

Last Update: October 10, 2023

Renesas Electronics Corporation

Hidetoshi Shibata

Representative Director,

President and CEO

Contact: Corporate Communications Office

TEL: +81-3-6773-3001

Securities Code: 6723

<https://www.renesas.com/>

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

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

1. Basic Views

Based on the following Corporate Governance Policy, the Renesas Group strives to be a company that is trusted by society by maintaining sound relationship with any and all stakeholders including local communities, customers and business partners in order to fulfill our social responsibility as a company.

【Corporate Governance Policy】

Based on our “Purpose”, “To Make Our Lives Easier”, we are committed to build a sustainable future where technology helps make our lives easier by developing a safer, healthier, greener, and smarter world to provide intelligence to our four focus growth segments: Automotive, Industrial, Infrastructure, and IoT. To achieve our Purpose, we aim to respond flexibly to changes, solve issues, and continue to create value in a sustainable way based on the “Renesas Culture”, a guideline of conduct for all of our activities, behavior and decision-making, which consists of five elements. Based on Renesas Culture, we aim for continuous growth and enhancement of corporate value over the mid- to long-term. In addition, we aim to co-exist and co-prosper with every stakeholder in order to create long-term sustainable value as a responsible global company. In order to achieve this, we must thrive in the rapidly-changing, competitive global semiconductor marketplace, and continue to satisfy the expectations of all of our stakeholders and to grow with profit expansions. We will continue to solidify our business foundation as a global semiconductor company by honing technological advancement as well as supplying excellent semiconductor products and optimized solutions through elaborate marketing and sales activities. We recognize the importance to build a corporate governance structure and system that enables transparent, fair, quick and resolute decision-making. We will remain committed to enhance our corporate governance structure and system through various measures such as communication and cooperation with our stakeholders including shareholders, appropriate information disclosure, ensuring appropriate delegation of authority and highly effective oversight functions.

【Our Purpose】

To Make Our Lives Easier

At Renesas we continuously strive to drive innovation with a comprehensive portfolio of microcontrollers, analog and power devices. Our mission is to develop a safer, healthier, greener, and smarter world by providing intelligence to our four focus growth segments: Automotive, Industrial, Infrastructure, and IoT that are all vital to our daily lives, meaning our products and solutions are embedded everywhere.

【Renesas Culture】

Transparent

The leadership team's strategy and policy, the company's current situation, as well as the issues and thoughts of each business organization should be well understood among employees. This is also tightly connected to the "Agile" and "Entrepreneurial" elements described below, and we believe it is fundamental for the success of every individual and organization.

Agile

In order to respond to changes in a timely manner, it is necessary to identify the likely outcomes and implications as quickly as possible, make decisions quickly, and rapidly take or correct actions. We must recognize situations, make decisions and act at a high velocity. When a follow-up regarding a task is made from inside and outside the company, employees should understand they are not being "Agile".

Global

Not only the markets that we operate in, but also our customers and our competitors are global, and in order to thrive in this global environment, it is essential for us to have a global perspective. It is true we need better language skills, but there are many other simple steps we can take to facilitate communication, such as organizing discussion agenda, issues, alternative solutions in advance. In particular, numbers are useful as words. Whenever possible, use numbers and data to communicate, and try to share information more smoothly.

Innovative

In order for Renesas to provide "Innovative" technologies and products and continue to create sustainable social value, it is essential to practice "Innovative" way of conducting business and of thinking. Each and every one of our employees should embody "Innovation" using their imagination and creativity to improve their work and contribute to the realization of a better society.

Entrepreneurial

Individual employees should act professionally, voluntarily, and independently as if they are "running their own business" and are responsible for the results they deliver. Based on our strategies and policies as a company, we aim to develop employees who can think freely and create new value, without being constrained by existing concepts.

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

The Company complies with all principles of the Corporate Governance Code.

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

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

<Policies for Cross-Shareholdings>

The Company classifies investment shares into 2 categories, i.e., investment shares which the Company owns for pure investment purpose with expectation to receive profits from stock price fluctuations or dividends, and investment shares which the Company owns for the purpose other than pure investment. The Company will own investment shares for the purpose other than pure investment, only if the Company determines that it will contribute to improve the corporate value in terms of business alliances such as joint development or maintenance and strengthening of business relationships.

The Board of Directors of the Company verifies the rationality of continued holding itself and the number of holding shares comprehensively considering matters such as the purpose of holding each investment share, the transaction status and the financial status of the investee, and the return (including benefits gained by related businesses) and risks associated with holding such investment shares.

As of December 31, 2022, the Company owns 11 investment shares for purposes other than pure investment. Please also refer to our annual securities report posted on our website for details:

<<https://www.renesas.com/about/investor-relations/security>>

As of the submission date of this report, the Company does not own other companies' share for the purpose of so-called cross-shareholding.

<Voting rights exercise standard of strategic investments>

The Company will exercise the voting rights for investment shares owned by the Company appropriately as a shareholder after verifying the investee companies' business policies and management strategies as well as their initiatives to improve mid to long term corporate value, from the perspective of sustainable growth of investee companies and improvement of the corporate values of both the Company and investee companies.

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

Please refer to Article 8 of our Corporate Governance Guidelines:

<<https://www.renesas.com/document/gde/corporate-governance-guidelines>>

【Supplementary Principle 2-4-1: Policy to ensure diversity, policy for human resources development and internal environment development to secure diversity, voluntary and measurable goals regarding diversity and their status】

Please refer to "Employee Growth and Engagement" in our web site "Sustainability at Renesas"

<<https://www.renesas.com/about/company/sustainability/engagement>>

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

The Company has established the Renesas Corporate Pension Fund to operate the defined benefit plan, which manages the reserve fund by providing the investment trustee institution with the basic investment policy established by the Pension Fund.

Because the management of the Pension Fund may impact stable asset formation for employees and the financial standing of the Company, the Pension Fund strives for proper and efficient management and regular monitoring, utilizing the knowledge of the external experts and consultants including actuaries whom the Pension

Fund concludes advisory contracts.

For the proper management of the Pension Fund, the Company implements various measures from both human resources and operation perspectives such as: appointment of the appropriate person with experience and abilities from the Company as an executive officer of the Pension Fund who is in charge of the fund management; and the attendance of the executive of the Finance Division at the Asset Management Committee hosted by the Pension Fund.

In addition, to prevent possible conflicts of interest between the beneficiaries of the Pension Fund and the Company, the Pension Fund entrusts the investment trustees with the decision to select investees and exercise voting rights on investees.

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

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

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

Please refer to Article 1.1. “Basic View” of this report.

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

Please refer to “Director Compensation” session in Article 2.1 “Organizational Composition and Operation” of this report for the compensation of Directors.

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

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

<<https://www.renesas.com/document/gde/corporate-governance-guidelines>>

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

For the reason for appointment of each director, please refer to Proposal No1. “Election of five directors” in the reference document of “NOTICE OF THE 21ST ANNUAL GENERAL MEETING OF SHAREHOLDERS” (Translation) which is posted on our website:

<https://www.renesas.com/document/oth/notice-21st-annual-general-meeting-shareholders?ir_ts=1678015860889&r=1320231>

For the reason for appointment of each Corporate Auditor, please refer to “Outside Corporate Auditor’s (Kansayaku’s) Relationship with the Company (2)” in the Corporate Auditor (Kansayaku) section of “Article 2.1 Organizational Composition and Operation” of this report.

【Supplementary principle 3-1-3: Disclosure of sustainability and TCFD initiatives】

Since the launch of our sustainability website in November 2020, Renesas has been providing all stakeholders with information on our commitments and initiatives on realizing a sustainable society, mainly regarding “Environmental Activities”, “Human Resources”, “Supply Chain”, “Innovation”, “Governance”, “Product Quality”, and “Social Contribution Initiatives”.

In terms of environmental activities, Renesas has signed up to support the Task Force on Climate-related Financial Disclosure (TCFD) and joined the Japan-based TCFD Consortium in April 2021. By supporting such

initiatives, we will commit to transparent information disclosure that focuses on analyzing the risks and opportunities brought by climate change. In September 2022, following the proposal by TCFD, we analyzed and considered the impact on our business and our initiatives from the four perspectives of “Governance”, “Strategy”, “Risk Management” and “Indicators and Targets”, and disclosed the result on our website. Based on these results, we will establish a business strategy that further considers climate change and make business decisions that will reduce risks and maximizes opportunities brought by climate change. For more information on the Group’s environmental initiatives and other sustainability efforts, visit:

<https://www.renesas.com/about/company/sustainability>

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

Please refer to Articles 17 and 18 of our Corporate Governance Guidelines:

<<https://www.renesas.com/document/gde/corporate-governance-guidelines>>

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

- Fundamental management policy (mid-term management plan, annual operating plan, basic policy on management of subsidiaries, etc.)
- Matters related to HR and organization (appointment of Executive Officers and assignment their responsibilities, revision of HR/compensation systems, etc.)
- Acquisition or disposal of important assets (acquisition/disposal of marketable securities, M&A, etc.)
- Accounting and financial matters (finance activities, monetary loan to a third party, guarantee of monetary liabilities, etc.)

