirements have been codified as Green Procurement Guidelines and disclosed to all suppliers. We seek the understanding and cooperation of our suppliers as regards regulatory compliance with the RoHS Directive and the like, and in investigating the materials contained in purchased products. We also practice green purchasing of goods such as office supplies and IT equipment. When we select such goods, we give preference to eco-friendly products based on the environmental burden data for each item.

CSR PROCUREMENT ACTIVITIES

[Initiatives Against the Conflict Minerals Problem]

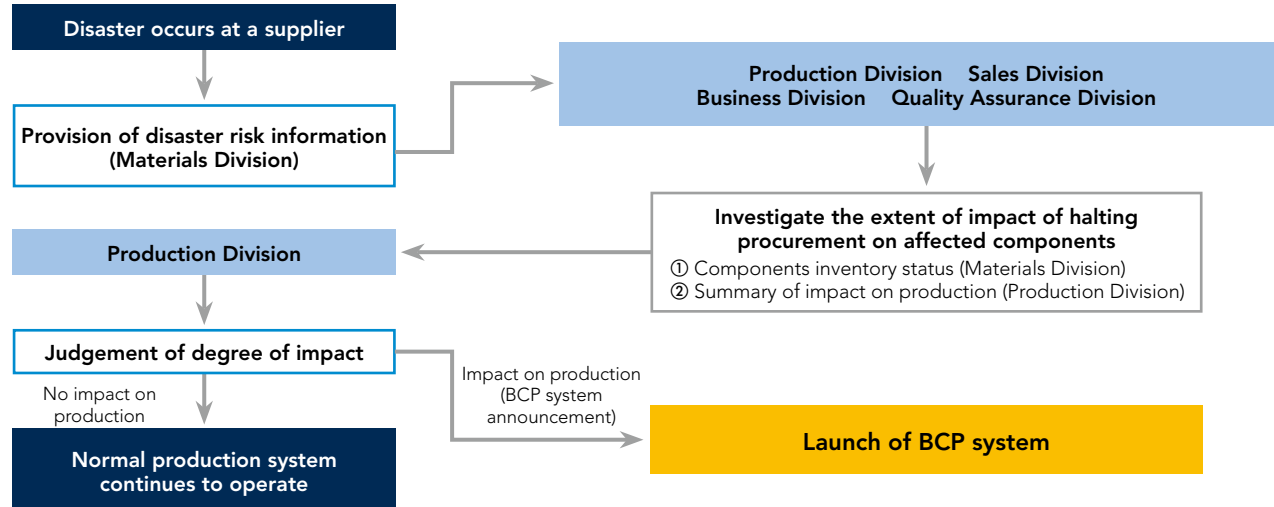
In the Democratic Republic of the Congo and some of its neighboring countries in Africa, some minerals are a revenue source for armed groups and this may lead to violations of human rights and the generation of conflicts. The Renesas Electronics Group recognizes that this problem about conflict minerals is a very important concern, and we are working to eliminate conflict minerals from our supply chain. As regards our suppliers, we used an industry-wide type of survey through which we asked our suppliers to identify the refineries and smelters they use. The results of this survey are being disclosed to our customers as we strive to procure minerals responsibly through our supply chain.

WORKING WITH SUPPLIERS

BCP INITIATIVES WITH SUPPLIERS

Renesas Electronics requests that its suppliers immediately notify its emergency information center of any damage in the event of being affected by natural disasters or major accidents. The Company has a system in place to ensure that, in such an event, information from suppliers reaches all concerned Group employees, both in Japan and overseas, regardless of when the event occurs. Based on this system, the employees in question take appropriate measures in a swift and efficient manner in order to address our customers' concerns.

BCP Measures When a Procurement Problem Occurs (Flow from Occurrence to Launch of BCP System)



CSR INITIATIVES ③

WORKING WITH EMPLOYEES

▶ **Stance of the Renesas Electronics Group**

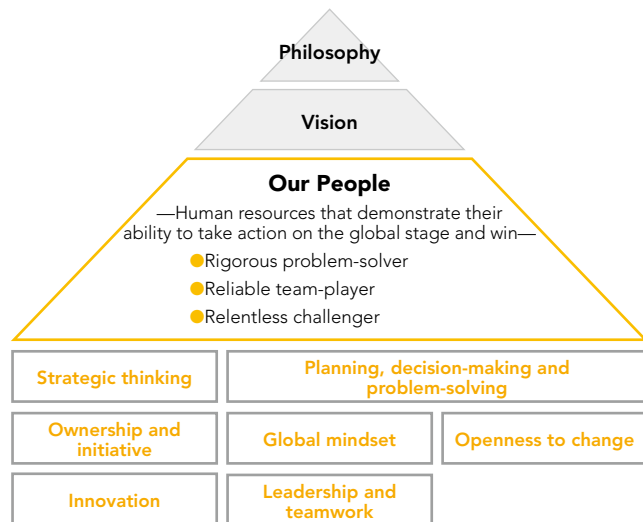
Our Company aims to be a positive place for our employees to work. With proper communication and mutual trust, we are building a workplace where each person can work to his or her full potential. In addition, the Renesas Electronics Group aims to ensure a stable supply of individuals to each post through 1) succession plans (plans for successive personnel to fill a post) and 2) a system for the cultivation of leaders (plans for the fostering of human resources).



DEVELOPING HUMAN RESOURCES

For the Renesas Electronics Group to achieve sustainable growth and contribute to society in a global market, all of its employees must grow and be active. Our human resource development system aims to realize the “required human resources.” This image is our vision of the talents, skills and actions required so that our employees can think and act for themselves and our personnel have the capacity to act and succeed on the world stage. The following graphic lays out the specific characteristics we are trying to develop.

