Renesas Electronics Corporation

Nippon Bldg., 2-6-2, Ote-machi, Chiyoda-ku, Tokyo 100-0004, Japan Tel: +81 3-5201-5111 www.renesas.com/index.jsp

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Renesas Electronics Corporation

Corporate Outline

Company Name Renesas Electronics Corporation

Registered Head Office 1753 Shimonumabe, Nakahara-ku, Kawasaki, Kanagawa 211-8668, Japan

Headquarters Nippon Bldg., 2-6-2, Ote-machi, Chiyoda-ku, Tokyo 100-0004, Japan

Established November 1, 2002 (Started operation on April 1, 2010)

Capital Stock 153.2 billion yen (As of March 31, 2013)

Major Operations Research, development, design, manufacture, sale, and servicing of semiconductor products

(Consolidated) 33,840 (As of March 31, 2013) Employees Websites iapan.renesas.com (Japanese version)

www.renesas.com (English version)

Domestic Sites

Manufacturing Companies

Renesas Electronics Corporation Renesas Northern Japan Semiconductor, Inc.

Haguro Electronics Co., Ltd.

Renesas Yamagata Semiconductor Co., Ltd. Renesas Naka Semiconductor Co., Ltd.

Renesas Fastern Japan Semiconductor, Inc. Renesas Kofu Semiconductor Co., Ltd.

Renesas Yanai Semiconductor, Inc. Renesas Kansai Semiconductor Co., Ltd.

Renesas Semiconductor Kyushu Yamaguchi Co., Ltd. Renesas Semiconductor Engineering Corp.

O Design, Development and **Application Technologies Companies**

Renesas Electronics Corporation Renesas Solutions Corp.

Renesas Micro Systems Co., Ltd.

Renesas Design Corp.

Renesas Takasaki Engineering Services Co., Ltd.

Renesas Musashi Engineering Services Co., Ltd. Renesas Kitaitami Engineering Services Co., Ltd.

Sales Company

Renesas Electronics Sales Co., Ltd.

Business Companies and Others

Renesas Mobile Corp. Renesas SP Drivers Inc.

Overseas Sites

O Manufacturing and

Manufacturing Support Companies

Renesas Semiconductor (Beijing) Co., Ltd. Renesas Semiconductor (Suzhou) Co., Ltd. Shougang NEC Electronics Co., Ltd. Renesas Semiconductor Singapore Pte. Ltd.

Renesas Semiconductor (Malaysia) Sdn. Bhd. Renesas Semiconductor Technology (M) Sdn. Bhd. Renesas Semiconductor (Kedah) Sdn. Bhd.

Renesas Semiconductor Kl. Sdn. Bhd. O Design, Development and **Application Technologies Companies**

Renesas Design Vietnam Co., Ltd.

Renesas Semiconductor Design (Beijing) Co., Ltd. Renesas Semiconductor Design (Malaysia) Sdn. Bhd.

Renesas Electronics Brasil-Servicos Ltda.

Europe

Sales Companies

Renesas Electronics America Inc. Renesas Flectronics Canada Limited Renesas Electronics Europe Limited Renesas Electronics Europe GmbH Renesas Electronics (China) Co., Ltd. Renesas Electronics (Shanghai) Co., Ltd. Renesas Electronics Hong Kong Limited Renesas Electronics Taiwan Co., Ltd. Renesas Electronics Singapore Pte. Ltd. Renesas Electronics Malaysia Sdn. Bhd.

O Business Companies and Others

Renesas Design France S.A.S

Maculatusix Oy

Renesas Mobile India Private Limited

Renesas SP Drivers Taiwan Inc.

America

South

Renesas Electronics Korea Co., Ltd.

Renesas Mobile Europe Oy

Renesas Telecommunication Technology Ltd .Corp.

North

America

CSR Activities outside Japan

Initiatives at Renesas Semiconductor (Beijing) Co., Ltd.

Our bases around the world conduct CSR activities grounded in their communities. This year we introduce activities happening at a site in China.





The Direction the Renesas Electronics **Group Seeks to Go**

Offering Three Solutions That Draw on Our Advantages

This feature introduces how the Renesas Electronics Group is using our strengths to address market environment issues.



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This CSR Report is intended for the many stakeholders of the Renesas Electronics Group, including employees, customers, members of the local communities where we conduct business, suppliers and partners, and shareholders and investors. With the objective of promoting two-way communication between the Company and these stakeholders, this report explains our approach to CSR and the environment and illustrates our specific activities in an easy-to-understand fashion.

We wrote the 2013 report with particular attention to the following point.

• Our Special Feature pages look at two topics: the direction the Renesas Electronics Group seeks to go and CSR activities overseas (in China).

The features look at fields in which the Group is making a particularly strong effort and that we believe will be of great interest to our stakeholders. They also introduce CSR activities in China, one of our most important markets.

Guidelines Used

- Environmental Reporting Guidelines 2012 (Ministry of the Environment, Japan)
- Environmental Accounting Guidelines 2005 (Ministry of the Environment, Japan)
- Sustainability Reporting Guidelines 2006 (Third Edition) (Global Reporting Initiative)
- ISO 26000: 2010 Guidance on Social Responsibility (Japanese Standards Association)

The report covers the Renesas Electronics Group, which consists of Renesas Electronics Corporation, 21 domestic Group companies and 33 overseas Group companies.

In this CSR Report, we use the fiscal year, which ends on the last day

Example:

Fiscal 2013 (From April 1, 2012 to March 31, 2013) Fiscal 2014 (From April 1, 2013 to March 31, 2014)

Reporting Period

This report primarily covers the period from April 1, 2012 to March 31, 2013, and includes reports on certain subsequent activities

Publication Date

September 2013 (Next publication scheduled: August 2014)

Reporting media

Information on our CSR activities may be found on our Website as well as in this report. http://www.renesas.com/comp/csr_eco/csr/index.jsp

(CSR section)

http://www.renesas.com/comp/csr eco/eco/index.jsp

(Environmental Activities section)

We report economic information on our Website.

CSR Report 2013 Renesas Electronics Corporation 2 CSR Report 2013 Renesas Electronics Corporation

Solid Technologies Building a Path to the Future

Give us an overview of business activities in fiscal 2013, and tell us what you aspire to do and have resolved to do going forward.

In fiscal 2013, we were not able to keep pace with changes in our customer base, changes that resulted from the March 2011 earthquake and the rapid rise of the yen. Going forward, we will prepare thoroughly so that our CSR management works with and for the benefit of our stakeholders

Since our corporate integration in 2010, Renesas Electronics has been steadily cutting fixed costs by selecting and concentrating our businesses and products, transferring and closing factories, and other moves. This has helped to lower our break-even point. However, the same period has brought us the March 2011 earthquake and rapid rise of the yen, and we have not been able to keep pace with the resulting changes in the market and our customer base. Therefore, unfortunately, our business activities in fiscal 2013 did not meet our stakeholders' expectations.

Stable profitability is essential for an enterprise to grow sustainably, but it is not the only reason enterprises exist. I believe that a company's very existence, its very business, has to be all about CSR. Our goal is to know what we are in business for, and to run our business in a way that our many stakeholders can understand.

Renesas Electronics has a number of outstanding semiconductor technologies that are building a path to the future. I am absolutely convinced that when our employees think and act for themselves, we can offer technologies, products, and services that are useful to society.

In my vision, each employee is a CSR practitioner, and we practice CSR-based management by making thorough preparation to work with and for the benefit of all our stakeholders.

Q2 | Tell us how you define CSR at Renesas Electronics, and the type of CSR you aim to practice.

A2 To me, CSR means a strategy that aims to solve society's problems and achieve sustainable growth for the company.

Corporate value, as I see it, is economic value (sales, profitability, and so on) multiplied by social value (ethics, morals, and doing right). In other words, if one multiplier is zero or negative, total corporate value will also be zero or negative. I see economic value and social value as two wheels of the same cart. Increasing them in balance with each other is a business's social responsibility. Stakeholders will trust us only when we have accomplished that.

At Renesas Electronics, we see CSR as a strategy that aims to solve society's problems and at the same time

achieve sustainable growth for the company. As a means of doing this, Renesas Electronics as a whole shares a Corporate Philosophy, a statement of our values. It is important for us to put these values into practice on the job day to day. With our specialty technologies, we hope to provide society with solutions to as many of its problems as we can. This connects to the way Renesas Electronics practices social responsibility.

Achieving this all depends on having a vibrant workplace, where each employee works with a sense of excitement. Without excitement, there is no innovation and no growth.

We aim to be an exciting company and positive workplace that gives autonomy to our employees and motivates them to draw out their creativity.

What do you think about social trends in relation to CSR, and how will you deal with them?

A3 There are so many issues to deal with, and our future will not be very hopeful if we do not solve them. Renesas Electronics will create the optimal solutions for solving social problems, offer exacting service, and practice the 10 Principles of the United Nations Global Compact.

The international community faces numerous problems that must be dealt with by society as a whole: planetary problems like global warming, water resources and energy as well as poverty and human rights. We cannot realize our vision and build a future unless we solve these problems.

Although one enterprise cannot solve such problems by itself, we believe that there is much we can and should do

The times call for achieving a society that is both eco-friendly and comfortable to live in. Renesas Electronics has excellent technology and strong products. By creating optimal solutions and offering exacting service, we will help to achieve a sustainable society.

We are also making a greater efforts than ever before in respect to human rights and environmental problems. Since 2008, Renesas Electronics has endorsed and supported the 10 Principles of the United Nations Global Compact in the four areas of human rights, labor, environment and anti-corruption. Through our compliance with and practice of these 10 Principles, we as a global enterprise will contribute to the building of a sustainable society.

Since the semiconductor industry uses large volumes of resources like energy and water, it creates a large

environmental burden. The Renesas Electronics Group is working actively to lower environmental burden, by adapting our production lines to conserve energy, optimizing production conditions to cut CO2 emissions, reusing water resources, and so on.

Q4 How do you communicate with stakeholders, and what kind of value are you offering to society?

We take every opportunity to listen. We aim to be a trusted partner of our customers the world over.

We aim to be a trusted partner meeting the needs of our customers the world over. With our No. 1 share of the world market for microcontrollers, we will rapidly propose and provide highly competitive products and optimal solutions.

Communicating with our customers and other stakeholders is very important for doing this. Our aim is to listen at every opportunity.

Our top management itself goes back to the starting point of manufacturing, keeping a common and thoroughgoing awareness of the situation and sharing information, technology, and know-how.

Q5 What is your message for your stakeholders?

We aim to be a business that, as a member of society, listens to others and is trusted and needed by society.

It is critical that we perceive customers' needs early on and respond accurately to their expectations. The more useful we are to society, the more our existence has value, the greater our profitability, and the more likely our company will persist into the future.

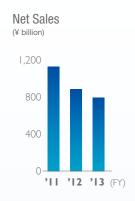
We will build up our adaptability so that we can respond more quickly to customer wishes and inquiries and to changes in our end markets. We will conduct our business to meet the expectations not just of customers, but all stakeholders involved.

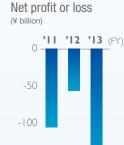
As a member of society, the Renesas Electronics Group promises to be more attentive than ever to its stakeholders by listening closely to what our customers and suppliers are saying and by interacting with the local community. Through these initiatives, we aim to be an enterprise trusted by and essential to society. Thank you for your ongoing support.



Overview of the Renesas Electronics Group

Business Segments and Segment Sales Ratio





-150

Total Assets

(¥ billion)

1.200 800 '11 '12 '13 (FY)





• PC and PC peripherals (Hard disc drives, etc.)

Automobiles (Car navigation systems)



Major Applications

 Automobiles
 Industrial applications • PC and PC peripherals (Hard disc drives, etc.) Consumer electronics (Digital home appliances, white goods, game consoles)





CSR Activities outside Japan

Initiatives at Renesas Semiconductor (Beijing) Co., Ltd.