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

To ensure that the corporate governance of the “Company” is conducted with the appropriate level of objectivity and transparency, the Company has established a standard for determining whether Outside Directors and Outside Corporate Auditors (the “Outside Officers” in this item) are sufficiently independent, i.e., there is no possibility for a conflict of interest with the Company.

Therefore, only those individuals who meet the requirements of the Japanese Companies Act and the independence criteria set forth by the Tokyo Stock Exchange, and who do not fall within any of the categories described below are deemed to have sufficient independence to serve as the Outside Officers of the Company.

For the purpose of this standard, the term “Officer” means Director, Executive Officer (shikko-yaku), Corporate Auditor or the equivalent in accordance with the laws and regulations of applicable jurisdictions, and the term “Employee” includes corporate executive officers and senior vice presidents.

Please refer to our website for the details of the standard.

<<https://www.renesas.com/document/gde/standard-independence-outside-officers>>

1. Business relationship as an Important Customer of the Company:

The Outside Officer is an Officer or Employee of an important customer of the Company.

2. Business relationship where the Company is an Important Customer of the Business Partner:

The Outside Officer is an Officer or Employee of a business partner of which the Company is an important customer.

3. Business relationship as an Important Fund Provider:

The Outside Officer is an Officer or Employee of a financial institution or other fund provider which provides the Company with funds greater than 2% of the Company's consolidated total assets (as of the end of the last fiscal year).

4. Business relationship providing Professional Services:

The Outside Officer provides, or is an Officer or Employee of an organization that provides, professional services (including, but not limited to, accounting, legal, consulting services) to the Company.

5. Capital relationship as a Major Shareholder or Investee:

- The Outside Officer either holds, or is an Officer or Employee of an organization which holds, directly or indirectly, 10% or more of the total shareholder voting rights of the Company; or
- The Company or its subsidiaries are among the major shareholders or investors (holding 10% or more of the total shareholder voting rights or total investment) of the organization in which the Outside Officer serves as an Officer.

6. Other significant relationship as an Employee:

The Outside Officer is an Employee of the Company or its subsidiaries.

7. Other significant relationship as Accounting Auditor:

The Outside Officer is an Employee or partner of the Company's Accounting Auditor, or a member of the Company's Accounting Auditor in charge of conducting an accounting audit of the Company.

8. Other significant relationship as the recipient of a Donation:

The Outside Officer has received donations from the Company or its subsidiaries in excess of 10 million yen in any of the past three years, or is an Officer or Employee of an organization that has received such donations.

9. Other significant relationship as a Close Relative:

The Outside Officer is the spouse, relative within two degrees of kinship, or living in the same household as persons having management control of the Company (senior vice president level or above).

Categories 1 through 5, 7 and 8, apply to those persons who meet said criteria at any given point in the past three years; Category 6 applies to those persons who meet said criteria at any given point in the past ten years.

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

Please refer to Article 15 of our Corporate Governance Guidelines.

<<https://www.renesas.com/document/gde/corporate-governance-guidelines>>

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

Please refer to our "21st Securities Report" posted on our website for the situation of concurrent position of Directors and Corporate Auditors.

<<https://www.renesas.com/about/investor-relations/security>>

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

The Company has reviewed and evaluated the activities of the Board of Directors ("the Board" in this item) and the individual contribution of each Board Director for the fiscal year ending December 31, 2022, to further enhance the Board's effectiveness as follows:

<Evaluation Methods>

- The Company has retained a third-party evaluator to secure transparency and objectivity of the evaluation.
- The Company assessed the activities of the Board based on following methods:
 - (1) a questionnaire survey of all five Board Directors,
 - (2) in-person interviews with all Board Directors and Board Secretariat, and
 - (3) the inspection of annual agendas of the Board meetings and advisory committees of the Board.
- In addition, each Board Director's contributions were analyzed by the same third-party evaluator based on the results of a peer review of Board Directors.

<Key Evaluation Matters>

The main points reviewed and evaluated during the process are as follows:

- (1) Overall evaluation of the effectiveness of the Board as a whole
- (2) Composition of the Board
- (3) Preparation and support system for board meetings
- (4) Discussion and facilitation at board meetings
- (5) Matters related to the contribution of each Board Director
- (6) Activities of Nomination Committee and Compensation Committee
- (7) Board's monitoring of the management team's activities
- (8) Succession planning (Board and management team)
- (9) Fulfilment of other Board's responsibilities
- (10) Other related matters

<Results>

- It was confirmed by the Board Effectiveness Review for FY2022 that the Board has been effectively functioning.
- The Board's strength and uniqueness were reaffirmed as follows:
 - The Board has a lean and diversified Board composition, aiming for evolving into a Board of a global company.
 - The Board has properly been encouraging the management to transform the Company from a cautious traditional Japanese establishment to a global and innovative enterprise.
 - The company has a vigorous CEO & Chairman who can promote growth and transformation.

<Challenges to be tackled>

- Keeping above in mind, the Board was recommended to tackle the following 3 challenges to facilitate the required and aspired organizational evolution hereafter:
 - (1) Further enhancing the effectiveness of the discussion during board meetings
 - The Board can further improve the quality of discussion, asking good questions more and making the discussion more interactive. In order to do so, more efforts to avoid too detailed questions and comments are necessary.
 - There is room for reexamination of the appropriateness and sufficiency of the agendas of board meetings from the viewpoint of the ideal Board discussion – items such as the changes in the environment of strategic and enterprise risk and the measurement of the performance of the CEO and management team can be taken more into account and incorporated furthermore as agendas of board meetings.

(2) Continuously working on reinforcing and upgrading the Board composition

Since the effective and productive discussion during board meetings relies heavily on the Board composition and the commitment level of each Board Director, the Board and the Nomination Committee should keep effectively working on the Board succession planning. The Board has a uniquely high level of diversity but inviting someone with CEO experience and/or manufacturing experience is the point made by most of the Board Directors.

(3) Structurally preparing for the CEO and leadership team succession planning

The importance of CEO succession has been recognized by all the Board Directors. However, some different views on the role and scope of the Nomination Committee were observed during the third-party evaluator's interview. Although the Nomination Committee has greatly contributed to the effectiveness of the Board, it should be reexamined in what way and to what extent the Nomination Committee should involve in the leadership team succession planning.

It was reacknowledged through the review process that corporate governance is "a never-ending journey," and therefore, the Board should keep working step by step on the reinforcement of foundations and the enhancement of effectiveness to be "a Board of a truly global company." Based on the results of the Board Effectiveness Review for FY2022, the Company will continuously work on enhancing the effectiveness of the Board and corporate governance hereafter to further improve corporate value.

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

Please refer to Article 21 of our Corporate Governance Guidelines.

<<https://www.renesas.com/document/gde/corporate-governance-guidelines>>

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

Please refer to Article 6 of our Corporate Governance Guidelines and its Attachment.

<<https://www.renesas.com/document/gde/corporate-governance-guidelines>>

【Supplementary principle 5-2-1: Basic policy on the business portfolio and reviewing status for the business portfolio】

Please refer to the "Analyst Day / Progress Update" and earnings documents available on our website.

<<https://www.renesas.com/about/investor-relations>>

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

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

The Company believes the improvement of profitability taking Gross Margin ratio and Operation Margin as KPI (Key Performance Indicator) will lead improvement of our strong financials. We are aiming to maintain 50 to 55 % in Gross Margin ratio and 25 to 30% in Operating Margin ratio in mid to long term. In addition, from the revenue growth viewpoint, we are aiming to achieve the growth more than our Serviceable Available Market (SAM). Furthermore, on September 28, 2022, at the Progress Update (our Analyst Day), the company disclosed to aim to achieve revenue of above \$20 billion, and 6 times our current market capitalization by 2030. We will review and revise this strategic mid to long range plan along with the expansion and enhancement of our business portfolio and continuous optimization of manufacturing structure as appropriately.

In addition, our basic policy on profit return to shareholders are to return a part of profit by appropriate and efficient manner while aiming to keep adequate internal reserve for the research and development activity for new product and capital investment from the viewpoint of maximization of company value and realize strong financial

capability. We will decide the amount of dividend for each business period considering various factors into consideration such as consolidated and non-consolidated retained earnings, consolidated net income, forecast of net income and cash flow for the following business periods, etc.