■ Required Human Resources



[**Fostering Human Resources Able to Flourish as Leaders on the Global Stage**]

Human resources who act as leaders have a great influence on organizations and affect the outcomes of those organizations. The continuous fostering of these human resources is an important initiative from the perspective of a company's growth, sustainability, and stability.

In addition, we aim to ensure a stable supply of individuals to each post through 1) succession plans (plans for successive personnel to fill a post) and 2) a system for the cultivation of leaders (plans for the fostering of human resources).

[**Creating an Environment to Invigorate Human Resource Cultivation in the Workplace**]

Because on-the-job training (OJT) is the foundation for cultivating human resources, the nurturing of subordinate staff members is an evaluation metric within the system of management by objectives and evaluation of behavior applied to those in managerial positions. Linking this to evaluation contributes to further enhancements in the awareness of the need to nurture subordinates and to a reassertion of the importance of OJT and OJT methods, leading to more effective cultivation of subordinate employees. Training opportunities are provided to those evaluating others to impart the knowledge and skills required to conduct fair and objective assessments.

[**Creating a System for Voluntary Learning by Employees**]

In order to carry out voluntary learning by employees, we believe it is important that individuals be aware of the importance of their own growth, that they understand what they should learn, and that they put what they have learned into practice in the workplace. We have prepared a wide variety of training courses. Specific options

available to those taking this step include e-learning courses in which employees are able to freely select the topic in which they want to improve their skill from among some 100 courses, business skills courses that employees can sign up for, and specialized technological courses in each field.

[**Building a Rotation System**]

We allocate human resources by considering the career objectives and abilities established during MBO discussions with subordinate employees, and make use of a rotation system in the context of career development. In addition, in order to increase the motivation of our employees and invigorate our organization, we make personnel changes through open recruitment, and individuals are given opportunities to independently build their own careers.

[**Educating New Employees and Invigorating Young Workers**]

With the aim of nurturing new self-reliant work-ready employees and encouraging younger employees to be more active, we have implemented introductory training, plant tours, practical sales training and a personnel training system where younger employees teach our new employees one-to-one. New employees also have first-year review training and hold meetings at which they report on the results of their training. In addition, we have laid the foundations of preparing human resources that can play an active role in our company by enabling them to understand the basic technology and acquire skills necessary to do their jobs, and by developing their general business execution capabilities.

WORKING WITH EMPLOYEES

■ Skill Development System

	Shared items					Items by vocational ability					
Department head class	Evaluator training	Assessment by rank	RRT training	Training to cultivate managerial staff	MOT training	Personal development (Correspondence course)/Competence courses/Improvement of various business skills/Language skills	In-house TOEIC test	Various seminars	WG for enhancement of technological capacity	WG for enhancement of sales ability	WG for the enhancement of technical skills
Section head class	Training for a new position		Training to increase ability to implement tasks	Training in overseas duties	Planning and promotion of various human resource cultivation measures centering on technical lectures and skill evaluation, aiming to strengthen technological competitiveness				Planning and promotion of various human resource cultivation measures centering on a variety of training initiatives, aiming to enhance sales and marketing ability	Planning and promotion of various human resource cultivation measures centering on a skill evaluation system and a variety of training initiatives, aiming to enhance technical skills	
Rank-and-file employees	Report on training outcomes for second year										
New employees	Priority training system/ Introductory training										

■ Being implemented / scheduled for implementation □ Under consideration :::: Not implemented in FY2016

■ PROMOTING DIVERSITY IN HUMAN RESOURCES

The Renesas Electronics Group is strengthening initiatives to promote diversity. At Renesas Electronics, we respect differences. We aim to actively use differences to respond effectively to the changing business environment and diversifying customer needs and thereby establish an advantage.

Specifically, we recruit people so that, regardless of nationality, gender or physical constitution, they can apply their individual abilities and contribute to society. In addition, the Group aims to create more employee-friendly, pleasant workplaces by placing particular focus on diversity. For example, we are promoting the hiring of more female employees and people with disabilities.

■ RESPECTING HUMAN RIGHTS

Both the Renesas Electronics Group CSR Charter and the Renesas Electronics Group Code of Conduct clearly state that the Renesas Electronics Group will respect human rights in hiring, human resource development, employee treatment and all other aspects of employment, while eliminating any discrimination based on race, philosophy, belief, gender, age, social position, family origin, nationality, ethnicity, religion, or physical and mental disability, to ensure that all of its employees are treated equally. Also, the charter and the code of conduct clearly prohibit sexual harassment, as well as forced labor and child labor. Since March 2008, we have also endorsed and participated in the United Nations Global Compact for business operations with a strong sense of ethics in accordance with international guidelines. As we promote global operations, we ensure that all of our Group companies are familiar with these principles. In line with the principles, each Renesas Electronics Group company must not only comply with relevant laws and regulations, but also implement educational and awareness-raising programs on human rights and other related subjects.

Specifically, we raise employee awareness of human rights during new-employee and position-specific training and e-training programs for all employees, as well as various events during Human Rights Week every year. We put up posters in places visible to employees and use our intranet to inform them about our in-house service for consulting on issues of sexual harassment, harassment of subordinates by superiors, equal opportunity for men and women, and other issues. In these ways, we are endeavoring to facilitate consultation and enable appropriate responses to employee concerns.

WORKING WITH EMPLOYEES

WORK-LIFE BALANCE

We are working on the development of various systems and environments designed to help each employee maximize their individual ability, while at the same time achieving a balance between their private life and fulfilling and rewarding work.

We provide many support systems that help employees to balance work with family and childcare. Employees can use these systems at different life stages, such as pregnancy, childbirth, childrearing, and nursing care. We also give employees the option of utilizing various forms of workstyle support according to their needs, including short leave, leave of absence, shorter working hours, and working at home.