The Renesas Electronics Group has manufacturing and sales bases around the globe. As an enterprise rooted in the community, each base engages in various CSR activities tailored to the characteristics of the region. Here we introduce the initiatives of our company in Beijing, China as an example.

China is one of the most important markets for the Renesas Electronics Group. As such, we are stepping up our ties with sales and design companies in China and conducting business in ways that contribute to China's sustainable



Renesas Semiconductor (Beijing) Co., Ltd. Stance on CSR

As a high-tech semiconductor company, Renesas Semiconductor (Beijing) Co., Ltd. offers excellent semiconductor products and conscientious service. Following the guiding policy below, it continuously contributes to society and a beautiful tomorrow for the world.

1. Putting the user first

We respond rapidly to user requirements, provide high-quality solutions, and endeavor to earn users' trust.

We practice fair and transparent business as we endeavor to maximize our corporate value.

3. Healthy workplaces

We aim to create a workplace that is safe, free, and vibrant, and enables our employees to work to their full potential.

4. A global enterprise

We respect each nation's culture, history, and customs, actively oppose forced and child labor, and contribute to world development as a member of the international community.

5. Harmony with the environment

We develop, manufacture, and sell semiconductor products and strive to do so in an eco-friendly manner. As such, we endeavor to minimize the impact that production processes have on the environment. We also take account of environmental problems like climate and ecosystem change, and through our business activities we aim to be an eco-friendly company that achieves harmony between people and the environment.

Contributing to the Local Community

Supporting underprivileged children

We support Taiyangcun, a private organization that fosters children with a parent in prison. Taiyangcun gets no government support, instead operating on donations from the public. Our employees have donated clothing, school supplies, toys, and more.

Support for minority groups

Employees have donated clothing, daily goods, and more to persons from minority groups.

In 2012, they gave 707 items and a monetary donation to Tibetans.

Health and Safety Initiatives

Measures to raise employee health and safety awareness

- · Raising safety awareness by exhibiting pictures with a safety message, as drawn by employees
- Leading exercises to refresh the eyes, etc.
- Limiting how long employees can use smoking areas















Human Resources Development Initiatives

Measures to Enhance People's Humanity

The company endeavors to enhance people's knowledge and humanity to each other by promoting reading, holding poetry readings, and running events to send appreciation cards to friends and family, among other activities. Thanks to a steady stream of such activities, the company's turnover rate is declining.

Legal study meetings

The company holds an ongoing series of legal study meetings, with attorneys as their guest. China, like other places, is seeing increasing damage from fraudulent emails, skimming incidents at banks, and so on. In 2012, the theme was how to prevent fraud.

Environment Initiatives

Landscaping the Factory Site

All employees have participated in landscaping at the factory, as part of a larger effort to protect the environment in Beijing. So far, they have planted about 200 cherry, poplar, and other trees, as well as about 2,200 rose bushes.

Environmental Debates

To deepen understanding of environmental problems, the company holds Environmental Debates, which relate to protecting the environment. The debate format increases participants' environmental literacy and helps substantially to raise their environmental awareness. To give an example, employees have taken a greater interest in separating garbage in the factory, and are very careful to do it properly.

TOPICS

Cleaner Production Initiative: Earning "Cleaner Production Certification*"

Endorsing the goals of the Cleaner Production Promotion Law of the People's Republic of China, Renesas Semiconductor (Beijing) Co., Ltd. takes initiatives to reduce environmental burden. In November 2012, it applied with the Beijing Municipal Commission of Development and Reform for a Cleaner Production inspection. After undergoing document and site inspections, it acquired certification in January 2013.

* Cleaner Production Certification: A program under which local government institutions certify enterprises that achieve highly clean, eco-friendly production. The program is based on the Cleaner Production Promotion Law of the People's Republic of China (in effect since 2003).

From Preparing for Certification to Start of Initiatives ∘

Raising Awareness of Initiatives

The company raised awareness of environmental protection and legal and regulatory compliance among the President and Manager class. All employees learned about the environment, quality, and safety, the three key principles of business continuity.

Monitoring Energy and Water Use The company showed that electric power, steam, and water, in that order, are the most costly

resources it uses. It performed detailed analyses of these three categories and advanced measures to reduce their consumption.

Kickoff Meeting

The company made it part of the fiscal 2013 General Manager's policy to undergo Cleaner Production inspection, and gave notice that this was a key issue for the fiscal year.

(4) Awareness-Raising

(1) Improvement Initiatives by 44 Teams Employees divided into 44 project teams that pursued improvement initiatives on their respective themes.

(2) Initiatives Briefing for All Employees The session gave an overview of Cleaner Production and explained its requirements, inspection methods, benefits to the business, and so on.

Initiatives briefing

Lecture by

(3) Lecture by Outside Specialist The company invited a specialist from the Beijing Electroplating Association, who spoke to those in charge of initiatives about the significance and purpose of Cleaner

The company wrote a handbook, put up posters, and posted information to its intranet.





Initiative Results

Energy-con-

Environmental Effect of Cleaner Production (Year)

(1) Reduction of plating materials use: plating fluid 11,034 kg; resin 2,146 kg; office paper 485.5 packs; oil 4,056 L

- (2) Reduction of tap water use: 37,926 tons
- (3) Reduction of electricity use: 3,770,000 kWh
- (4) Reduction of steam use: 1 930 tons
- (5) Reduction of wastewater releases: 37,926 tons
- (6) Reduction of waste: resin 2,146 kg; office paper 485.5 packs; plating waste fluid 11,034 kg

Economic Effect of Cleaner Production (Year)

- (1) Reduction of materials and consumables costs: 623,700 yuan (including plating fluid 357,500 yuan; resin 225,500 yuan; office paper 10,400 yuan; oil 16 900 yuan: etc.)
- (2) Reduction of tap water costs: 235,500 yuan
- (3) Reduction of electricity costs: 2,487,500 yuan
- (4) Reduction of steam costs: 463,300 yuan
- (5) Reduction of wastewater processing costs: 248,800 yuan
- (6) Reduction of plating waste fluid processing costs: 21,000 yuan; reduced cost of resin processing: 248,100 yuan

Total economic effect: 4,327,800 yuan

Voice-

At Renesas Semiconductor (Beijing), the understanding has taken root among all employees that quality, safety, and environmental management, built on solid corporate governance, are essential elements of a manufacturing company. We recently earned Cleaner Production Certification, but ongoing efforts to reduce environmental burden will be required even after this accomplishment. To do this, we are going to solicit ideas for energy-saving improvements that employees offer spontaneously. Also, we will make environmental investments whenever necessary to bring production in line with the environment. We will make every effort to be a company that is gentle on the global environment. Taketo Mori, CEO & Managing Director

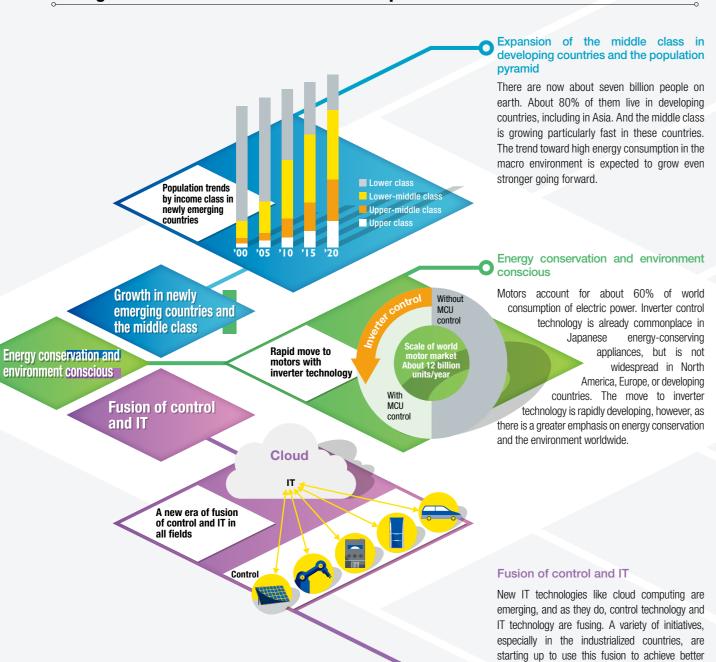




Offering Three Solutions That Draw on Our Advantages

This section discusses changes in the Renesas Electronics Group's market environment and how we are using our Group strengths to address issues presented by that environment.

Changes in the Renesas Electronics Group's Market Environment



service, safety, security, convenience, comfort and

energy conservation.

Renesas Electronics Group Advantages

Some of the strengths of the Renesas Electronics Group are our continuously evolving MCUs (we have the world's No. 1 share), low-power-consumption technology, technologies fusing MCUs (that provide control) with SoCs (systems on chip, that draw on IT), and the reliable, safe, and secure technologies we have fostered in the automotive and industrial fields.

World's No. 1 share for continuously

- A global sales network and strong customer support
- · Ability to offer solutions to meet demand in newly emerging countries

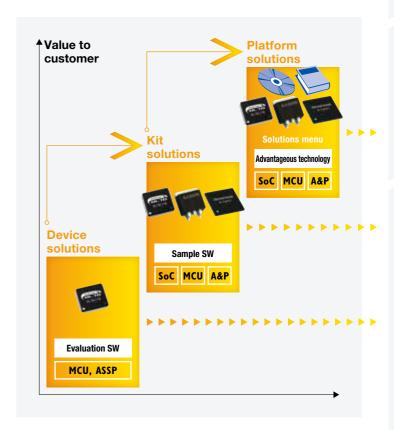
Low-power-consumption technologies that contribute to energy conservation

- Low-power devices (e.g., RL78)
- Low-power system technologies fostered with MCUs and power semiconductors (inverter control)

Technologies fusing MCUs (control) and SoCs (IT)

- World-leading integration technology
- High-integration technology for multicore CPUs (e.g., SoCs for automotive information systems)

Offering Renesas Electronics Group Products with Three Solutions



The major semiconductor business model up to now has centered on device solutions, individually supplying the MCUs, analog devices, power semiconductor products, and so on that customers need for their products.

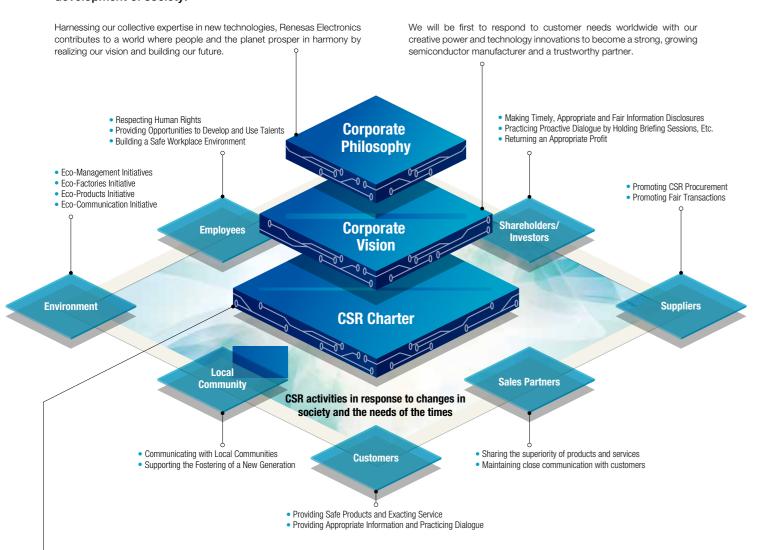
advanced functionality, for a model based on platform solutions incorporating advantageous technology and solution menu. We as the Renesas Group are bolstering our efforts to meet a wide range of different requirements according to the circumstances of our customers.

At the same time, demand is growing for a model in which customers are provided with kit solutions consisting of combinations of MCUs, analog devices, and power semiconductor devices optimized for their products, and, as products become more complex and attain more

CSR in the Renesas Electronics Group

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

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:

and sincere.