2. Capital Structure

Foreign Shareholding Ratio	More than 30%
----------------------------	---------------

【Status of Major Shareholders】

Name / Company Name	Number of Shares held (shares)	Percentage of Shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	213,763,100	12.10
INCJ, Ltd.	183,812,775	10.41
DENSO Corporation	153,143,625	8.67
Toyota Motor Corporation	75,015,900	4.24
Custody Bank of Japan, Ltd. (Re-trust of Sumitomo Mitsui Trust Bank, Limited / NEC Corporation pension and severance payments Trust Account)	71,779,857	4.06
Custody Bank of Japan, Ltd. (Trust Account)	70,298,700	3.98
Hitachi, Ltd.	61,990,548	3.51
Mitsubishi Electric Corporation	50,706,885	2.87
SSBTC CLIENT OMNIBUS ACCOUNT	32,457,453	1.83
STATE STREET BANK WEST CLIENT -TREATY 505234	24,763,308	1.40

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

Supplementary Explanation Updated

- (1) Status of major shareholders described above is based on shareholder registry as of June 30, 2023.
- (2) In addition to the above table, the Company owns its 193,257,627 shares as treasury shares as of June 30, 2023. According to the resolution of the Company's Board of Directors dated February 9, 2023, the Company conducted a tender offer of own shares for a period from February 10, 2023 to March 10, 2023. As a result, the number of treasury shares increased by 40,453,107. On the other hand, through the exercises of stock acquisition rights and the vesting of Restricted Stock Unit (RSU) programs for the period from January 1, 2023 to June 30, 2023, the Company has disposed 8,683,723 treasury shares to respective holders.
- (3) In calculating percentage, treasury shares (193,257,627 shares, 9.86% of outstanding shares) are excluded, and numbers are round off to two decimal places.
- (4) 71,779,857 shares (percentage of shares held:4.06%) owned by Custody Bank of Japan, Ltd. (Re-trust of Sumitomo Mitsui Trust Bank, Limited / NEC Corporation pension and severance payments Trust

Account) were shares that were contributed by NEC Corporation as employee pension trusts. The voting rights of such shares will be exercised at the instruction of NEC Corporation.

- (5) The Company received notification from INCJ, Ltd. on August 18, 2023, that INCJ, Ltd. would sell a portion of its holdings in the Company. Effective August 23, 2023, when the stock transfer is completed, INCJ, Ltd. is no longer the largest major shareholder of the Company. However, because the Company is not able to confirm the number of shares held by other shareholders as of August 23, 2023, the status of major shareholders described above remains based on the shareholder registry as of June 30, 2023.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	December
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100to less than 300

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

n/a

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

Although INCJ, Ltd. owned 10.41% of voting rights of the Company and JAPAN INVESTMENT CORPORATION wholly owns the outstanding shares of INCJ, Ltd. as of June 30, 2023, INCJ, Ltd. sold a portion of its holdings in the Company on August 23, 2023 and is no longer the largest major shareholder of the Company as of the submission date of this report.

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

1. Organizational Composition and Operation

Organization Form	Company with Board of Corporate Auditors (<i>i.e.</i> , <i>Kansayaku</i> Board)
-------------------	--

【Directors】

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	5
Status of election of Outside Directors	Yes (elect Outside Directors)
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k		
Jiro Iwasaki (Mr.)	From another company													
Selena Loh Lacroix (Ms.)	From another company													
Noboru Yamamoto (Mr.)	From another company													
Takuya Hirano (Mr.)	From another company													

* Categories for "Relationship with the Company"

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

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

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Jiro Iwasaki (Mr.)	Yes	Nothing	The Company selected Mr. Jiro Iwasaki as Outside Director with the expectation that the Board of Directors will be strengthened by him demonstrating supervising and monitoring capabilities on the overall management of the Company, based on his abundant knowledge, experiences and deep insights cultivated through the experiences as a director at multiple companies in electrical and electronic component companies. Since November 2018, he has led the activities of the voluntary Nomination Committee, including deliberation of selection of candidates of Directors, as the chair of that Committee. The Company has notified the Tokyo Stock Exchange of Mr. Jiro Iwasaki as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he is not subject to any item which may cause conflict with general shareholders as specified by the Tokyo Stock Exchange and he satisfies the independence standards for the outside officers of the Company.
Selena Loh Lacroix (Ms.)	Yes	Nothing	The Company selected Ms. Selena Loh Lacroix for Outside Director with the expectation that the Board of Directors will be strengthened by her demonstrating supervising and monitoring capabilities on the overall management of the Company, based on her global insight in the fields of corporate legal, corporate governance and human resources gained through extensive experiences in the semiconductor industry and several other industries, and from the perspective of promoting diversity. Since April 2020, she has led the activities of the voluntary Compensation Committee, including deliberation of the compensation policy for Directors and Corporate Officers, as the chair of that Committee. The Company has notified the Tokyo Stock Exchange of Ms. Selena Loh

			Lacroix as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because she is not subject to any item which may cause conflict with general shareholders as specified by the Tokyo Stock Exchange and she satisfies the independence standards for the outside officers of the Company.
Noboru Yamamoto (Mr.)	Yes	Nothing	<p>The Company selected Mr. Noboru Yamamoto as Outside Director with the expectation that the Board of Directors will be strengthened by him demonstrating supervising and monitoring capabilities on the overall management of the Company, based on the abundant knowledge, experiences and achievements cultivated through years of management experiences in the global finance and security industry and representative for M&A advisory companies. He has served as an Outside Corporate Auditor since March 2018, cultivated the business knowledge of the Company, and audited the overall management of the company appropriately. He also served as a member of the Voluntary Compensation Committee of the Company since March 2020 and stated opinions proactively. Further, in 2022, he has led the supervising and monitoring activities by the Board of Directors regarding the enhancement of the Company's ESG activities as the ESG Sponsor of the Board of Directors.</p> <p>The Company has notified the Tokyo Stock Exchange of Mr. Noboru Yamamoto as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he is not subject to any item which may cause conflict with general shareholders as specified by the Tokyo Stock Exchange and he satisfies the independence standards for the outside officers of the Company.</p>
Takuya Hirano (Mr.)	Yes	Nothing	The Company selected Mr. Takuya Hirano for Outside Director with the expectation that the Board of Directors will be strengthened by him demonstrating supervising and monitoring capabilities on the overall management of the Company, in particular based on his abundant

			<p>insights in the technology field, business transformation and cross-cultural leadership, cultivated through years of management experiences of multiple leadership positions in Japan and other regions at Microsoft Corporation, a global IT company which achieved successful business transformation from packaged software to cloud computing services.</p> <p>The Company has notified the Tokyo Stock Exchange of Mr. Takuya Hirano as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he is not subject to any item which may cause conflict with general shareholders as specified by the Tokyo Stock Exchange and he satisfies the independence standards for the outside officers of the Company.</p>
--	--	--	---

【Voluntary Committee】

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

Committee's Name, Composition, and Attributes of Chairperson

Committee Corresponding to Nomination Committee

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

Committee Corresponding to Compensation Committee

Committees' Name			Compensation Committee			
Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Expert	Others	Chairperson
4	0	1	2	—	1	Outside Director

Supplementary Explanation

- Committee members described above are as of the date of this report.
- "Others" for Compensation committee member is an outside Corporate Auditor.

【Corporate Auditor (*Kansayaku*)】

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditor (<i>Kansayaku</i>) Stipulated in Articles of Incorporation	6
Number of Corporate Auditor (<i>Kansayaku</i>)	4

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

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

The full-time Corporate Auditor makes efforts to enhance alignment with the Internal Audit Department through various measures such as periodic meetings with the head of the Internal Audit Department to hear internal audit results and to exchange opinions and information about the matters to be improved.