[Examples of the Main Measures Supporting Work-Life Balance]

Flex-time system, discretionary working system, maternity leave, spouse paternity leave, childcare and nursing-care leave system, childcare and nursing-care shorter working hours system, home-based working system for childcare and nursing care

■ System Usage Results (Fiscal 2016)

Childcare leave system	Childcare shorter working hours system	Nursing-care leave system	Nursing-care shorter working hours system
27 persons Breakdown of childcare leave-taking by gender Women: 100%; Men: 0%	65 persons	0 persons	1 person

Moreover, the Renesas Electronics Group has formulated an action plan based on Japan's Act of Promotion of Women's Participation and Advancement in the Workplace (known informally as the Female Employees' Promotion Law), and we are engaged in implementing measures to bring about the corporate success of women in the future.

OCCUPATIONAL HEALTH AND SAFETY

[Basic Policy]

In line with the basic policy, "Renesas Electronics shall protect the safety and health of its employees and work to realize employee-friendly, safe workplace environments," the Company is implementing various measures.

[Group-Wide Initiatives]

The Renesas Electronics Group is promoting various activities aimed at ensuring disaster prevention, occupational health and safety. More specifically, a Company-Wide Safety and Health Conference—consisting of occupational health and safety officers at individual business sites and Group companies—has formulated the Renesas Electronics Group Disaster Prevention and Occupational Health and Safety Management Policy. Based on this policy, the occupational health and safety officers organize related activities. Meanwhile, the Company is promoting the sharing of information related to occupational health and safety within the Group. Such information is utilized to prevent disasters and reinforce the Group's occupational health and safety activities.

[Specific Activities]

◇ **Occupational safety activities:** Through risk assessment processes, disaster risks are identified and possible countermeasures are prepared. These processes are helping us prevent disasters and accidents. For Group factories with production lines, occupation safety and health management systems have already been adopted and labor accident prevention activities are being conducted. We have designated March 11 of each year as Trust and Peace of Mind Day in the Group. We conduct disaster preparedness inspections on workplaces and employee homes, all on this one day.

◇ **Occupational health activities:** Programs are being implemented by industrial physicians, public health nurses and occupational health and safety staff working together to follow up the results of medical examinations, offer counseling, provide meetings to discuss long-term overtime, offer education on mental health issues and implement measures to help stop or reduce smoking. These include "Promoting and Keeping a Healthy Body," "Better Mental Health" and "Overwork Countermeasures."

CSR INITIATIVES ④

WORKING WITH THE LOCAL COMMUNITY

▶ Stance of the Renesas Electronics Group

The Renesas Electronics Group aims to help build a rich society on a global scale through our business, and we have taken a variety of opportunities to implement social contribution activities. Thinking of ourselves as a member of society, we proactively engage in social contribution activities so that, as a corporate citizen, we can fulfill our responsibility to the community and society.



SOCIAL CONTRIBUTION ACTIVITIES

[Financial Support for Social Contribution Activities during the Fiscal Year]

The Renesas Electronics Group has endorsed the objectives of the 1% Club, established in November 1990 by KEIDANREN (the Japan Business Federation). Endorsing businesses voluntarily contribute at least 1% of their recurring profits to social contribution activities. As one of these businesses, we have been proactively pursuing social contribution activities in a number of fields.

[Detailed Activities]

Activity in Japan

Wheelchairs Donated Using Money Raised from Collecting Aluminum Cans

In August and September 2016, the Yonezawa Factory and the Electronics Systems Department of Renesas Semiconductor Package & Test Solutions (RSPT) donated wheelchairs using money raised from collecting aluminum cans. As part of social contribution activity, every year the Yonezawa Factory and other sites collect discarded aluminum cans. Each 500 kilograms of aluminum can raise enough money to purchase one wheelchair, so we have been able to donate wheelchairs to local authorities and the like in the vicinity. In 2016, we donated a total of 25 wheelchairs.



[Detailed Activities]

Activity in Japan

Electronics Workshops

From 2013, Renesas Electronics has held yearly electronics workshops during the spring and summer holidays that parents and children can attend together. The workshops are aimed at building familiarity with the Company's semiconductor products. They are primarily targeted at children in the later years of elementary school, but a wide range of people of all ages are welcome. Participants from preschoolers up to the elderly have taken part.

In 2016, 80 attendees enjoyed the workshops. During the spring holiday, the participants made an "electronic organ" that could play a variety of music by means of automated performance-control programming. Participants in the summer holiday workshop made Micon Racers, racing cars that could run automatically by means of robot-control programming.



[Detailed Activities]

Overseas Activities

European MCU Car Rally Competition

Renesas Electronics Europe Limited held the second European MCU Car Rally competition on February 25 at embedded world 2016 in Nuremberg, Germany. Twenty-four teams from European universities, comprising some 120 students, participated in the challenge by each racing a functioning model rally car they had built that included sensors and a Renesas RX microcontroller (MCU). A team from Bulgaria won the championship, followed by a team from Spain.

Students love a challenge—and the MCU Car Rally competition will help them develop their mechatronics knowledge and programming skills while working as a team. It also gives Renesas the opportunity to meet some of tomorrow's top engineering talent in Europe.



ENVIRONMENTAL MEASURES

▶ Stance of the Renesas Electronics Group

Businesses in recent years have begun to take environmental initiatives with a wide range of approaches. Aside from combating pollution, enterprises today are working to reduce greenhouse gases, lower emissions, regulate chemical content in products, and more. The Renesas Electronics Group works to reduce environmental burdens as guided by the cooperative targets of industry groups. We develop and offer products that save energy and lower environmental burden by increasing environmental performance. The yearly policies and targets of such environmental activities are deliberated by the Environmental Promotion Meeting chaired by the board member in charge of environmental issues.



ENVIRONMENTAL POLICY

We will contribute to the harmonization of society and the environment in the course of our business activities.