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.

Formulated April 1, 2010

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 Charter and Promotion Structure

We established the Renesas Electronics Group CSR Charter in April 2010 to guide us as we fulfill our social responsibility as a corporate citizen and aim for the sustainable development of the Group and society. The Charter serves as a guideline for the actions of Group executives and employees, who comply with the law and act with the highest sense of ethics.

In addition, a CSR Promotion Committee headed by the Chairman and CEO sets policies, targets, and priorities for Group CSR activities, which are then carried out throughout the Group. Directors of domestic business sites and Group companies, as well as Group company presidents, act as "CSR leaders," making sure that each site is actively carrying out CSR activities.

CSR Promotion Structure



Fiscal 2013 CSR Initiatives and Results

Fiscal 2013 CSR initiatives	Activity results
Continue initiatives to further promote and establish CSR awareness among employees	Publicized CSR Report among employeesGave CSR training
2. Seek supplier cooperation with Group CSR activities policies and stance	Wrote "CSR Guidebook" and "Check Sheet" Sought cooperation from major suppliers
3. Further enhance effectiveness of BCPs in case of emergency	 Revised BCP guidelines for major earthquakes and expanded to Group bases Advanced seismic reinforcement of production bases Gave BCP training
4. Promote diversity and establish a workplace that prevents problems of human rights	 Ran activities focusing on hiring women and non-Japanese persons Gave training to raise human rights awareness
Disclose CSR activity information within and beyond the company and strengthen communication with stakeholders	 Posted CSR Report to a site for comparing such reports, publicized activities to external stakeholders (PDF and electronic book versions; written to be more readable)
6. Respond to customers promptly and sincerely	Surveyed customers, etc., responded sincerely to questionnaires

Fiscal 2014 CSR Initiatives, and Comparison with ISO 26000

Fiscal 2014 CSR initiatives	Core themes in ISO 26000
Disclose CSR activity information within and beyond the Company and strengthen communication with local community	Organizational governance/community involvement and development
2. Deploy CSR activities that includes the supply chain	Fair operating practices
3. Increase stakeholder (customer) trust by responding to customers promptly and sincerely	Consumer/customer issues
4. Promote diversity and establish a workplace that prevents problems of human rights	Labor practices/human rights

Social Responsibility



For Our Customers

Stance of the Renesas Electronics Group

One of the basic policies of the Renesas Electronics Group is to maximize 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 development, fabrication, sales and marketing, and administration are implementing business activities with the Company's customers in mind.

Seeking Customer Satisfaction through Company-wide Improvement Initiatives

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

Customer Satisfaction Management



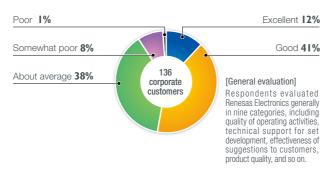
CS Surveys for Better Customer Satisfaction and Communication

Day to day, the Renesas Electronics Group obtains information from its customers and sales partners about customer needs and other matters. Additionally, each year the Group conducts CS surveys, analyzes the results and uses them to improve products, services and business

A questionnaire we circulated in fiscal 2012 concerned Renesas Electronics's earthquake response. Based on our analysis of the results, we revised information announcement routes and timing. We also worked to strengthen communication with customers, for example risk disclosures to customers and consulting with them on

Starting in fiscal 2013, March 11 is designated "Trust and Peace of Mind Day" in the Group. We periodically check how well our customers trust us, make improvements, and do a general check-up, aiming to earn even greater trust. As part of this, we did a CS survey in March 2013. We received 382 responses from 136 corporate customers in Japan and abroad. We have been sharing the results throughout the Group. We will work continuously to improve CS through Group-wide improvement initiatives.

Customer Evaluation of Renesas Electronics [General Evaluation]



Contact Centers Established for Customers

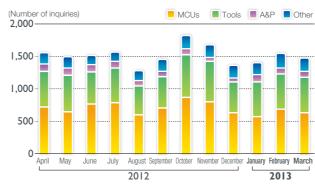
To help customers use the Group's products safely. appropriately and effectively, we have established centers to provide technical support for users. These provide a variety of technical information on our products.

The centers received a total of about 18,200 customer inquiries in fiscal 2013. They are working to respond to such inquiries swiftly and accurately.

Customer comments are fed back to related Renesas Electronics divisions and offices, which use that information to improve their documentation and the Company's Website. In particular, important matters that come up in a large number of inquiries are compiled as frequently asked questions (FAQs). These are posted on the Company's public Website, among other efforts to enhance information disclosure to customers. In addition, the FAQs are updated periodically, and their content is enhanced as needed.



Inquiry Breakdown



Policy for 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. Based on these objectives, individual business 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 Policy Implementation Process

Top Management Commitment

Quality Policy

We aim to deliver customer satisfaction and enhance society by providing highly reliable and high-quality products and services.

We abide by the following principles in all stages of our business activities—including sales, design, development and manufacturing in accordance with our corporate quality management system. We will:

- Comply with all applicable legal and regulatory requirements
- Enhance product safety and trust
- Commit to continuously improving the quality of products and services
- Strive to continually improve our quality management system

Quality Objectives Company-wide Policy Implementation **Business Divisions/Offices** Activities that Constantly Improve Total Quality

Quality Assurance Systems

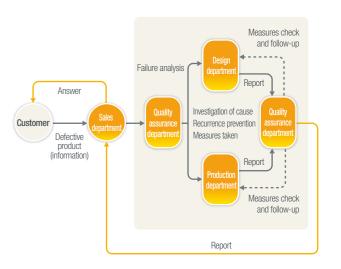
The Renesas Electronics Group has quality assurance systems Group-wide, which we use from development and design to production and delivery. This way we are able to provide high-quality, reliable products and services for greater CS. For example, we supply products to many companies involved with automobile 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.

We also integrate our quality management systems. The Renesas Electronics Group has acquired ISO 9001 quality management system certification on a Group-wide basis. In the meantime, individual manufacturing sites and their support sites have acquired ISO/TS 16949 automotive quality management system certification.

Studying Defective Products and Taking Corrective Action

If a shipped product is found to be defective, either when the customer is receiving, assembling or adjusting it, or when it is in use in the field, the quality assurance department leads an effort to determine the cause and take necessary corrective measures. The quality assurance department tracks defects found by customers as based on information from sales departments 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





For Our Customers

Initiatives for Each Process

The Renesas Electronics Group builds in quality starting with the development and design processes. Continuous improvement during the manufacturing process further enhances quality and reliability. Our comprehensive quality assurance system also includes product quality monitors and quality support. In addition, we advance semiconductor product safety as part of quality improvement, as we believe that quality includes product safety.

Development Process

The Group is working continuously to develop advanced design and testing methods and sophisticated evaluation technologies. These methods and technologies are required to respond to increasingly delicate product design rules and enlargement of circuit integration. Meanwhile, the Group utilizes design reviews (DRs), which are conducted at each key stage of the development process, to better focus on design changes and modifications.

Manufacturing Process

To ensure stable production of semiconductors, the Group is making constant improvements of based on "4M" (Man, Machine, Material and Method) management. At the same time, the Group is promoting quality, focused manufacturing activities, which are underpinned by statistical process management and improvement activities at manufacturing frontlines. In addition, we are managing the quality of our semiconductors comprehensively to ensure that defective products do not leave our manufacturing sites. This capability has been achieved through procedures to detect and correct defects at an early stage in the manufacturing process.

Customer Support Process

The Group supports its customers throughout the entire production process—from system development to distribution and maintenance—by effectively providing product information and solutions. In addition, we have established a system that allows us to efficiently respond to customer inquiries so that they can use our products with confidence. As such, we are striving to improve the quality of our support services.

Product Safety

To promote the safe use of its products by customers, the Group undertakes various activities, including the preparation of appropriate product specifications and the provision of documents with accurate technical information, as well as information pertaining to compliance with environmental laws and regulations.

Quality Assurance Systems



Compliance with Laws and Regulations, Including Those Related to the Environment (Product Safety/Environmental Quality)

Product Environmental Quality

At Renesas Electronics Group, we believe that product chemical substance management in all processes, from material selection during design and development to preventing pollution during manufacturing process, requires working with the entire supply chain. Thus we have our suppliers certify that their products do not contain prohibited substances and provide analysis data. We also conduct supplier audits to confirm their management systems. We additionally ask our sales companies and agents to manage chemical substance they use in their packing materials.

We also provide information on the chemical substances and RoHS Directive*/prohibited substance analysis data to our customers so that they can use our products with confidence.

Moreover, we allow customers to confirm the Group's management system for chemical substance and the actual activities.

*RoHS Directive: A European Union directive limiting the content of specified hazardous substances (lead, mercury, cadmium, hexavalent chromium and brominated flame retardants PBB and PBDE) in electric and electronic devices

Product Chemical Content Control throughout the Supply Chain



For Our Shareholders/Investors

Stance of the Renesas Electronics Group

Following the Renesas Electronics Group CSR Charter, we conduct our business activities fairly, sincerely and transparently and endeavor to actively disclose the nature of those activities to all stakeholders. The purpose of our IR is to ensure that shareholders and investors appropriately assess our corporate value. To that end, we provide them with the information they need to make investment decisions, and we do so in a timely, fair and ongoing manner. We moreover proactively enhance two-way communication with shareholders and investors.

Overview of IR Initiatives

Following our basic policy on IR initiatives, we seek to provide shareholders, investors, and securities analysts with information on our business, finances, strategies, and other important matters in readily understandable form. To do this, we work to increase opportunities for top management to speak directly to these parties, for example at our general meeting of shareholders, quarterly results briefing sessions, or business overview sessions. We also proactively hold meetings with institutional investors and securities analysts as needed so they have an opportunity to better understand our business activities. We also aim constantly to provide important management information that is timely, fair, and easily understood, to as many parties as possible, whether they are individual or institutional investors, located in Japan or abroad. For that purpose, we are enhancing our disclosed materials and IR Web page. As for opinions and requests that shareholders, investors, and securities analysts have regarding our business activities, top management and other parties within Renesas Electronics share this information periodically and put it to use improving our business activities and maximizing our corporate value.

Communication Using Information Disclosure Tools

The Renesas Electronics Group uses a variety of tools to disclose information so that shareholders and investors will know us better. On our IR Web page in particular, we offer press releases, securities reports, and other publications of use to those making investment decisions. We are also working to enlarge the range of information available relating to financial results, such as settlement of accounts briefs and presentations (including their accompanying speeches), in addition to English-language materials. These efforts have

gained positive attention. For example, Daiwa Investor Relations Co., Ltd. honored us with its 2012 award for Internet IR excellence.

Shareholder new



Results briefing session

Fiscal 2013 IR Calendar

		First quarter		S	econd quarte	er		Third quarter			Fourth quarter	
	April	May	June	July	August	September	October	November	December	January	February	March
Announcement of financial results		Fiscal year			First quarter		Secon <mark>d</mark> quarte <mark>r</mark>				Third quarter	
Shareholders			l sharehol <mark>ders</mark> meeting								inary gene <mark>ral</mark> if sharehol <mark>ders</mark>	
Others			Business report	Managemen policy overvie		Ann <mark>ual</mark> report		News to shareholders	Management policy overview	,		

Social Responsibility

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. In addition. Renesas Electronics has always given priority to "Green Procurement," which essentially means purchasing materials, equipment and services having minimum impact on the environment from suppliers who give extra consideration to environmental issues. The Company also undertakes extensive CSR activities throughout the entire supply chain by incorporating compliance, risk-management and human-rights-protection perspectives into its environmental approach. We understand that cooperation of all the partners involved in our supply chain, as well as close collaboration with these partners, is the key to successfully conducting these activities.