Appointment of Outside Corporate Auditor (<i>Kansayaku</i>)	Appointed
Number of Outside Corporate Auditor (<i>Kansayaku</i>)	3
Number of Independent Corporate Auditor (<i>Kansayaku</i>)	3

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

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kazuyoshi Yamazaki (Mr.)	Lawyer													
Tomoko Mizuno (Ms.)	From another company													
Miya Miyama (Ms.)	Lawyer													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. *Kansayaku* of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or

- other property from the Company besides compensation as a *kansayaku*
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
 - j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)
 - k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)
 - l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)
 - m. Others

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

Name	Designation as Independent Corporate Auditor (<i>Kansayaku</i>)	Supplementary Explanation of the Relationship	Reasons of Appointment
Kazuyoshi Yamazaki (Mr.)	Yes	—	<p>The Company appointed Mr. Kazuyoshi Yamazaki as an outside Corporate Auditor with expectation that he audits the overall management of the Company independently and fairly, mainly from a legal perspective by leveraging his professional knowledge, extensive experience and deep insight gained through many years of experience as an attorney-at-law.</p> <p>The Company has notified the Tokyo Stock Exchange of Mr. Kazuyoshi Yamazaki as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because he does not subject to any item which may cause conflict with general shareholders as specified by the Tokyo Stock Exchange and he satisfies the independence standards for the outside officers of the Company.</p>
Tomoko Mizuno (Ms.)	Yes	—	<p>The Company appointed Ms. Tomoko Mizuno as an outside Corporate Auditor with expectation that she audits the overall management of the Company by leveraging her extensive knowledge, experience and deep insight based on her abundant knowledge, experiences and achievements cultivated through years of business operation in the machinery industry and working in global consulting firms and pharmaceutical companies.</p> <p>The Company has notified the Tokyo Stock Exchange of Ms. Tomoko Mizuno as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because she is not subject to any item which may cause conflict with general shareholders as specified by the Tokyo Stock</p>

			Exchange and she satisfies the independence standards for the outside officers of the Company.
Miya Miyama (Ms.)	Yes	—	<p>The Company appointed Ms. Miya Miyama as an outside Corporate Auditor with expectation that she audits the overall management of the Company independently and fairly, mainly from a legal perspective by leveraging her professional knowledge, extensive experience and deep insight gained through many years of experience as an attorney-at-law and public prosecutor.</p> <p>The Company has notified the Tokyo Stock Exchange of Ms. Miya Miyama as Independent Officer stipulated under the regulations of the Tokyo Stock Exchange because she is not subject to any item which may cause conflict with general shareholders specified by the Tokyo Stock Exchange and she satisfies the independence standards for the outside officers of the Company.</p>

【Independent Officers (Directors/Corporate Auditors)】

Number of Independent Directors/Corporate Auditors	7
--	---

Matters relating to Independent Directors/Corporate Auditor

The Company has notified the Tokyo Stock Exchange of 4 independent outside Directors and 3 independent outside Corporate Auditors.

Please refer to “Principle 4-9: “Independence Standards and Qualification for Independent Directors” in Disclosure Based on the Principles of the Corporate Governance Code” session of “1.1. Basic Views” for our policy for independence standard for Independent Directors and Corporate Auditors.

【Incentives】

Incentive Policies for Directors	Performance-linked Compensation Stock based compensation (the restricted stock units (the "RSU") and the performance share units (the "PSU"))
----------------------------------	--

Supplementary Explanation

Please refer to "Policy on Determining Compensation Amounts and Calculation Methods" session in "2.1 Director Compensation".

Recipients of Stock based compensation	Inside Directors, Outside Directors, Employee, Subsidiaries' Directors, Subsidiaries' employees
--	---

Supplementary Explanation

The Company introduced "stock compensation type stock options" for Directors (excluding Outside Directors), Executive Officers who are not Directors from FY2016, and employees (excluding Executive Officers) of the Company and Directors (excluding outside Directors), Executive Officers and employees its subsidiaries from FY2017 respectively in order to encourage the motivation for the contribution to increase the stock price and the corporate value. From FY2020, the Company introduced "stock compensation type stock options" for Outside Directors additionally in order to encourage the motivation for the contribution to increase the stock price and the corporate value. From FY2021, the Company introduced new stock based compensation plan (RSU/PSU) which is adopted globally and broadly, is to further enhance incentives for the increase in the share price and corporate values as well as to secure talented personnel with diversity in terms of nationality and experience.

【Director Compensation】

Disclosure of Individual Directors' Compensation	Selected Directors
--	--------------------

Supplementary Explanation

Securities report and business report which shows total amount of compensations for internal Directors and external Directors are disclosed and publicly available on our website. In Securities report, the Company disclosed the individual compensation amount for specific Directors in accordance with Japan's Cabinet Office Ordinance on Disclosure of Corporate Information, etc. In addition, we aim to be transparent in our disclosure regarding executive compensation of not only our Directors, including the Chief Executive Officer (CEO), but also for our core members of the management team.

Therefore, we include in our disclosure individual compensation of the CEO, Chief Financial Officer (CFO), Chief Legal Officer (CLO), and Executive Officers in charge of Automotive Solution Business and IoT and Infrastructure Business, respectively, not limited to compensation of individual Directors of no less than JPY100 million, which is required to be disclosed by law.

<<https://www.renesas.com/about/investor-relations/security>>

Policy on Determining Compensation Amounts and Calculation Methods	Established
--	-------------

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

<Compensation for Directors (who do not concurrently serve as Executive Officers)>

Our basic policy regarding compensation for Directors who do not concurrently serve as Executive Officers shall be as follows:

Compensation for Directors who concurrently serve as Executive Officers shall be described in "Compensation for Executive Officers" below.

- Highly transparent and objective;
- Improvement of corporate value and compensation must interlock to share awareness of profit with shareholders; and
- Contribute to ensuring and retaining global management team that satisfies accurate ability requirements to realize corporate vision

Based on these basic policies, the Company pays base salary as fixed compensation and, for some of such Directors, in order to secure diverse and excellent human resources and to raise awareness further of their roles, RSU as stock based compensation subjected to duration of service conditions, up to the compensation limit (JPY2,000million/year, of which compensation for Outside Directors is up to JPY400M within the limitation) resolved at the Annual General Meeting of Shareholders on March 29, 2018 taking into consideration the decision of voluntary compensation committee is delegated the authority by the Board of Directors.

<Compensation for Executive Officers>

Our basic philosophy regarding compensation for Executive Officers (including Directors who concurrently serve as Executive Officers) is as follows:

- Highly linked to company performance, and highly transparent and objective;
- Improvement of corporate value and compensation must interlock to share awareness of profit with shareholders; and
- Contribute to ensuring and retaining global management team that satisfies accurate ability requirements to realize corporate vision.

<Compensation mix for Executive Officers >

- Base salary as fixed compensation
- Performance-linked compensation focused on achievement of nearer-term financial and strategic objectives (Short-term incentives)
- Stock based compensation as stock price-linked compensation, where management is motivated to increase shareholder value (Long-term incentives)

Performance evaluation criteria is set taking the factors/indicators such as the Company's financial situation and company value into account. Regarding the proportion of the compensation, based on basic policy, we set the ratio of stock-based compensation stock options to total compensation, and it is more than half of total compensation amount.

(Base salary)

Base salary is the core compensation that reflects the market value for particular roles and responsibilities in the organization. It is a reward for actual responsibilities, competencies, and experience of each Executive Officer.

Base salary is paid as a fixed amount based on scope of responsibilities and the expected contribution to the company. This is the fundamental component of executive compensation, and is set at a level that invites and ensures retention of competent executive officers, and motivates them to drive global business expansion.

Base salary will be adjusted annually considering market salary increase rates, company/Business Unit performance and individual performance.

(Performance-linked compensation (Short-term incentive (STI)))

Short-term incentive (STI) is offered to the Executive Officers in order to motivate and reward them for overall company financial results, as well as an assessment of the individual performance of Executive Officers each fiscal year. STI is an essential element of the executive compensation program and is focused on motivating Executive Officers to contribution to the performance objectives for the company. The STI program is based on one-year company performance, composed of performance of the Automotive solution Business Unit and the IoT and Infrastructure Business Unit, and evaluation is conducted using certain measures including the following to evaluate business expansion and its profitability.

- Revenue (growth rate)
- Operating margin

Evaluation measures and goals are set annually after review by the Compensation Committee, as well as the amounts of payment in response to business performance.

(Stock price-linked compensation (Long-term incentive (LTI)))

Long-term incentive (LTI) refers to variable pay based on measures that extend for a period of more than one year, and typically align payouts with value results experienced by shareholders. The role of long-term incentives is to link financial incentives to Executive Officers with organization's long-term performance, and shareholder's long-term focus.

Our current long-term incentive is provided by RSU/PSU, and the actual profits received by Executive Officers are determined based on stock price growth, and/or 3-year total shareholders return (TSR).

Specifically, our stock compensation consists of PSU, where vests the units in a number determined in accordance with the extension rate of TSR and RSU with duration of service conditions. Of these, PSU is designed with our TSR as the performance measures in order to connect further to strengthening awareness and activities aimed at maximizing corporate value over the medium-to-long term and contributing to stock prices. The number of stock compensation units to be granted is determined based on the average closing price of the Company's share on the Tokyo Stock Exchange over the period of the 3 calendar months immediately prior to the calendar month in which the stock compensation is awarded by the Board of Directors, on the basis of the grant target amount set for each person according to their roles and responsibilities. The composition ratio of grant target amount for PSU and RSU is 50%: 50%.