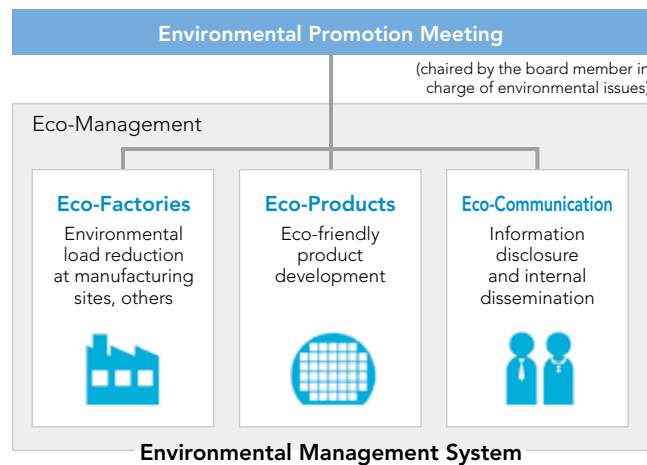
ACTION GUIDELINES

1. We will incorporate environmental considerations into all stages of the product life cycle, including research & development, design, procurement, production, sales, logistics, use and disposal.
2. We will strive to prevent pollution as well as to minimize the impact of our products on the environment. When environmental problems arise, we will take appropriate steps to minimize the environmental impact and disclose accurate information.
3. Our environmental management efforts will involve compliance with all environmental laws, regulations and agreements, and we will promote compliance activities.
4. We will disclose environmental information to stakeholders and encourage communication with society for the purpose of promoting mutual understanding.
5. We will educate all employees in environmental conservation to create a company culture that promotes harmony between the environment and business activities.

THREE ENVIRONMENTAL CORNERSTONES OF RENESAS ELECTRONICS

Some of the key issues in our environmental measures are 1) legal compliance, 2) reduction of environmental burden, 3) the development of eco-friendly products and 4) maintaining good relations with stakeholders. We are tackling these issues through environmental management, in which all employees participate. Such management is based on a so-called Environmental Management System built on the cornerstones of the Eco-Factories, Eco-Products and Eco-Communication Initiatives.

■ Three Environmental Cornerstones of Renesas Electronics



Eco-Factories Initiative

Aimed at reducing the environmental impact of manufacturing sites through the reduction of greenhouse gases (GHG) and the appropriate management of chemical substances in manufacturing processes

Eco-Products Initiative

Aimed at supplying eco-friendly semiconductors produced with environmental considerations in mind throughout their life cycles, including the control of chemical substances contained in products and the development of products with excellent energy-saving performance

For details of these activities, please refer to the following website. (Japanese language only)
<https://www.renesas.com/ja-jp/about/company/csr/ecoproduct.html>

Eco-Communication Initiative

Aimed at strengthening employee awareness through environmental education and disseminating the Group's environmental information to society

ENVIRONMENTAL REPORT

For details of the Group's environmental activities, please refer to the Environmental Report at the following URL.

<https://www.renesas.com/en-hq/about/company/csr.html>

COMPLIANCE

▶ Stance of the Renesas Electronics Group

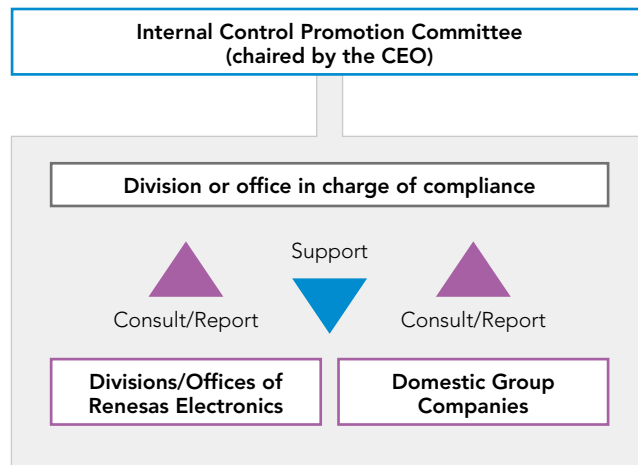
For Renesas Electronics, we define compliance as obeying the law and responding to what society requires of us. We believe that the practice of thorough compliance is critical to a company's survival. To that end, we formulated the Renesas Electronics Group Code of Conduct as a common Group guideline for the practice of compliance.



■ COMPLIANCE PROMOTION STRUCTURE

Renesas Electronics' Internal Control Promotion Committee, chaired by the CEO, deliberates and makes decisions on compliance matters, and reports key issues to the Executive Committee and the Board of Directors. The CEO Office oversees all matters relating to promoting compliance and designates a division or office responsible for each compliance risk category.

■ Compliance Promotion Structure



General managers of Renesas Electronics divisions and offices and presidents of domestic Group companies are responsible for compliance in their respective organizations. They cooperate with those in charge of compliance in each field to decide on and implement the measures necessary to promote compliance.

If a compliance violation does occur, the division, office or domestic Group company reports it promptly to the head of the division or office in charge of compliance for the field in question and to the chief of the CEO Office.

■ COMPLIANCE PROMOTION ACTIVITIES

The division or office in charge of compliance in each field monitors trends in the establishment or revision of laws, etc., that underlie compliance promotion. Then it raises awareness by preparing regulations and manuals, providing training and practicing communication, and performs monitoring.

The Management Planning Division conducts training and awareness-raising initiatives on all compliance matters. All Group employees, moreover, fill out a questionnaire to verify that compliance has taken root. If necessary, the results are shared with the divisions or offices in charge of compliance, which find this information useful when they revise the measures necessary to promote compliance.

Division and office heads and Group company presidents, and the compliance promoters who assist them, lead activities that promote compliance within their own organizations.