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 timelines 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

The Renesas Electronics Group has established several CSR initiatives we wish our suppliers to perform, including the practice of social responsibility as it relates to environmental protection, fair business and corporate ethics, quality and safety, information security, health and

safety, and human rights and labor. We ask our suppliers to work with us to advance these purposes.

Moreover, to ensure that the activities we pursue are based on a shared perspective and promote understanding of our stance on CSR, at the end of fiscal 2013 we wrote a guidebook on promoting CSR and distributed it in our supply chain.

Promotion of CSR Procurement (Website) www.renesas.com/comp/procurement/csr/index.jsp

Promoting Green Purchasing

Renesas Electronics is promoting green procurement. Specifically, the Company prioritizes the procurement of ecofriendly raw materials and other materials free of hazardous substances from suppliers who are proactively promoting environmental protection. Requirements for suppliers have been compiled as Green Procurement Guidelines. These guidelines are disclosed to all suppliers. In addition, Renesas Electronics conducts periodic investigations on the environmental measures implemented by suppliers. Furthermore, the Company performs examinations of suppliers' products to confirm that these products comply with the European Union's RoHS Directive* and other environmental laws and regulations. These examinations are promoted based on the understanding and cooperation of our suppliers.

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. Our green purchasing rate in fiscal 2013 was about 80%.

*RoHS Directive: A European Union directive limiting the content of specified hazardous substances (lead, mercury, cadmium, hexavalent chromium and brominated flame retardants PBB and PBDF) in electric and electronic devices

Initiatives Against the Conflict Minerals Problem

In the Democratic Republic of the Congo and some of its neighboring countries in Africa, some minerals have become problematic, as they are a revenue source for armed groups and may lead to violations of human rights and the prolonging of conflicts. The US's Dodd-Frank Wall Street Reform and Consumer Protection Act requires companies listed in the US to disclose information about their usage of conflict minerals (gold, tantalum, tungsten, tin, etc.).

The Renesas Electronics Group has no intention of being complicit with violations of human rights. We are working to

Working with Sales Partners

eliminate conflict minerals from our supply chain as far as possible.

To ensure follow-through on this initiative, we took a survey of our suppliers in September-December 2012, asking them to identify the refineries they use. Results of the survey are being disclosed to our customers as we strive to procure minerals responsibly through our supply chain.

BCP Initiatives with Suppliers

Renesas Electronics requests that its suppliers notify it immediately in the event that they are 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 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 manner.

Communication with Suppliers

Smooth communication with suppliers is essential for Renesas Electronics Group business activities. Suppliers keep us informed about trends in the electronics industry and their own industries and provide valuable suggestions to the Group for the development of society.

Stance of the Renesas Electronics Group

In order to provide more exacting service to our customers in regions throughout Japan and around the globe, the Renesas Electronics Group believes it necessary not only to sell directly through our sales companies, but to market in collaboration with our sales partners-authorized distributors, agents, and overseas distributors. Therefore we are working actively to strengthen these partnerships.

Collaborating with Sales Partners

In Japan, Renesas Electronics holds meetings with executives of distributors at least twice a year. At these meetings, we share the Group's policies and the policies of each business unit, while exchanging opinions and information. Furthermore, the Group holds working-level meetings with distributors' staff members once a month to provide information regarding future product lineups and technologies. In this way, we continue to strengthen mutual understanding.

Overseas

Outside Japan, Renesas Electronics holds "Distributor Meetings" at least once a year and management-level quarterly review meetings with distributors in order to confirm local sales policies and business continuity plans (BCPs), and solve region-specific problems in an effective manner.

Comment from Sales Partners

Sanshin Electronics is an electronics trading company. We handle a broad range of semiconductors and electronic components and devices from manufacturers in and out of Japan. In this role, we provide products and solutions tailored to customer needs. Renesas Electronics Corporation is our Group's largest vendor, which means it is a very important partner for us in terms of our growth strategy. We look forward to building up this partnership so we can take full advantage of the synergy between Renesas Electronics's competitive products and our years of experience offering solutions.

Yoshinobu Kirivama

Associate vice president of Finance & Accounting Division and General manager of Planning Department, Sanshin Electronics Co., Ltd.

At Shinko Shoji, our company policy captures our founding spirit by charging us to "value trust and devote ourselves to diligence, sincerity, and service," "participate in the creation of new culture and contribute to society through our day-to-day work," and "achieve unlimited business development and prosperous lives for our employees." Guided by these words, we have put in place an internal control system to ensure that work is done properly, and we have established a Corporate Code of Conduct. With guidance from Renesas Electronics Corporation, we have earned ISO/TS 16949 certification and are working to increase CS for our business partners. We look forward to continuing to work with Renesas Electronics and contributing to a sustainable society as a global enterprise.

Hirovuki Sekikawa

General Manager, Sales Support Office, Shinko Shoji Co., Ltd.



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 capacity.

Human Resources Development and Education Programs

In order for a company to achieve sustainable growth and contribute to society, all of its employees must grow and be active. Renesas Electronics has defined the type of person we need and has a training system to help people achieve this image. Renesas Electronics has established a Company-wide Human Resource Development Committee, which meets twice a year, to promote human resource development on a Group-wide scale. The committee discusses human resource development initiatives on a global level that are intended to help the Group accomplish its Corporate Philosophy and Corporate Vision and allow Group employees to match the image of the human resources we need. It also allocates budget funds to these initiatives.

As business rapidly globalizes, it is critical to maintain close communication with our customers and affiliates overseas. Because the English language is so common in the world of business, we require our executives and employees to take TOEIC exams. We set target scores for them, provide seminars on English study methods, and enhance our personal development training to help them improve their English proficiency. In addition, each of our sites has established its own Human Resource Development Committee. These committees promote measures

specific to their operations and responsibilities in accordance with the policies formulated by the Company-wide Human Resource Development Committee.

Required Human Resources



Company-wide Training Programs

		New Employees	Project Managers to Project Leaders		Section Chiefs		
	n-Specific New employee training, First-year review training New section chaining Training outcome reporting Trainers' to			New section chief training			
	Technology Training	Basic course Basic course (practical training)			courses (approx. 100 courses), Skills check trials, are training, Digital circuitry training, Analog circuitry training,		
Skills raining	Sales Training	Sales case-study training	Sales case-study training, Practical sales training, Sales skills training, Technical knowledge training (approx. 60 courses)				
	Technical Training	New core staff training	Fabrication leader tr engineer training,				
International Study-abroad pro		Study-abroad program, Overseas work	training, Overseas expatriate program				
Train	ing		In-house English test (TOEIC)				
Busines Train			Logical-thinking/presentation training				
General [*]	Training	CSR education					
Self-awarene	ess Support	Corresponded learning (language, skills, qualifications), Language training (English, Chinese)					
Career Dev Supp		Career training					
Lecti			and never quitting be individuals and organizations	Bringing out organizational strength The role of the leader in encouraging autonomous action Team-building that is accepting of diversity			

Promoting Diversity in Human Resources

The Renesas Electronics Group is strengthening initiatives to promote human resource diversity. It is, without question, important to recruit people so that they can-regardless of nationality, gender or physical constitution-apply their individual abilities and contribute to society. This is a prerequisite for every company. Furthering this idea, the Group continues to create more employee-friendly, more pleasant workplaces by placing particular focus on human resource diversity. For example, we are promoting the hiring of more female employees and people with disabilities.

Our rate of employment of people with physical disabilities surpassed the 1.8% legally mandated threshold in fiscal 2013, but in fiscal 2014 that mandate rises to 2.0%. We and our Group companies are therefore stepping up and continuing hiring initiatives.

Rate of employment of people with physical disabilities (data over time)



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 resources development, employee treatment and all other aspects of employment, while eliminating any discrimination based on race, 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 the United Nations Global Compact for business operation 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 awarenessraising programs on human rights and other related subjects.

More specifically, the Group has established a Companywide Human Rights Awareness Committee, which is chaired by

the director in charge of human resources and includes general managers of individual divisions and offices. This committee holds meetings twice a year, and at these meetings committee members deliberate on and approve related action plans while promoting the implementation of these action plans. We raise employee awareness of human rights through new employee and position-specific training programs, e-training programs for all employees, various events held during Human Rights Week every year, and more. Also, we put up posters to inform employees about our in-house service for consulting on equal treatment and other issues. In this way, we are endeavoring to create an environment that facilitates consultation and enables appropriate responses to employee concerns.

Balancing Work and Private Life

With the aim of supporting employees in balancing their work and private lives while realizing their full abilities at work, Renesas Electronics carries out various family support measures. These measures are implemented in the form of flexible work conditions, leave systems and benefit plans. For example, our employees are allowed to use their paid holidays for various purposes, such as attending volunteer activities, receiving medical care for injuries and diseases and participating in school events with their children.

People Using the Childcare Leave Program (data over time)

		Fiscal 2011	Fiscal 2012	Fiscal 2013
Number of people	Men	2	3	1
using childcare	Women	147	154	121
leave	Total	149	157	122

Communicating with Labor Unions.

Renesas Electronics holds labor-management meetings twice a year with the Renesas Electronics Labor Union, to which its employees belong, to exchange frank opinions on management policies and business conditions. In addition, committees consisting of employee and management representatives are promoting activities aimed at preventing long working hours, improving working conditions and supporting the development of employees who will play an important role in achieving the future growth of the Company. In this way, Renesas Electronics is helping to build stable labor-management relations.

Similar efforts are being made with labor unions at Group companies in Japan. Overseas, our Group companies exchange opinions with workers' unions or employee representatives based on laws and regulations in their respective countries.



Working with Employees

Occupational Health and Safety/Mental Health Management

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.

Occupational Health and Safety

The Renesas Electronics Group has set the protection of employees' safety and health and the creation of rewarding, employee-friendly workplace environments as the basis of its corporate activities.

Accordingly, the Company 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 to ensure occupational safety include risk assessment conducted by employees. Through risk assessment processes, disaster risks are identified, and possible countermeasures are prepared. These processes are helping us prevent disasters and accidents. Group factories with production lines have already received OSHMS (Occupation Safety and Health Management System) certification.

The Naka Factory sustained significant machinery and equipment damage in the Great East Japan Earthquake, but personal injury was very minor thanks to everyday safety measures and evacuation drills.

Since the Great East Japan Earthquake of 2011, 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.

In the area of occupational health, we are strengthening activities primarily aimed at fostering mental health, safeguarding against overwork, and maintaining and improving health.

Mental Health Management

We live in a high-stress society. In such a society, it is important to maintain not only physical health, but also mental health. In view of this, the Renesas Electronics Group considers measures to promote mental health as a paramount management issue and is consequently promoting various activities in this regard.

Specifically, industrial physicians give consultations and advice to employees working long hours. A contact point has been established so that any employee can get diagnosis and counseling from industrial physicians, occupational health nurses, and contracted counselors. Also, in cooperation with occupational health staff, the Company provides support to employees who have taken leave due to mental health problems to enable them to return to work. We have standardized procedures that last from the start to end of leave, and support is tailored to each employee's individual needs.

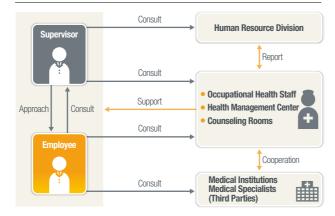
The Company periodically offers mental health education programs to managerial employees as part of efforts to establish a mental health management structure based on lines of command. Through these educational programs, managerial employees strive to raise their own awareness of workplace mental healthcare. At the same time, managerial employees work to promote mental self-care among their subordinates by, for example, encouraging the use of a simplified stress check system. Also, the Company includes subjects related to mental health in various training programs. Through these initiatives, Renesas Electronics is endeavoring

to remain a company where all employees can better maintain their health and work with vigor and enthusiasm.

In addition, the Company has established consultation windows for employees who have been assigned to overseas locations and their families in the belief that working and living overseas may entail a significant mental burden. When these employees and their families return to Japan, we provide them with opportunities to receive both physical and mental health checkups.