[PSU]

- Grantees will be granted the number of units calculated by the following formula:

Number of Units = the PSU target grant value (prior to performance evaluation) / the average closing price of the Company's share on the Tokyo Stock Exchange over the period of the 3 calendar months immediately prior to the calendar month in which the stock compensation is awarded by the Board of Directors.

(*) the number of Units shall be rounded to the nearest 100 Units

- The performance period of PSU will be the three-year period from April 1 of the year in which the PSUs are granted (the "Performance Period"). PSUs shall vest on the vesting date (JST) which is, in principle, the 3rd anniversary of the date of grant, (as determined by the Company) by multiplying the number of the units subject to the PSU by the calculation ratio. The Company will issue a share for every unit that vests (the "Number of Shares for PSU") to the recipient.:

Performance Indicator:

TSR : It is determined by comparison with the companies which constitute SOX (Philadelphia Semiconductor Index), TOPIX (Tokyo Stock Price Index) and the peer companies that the Company selects based on industry segment, scale of company, business model and so on (the Renesas Peers)

Performance Evaluation Period:

The performance period of PSUs will be the three-year period from April 1 of the year in which the PSUs are granted.

Growth rate of our TSR:

$$\text{The growth rate of the TSR of the Company} = \frac{(\text{Average stock price during the three-month period that ends on the last day of the Performance Period (*1)} - \text{Average stock price during the three-month period that ends on the day immediately preceding the first day of the Performance Period (*2)}) + \text{Total amount of dividend per share in relation to the dividends of surplus of the Company for which the day during the Performance Period is set as the record date}}{\text{Average stock price during the three-month period that ends on the day immediately preceding the first day of the Performance Period (*2)}}$$

*1: Average stock price during the three-month period that ends on the last day of the Performance Period shall be the simple average price of the closing prices of the Shares on the Tokyo Stock Exchange during the last three-month period of the Performance Period.

*2: Average stock price during the three-month period that ends on the day immediately preceding the first day of the Performance Period shall be the simple average price of the closing prices of the Shares on the Tokyo Stock Exchange during the three-month period that ends on the day immediately preceding the first day of the Performance Period.

The way to determine the number of vesting of PSU:

The "Calculation Ratio" means the weighted average ratio obtained by weighting the SOX Calculation Ratio (as defined below) at 25/100, the TOPIX Calculation Ratio (as defined below) at 50/100 and

the Renesas Peers Calculation Ratio (as defined below) at 25/100, provided that if the growth rate of the total shareholder return (the "TSR") of the Company is 0% or less, the Calculation Ratio shall be 100% at maximum.

The "SOX Calculation Ratio" means the classified percentage as set out in (i) through (v) below in accordance with the range to which the growth rate of the TSR of the Company belongs if the growth rate of the TSR of the Company and the growth rate of the TSR of the companies constituting the Philadelphia Semiconductor Sector Index (the "SOX Constituent Companies") are classified in ascending order from the lowest TSR.

The "TOPIX Calculation Ratio" means the classified percentage as set out in (i) through (v) below in accordance with the range to which the growth rate of the TSR of the Company belongs if the growth rate of the TSR of the Company and the growth rate of the TSR of the companies constituting the Tokyo Stock Price Index (the "TOPIX Constituent Companies") are classified in ascending order from the lowest TSR.

The "Renesas Peers Calculation Ratio" means the classified percentage as set out in (i) through (v) below in accordance with the range to which the growth rate of the TSR of the Company belongs if the growth rate of the TSR of the Company and the growth rate of the TSR of the peer companies that the Company selects based on industry segment, scale of company, business model and so on (the "Renesas Peers") are classified in ascending order from the lowest TSR provided, however, that if the Company selects more than one categories of Renesas Peers, the Renesas Peers Calculation Ratio shall be the weighted average ratio obtained by calculating the Renesas Peers Calculation Ratio for each category of Renesas Peers and weighting such Renesas Peers Calculation Ratios by the ratio determined by the Company.

- | | | |
|-------|--|---|
| (i) | If the growth rate of the TSR of the Company is less than 25%ile: | 0 |
| (ii) | If the growth rate of the TSR of the Company is 25%ile or more and less than 50%ile: | The rate (number) obtained as a result of calculating as increasing at the same ratio between 50% and 100% |
| (iii) | If the growth rate of the TSR of the Company is 50%ile or more and less than 75%ile: | The rate (number) obtained as a result of calculating as increasing at the same ratio between 100% and 150% |
| (iv) | If the growth rate of the TSR of the Company is 75%ile or more and less than 90%ile: | The rate (number) obtained as a result of calculating as increasing at the same ratio between 150% and 200% |
| (v) | If the growth rate of the TSR of the Company is 90%ile or more: | 200% |

The growth rate of the TSR of the Company shall be obtained using the following formula, and the growth rate of the TSR of the SOX Constituent Companies, the TOPIX Constituent Companies and the Renesas Peers shall be obtained by a method equivalent to the formula for the growth rate of the TSR of the Company

[RSU]

- Grantees will be granted the number of units calculated by the following formula:

Number of Units = the RSU grant value for the three year period (one year period for outside directors of the Company)/ the average closing price of the Company's share on the Tokyo Stock Exchange over the period of the 3 calendar months immediately prior to the calendar month in which the stock compensation is awarded by the Board of Directors.

(*) the number of units shall be rounded to the nearest 100 units

- One-third of the number of units shall become vested every year after the date of grant (provided, however, that for outside directors, all of the number of units shall become vested on the anniversary date of one year after the date of grant). The Company will issue Renesas common shares equal to the number of vested units.

< Compensation mix for the Company's directors other than outside directors >

Until FY2019, the Company has paid to outside directors only base compensation as fixed amount compensation. On the other hand, based on the resolution of annual general meeting of shareholders held on March 27, 2020, the Company grants outside director stock compensation type stock options (TSO) within the amount limitation resolved by annual general meeting of shareholders held on March 29, 2018. From FY2021, the Company grants outside director RSU.

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

(1) Support structure

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

The Company has the Corporate Auditors Department which is composed of specialized or concurrent staffs supporting Corporate Auditors' duties supports execution of outside Corporate Auditors' duties. Regarding the operation of the Board of Corporate Auditors (*Kansayaku* Board), the full-time Corporate Auditor explains the Company's business situation and reports the audit activities, etc. and part-time Corporate Auditors introduce other companies' cases, etc. and Corporate Auditors share the information and exchange the opinions for their audit activities.

(2) Communication system

Depending on the importance of subject management information or business information, the Company's relevant department in charge provides information to outside Directors and outside Corporate Auditors as appropriately. In addition, the Company has established the system for outside Directors and outside Corporate Auditors to share information in a timely manner including the establishment of environment which enables outside Directors and outside Corporate Auditors to access the Company's internal website.

In case the Company hold the Board of Directors meeting or the Board of Corporate Auditors meeting, the Legal Division staff issues the notice and provide materials and so on necessary for the deliberation at the Board of Directors meeting, and the Corporate Auditor Department staff issues the notice and provide materials and so on necessary for the deliberation of the Board of Corporate Auditors meeting. Both staffs make effort to provide enough information in a timely manner as prior arrangement for each board (the Board of Directors

and the Board of Corporate Auditors). The Legal Division staff researches and responds promptly to any inquiries or points raised by outside Directors. The Corporate Auditors Department staff researches and answers promptly to any inquiries or points made by outside Corporate Auditors.

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

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

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

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

Supplementary Explanation

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

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

(1) Overview of current system

The Company appoints outside officers who have various experiences and expertise aiming to proactively incorporate external viewpoint to deal with business challenges from various perspectives. Currently, the Company appoints 4 outside Directors out of 5 Directors and 3 outside Corporate Auditors out of 4 Corporate Auditors. Further, aiming for obtaining appropriate and objective advice to improve the Company's business performance and corporate governance, the Company appoints 4 outside Directors and 3 outside Corporate Auditors as independent officers (defined by the Tokyo Stock Exchange). All of these outside Directors and outside Corporate Auditors are the independent officers who don't have any conflict in interest with the Company, Company's major shareholders or their mother company.

(2) Business execution and nomination function

In order to appoint suitable persons as Directors who execute business, the Board of Directors of the Company deliberates and decides the candidates for Directors to be submitted to the General Meeting of Shareholders in consideration of their careers and experiences, etc. The Company has a nomination committee to improve objectivity and transparency of decision of such candidates. The nomination committee is composed of 4 members, all of which is occupied by independent outside Directors. In the process of deciding candidates, the Board of Directors consults with the nomination committee and the Board of Directors decides on the candidates through taking the advice from the nomination committee into consideration.