■ Compliance Risks

Major Compliance Risks	
Fraudulent order/ fictitious revenue	Subcontract Law violations, camouflage contracting, illegal importing, interest-conflicting transactions
Illegal export	Computer viruses, illegal software copying, unauthorized access
Deceptive advertising	Infringement of other parties' intellectual property rights
Antimonopoly Law violations (cartels, etc.), transactions with antisocial forces, confidential/ personal information leaks, insider trading, internal illegal activities	Defective products, product data falsification
Accounting fraud	Inappropriate relationships with sales partners, illegal conduct against sales partners
Human rights abuses (sexual harassment, etc.), occupational accidents, corporate entertainment/ gift-giving scandals, illegal political donations	Environmental damage, con- tamination involving specified hazardous substances

COMPLIANCE

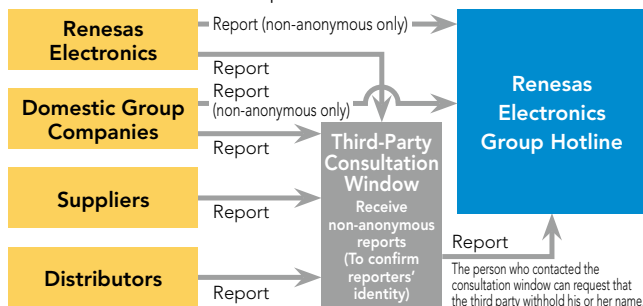
OTHER

[Compliance Hotline]

Group executives and employees may encounter a situation in which they are not able to consult with or report to their supervisors or divisions and offices responsible due to certain reasons and circumstances, even when they have identified compliance-related problems. To deal effectively with such situations, the Company has established the Renesas Electronics Group Hotline ("Group Hotline") as a whistleblower's contact for consultation by executives and employees of domestic Group companies and for reporting such problems.

In addition, by employing a third party who serves as an external contact point, we have established a system under which the anonymity of the person reporting is protected at his or her request. This external contact point can be accessed not only by the Group's executives, employees or temporary staff, but also by members of the Group's suppliers and authorized distributors. The Company's internal rules clearly prohibit the adverse treatment of those who consult with or report to the Group Hotline. The Company has posted such rules on its websites both internal and external so that people can use the Group Hotline without anxiety. The hotline was used 12 times in fiscal 2015 for consultation or reporting.

■ Renesas Electronics Group Hotline



[Initiatives against Antisocial Forces]

In June 2007, the Japanese government announced guidelines for enterprises to prevent damage by antisocial forces. This is part of a rapidly growing movement in recent years to eliminate antisocial forces. In our Code of Conduct and Basic Rules for Rejecting Transactions with Antisocial Forces, Renesas Electronics Group likewise prohibits employees from doing business with antisocial forces and has set up a system to prevent such transactions. Specifically, there is a self-verifying system at each workplace and affiliated company that uses self-discipline to decide whether transactions can go forward and works to prevent business with antisocial forces. In addition, workplace managers and affiliated company presidents perform self-audits and check on the status of their businesses.

[Security Export Control Initiatives]

The Renesas Electronics Group's products are used in industries around the world. To ensure that these products are not used to disrupt international peace and security, the Group must manage our exports appropriately day to day.

Naturally, the Group complies with laws and regulations regarding security export controls, and by setting out in a compliance program the independent actions it should take from the perspective of risk management, it attains a level more stringent than that required by statute. Moreover, we periodically audit all sites in Japan and overseas to ensure they are constantly maintaining appropriate control, and we provide systematic position-specific and job-specific training to all employees.

Furthermore, Renesas Electronics has obtained a Special General Bulk License from the Ministry of Economy, Trade and Industry, and has been certified as an Authorized Economic Operator (AEO) exporter by Tokyo Customs of the Ministry of Finance of Japan.

[Confidential Information Management/Personal Information Protection]

The Renesas Electronics Group has formulated its Information Security Policy, Privacy Policy and Basic Rules for Confidential Information Management. At Renesas Electronics divisions and Group companies in Japan, persons with ultimate responsibility are appointed, along with information management promoters. The latter head up our information management activities. Additionally, our system allows personal information to be acquired through the Internet and handled only if consent is given in advance. This is one of the ways in which we take great care to ensure that we stay in compliance with the laws of nations around the world.



Privacy Policy (Website)
<https://www.renesas.com/en-hq/privacy.html>

RISK MANAGEMENT

▶ Stance of the Renesas Electronics Group

Renesas Electronics formulated the Renesas Electronics Group Risk and Crisis Management Basic Regulations, and is building a risk management system for the entire Renesas Electronics Group.