We will continue to implement measures that enable the early detection and treatment of mental health problems, while reinforcing activities aimed at preventing such problems in employees.

Mental Health Consultation Mechanism



Working with the Local Community

Stance of the Renesas Electronics Group

The Renesas Electronics Group follows a Corporate Philosophy that states, "Harnessing our collective expertise in new technologies, Renesas Electronics contributes to a world where people and the planet prosper in harmony by realizing our vision and building our future." As such, we aim 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 and offer programs that make it easy for employees to participate in them so that, as a corporate citizen, we can fulfill our responsibility to the community and society.

Basic Policies for Social Contribution Activities

The Renesas Electronics Group's Basic Policies for Social Contribution Activities are as follows.

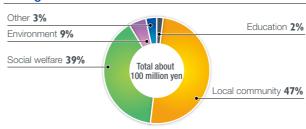
Basic Policies for Social Contribution Activities

- As a good corporate citizen, the Renesas Electronics Group will work to preserve the global environment, which is closely related to the sustainability of the semiconductor industry, and make meaningful contributions to society.
- As it pursues business on a global scale, the Renesas Electronics Group will promote social contribution activities that help to improve its corporate image.
- The Renesas Electronics Group will implement social contribution activities through cooperation with its stakeholders in order to enhance its brand value

Fiscal 2013 Results

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.

Financial Support for Social Contribution Activities during the Fiscal Year



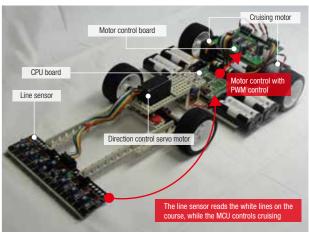
Activities in Japan ←

Support for the Education of Coming Generations. (Working with the Micom Car Rally)

The Renesas Electronics Group continues to foster a new generation of engineers through the teaching of craftsmanship. Among our initiatives, we have supported the Japan Micom Car Rally (JMCR) for senior high school students for 18 years. At Micom Car Rallies, senior high school students build and race microcomputer-controlled robotic cars, in the process gaining knowledge and experience with mechatronics technology. In the contest last fiscal year, 2,570 cars from technical high schools around Japan entered regional preliminary contests, seeking to be No. 1 in Japan. We look forward to continuing our support for these events.







Web Official Micom Car Rally Website www.mcr.gr.jp/ (Japanese language only)

YouTube:RenesasMCR1

www.youtube.com/user/RenesasMCR1

Social Responsibility

Working with the Local Community

"Fascinating Math" Saturday School at Hachiyama Junior High School®

In May 2013, Renesas Electronics held a "Fascinating Math" course at Hachiyama Junior High School in Shibuya, Tokyo. At the request of Oyaji Nippon, a non-profit that connects places of learning with private enterprise, we explained the principles of a machine that measures baseball bat swing speed, and demonstrated its use. A Renesas Electronics MCU performs instantaneous integration of the acceleration of a swinging bat to measure the speed of the swing. Participants cheered excitedly when students on the baseball club made a particularly fast swing. The students described the lesson as "difficult but interesting." The event helped to raise their interest in math: some students promised to study math more in hopes of getting into a math and science course, while others expressed a desire to write their own programs.





Students learning how the swing speed A student swinging the bat

The Renesas Badminton Club, from Renesas Semiconductor Kyushu Yamaguchi, holds badminton clinics and practiceviewing events for elementary and junior high school students every year. In fiscal 2013, it held a total of four events, drawing about 540 children as participants. At a summer vacation clinic for elementary school students in

Kumamoto City, students went from complete beginners to being able to make beautiful shots thanks to the coaching received. The children worked hard and had fun in spite of the heat.



Kochi Factory held the 28th Renesas Cup Kochi Kuroshio Hotel Badminton Tournament on June 23. The tournament was meant as a brand-boosting activity. Hosted by the badminton club of Wakashiokai (an employee friendship organization at Kochi Factory), it is held every year for beginner and intermediate level clubs in Kochi Prefecture. The event this time, at with 254 people from around Kochi

Prefecture participating, helped to promote exchange with members of the community through sports.



Developing Kids through Sports

Softball

■ The Takasaki Factory women's softball team members hosted a Softball Junior Clinic on December 8. It was open to local softball teams from elementary and junior

and senior high schools. We also took events to places around Japan to promote softball and develop junior players. (Total of 18 sessions)



On October 6, the Saijo Factory hosted the Fourth Renesas Cup Softball Tournament. The event was intended to foster exchange with the community and increase the number of elementary school softball players. A total of 15 teams from Ehime Prefecture took part.

Wheelchair Cleaning Volunteers (Takasaki Factory)

Employees from the Takasaki Factory visited the Chojuso home for the elderly. While there, they cleaned and repaired about 60 wheelchairs, replacing valve rubber, checking air

pressure, and oiling as needed. The 2012 visit was their 11th time to the facility. The Houseikai Welfare Organization that runs the home gave us a certificate of appreciation in return.



Participation in Horseshoe Crab Expedition (Saijo Factory)

Eleven members of the Saijo Factory took part in a "horseshoe crab expedition" July 29 at Kawarazu Beach, sponsored by the Saijo City Board of Education.

The group cleaned up the beach, looked for good tidal

flats, and there released young horseshoe crabs. Children at the event were thrilled to have the rare experience of actually seeing and touching these "living fossils."



Renesas Forest Land 2012 (Kochi Factory)

The Kochi Factory hosted Renesas Forest Land 2012 on October 20. The event is held every year under the "Cooperative Forest Building Project" partnership with Kochi Prefecture and Kami City.

On the day of the event, 43 people took part. We gave

an overview of such matters as how the Renesas forest is being maintained, after which participants got to thin trees in the forest. The thinning exercise was very popular with the participants, who do not often get such opportunities.



Community Events with Orchestral Music (Renesas Semiconductor Kyushu Yamaguchi)

The Renesas Semiconductor Kyushu Yamaguchi wind orchestra performs locally each year as part of its social initiatives. In June it visited Shirafujien, a home for the elderly in Kumamoto City. There, they delighted the residents by playing nostalgic and familiar tunes like The Washington Post March, Furusato, and a Kyu Sakamoto medley. They

gave a concert at a nursing care facility in Aso in September, and another at a cultural event in their local area of Kawashiri in March.



Activities Overseas •

Visit to Children's Facility (Singapore)

Employee volunteers from Renesas Electronics Singapore Pte. Ltd. visited Sunbeam Place, a facility for abused and neglected children, on January 4, 2013. The 21 volunteers

gave an educational program for more than 30 children. Activities included cooking spring rolls, building toy organs, and experimenting with solar panels.



Winner of Caring Company Award (Hong Kong)

Renesas Electronics Hong Kong Limited (REHK) won a Caring Company Award for taking part in the Caring Company Program of the Hong Kong Council of Social Service since 2008. The award goes to Hong Kong enterprises that have been recognized as outstanding corporate citizens for offering an excellent working environment, dealing with environmental problems, or sharing technology and knowledge with non-profits.

In March 2013. REHK donated older-version or unused PCs and related equipment to Caritas-HK Computer Workshop. The organization fixes up such equipment so it can be reused, then donates it to disadvantaged students and other parties.

Food Bank Support

(USA)

Renesas Electronics America (REA) legal department members have continuously supported the Second Harvest Food Bank of Santa Clara and San Mateo counties. On February 13, they sorted and delivered food for disadvantaged families.

In addition, REA and its employees donated about \$6,000 along with 255 pounds of food.



Environmental Report

Renesas Electronics Group Environmental Measures

Stance of the Renesas Electronics Group

The worldwide increasing concern for the environment in recent years has spawned an international discussion which has prevented globe from climate warming and chemical waste materials pollution. Meanwhile, the relationship between energy generation and environment burden has increasingly become important. For example, due to the high working ratio of domestic thermal power plant which is alternative means for unavailable nuclear plants, CO2 emissions are inevitably rising.

The Renesas Electronics Group is working to reduce the environment burden of our business activities by setting targets according to relevant electrical industries' target. We also develop and offer products with outstanding energy performance to contribute our customer's environmental product function.

Group environmental activities are deliberated by the CSR Promotion Committee, consisting of the Chairman and CEO and other top management. All initiatives, including the environmental policies and plans decided by the committee, are notified to the Group through 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** We will incorporate environmental considerations into all stages of the product life cycle, including research & development, design, procurement, production, sale, 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. Our environmental management efforts will involve compliance with all environmental laws, regulations and agreements, and we will promote We will disclose environmental information to stakeholders and encourage communication with society for the purpose of promoting mutual understanding. We will educate all employees in environmental conservation to create a company culture that promotes harmony between the environment and

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 Eco-Management system built on the cornerstones of the Eco-Factories, Eco-Products and Eco-Communication initiatives.

- Eco-Factories Initiative: Aimed at reducing the environmental impact of manufacturing sites through the reduction of greenhouse gasses (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 lifecycles, including the control of chemical substances contained in products and the development of products with excellent energy-saving performance
- Eco-Communication Initiative: Aimed at strengthening employee awareness through environmental education and disseminating the Group's environmental information to society

Three Environmental Cornerstones

CSR Promotion Committee						
			(chaired by the Chairman and CEO)			
Enviro	nmental Pr	romotion M	leeting			
			by the board member in of environmental issues)			
Eco-Management						
Eco-Factories	Eco-P	roducts	Eco-Communication			
Environmental load reduction at manufacturing sites, others	Eco-friendly product development		Information disclosure and internal dissemination			

Fiscal 2013 Initiative Results and Fiscal 2014 Targets

Item	Fiscal 2013 Plan	Fiscal 2013 Results	Evaluation	Fiscal 2014 Plan
Con Management	• Integrated EMS at five Renesas Electronics headquarter sites	• Integrated EMS at five Renesas Electronics headquarter sites	0	Promote integration of ISO 14001
Eco-Management	Promote integration of ISO 14001 certification of manufacturing sites	• Finished integrating at three planned sites	0	certification of manufacturing sites
Eco-	 Reduce CO₂ emissions (65% or less per unit of actual production volume) 	•84.1% ^{*1}	X*2	Comply with action plan of four electric and electronics groups for post-Kyoto Protocol era.
Factories	\bullet Reduce PFC $\!\!\!^{\circlearrowleft}$ emissions to 90% or less of 1995 results	• PFC emissions 31% of 1995 results	0	• Reduce PFC ^{*3} emissions
Eco-	Establish eco-friendly product verification system	• Finished unification of assessment techniques	0	Deal with substances subject to legal
Products	Deal with substances subject to legal and voluntary regulations	 Dealt properly with Japanese and foreign regulations and Japanese legal revisions 	0	and voluntary regulations
Eco- Communication	• Issue environmental report	 Issued environmental report, expanded web information 	0	• Issue environmental report
	Enhance environmental education materials	 Enhanced position-specific training materials 	0	Enhance environmental education materials
	Continue environmental and social contribution activities	Activity implemented (Please refer to pages 22-24.)	0	Continue environmental and social contribution activities

^{*1:} Using emissions coefficient at time of calculation of fiscal 2011 results

Message | Contributing to Stakeholders through **Eco-Friendly Products and Manufacturing**

We all use electricity in every aspect of our lives. Renesas Electronics semiconductor products are adopted by a wide range of devices to help them use electricity effectively. The environmental merit of semiconductor products is not only that they consume very little power themselves, but that they also provide very precise energy control. This helps our customers enhance the energy performance of their own components. And as we design these semiconductor products, we consider their impact on the global environment from the day they are produced until the day they are discarded, and we make them carefully so that they are easy for the customer to use. On the other hand, since semiconductor products must be produced by miniaturization processes to reduce energy consumption, we must use high-precision, high-tech devices and clean rooms that are as free of dust as possible so that we can offer a stable supply of reliable products.