The Company's Board of Directors has 5 Directors including 4 outside Directors. The Board of Directors Meeting is held once every three months in principle and at other times as needed. The Directors reach decisions with speed and flexibility about important matters involving management and supervise the execution of business operations. The outside Directors have two primary functions: One is to supervise and check the execution of business operations by Directors to determine if these Directors are performing their duties

properly. The other is to use their knowledge, experience and insight to reflect external viewpoints in the decision-making process for management.

All proposals to be submitted for approval by the Board of Directors are, in principle, first submitted to the Executive Committee, which is composed of full-time Directors and executive vice presidents, senior vice presidents, etc. for a preliminary deliberation except for matters which does not require preliminary discussion. These deliberations provide for more thorough discussions of the resolutions. In addition, the Company has an Internal Control Promotion Committee, which includes the President & CEO, the Executive Officer responsible for internal control, and the Executive Officer responsible for administrative divisions. The committee holds meetings once in every two months in principle to supervise the PDCA cycle related to internal control matters of the Group, and if a serious compliance violation does occur, they discuss and examine how it occurred and how it can be prevented in the future.

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

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

Corporate Auditors are responsible for auditing and supervising the Directors' performance of duties. The Board of Corporate Auditors is composed of 1 full-time Corporate Auditor and 3 outside Corporate Auditors and holds regular meetings once every three months, in principle, and other meetings as required. At these meetings, the Corporate Auditors determine auditing policies and other matters and receive reports from each Corporate Auditor about the status of audits and other subjects. 2 out of 3 outside Corporate Auditors are attorneys, and 1 of the Corporate Auditors has extensive knowledge concerning finance and accounting.

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

- Attend meetings of the Board of Directors and other important meetings;
- Interview Directors, Executive Officers and employees about business activities;
- Examine the decision-making documents and other important business documents;
- Investigate the status of business operations and finances (including the compliance framework and internal control systems); and
- Conduct investigations at subsidiaries.

In addition, Corporate Auditors receive periodic reports from the Internal Audit Department, other related divisions and the Accounting Auditor for their audits. Corporate Auditors also exchange information, share opinions and collaborate in other ways with these parties as required.

(4) Internal Audit

Regarding internal audit, the Internal Audit Department which is consist of specialized or concurrent staffs serves as an autonomous third party for verifying and evaluating other parts of the management organization, including business execution divisions, corporate staff divisions, consolidated subsidiaries and other areas, in terms of compliance, risk management and internal control. The Internal Audit Department also proposes

concrete measures for rectifying or improving any problems that arise. In addition, the Internal Audit Department regularly exchange information and share opinions with the Corporate Auditors and the Accounting Auditor.

(5) Accounting Audit

The Company appointed PricewaterhouseCoopers Aarata LLC as Accounting Auditor for FY2022. Certified public accounts who conducted the Company's accounting audit for FY2022 (designated limited partner and executive employee) are Mr. Hiroyuki Sawayama, Mr. Hitoshi Kondo and Mr. Satoshi Shimbo. Assistants for auditing activities are certified public accountant, Certified public accountant passer, etc.

The total amount of cash and other property benefits to be paid by the Company and its consolidated subsidiaries to PricewaterhouseCoopers Aarata LLC for FY2022 is JPY 266 million. Remuneration and other amounts to be paid by the Company to the Accounting Auditor is JPY 244 million and included in above amount.

(6) Compensation decision function

Please refer to "Director Compensation" session in Article 2.1 "Organizational Composition and Operation" of this report for the function of compensation decision for Directors.

Please refer to our "21st Securities Report" posted on our website for the function of compensation decision for Corporate Auditors:

<https://www.renesas.com/about/investor-relations/security>

(7) Liability Limitation Agreement

Pursuant to the Articles of Incorporation of the Company, the Company executed liability limitation agreements with Mr. Jiro Iwasaki, Ms. Selena Loh Lacroix, Mr. Noboru Yamamoto and Mr. Takuya Hirano who are outside Directors, and Mr. Kazuyoshi Yamazaki, Ms. Tomoko Mizuno and Ms. Miya Miyama, who are outside Corporate Auditors respectively, limiting their liabilities for damages as defined in Paragraph 1, Article 423 of the Companies Act. The liability limitation under such agreements is the minimum liability amount stipulated in the Articles of Incorporation of the Company.

(8) Outline of liability insurance contract for Directors, etc.

The Company has a Directors and Officers liability insurance policy (D&O) with an insurance company. This policy covers damages and costs incurred by Directors, Corporate Auditors, Executive Officers and management and other employees of the Company and its subsidiaries from claims made in connection with the performance of their duties, and the insurance premiums are born by the Company. However, to ensure the insured can appropriately execute their duties, the Company has established certain exemptions, such as not compensating for damage incurred by those who are aware of violations of laws and/or regulations.

3. Reasons for Adoption of Current Corporate Governance System

The Company is a company with Board of Corporate Auditors (Kansayaku Board) and, hence, Corporate Auditors supervise and audit the business execution by Directors under our corporate governance system. Considering the current status described in "II-2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)", the Company believes this governance system works well, but we will continue to improve and enhance our corporate governance.

III. Implementation of Measures for Shareholders and Other Stakeholders**1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights**

	Supplementary Explanations
Early Notification of General Shareholder Meeting	<p>The Company aims to deliver the convocation notice 3 weeks before the date of General Meeting of Shareholders.</p> <p>The date and notification date for the meeting for the past 5 General Meetings of Shareholder are as follows:</p> <p>Meeting Date / Notification Date (Early Disclosure Date in electrical manner)</p> <p>March 20, 2019 / March 5, 2019 (February 22, 2019)</p> <p>March 27, 2020 / March 6, 2020 (February 26, 2020)</p> <p>March 31, 2021 / March 10, 2021 (February 27, 2021)</p> <p>March 30, 2022 / March 11, 2022 (March 1, 2022)</p> <p>March 30, 2023 / March 10, 2023 (March 3, 2023)</p> <p>We will try to secure enough consideration time for shareholders' by means including early disclosure of the notice.</p>
Scheduling AGMs Avoiding the Peak Day	<p>The Company held the 21st Annual General Meeting of Shareholders on March 30, 2023. We aim to hold the General Meeting of Shareholders on a date when many shareholders can attend easily and avoid dates where many other companies hold general meetings of shareholders.</p>
Allowing Electronic Exercise of Voting Rights	<p>The Company uses a voting site through which shareholders can exercise voting rights using their own PC or mobile phone. In addition, from the 18th Annual General Meeting of Shareholders held on March 27, 2020, we introduced a way to easily exercise voting rights, i.e., exercise without filling in the exercise code and password by scanning QR code by smartphone.</p> <p>In addition, the Company introduced a hybrid virtual shareholders meeting (attendance type) from the 19th Annual General Meeting of Shareholders held on March 31, 2021, which enabled shareholders to attend the general meeting of shareholders on online basis and exercise their voting rights electronically. The Company held the 21st Annual General Meeting of Shareholders by way of a "General Meeting of Shareholders without designation of place", or "virtual-only shareholders meeting", which promoted electronic exercise of voting rights. The reasons why the Company adopted a virtual-only shareholders meeting are as follows:</p> <p>(i) The Company will be able to provide an equal opportunity to all shareholders to participate in the general meeting of shareholders ("general meeting" in this column), regardless of their whereabouts or time constraints, and it is expected that the exercise of shareholders' voting rights and dialogue with shareholders at the general meeting will be promoted more than ever before.</p> <p>(ii) Given the recent significant increase in the number of shareholders of the</p>