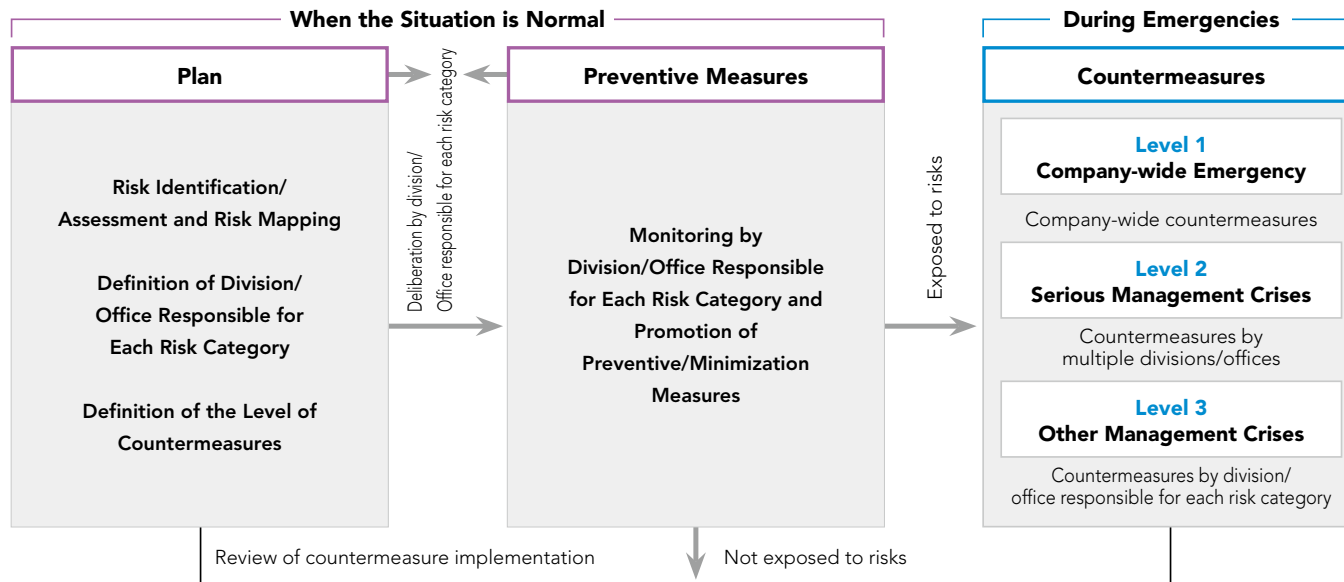


SYSTEM OF RISK MANAGEMENT

Renesas Electronics has formulated Basic Rules for Risk Management and, based on these rules, the Company has established a Group-wide risk management structure.

Risks in overall corporate management are categorized according to the level of possible exposure and the degree of potential impact on the Company. The Company designates a division or office responsible for each risk category. When a management crisis occurs, Renesas Electronics sets up a risk-specific task force in line with planned countermeasures. These risk-specific task forces do their utmost to minimize the negative impacts of a management crisis.

■ Risk Management Structure



RISK MANAGEMENT OUTSIDE JAPAN

To perform risk management outside Japan, we work with the head office division that supervises each overseas site, as well as the local risk management office, to identify potential risks associated with each risk event. Then, working with the local risk management office, we draft countermeasures and write manuals. There are certain risk events that call for us as a Group to be especially vigilant and to share information, such as new strains of influenza and terrorism. We are putting a system in place to notify Group employees, including those overseas, with the information we collect on such events. And in case of damage from natural disasters or other events at or near the Group, we have a system in place for all Renesas Electronics staff concerned with risk countermeasures to share information rapidly as we promote global risk management.

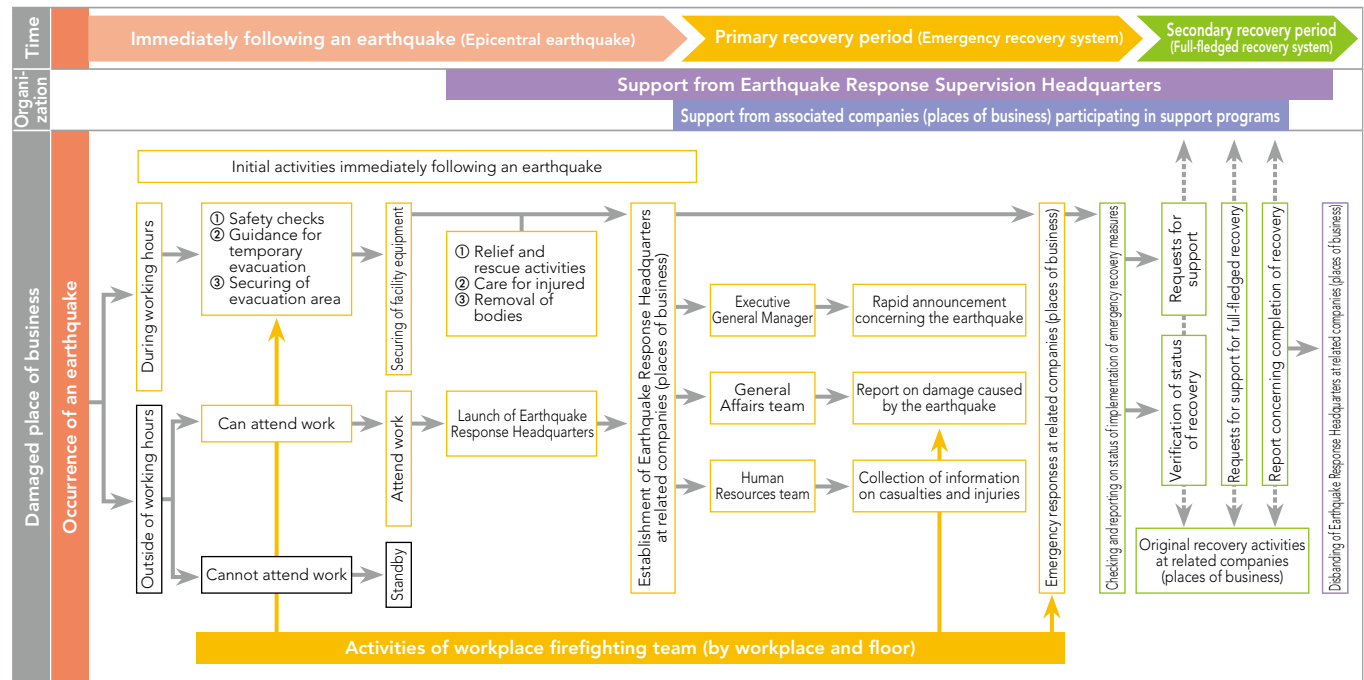
RISK MANAGEMENT

ESTABLISHING BCM

As part of enhancing its risk management system, Renesas Electronics recognizes business continuity management (BCM) as the primary means to prepare for disasters and manage risks. Together with our Group companies, we have worked proactively to establish and strengthen our BCM in order to protect the safety of employees, to continue fulfilling our responsibility to supply products and services, and to safeguard our management resources.