As a result, our production activities by their nature create a big environmental burden because they consume so much energy. Accordingly, the Group factories where this production takes place implement energy-saving equipment and optimize systems as we pursue thorough energy efficiency. Furthermore, we establish voluntary factory emissions standards that are more stringent than the law requires so that we can be sure to maintain a comfortable environment for our communities.

Through these measures, the Renesas Electronics Group will continue to provide our customers with products of the highest possible quality and performance and lowest possible energy consumption and environmental burden. All of them will be manufactured by factories practicing the highest clean and efficient manufacturing standards.



Osamu Nogimura Senior vice president for Environment issue

25 CSR Report 2013 Renesas Electronics Corporation CSR Report 2013 Renesas Electronics Corporation 26

^{*2:} A major factor is that the power conversion coefficient has worsened.

^{*3} PFC: Perfluorocompound (The semiconductor industry has specified CHF3, CF4, C2F6, C4F6, C4F6, SF6 and NF3 for emissions reduction.)



Eco-Management Initiative

The Group's Business Activities and Environmental Footprint

The semiconductor products offered by the Renesas Electronics Group are becoming smaller and more energy efficient, which helps our customers conserve both energy and resources in their own products and systems. Because of such product contributions, the business activities of the Group provide a boost for protection of the global environment by helping prevent global warming and use resources effectively.

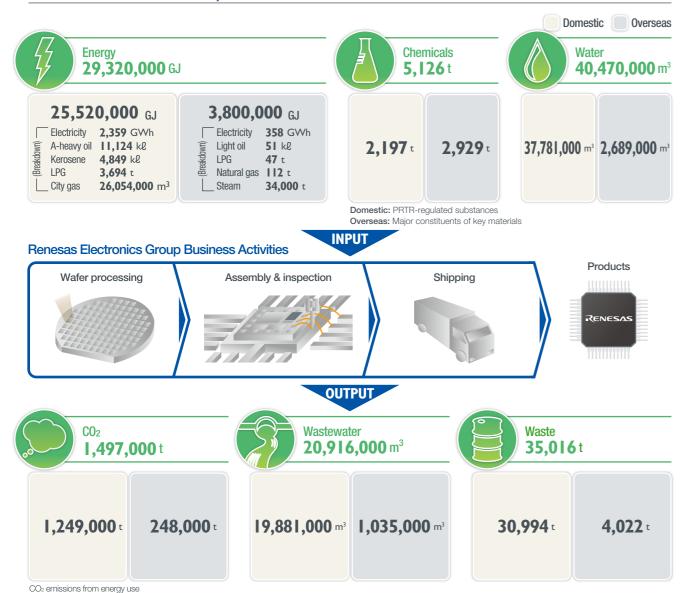
On the other hand, the Group's production activities place a large burden on the environment. They consume

large amounts of energy (electric power and fuel) and other resources (chemicals, water, etc.) while producing waste in solid, liquid and gas form.

We are working to reduce our burden on the environment by closely monitoring the input volume and output volume of our production activities and reducing them systematically.

The Renesas Electronics Group is committed to using limited resources and energy in an effective manner and to offering eco-friendly products that are manufactured efficiently.

Overview of Environmental Footprint



Internal Audits of Environmental Law Compliance
Systems and Environmental Management Systems

The Renesas Electronics Group performs audits of environmental law compliance and emergency preparedness. In fiscal 2013, we examined environmental law compliance at six sites in Japan and one abroad.

We also have a system of mutual audits of ISO 14001 management systems within the Group, under which we audited 12 sites in fiscal 2013 and plan to audit 16 in fiscal 2014. To meet our aim of conducting highly reliable audits, the Group has CEAR**-certified auditors with environmental management system auditor qualifications.





Opening event

Again in fiscal 2013, none of the Group's business sites or Group companies had to pay penalties or fines for incidents impacting the environment. There were also no environment-related lawsuits against the site or companies.

*1 CEAR: Center of Environmental Auditors Registration

ISO 14001 Certification

All of the Group's domestic sites and all of its overseas manufacturing sites and major sales sites have acquired certification under ISO 14001, the international standard for environmental management systems. The Group will continue the process of acquiring and sustaining ISO 14001 certification as efficiently and effectively as possible.

Up-to-date ISO 14001 certificates are available for viewing on



www.renesas.com/comp/csr_eco/eco/iso/index.jsp

Environmental Accounting

Major investments in fiscal 2013 were in measures to meet the amended Water Pollution Control Law. We additionally took energy conservation measures, such as putting various pumps and air conditioning equipment on inverter control and making our freezers more efficient. Of the costs, air pollution prevention totaled ¥1,251 million, water pollution prevention ¥1,934 million, and waste processing ¥911 million. The economic effects included ¥979 million in proceeds from sales of recyclables. These figures do not include economic effects calculated based on estimates.

Environmental Accounting Trends (Y million) Fiscal 2011 Fiscal 2012 Fiscal 2013 6,000 4,000 2,000

Fiscal 2013 Results

Category/Subcategory		Description		mental tion Costs	Effects	
				Cost (¥ million)	Economic Effects (¥ million)	Environmental Impact Reduction
	Pollution Prevention	Pollution prevention (air, water, etc.)	408	3,348	1,692	
Vithin Business Sites	Energy Conservation/ Global Environmental Conservation	Energy-saving measures, global warming prevention, etc.	144	713	1,186	
	Resource Recycling	Efficient use of resources through waste reduction, water saving, recycling, etc.	16	1,030	1,343	Energy use
Upstream/Downstream Processes		Green procurement, product assessment, recovery and recycling of packaging materials, etc.	0	0	_	reduction
Management Activities		Maintenance and administration of environmental management systems, environmental education, etc.	0	1,006	_	765.1GWh
R&D		R&D for reducing environmental impact of products and production processes	0	2	_	
Social Contribution Activities		Local volunteer activities, donations and assistance to environmental organizations	0	39	_	
		Clean up of pollution (soil, groundwater, etc.), compensation in connection with environmental conservation, etc.	0	8	_	
		Total	568	6,146	4,221	_



Eco-Factories Initiative

Global Warming Prevention through Energy Conservation

The Renesas Electronics Group takes an active part in semiconductor industry initiatives to help prevent global warming. We also work continuously to conserve energy in a number of ways to meet electrical and electronic industry associations' targets and emissions intensity reduction targets under the Law Concerning the Rational Use of Energy.

To meet these targets, we organize working groups, share information, and carry out effective measures internally while considering new energy conservation measures through partnerships with equipment manufacturers and working with industry initiatives.

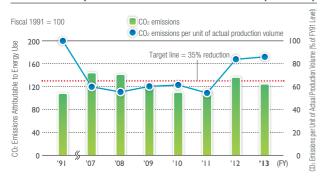
CO₂ Emissions

Our CO₂ emissions attributable to energy use declined 8.8% in fiscal 2013 as compared to the previous year, but CO₂ emissions per unit of actual production volume rose 2.1 points as production volumes declined.

Our target for CO_2 emissions attributable to energy use is the same as that adopted by the electrical and electronic industry associations: "Reduce average CO_2 emissions per unit of actual production volume from fiscal 2009 to fiscal 2013 to 65% or less of the fiscal 1991 level by fiscal 2013." Our emissions per unit of actual production volume in fiscal 2013 fell far short of our target by 19.1 points, and we did not meet our target for the average value from fiscal 2009 to fiscal 2013. This is because the percentage of energy derived from thermal power has risen greatly since operations at nuclear power plants have been suspended. As a result, the CO_2 conversion coefficient for electric power is about 40% higher since fiscal 2012.

Because the electric power supply is forecast to stay tight in fiscal 2014 and beyond, we will continue to actively take measures that focus on energy conservation as we strive to cut CO₂ emissions. We have moreover endorsed the "Commitment to a Low Carbon Society" put forth by KEIDANREN (the Japan Business Federation), and will continue the fight against global warming by joining initiatives by the electrical and electronic industry associations.

CO₂ Emissions per Unit of Actual Production Volume (Domestic)



Energy Reduction on Production Lines

We are also working toward achieving our energy conservation target under the Law Concerning the Rational Use of Energy, and therefore on our production lines we seek to reduce the rate of energy consumption by 1% year on year. Specifically, we have systematically taken such measures as putting pumps, fans, etc., under inverter control, optimizing air conditioning methods and settings, and replacing chillers and boilers with energy-saving models. We are furthermore optimizing equipment operation depending on our production volume.

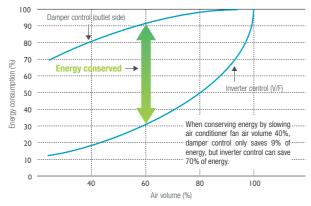
Major Measures Taken in Fiscal 2013

Renesas Electronics accounts for energy conservation effectiveness and investment effectiveness, giving priority to implementing effective measures.

Major measures taken in fiscal 2013 included the following.

- Making heat exhaust recovery systems more efficient
- Thermally insulating air conditioner outdoor units
- Making freezers more efficient
- Enabling pumps to conserve electric power

Energy Conserved by Implementing Inverter Control of Air Conditioning Fans



Reducing GHG Emissions

Two general types of greenhouse gases are released as a result of our business activities. The first is CO₂, which originates from energy use and is emitted when we use electricity or fuel, and the other includes PFCs and other gases used in production processes.

The Renesas Electronics Group uses PFC gas and other substances primarily as reaction chamber cleaning gases for semiconductor production processes. These gases do not readily decompose, and since their global warming potential (GWP*2) is between about 5,000–20,000 or even higher, it is critical to reduce these emissions. Therefore the Group has set PFC gas emission reduction targets and is actively working to help prevent global warming. Methods of reducing the greenhouse effect of PFC gases include 1) switching to gases with a lower GWP, 2) optimizing processes to reduce the volume of PFC gases used, and 3) installing abatement systems that remove PFC gases to break them down. The Group had been developing technology to cut emissions to 90% or lower in 2010 as compared to 1995, using a combination of these three techniques.

In 2012, we continued working toward that target as we engaged in reduction initiatives. While production volume did have an effect, emissions were kept to only about 31% of the 1995 level. Thanks to our ongoing reduction initiatives, we have achieved our reduction targets for the past five years and are steadily cutting emissions of greenhouse gases.

Looking ahead, we anticipate that production volumes will increase, but we will continue to pursue further emissions reductions in 2013 and beyond.

*1: Perfluorocompound (The semiconductor industry has specified CF₄, C₂F₆, C₃F₈, CHF₉, SF₆, NF₄ and C₄F₅ for emissions reduction.)