	<p>Company, attendance by as many shareholders as possible to the general Meeting, without any physical or time constraints, will contribute to the vitalization, efficiency, and facilitation of the General Meeting, and in turn, to the interests and convenience of our shareholders.</p> <p>(iii) As the Company has many overseas directors and executive officers, from the perspective of promoting dialogue with shareholders, it is appropriate to have overseas directors and executive officers participate in the General Meeting in the same manner as other directors and executive officers, and to provide explanations to shareholders in response to their questions.</p> <p>(iv) At our ordinary general meeting of shareholders held in March of last year, a proposal to amend the Articles of Incorporation to enable the holding of a Virtual-Only Shareholders' Meeting was approved with approximately 87.7% of the votes cast in favor.</p> <p>(v) There are no special circumstances, such as shareholder proposals, that would render it more desirable to hold the General Meeting at a physical venue.</p> <p>(vi) The shareholders will be able to attend the General Meeting in a safe manner, without being exposed to the risk of infection under the Covid-19 infection environment, and this will be also appropriate from the viewpoint of ensuring the stable operation of the General Meeting.</p>
Participation in Electronic Voting Platform	<p>The Company participates the electronic voting platform operated by ICJ, Inc. In addition, mainly for overseas institutional shareholders, the Company is taking measures to utilize an English-language shareholders meeting system. Up to and including the 20th Annual General Meeting of Shareholders, the shareholders meeting system and presentation have only been available in Japanese, with simultaneous audio translation available in English. From the 21st Annual General Meeting of Shareholders, shareholders can use the shareholders meeting system displayed in English and see presentation materials written in English as well as listen to the English simultaneous translation.</p>
Providing Convocation Notice in English	<p>English translation of the convocation notice of General Meeting of Shareholders (summary) and its appendices are available. Also, from the 21st Annual General Meeting of Shareholders, English presentation materials are available at the meeting. Shareholders can switch the language between Japanese and English.</p>
Others	<p>The Company posts the convocation notice of General Meeting of Shareholders and its appendices (Japanese and English) on the Company's website, the Tokyo Stock Exchange and electronics voting platform operated by ICJ, Inc. from about 1 month before the General Meeting of Shareholders.</p>

2. IR Activities

	Supplementary Explanations	Explanation by representative
Preparation and Publication of Disclosure Policy	For disclosures in accordance with timely disclosure rules of the Tokyo Stock Exchange and applicable laws such as the Companies Act and Financial Instruments and Exchange Act, the Group has prepared its disclosure policy which is available on its website (https://www.renesas.com/about/investor-relations/ir-disclosure)	
Regular Investor Briefings for Individual Investors	N/A	No
Regular Investor Briefings for Analysts and Institutional Investors	The Group holds briefing session for quarterly financial announcement (four times/year) for analysts and institutional investors. Several hundred people join these sessions.	Yes
Regular Investor Briefings for Overseas Investors	The Group holds meetings directly with institutional investors in North America, Europe and Asia or meets them at conferences held by securities companies, and full-time director, executive vice president or other appropriate person gives explanations about management policies and business performance.	No
Posting of IR Materials on Website	Please visit the Group's website (https://www.renesas.com/about/investor-relations) for its earnings reports, annual securities reports, quarterly reports, timely disclosure materials, and materials related to the Company's general meeting of shareholders, etc. *Only Japanese version is available for some materials such as quarterly reports.	
Establishment of Department and/or Manager in Charge of IR Updated	Department in Charge: IR Office Responsible Officer: Hidetoshi Shibata, Representative Director, President & CEO Contact: Yuma Nakanishi, Senior Manager, IR Office	
Others	N/A	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>With the aim to ensure business ethics and secure compliance, the Group established “Renesas Global Code of Conduct” and “Renesas Electronics Group CSR Charter”. In addition, by creating social values through sustainability initiatives and achieving its targets, the Group aims to contribute to the development of a sustainable society as well as to increase its corporate value.</p> <p>The CEO is responsible for the Group's activities related to sustainability. The CEO, an Executive Officer appointed by the CEO or the Sustainability Promotion Office reports on its activities and challenges regarding sustainability to the Board of Directors. In order to promote sustainability activities throughout the Group, a dedicated organization directly under the CEO, the Sustainability Promotion Office, was established.</p> <p>In addition, compliance promotion items are deliberated by the Internal Control Promotion Committee who promotes the Group's compliance activities. For more information on the Group's sustainability efforts, visit: <https://www.renesas.com/about/company/sustainability></p>
Implementation of Environmental Activities, CSR Activities etc.	<p>The Group has established “Sustainability Promotion Office”, a department in charge of promoting environmental conservation activities and CSR activities, and the department plans initiatives as well as to communicate with stakeholders inside and outside of the company.</p> <p>We disclose our sustainability initiatives which includes the environmental conservation activities and CSR activities. To visit Renesas' Sustainability website, visit: <https://www.renesas.com/about/company/sustainability></p>
Development of Policies on Information Provision to Stakeholders	<p>Based on the “Renesas Electronics Group CSR Charter”, the Group is committed to promoting and disclosing fair, equitable, faithful and transparent corporate activities. The Group discloses information in a timely and appropriate manner in accordance with the Companies Act, Financial Instruments and Exchange Act and other applicable laws and regulations as well as timely disclosure rules established by the Tokyo Stock Exchange. In addition, the Group proactively discloses material information which may influence investors' investment decisions in a quick and fair manner.</p>
Other	<p><Policies on Diversity and Promoting Female Employee Participation></p> <p>Renesas respects all types of diversity and values, and actively works to improve our work environment and foster a corporate culture that accepts and is inclusive of one another. We are also committed to fostering an environment where each person can stand on the same platform, is treated fairly (Equity), and can demonstrate their full potential. One of the strengths of Renesas as a global company is the active use of a workforce with diverse human resources and values, be it nationality, race, philosophy, culture, language, gender, and age, operating in over 20 countries around the world. We believe our commitment to Diversity, Equity & Inclusion (DE&I), and our initiatives are the source of innovative products and services that support our sustainable business growth. We will maximize individual abilities by creating an environment in which our diverse workforce with different personalities and values can fully demonstrate their strengths, fostering corporate culture, enhancing our development system so employees can thrive.</p>

As of December 31, 2022, women accounted for approximately 26% of our workforce, and 8.4% of our managerial positions. We conduct business globally, and the percentage of women in managerial positions overseas is higher than in Japan. There were 90 female managers in the Renesas Group in Japan (3.8% of all managers) as of December 31, 2022. We will continue to support the success of female leaders globally.

Furthermore, the Company has strengthened initiatives related to LGBTQ+, etc. For example, the Company revised its HR rules in June 2021 so that the same-sex partner and their families of an employee are supported by the rules. Also, in November 2022, the Company received the highest rating of “Gold” for the first time in the “PRIDE Index 2022”, an evaluation index for initiatives in companies and organizations related to LGBTQ+ and other sexual minorities formulated by “work with Pride”.

In addition to the initiative led by the Company, the Group established the “Diversity Promotion Group” and “Women In Technology”, employee-driven teams and employees by themselves take a lead and conduct various initiatives for promoting Renesas’ company-wide DE&I and women’s success together with the Human Resources Division of the Company. For more information on the Group’s DE&I efforts, visit:

<<https://www.renesas.com/about/company/sustainability/diversity>>

IV. Matters Related to the Internal Control System

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

The Board of Directors of the Company made the resolution with respect to the basic policies for the development of systems set forth in Item 6, Paragraph 4, Article 362 of the Companies Act and Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act (the “Internal Control System”) and established systems based on these policies. Please refer to the Company’s webpage (<https://www.renesas.com/about/company/sustainability/governance>) for these policies.

Outline of the policies are as follows:

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

The Directors shall take the lead in complying with the “Renesas Electronics CSR Charter” and the “Renesas Global Code of Conduct” that have been adopted for the purpose of establishing corporate ethics and ensuring compliance with laws and regulations, the Articles of Incorporation and internal rules of the Company by Members. The Directors shall keep the Members of the Company and its subsidiaries (collectively, the “Group”) informed of such rules, and shall have Group comply with them.

- The Directors shall stipulate basic matters such as implementation system and educational programs for compliance in “Global Rule for Compliance Management within the Renesas Group”, shall oblige attendees to deliberate and resolve matters regarding compliance at “Internal Control Promotion Committee”, and shall offer training programs and the like for the Group to be fully aware of compliance.
- The Directors shall set up “Renesas Electronics Group Hot Line” as whistle blowing window/ internal contact points for all persons including the Group and its business partners, distributors, contractors and

temporary employees and general public to report violations or possible violations of compliance. Furthermore, the Directors shall keep the Group and its business partners informed that they assure the anonymity of informants upon requests from informants and informants shall never be adversely affected.

- The Directors shall keep away from any antisocial force, shall work closely with external specialized institutions, and shall act resolutely in an organized manner when contacted by it.

2. Systems for properly preserving and managing information related to execution of duties by Directors

- The Directors shall properly prepare, preserve and manage minutes of the General Meetings of Shareholders, Meetings of Board of Directors and other documents in accordance with applicable laws and regulations. The Directors shall also properly prepare, preserve and manage other documents, books and records pertaining to the duties of Members in accordance with “Basic Rule of Document Management and Retention”.