We performed a general examination of our BCM and made revisions based on the experience of the Great East Japan Earthquake, taking into account anticipated damage from an earthquake directly beneath the Tokyo metropolitan area or at the Nankai Trough. Specific issues raised included strengthening our existing safety measures and emergency response systems, as well as measures for damage mitigation, business continuity and quick recovery after a disaster. We also enhanced our measures for restoring operations in the event of a disaster (e.g., establishing recovery procedures and specifying who is in charge at these times), putting in seismic reinforcement, establishing alternate production networks, and enhancing risk communication with customers. Each division of Renesas Electronics concerned with these issues is working out countermeasures and putting them into practice. In addition, matters of importance are brought up for discussion at management meetings and communicated to individual business sites. In these ways, we are working to enhance the entire Group's capacity for business continuity.

■ Flow of Recovery Activities Following an Earthquake



CORPORATE GOVERNANCE



OUR BASIC APPROACH TO CORPORATE GOVERNANCE

Based on its Corporate Philosophy and Corporate Vision, Renesas Electronics aims to achieve sustainable growth and improved long-term corporate value while seeking to ensure its coexistence and mutual prosperity together with all its stakeholders. In particular, in its upcoming growth phase, the Company will provide excellent semiconductor products and optimal solutions through precise marketing and sales activities, while refining its cutting-edge advancements in technology. In doing so, it aims to consolidate its position as a global semiconductor company.

To achieve this, the Company recognizes that it is important to build a corporate governance structure that enables decision-making that is transparent and fair as well as quick and resolute. The Company will continue to enhance this structure mainly through dialogue and cooperation with our stakeholders, including shareholders, appropriate information disclosure, and by ensuring appropriate delegation of authority and highly effective oversight functions.

OVERVIEW OF THE CORPORATE GOVERNANCE STRUCTURE

In line with this basic approach to corporate governance, Renesas Electronics is upgrading its management structure and implementing various measures.

The Company has adopted a Board of Corporate Auditors, and has built a corporate governance structure with corporate auditors that monitor the execution of directors' duties. The full-time corporate auditor effectively obtain high-quality information

from the accounting auditors, the Internal Auditing Office in charge of internal audits, and other relevant divisions using his knowledge and experience of the semiconductor business, and the Board of Corporate Auditors, which includes highly independent outside corporate auditors, objectively analyzes the information from many different viewpoints.

[Business Execution]

Renesas Electronics' Board of Directors carefully examines the candidates for election as directors who are submitted at shareholders' meetings to ensure that all directors are well suited to executing business operations. The Board of directors take into consideration the backgrounds of candidates, and other applicable items, to reach decisions about their suitability.

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

All proposals to be submitted for approval by the Board of Directors are, in principle, first submitted to the Executive Committee, which is composed of full-time directors and executive vice presidents, for a preliminary deliberation. These deliberations provide for more thorough discussions of the resolutions. In addition, the Company has the Internal Control Promotion Committee,

which is composed of the President & CEO, directors responsible for internal control, and the corporate officer responsible for administrative divisions. The committee periodically holds meetings to supervise the PDCA cycle related to internal control matters of the Renesas Group, and if a serious compliance violation does occur, to discuss and examine how it happened and how it can be prevented in the future.

The Company uses the Corporate Officer System to clarify accountability for the execution of business operations and enable decisions about these operations to be reached quickly. A suitable level of authority is delegated to each corporate officer in accordance with the responsibilities assigned to each corporate officer by the Board of Directors and the Company's own fundamental rules of decision-making and authorization procedure.

[Corporate Auditors and the Board of Corporate Auditors]

Corporate auditors are responsible for supervising the directors' performance of duties. The Board of Corporate Auditors comprises four outside corporate auditors and holds regular meetings once each month, in principle, and other meetings as required. At these meetings, the corporate auditors determine auditing policies and other matters and receive reports from each corporate auditor about the status of audits and other subjects. Three of the four outside corporate auditors are either an attorney or a certified public accountant, and three of the corporate auditors have extensive knowledge concerning finance and accounting.

In accordance with auditing policies and other items established by the Board of Corporate Auditors, each corporate auditor performs the following duties to supervise the performance of the directors: attend meetings of the Board of Directors and other important

CORPORATE GOVERNANCE

meetings; interview corporate officers and employees about business activities and receive business reports from directors, corporate officers and employees; examine documents approving decisions and other important business documents; perform investigations to determine the status of business operations and finances (including the compliance framework and internal controls system); and conduct investigations at subsidiaries. In addition, corporate auditors receive periodic reports from the Internal Audit Office, other related divisions and the accounting auditor for their audits. Corporate auditors also exchange information and collaborate in other ways with these parties as required.