*2: Global warming potential, a coefficient indicating how much a given mass of greenhouse gas is estimated to contribute to global warming (CO₂ = 1)

PFC gas emissions trend



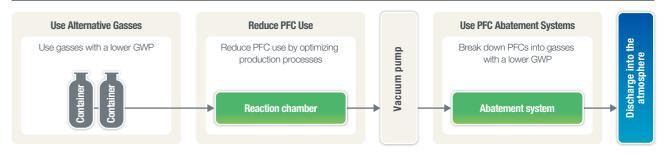
PFC gases and GWP

PFC gas	GWP
CF4	5,700
C ₂ F ₆	11,900
C ₃ F ₈	8,600
C4F8	10,000
CHF3	12,000
SF6	22,200
NF3	10,800

PFC Gases Subject to Reduction Initiatives

Six gases subject to reduction under Kyoto Protocol	Seven gases subject to reduction by the semiconductor industry
CO ₂ (carbon dioxide)	Controlled as CO2 attributable to energy use
CH4 (methane)	Not covered
N2O (nitrous oxide)	Not covered
HFC (hydrofluorocarbon)	CHF3
PFC (perfluorocarbon)	CF4, C2F6, C3F8, C4F8
SF6 (sulfur hexafluoride)	SF6
Not covered	NF3

GHG Emissions Reduction Image





Eco-Factories Initiative

Chemical Substance Management

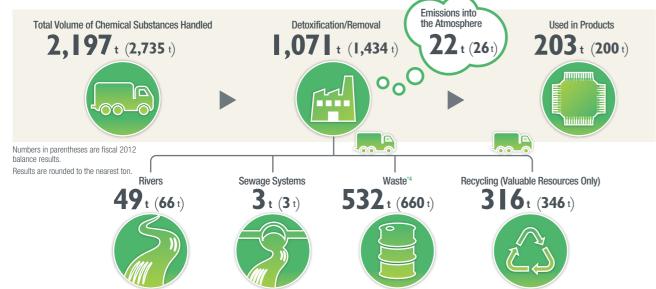
The Renesas Electronics Group is working to accurately understand the status of its chemical substance use and thereby continue to reduce chemical substance emissions into the environment. The Group conducts various assessments of the chemical substances it uses, based on its chemical substance database compiled through green procurement activities and the acquisition of information about related laws and regulations. The Group strives to accurately understand the total volume of chemical substances used and manages the volume of hazardous chemical substances used and their emissions. In this manner, we are pursuing research and development for green products and eco-factories. Under risk management,

we practice material-balance management without rounding down figures on the amount of PRTR*1-regulated chemical substances we handle. We are also bolstering management of VOCs² in the same way as PRTR-regulated substances. The results of this material-balance management are reported to the relevant authorities, and are also analyzed and utilized in our activities to promote the use of alternative substances and reduce chemical substance emissions.

*1: Pollutant Release and Transfer Register Law (A law concerning the monitoring of emissions of specified chemical substances into the environment and their management)

*2: Volatile organic compounds



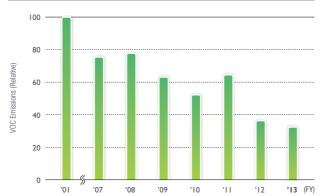


*3: In line with the amendment to the PRTR Law, chemical substances subject to regulation under this law have been changed from fiscal 2011.

Reducing VOC Emissions

The Renesas Electronics Group works continuously to reduce emissions of chemical substances. VOCs like isopropyl alcohol and xylene are released from factories only after they have been rendered as harmless as possible by equipment that processes organic gas emissions. Along with this, we optimize production processes and use production equipment effectively as we endeavor constantly to lower VOC emissions. Fiscal 2013 VOC emissions fell substantially, by about 32%, compared to fiscal 2001, showing that our measures so far are steadily paying off. Going forward, we will continue our proactive efforts to cut VOC emissions, which includes further optimizing production processes.



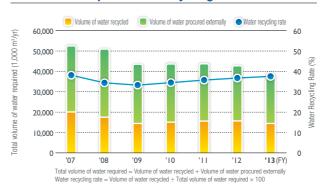


Conserving Water Resources

The Renesas Electronics Group is conserving water by actively recycling and reusing it.

In fiscal 2013, total water consumption was 37,781,000 m³, of which we recycled 37.6%. Moreover, the amount of water taken from the water supply was down 12.8% compared to the previous year.

Water Consumption and Recycling Rate



Environmental Measures in Logistics Operations

The Renesas Electronics Group implements various environmental measures in its logistics operations. Specific measures include the reduction of energy used for the transport of products and waste, reduction and reuse of product packing materials, and switching to eco-friendly company vehicles.

Pursuant to the revision to Japan's Law Concerning the Rational Use of Energy, which stipulates "Specified Consignor" obligations, the Group is striving to reduce CO2 emissions in its logistics operations. In fiscal 2013, the Group's major activities included reorganizing and integrating warehouses (distribution centers) in Japan, thus making transportation more efficient. As a result, our domestic shipping volume declined 6.6% from the previous year. We will continue our efforts to reduce energy use in logistics operations in fiscal 2014 and beyond.

Domestic shipping volume

Fiscal Year	Renesas Electronics	Totals for Each Group Company
2011	17.12 million ton-km	8.83 million ton-km
2012	12.55 million ton-km	7.22 million ton-km
2013	11.78 million ton-km	6.69 million ton-km

Protecting the Ozone Layer

The Montreal Protocol on Substances That Deplete the Ozone Layer classifies ODSs*5 into Class I (CFCs*6, etc.) and Class II (HCFCs*7). The Group has completely eliminated the use of all these from our production processes.

Furthermore, we are systematically reducing the use of CFCs used as refrigerants in chillers, refrigerators, air conditioners and other equipment and replacing them with alternative substances in line with Montreal Protocol program. We are also recovering ODSs when affected equipment is scrapped and making sure these substances are destroyed.

*5: Ozone-depleting substances

*6: Chlorofluorocarbons *7: Hydrochlorofluorocarbons

Waste Management

The Renesas Electronics Group's waste management target for fiscal 2013 was to "maintain our zero-emissions status (landfill disposal ratio of less than 1%)." We were able to realize this goal with a landfill disposal ratio of 0.59%, and thus achieved zero emissions.

Additionally, we practiced strict legal compliance and continued to periodically visit our industrial waste processing contractors to ensure that they were processing waste appropriately. The Group will continuously monitor such waste processing.

The Group practices strict storage, management and reporting of equipment that uses PCBs, in accordance with the law. Our plan is to successively and systematically dispose of PCB wastes in storage by fiscal 2017. We have already completed early registration of affected equipment with the Japan Environmental Safety Corporation (JESCO), which oversees regional PCB disposal programs.

Domestic Waste Generation and Landfill Disposal Ratio



Environmental Report

Eco-Factories Initiative

Overseas Initiatives

The Renesas Electronics Group's overseas manufacturing sites conduct environmental initiatives using ISO14001 environmental management, based on the Group's Environmental Policy. Each manufacturing site sets its own targets and specific measures in accordance with local legal regulations and industry initiatives.

Renesas Semiconductor Singapore

Members of Renesas Semiconductor Singapore visited the facilities of NEWater, which produces high-quality recycled water. Here, they learned about the present and future state of water resources in Singapore. Those who understand the water conditions in Singapore value water more highly and have a keener awareness of protecting the environment.

*1 NEWater: The Public Utilities Board (PUB) of Singapore is promoting the NEWater plan to reuse sewage as recycled water and thus help ensure domestic water resources. Singapore has started to use NEWater for industrial purposes as well as indirect drinking

(Reference) http://www.pub.gov.sg/water/newater/Pages/default.aspx



Tour of NEWater facilities



NEWater facilities tour group

Eco-Products Initiative

Eco-Products Initiative

Customers' environmental requirements for our semiconductor products are growing stricter every year. The Renesas Electronics Group is proceeding with its Eco-Products Initiative to meet these requirements. To turn a product into an eco-product, it is important to build in a variety of innovations at the development and design stages to reduce environmental burden at all life cycle stages, including procurement, production, usage and disposal.

Our eco-products are made possible through product environmental assessments, which are comprehensive evaluations of the product environmental burden reduction measures. Product environmental assessments are divided into two stages: time of development and prior to mass production.

Eco-Products Initiative at Each Stage



Creation of Eco-Friendly Products

The Renesas Electronics Group is promoting the creation of eco-friendly products by giving environmental consideration to its design and development processes. We believe that environmental considerations are critical during a product's development and design stages, so the design flow includes verification by environmental assessments that

measure how far the environmental burden of the product has been mitigated. This helps improve the performance of the semiconductor product itself, and when used in our customers' products. helps make them smaller and more energy-efficient. This ultimately decreases the environmental burden of the customers who use those products.

Compliance with Environmental Laws and Regulations

Embedded in wide-ranging finished products such as automobiles, consumer electronics, mobile equipment, IT and communication devices, Renesas Electronics' semiconductors are being used worldwide. In order to ensure compliance with environmental laws and regulations relating to its products and to enable necessary countermeasures for potential issues, Renesas Electronics is working to obtain information regarding such laws and regulations in major countries immediately after its publication.

Major Environmental Laws Overseas and Our Response

The RoHS Directive*2 and the ELV Directive*3 of the European Union have defined threshold values for chemical substances contained in certain products. In response to these and other similar directives, Renesas Electronics makes sure that it receives product analysis data from suppliers of semiconductor device components as well as reports certifying that their products are free of banned substances. In addition, we conduct voluntary analysis of these components to confirm that sub-threshold values are observed.

Initiatives in China

China's Administrative Measure on the Control of Pollution Caused by Electronic Information Products—also known as China RoHS—requires manufacturers to use specific labels on products that contain designated toxic and hazardous substances. Also, products that contain such substances are marked with the Electronic Information Products (EIP)

logo, including an Environment Friendly Use Period (EFUP) value stated in years. Since semiconductors are too small to mark with logos and labels, Renesas Electronics provides information relating to chemical substances contained in its products and product EFUP values through its Website and through local sales companies and authorized dealers.



Product Information for China RoHS (Website)

www.renesas.com/products/lead/specific info/el/china rohs list/index.jsp

Initiatives in Europe

Renesas Electronics is not required to register its semiconductor devices under the EU's REACH Regulation*4, since they are articles (finished products) that do not intentionally emit chemical substances. Moreover, we obtain information relating to substances of very high concern (SVHCs^{*5}) from the supply chain and shared databases (JAMP^{*6}, etc.) and provide it to customers.

The Group will continue to closely monitor movements of environmental laws and regulations overseas and implement appropriate measures.

- *2 RoHS Directive: EU directive on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment. Limits content of lead, mercury, cadmium, hexavalent chromium and brominated flame retardants (PBB, PBDF).
- *3 ELV Directive: EU directive on End-of-Life Vehicles. Limits content of lead, mercury,
- cadmium and hexavalent chromium. *4 REACH Regulation: Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals. Requires registration and evaluation to produce or import chemical substances in the EU, requires authorization for substances of very high
- concern, and sets limits (including bans) on high-risk substances. *5 SVHC: Substances of Very High Concern (because they harm or may harm health and
- *6 JAMP: Joint Article Management Promotion-consortium. Promotes disclosing information about chemicals contained in the products.

TOPICS – Comments from Yokogawa Electric Corporation –

Renesas Technology Lets Us Achieve Eco-Friendly Factories and Helps Our Systems Conserve Energy

Yokogawa Electric is a world and industry leader in plant operation control systems.

Yokogawa Electric's control systems are used to make factories more eco-friendly, for as the company's Kuniharu Akabane says, "Our systems are directly concerned with plants' overall environmental problems." Therefore, Yokogawa Electric uses Renesas microcomputers for their control systems.

Akabane continues: "One of our guidelines is that equipment should have lower energy consumption than the previous generation of the same grade. We depend on Renesas to help us lower energy consumption despite the fact that clock frequencies of the microcomputers we use are increasing along with the volume of data to process." Renesas technology is helping to achieve two conflicting goals: high performance and low energy consumption. And for systems that Yokogawa Electric offers globally, Renesas microcomputers have to be RoHS-compliant.



Process Automation Hardware Development & Engineering Dept. IA Systems Business Division



Eco-Communication Initiative

Communication with Local Communities

As is its practice, the Takasaki Factory held a factory tour with an environmental theme for heads of the district's residents associations. It also gives tours to elementary school students from the city and senior high school students from the prefecture.

As part of its community support initiatives, factory staff also helped clean the town during the Takasaki City Cleanup Campaign.

Members of our Nihon Building office took part in an annual event that revives the practice of cooling the city by splashing water on the pavement (uchimizu). Other workplaces and affiliated companies are similarly involved in events like local festivals and factory neighborhood beautification activities.







Sign shows temperature drops after splashing

Environmental Education

Environmental Education System

At the Renesas Electronics Group, environmental education is classified into three programs: general environmental education; specialized environmental education, and environmental management system education related to ISO 14001.

In the general environmental education program, the Group provides basic environmental education to help our executives and employees acquire necessary environmental knowledge through environmental e-learning sessions.