3. Rules and other systems regarding risk management for loss

- The Directors shall stipulate basic matters of risk management in the Company’s “Global Rule for Risk and Crisis Management within the Renesas Group”, and shall establish a risk management framework in accordance with the rules
- The Executive Officers and division managers responsible for classified risk shall strive to minimize loss by developing prevention measures against risk materialization and by developing countermeasures in case of risk materialization.
- The Executive Officers shall, depending on its importance, establish an appropriate organization chaired by themselves, and shall implement appropriate measures in accordance with the “Global Rule for Risk and Crisis Management within the Renesas Group” when serious risk materializes.
- The Directors shall evaluate, maintain and improve the internal control status related to financial report of the Group in accordance with applicable domestic and foreign laws and regulations such as Financial Instruments and Exchange Act.

4. Systems for ensuring efficient execution of duties by Directors

- The Directors shall hold an ordinary Meeting of the Board of Directors once a month and extraordinary meetings as needed for the sake of quick decision-making.
- The Directors shall adopt an Executive Officer System, shall make prompt decisions on the important management issues at the Meeting of the Board of Directors, and shall supervise the execution of duties by the Executive Officers. Furthermore, the important issues for the Company’s management shall be discussed at the Executive Committee prior to the Meeting of the Board of Directors in order to enhance the Board’s deliberations.
- The Executive Officers (including Executive Officers who also act as Directors) shall make quick decisions for the business operation by transferring their authorities to the relevant general managers or other employees. The Executive Officers, the relevant general managers and other employees shall execute their authority properly and efficiently in accordance with “Basic Rules of Ringi Approval”.
- The Executive Officers (including Executive Officers who also act as Directors) shall execute their duties

quickly and efficiently in accordance with office routine regulations determined by the Meeting of the Board of Directors, and shall periodically confirm the status of execution of management plans and the budget determined at a Meeting of the Board of Directors.

5. Systems necessary to ensure appropriate operation of the Group

- The Directors shall guide and support the Company's subsidiaries to establish the Group-wide compliance system in accordance with the "Renesas Electronics CSR Charter", "Renesas Global Code of Conduct" and "Global Rule for Compliance Management within the Renesas Group".
- The Directors shall constantly oversee, guide and support the Company's subsidiaries through the divisions responsible for the business and supervision of the subsidiaries and have the matters relating to the execution of duties by directors of the subsidiaries periodically reported, in accordance with "Basic Rule of Operation and Management of Affiliate Companies".
- The Directors shall, through a division responsible for risk management, have the Company's subsidiaries establish rules for risk and crisis management, and, make contact lists and action plans in emergency.
- The Directors shall, through Internal Control Promotion Committee, etc., establish the Group-wide common decision making rules and policies on the Group governance.
- The Directors shall have Internal Audit Department audit the Group, and shall have principal subsidiaries allocate internal auditing staff or divisions and cooperate with the Internal Audit Department and the subsidiaries' own Corporate Auditors to ensure appropriate operations of the Group.

6. Matters relating to employees assigned to assist Corporate Auditors and independence of such employees from Directors etc.

- The Directors shall establish the Corporate Auditors Department composed of specialized staff for the purpose of assisting the Corporate Auditors' audit activities. Any evaluation, personnel transfer, reprimand and the like of such specialized staff shall require prior consultation with the full-time Corporate Auditors, and such staff shall not be directed or supervised by the Directors for duties to assist the Corporate Auditors.

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

- Members of the Group shall, upon requests from the Corporate Auditors, report to the Corporate Auditors on matters such as the execution of their duties.
- Internal Audit Department shall submit the internal audit report for the Group to Corporate Auditor, and report the internal audit report to the Meeting of Board of Directors where Corporate Auditor attends.
- Internal Control Promotion Committee shall periodically report to Corporate Auditor the situation of the matters reported to "Renesas Electronics Group Hot Line" by Member.
- The Company prohibits adverse treatment to the Member of the Group and corporate auditors of the Company's subsidiaries who reported to Corporate Auditors for the reason that they reported so, and clearly state these rules in "Basic Rules of Renesas Electronics Group Hot Line" and on the Company's intranet.

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

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

9. Other systems necessary to ensure effective auditing by Corporate Auditors

- The Corporate Auditors shall attend Meetings of the Board of Directors, and may attend important meetings of the Company as they deem necessary. Furthermore, the Directors shall guarantee the right of Corporate Auditors to access important corporate information.
- The Corporate Auditors shall hold a Meetings of Board of Corporate Auditors in principle once each 3-months, and shall exchange information and deliberate on the status of audits and related matters. The Corporate Auditors also shall receive regular reports from the Accounting Auditor on their audit activities, and shall exchange opinions on them.

2. Basic Views on Eliminating Anti-Social Forces

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

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

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

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

(2) Status for the establishment of internal systems

In case anti-social forces contact to the Company, the Legal Division and the Finance Division lead the response. In addition, the Company aligns with and exchanges information with external expert bodies such as the relevant police office.

V. Other**1. Adoption of Anti-Takeover Measures**

Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation

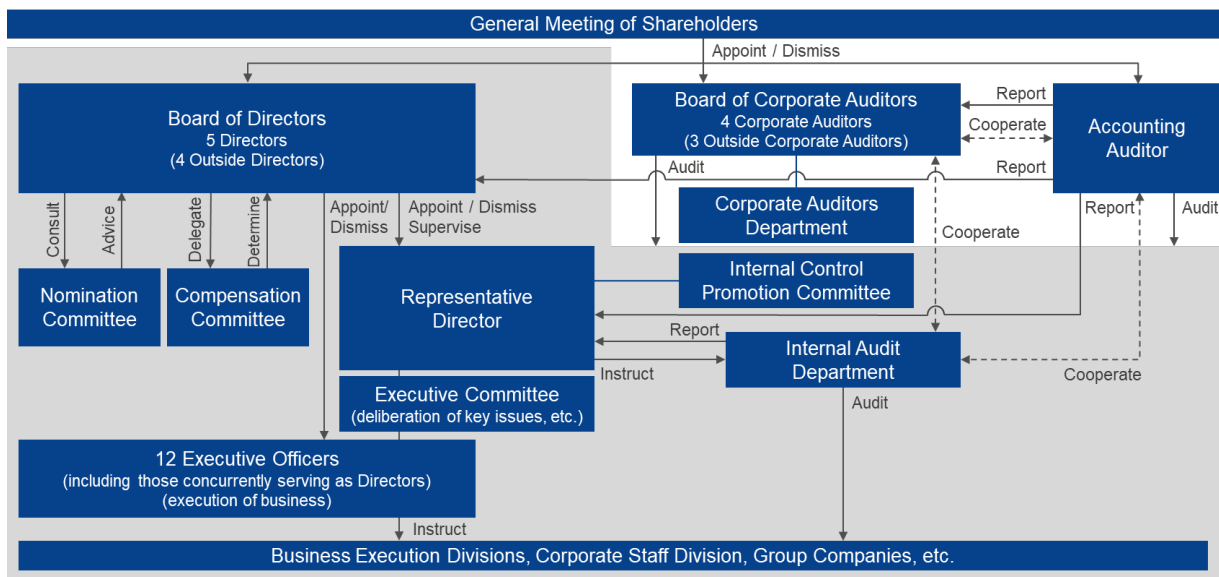
—

2. Other Matters Concerning to Corporate Governance System

The Group has established the “Corporate Communications Office” as a division, which is responsible for external information disclosure. Important internal information is managed centrally by this division, headed by a person responsible for information management. This division, in cooperation with the IR Office, centrally controls external disclosure. The Corporate Communications Office, the IR Office, the Legal Division and the Finance Division work together and check one another for the necessity of timely disclosure (required by the Tokyo Stock Exchange) and the Corporate Communications Office executes the procedures for timely disclosure. Detailed processes of the Group’s timely disclosure are as follows:

- (1) In case the department head of each administration department and general managers of each unit/business unit recognize any “information subject to timely disclosure” related to their department or subsidiaries they control (all the consolidated subsidiaries), they will report such information to the head of the Corporate Communications Office.
- (2) Regarding timely disclosure information, the Corporate Communications Office, the Legal Division and the Finance Division check and report with one another.
- (3) “Timely disclosure information”, which is subject to the resolution of or reporting to the Board of Directors in accordance with the Ringi Approval Criteria, is resolved by or reported to the Board of Directors through the Legal Division, a secretarial office of the Meeting of Board of Directors, and those subject to the resolution of or reporting to the Executive Committee meeting is resolved by or reported to the Executive Committees through an administration office of Meeting of Executive Committees.
- (4) The head of the Corporate Communications Office (for the matters subject to the resolution of the Board of Directors or requires the approval in accordance with the Ringi Approval Criteria, immediately after the completion of these procedures) executes timely disclosure to the Tokyo Stock Exchange.

【Corporate Governance System Chart (for reference)】



End of the report.