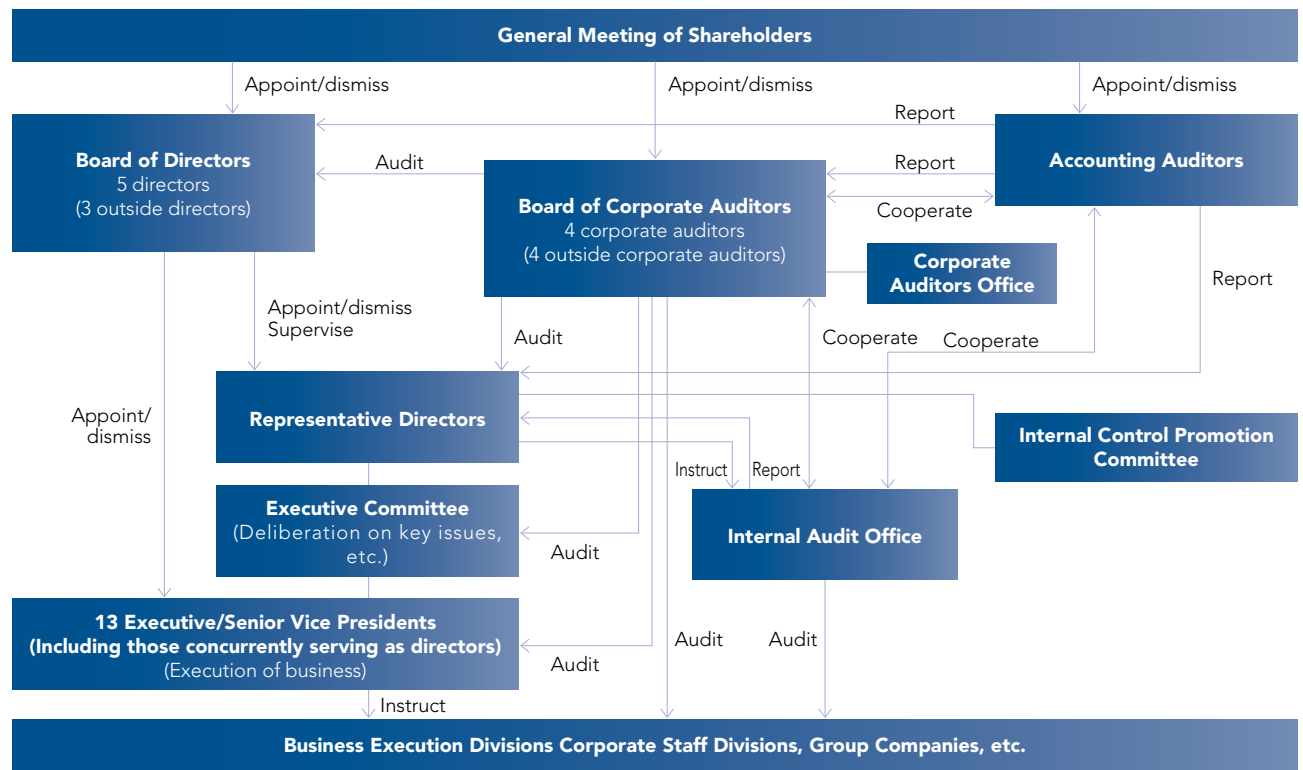
[Internal Audits]

The Internal Audit Office is staffed by 10 employees and serves as an autonomous third party for verifying and evaluating other parts of the management organization, including divisions responsible for business execution, corporate staff divisions, consolidated subsidiaries and other areas, in terms of compliance, risk management and internal control. The Internal Audit Office also proposes concrete measures for rectifying or improving any problems that arise. In addition, corporate auditors and the accounting auditor regularly exchange information and collaborate.

[Accounting Audit]

The Company has engaged Ernst & Young ShinNihon LLC as its accounting auditor. The two auditors who performed the accounting audit of the Company's consolidated financial statements for the fiscal year ended March 31, 2016, were Noriaki Kenmochi and Noriyasu Hanafuji, partners of Ernst & Young ShinNihon LLC. The audit team included certified public accountants and junior accountants who had qualified as certified public accountants.

■ Corporate Governance Structure



(As of August 31, 2016)

CORPORATE GOVERNANCE

OUTSIDE DIRECTORS AND OUTSIDE CORPORATE AUDITORS

The Company actively incorporates external perspectives in order to deal with management issues from a diverse range of viewpoints by appointing outside directors and outside corporate auditors with a broad array of experience and professional knowledge. Currently, three of the Company's five directors and all four of its corporate auditors are from outside the Renesas Group. To upgrade its performance and corporate governance, the Company seeks individuals from the outside who can provide advice based on accurate and objective viewpoints. This is why the Company has three independent outside directors and three independent outside corporate auditors, which it has reported to the Tokyo Stock Exchange.

Outside directors	Reason for selection	Attendance at Board of Directors meetings*2	
Mikihide Katsumata*1	Mr. Katsumata makes use of his abundant experience and deep insight developed through wide-ranging involvement in the investment business at Innovation Network Corporation of Japan and elsewhere to perform a monitoring function for the whole of the Company's management.	— (Appointed June 2016)	
Tetsuro Toyoda*1	Mr. Toyoda makes use of his abundant experience and deep insight developed through wide-ranging involvement in the investment business at Innovation Network Corporation of Japan and elsewhere to perform a monitoring function for the whole of the Company's management.	16 out of 16 (100%)	
Jiro Iwasaki*1	Mr. Iwasaki has experience in business operations having served as a director at a number of companies over many years. He makes use of his abundant experience and deep insight to perform a monitoring function for the whole of the Company's management.	— (Appointed June 2016)	
Outside corporate auditors	Reason for selection	Attendance at Board of Directors meetings*2	Attendance at Board of Corporate Auditors meetings*2
Kazuki Fukuda (Full-time)	Mr. Fukuda has served for four years as an outside corporate auditor at the Company and is familiar with our business operations. He also has accounting experience at NEC Corporation, and has been involved in business operations as a corporate officer of an NEC subsidiary. He makes use of his abundant experience and deep insight to perform an auditing function for the whole of the Company's management.	16 out of 16 (100%)	16 out of 16 (100%)
Yoshinobu Shimizu*1	Mr. Shimizu makes use of his specialized knowledge as a certified public accountant together with his abundant experience and deep insight developed over many years to perform an auditing function for the whole of the Company's management, mainly from the financial and accounting viewpoints.	16 out of 16 (100%)	15 out of 16 (93%)
Kazuyoshi Yamazaki*1	Mr. Yamazaki makes use of his specialized knowledge as an attorney together with his abundant experience and deep insight developed over many years to perform an auditing function for the whole of the Company's management, mainly from a legal viewpoint.	15 out of 16 (93%)	14 out of 16 (87%)
Takeshi Sekine*1	Mr. Sekine makes use of his specialized knowledge as a certified public accountant together with his deep insight to perform an auditing function for the whole of the Company's management, mainly from the financial and accounting viewpoints.	16 out of 16 (100%)	16 out of 16 (100%)

*1 Independent corporate officer

*2 During the fiscal year ended March 31, 2016