Meanwhile, the specialized, operation-specific environmental education program has been designed to allow employees to gain the environmental knowledge required for their respective operations. This program offers education and training specific to the individual fields of development design, sales and

Finally, the ISO 14001 education program helps employees understand the ISO 14001 certification system and helps internal auditors develop their auditing skills.

Renesas Electronics Environmental Education System

Program	Purpose	Fiscal 2014 Target
General Environmental Education	Raising the environmental awareness of employees	Creating an environmental study library Position-specific education (new employees/new leaders/new managers) Basic environmental education
Specialized Environmental Education	Gaining environmental knowledge required for operations	Environmental education for design and development divisions Environmental education for sales divisions Environmental education for manufacturing divisions.
ISO 14001 Education	Understanding the ISO 14001 certification system Developing the skills of internal auditors	Basic ISO 14001 education Internal auditor education

Fiscal 2013 Achievement

Using the Group's shared teaching materials, which were designed for use by production staff, we provided positionspecific education: one course was for managers and engineers and another for line technicians. We keep our teaching materials up to date by incorporating the latest environmental data, and revise them regularly based on past training results. An online environmental basic course intended for all Group employees was offered. In

those cases where this education was included in a department's targets, there was a high level of attendance (93%), with members demonstrating excellent comprehension



Environmental education course

Comments from Environmental Education Participants

- Until now I worked with little awareness of environmental problems, but now I understand better how our work relates to environmental
- I thought I understood how a green economy works, but this course showed me I didn't know enough about actual conditions. I will put this knowledge to use on the job.
- I got the impression that we have to work systematically on ways to solve problems and advance smart technologies.

External Acknowledgement, Etc.

Winner of the Prize for Creativity

Two employees from Renesas Semiconductor Kyushu Yamaguchi, one each from Kochi, Saijo and Naka factories, and five from Takasaki Factory won the 2012 Minister of Education, Culture, Sports, Science and Technology Prize for Creativity. The prize is given to individuals whose creativity has helped to improve technology in any of a number of occupational fields. Their work improvements are expected to have environmental benefits as well.

Certificates of CO₂ offsets

The Group conducts forest conservation activities in various places. In fiscal 2013 we received certificates of CO₂ offsets as follows

Business sites	Issued by	Amount of CO₂
Headquarters	Kanagawa Prefecture	247 t-CO ₂ over five years, starting in October 2010 (forest CO ₂ offset calculation statement)
Kochi Factory	Kochi Prefecture	28 t-CO ₂ (Kochi Prefecture CO ₂ offset certificate)
Renesas Semiconductor Kyushu Yamaguchi, Kumamoto Kawashiri Factory	Kumamoto Prefecture	28.6 t-CO ₂ (Kumamoto Prefecture forest offset certificate)





Site Reports

The Group issues site reports for its domestic sites and Group companies primarily for the sake of local communities.

- Renesas Electronics Corporation Naka Factory
- Renesas Yamagata Semiconductor Co., Ltd.
- Renesas Kansai Semiconductor Co., Ltd.
- Renesas Semiconductor Kyushu Yamaguchi Co., Ltd.





Site report

Environment-Related Troubles

We experienced two environmental accidents in fiscal 2013. We are using information learned from these accidents not only at the affected bases but also at other Group bases to prevent similar incidents from happening.

- · Leakage from river drainage piping system at Tsuruoka Factory of Renesas Yamagata Semiconductor
- On Thursday October 11th, while workers were changing a cracked pipe of drainage line, treated water that was to be discharged into a river ejected onto the exposed soil layer below the pipe. All the leaked water that had collected on the soil surface was recovered and both the leaked water and the soil or the flooded area were analyzed. The results showed that all readings were within regulations, so the site confirmed it was no pollution. Tsuruoka Factory submitted an incident report and analysis result report to the Shonai General Branch Office of the government of Yamagata Prefecture. Tsuruoka Factory also analyzed the cause of the incident and examined countermeasures. These have been deployed to other sites to prevent recurrence.
- · Coliform bacteria count at river discharge point in excess of regulations at Renesas Semiconductor Kyusyu Yamaguchi's Kumamoto Kawashiri Factory Analysis of wastewater at the river discharge point found the coliform bacteria count to be in excess of regulations on Friday February 15th. The site reported the incident to the city of Kumamoto, it pinpointed the source of contamination, studied countermeasures, and injected a bactericide to prevent such releases Since Monday February 18th, the coliform bacteria count has been zero at the outlet. Rebuilding its pollution source countermeasures and monitoring system has helped the company prevent recurrence.

Information in Various Formats

Renesas Official Facebook Page Opens

Renesas is using social media to facilitate communication with and among our customers. Through such media, we make timely announcements of our social initiatives, symbol sports, exhibitions, and the latest product information, among others.



www.facebook.com/Renesas.lapan





Using Manga and Anime to Introduce Renesas Semiconductors o-

We use these media to give simple explanations of the latest technology, technical trends, and semiconductors at Renesas Electronics. The topics are up to the minute and include introductions to new products. recent technical trends, and development anecdotes and demonstrations/explanations by engineers.



CSR Management



Corporate Governance

Basic Approach to Corporate Governance

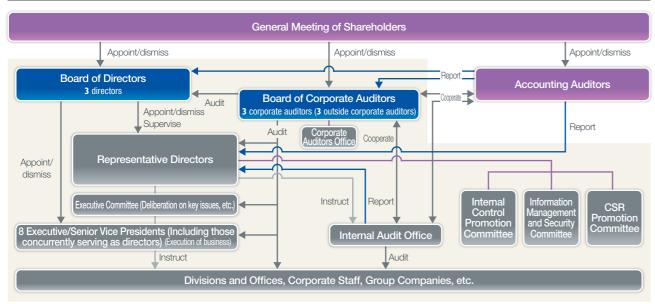
Renesas Electronics is working constantly to reinforce its corporate governance, based on the understanding that efficient, sound and transparent corporate management is the key to making continuous improvements in its corporate value. To this end, the Company establishes necessary management frameworks and implements various initiatives.

Corporate Governance Report (Website)

www.renesas.com/ir/company/governance.html

Corporate Governance Structure

Corporate Governance Structure



(As of June 30, 2013)

Overview of Boards

	Role	Members	Notes
Board of Directors	 Makes decisions on important management issues Supervises Directors' performance of duties 	• 3 directors	As a rule, meets once a month and whenever necessary. Matters referred to the Board of Directors as a rule go through a pre-deliberation by the Executive Committee to allow for a fuller deliberation. To clarify business execution responsibilities and speed up decision-making, we have implemented an executive officer system and provide appropriate authority to executive officers based on the area of responsibility they are assigned by the Board of Directors.
Board of Corporate Auditors	 Audits Directors' performance of duties Decides auditing policies, etc. Supervises Directors' performance of duties 	Three corporate auditors (3 outside corporate auditors) Two of the corporate auditors have considerable knowledge of finance and accounting. Two of the outside corporate auditors are qualified as an attorney or as an accountant, and are independent.	As a rule, meets once a month and whenever necessary. To enhance the effectiveness of audits, Corporate Auditors collaborate with the accounting auditor and Renesas Electronics' Internal Audit Office to collect auditing-related information and to exchange views.

Internal Control System

The Board of Directors of Renesas Electronics has formulated and implemented the basic policy for developing corporate systems-including those to ensure appropriate operations of the Company, referred to as internal control systems-defined under Article 362, Paragraph 4, Item 6 of the Companies Act and Article 100, Paragraphs 1 and 3, of the Ordinance for Enforcement of the Companies Act.

The development and implementation of such systems is reported during meetings of the Board of Directors. Moreover, the Company's Internal Control Promotion Committee periodically holds meetings to deliberate on and study serious compliance violations relating to the internal control system, determining how they happened and how they can be prevented in the future.

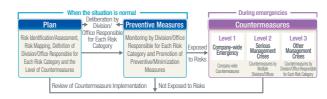
Risk Management

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





As part of enhancing its risk management system, Renesas Electronics recognizes business continuity plans (BCPs) as the primary means to prevent disasters and manage risks. Together with our Group companies, we have worked proactively to establish and strengthen our BCPs in order to protect the safety of employees, continue supplying products and services and safeguard our management resources. We performed a general inspection of our BCP predating the Great East Japan Earthquake and have made

further revisions based on that experience and anticipated damage from an earthquake directly beneath the Tokyo metropolitan area and a Nankai Trough earthquake.

Specific issues raised included strengthening our emergency response systems and measures for safety, damage mitigation, business continuity and quick recovery after a disaster, as well as enhancing 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, strengthening alternate production networks and enhancing risk communication with customers. Each division or office of the Renesas Electronics head office affected by these issues is working out countermeasures and putting them into practice as part of their new BCPs. They report their progress on these efforts at a Company-wide meeting on overall BCP advancement and carry out these efforts at individual business sites. In these ways, we are working to enhance the entire Group's capacity for business continuity.

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 staff concerned with risk countermeasures to share information rapidly as we promote global risk management.



Compliance

Stance on Compliance

For Renesas Electronics, compliance means not just obeying the law, but also responding to the needs of society. We believe that the practice of thorough compliance is one of the most critical things a company must do to survive. We make sure that all Group executives and employees understand our corporate policy on compliance and put it into practice.

We have formulated the Renesas Electronics Group Code of Conduct as a common Group guideline for the practice of compliance. In our business activities, we follow the law, internal rules, and social norms.



Corporate Governance Report (Website)

www.renesas.com/comp/csr_eco/csr/management/compliance/index.jsp

Compliance Promotion Structure

Renesas Electronics' Internal Control Promotion Committee, chaired by the Chairman and CEO, deliberates and makes decisions on important compliance matters.

The Legal & Compliance Division oversees all matters relating to promoting compliance and designates a division or office responsible for each compliance risk category.

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 director of the Legal & Compliance Division. Upon receiving the report, the division or office in charge of compliance reports to the executive concerned, depending on the seriousness of the matter.

Compliance Promotion Structure



Compliance Promotion Activities

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

Division/office heads and Group company presidents are ultimately responsible for compliance, but they are assisted by compliance promoters, who 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, contamination of specified hazardous substances		

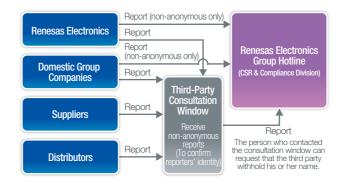
Compliance Hotline

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 Intranet and Internet Websites so that people can use the Group Hotline without anxiety.

The content of such consultations and reports is reported at meetings of the Internal Control Promotion Committee, chaired by the Chairman and CEO, which enables sharing of information about potential risks among top management.

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 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 committee 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 to see if any business is being done with antisocial forces and to check on the state of efforts to prevent such business.

Secure Export Control Initiatives

The Renesas Electronics Group's products are used in various 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.

In addition to strict observance of applicable laws and regulations, Renesas Electronics has incorporated voluntary control into its export control compliance programs, promoting security export control in a manner more stringent than that mandated by these laws and regulations. Moreover, we periodically audit all sites in Japan and overseas to ensure they are constantly maintaining appropriate control, and we provide systematic positionspecific and job-specific training to all employees.

Furthermore, Renesas Electronics has been certified as an Authorized Economic Operator (AEO) Exporter by the Tokyo Customs office of the Ministry of Finance of Japan, meaning we are an exporter that practices security management and have demonstrated excellent compliance.

Confidential Information Management/ Personal Information Protection

The Renesas Electronics Group has formulated its Information Security Policy and Privacy Policy. At Renesas 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.

Specific methods of controlling confidential and personal information are respectively spelled out in detail in the Basic Rules for Confidential Information Management and Basic Rules for Personal Information Protection. We are also working to practice appropriate control under a unified standard for the Group as a whole. We are additionally building a system to rapidly contain the impact and take recurrence prevention measures in case of an information security breach incident.



Information Security Policy (Website)

www.renesas.com/comp/csr eco/csr/management/security policy/index.jsp