In April 2010, NEC Electronics Corporation and Renesas Technology Corp. merged to form Renesas Electronics Corporation, a semiconductor powerhouse boasting the capability to generate consolidated net sales at the ¥1,000-billion level. Through the integration of the two companies, which had been competing for the leading position in the microcontroller (MCU) field, Renesas Electronics now commands an approximate 30% share of the global MCU market (see Note) and has become the undisputed leader in this market. Semiconductors and other products of Renesas Electronics are used in wide-ranging fields, including home appliances, mobile devices, automobiles, and industrial machinery, throughout the world. The Company operates 28 overseas business bases centered on Asia and has approximately 48,000 employees on a worldwide basis.

Note

The Renesas Electronics Group is focusing on three fields: “MCU Business,” “Analog & Power Devices Business” and “System-on-Chip (SoC) Solutions Business.” By generating synergy among the operations in these fields and thereby promoting the development and launch of products designed to meet the needs in the markets of China and other emerging nations, the Group aims to achieve growth in the global market. In addition, with an eye on contributing to the sustainability of society and the environment, we have added a “green economy” field—encompassing smart grid, energy-saving home appliances, eco-cars and many other applications—to our priority business portfolio. In this way, we will support the development of society and the preservation of the environment.
The Renesas Electronics Group will contribute to the sustainable advancement of society. As an enterprise, we will conduct business that helps build a better future for people around the world by supplying superior semiconductor products powered with advanced technologies and by providing customer service that is honest and sincere.

We pledge to conduct our business with integrity and in compliance with legal requirements. We will work with and for the benefit of our stakeholders based on the following guiding principles:

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

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

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

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

**Environmentally friendly**
We pledge to develop, manufacture and sell semiconductor products that respect the environment, and we will strive to minimize the environmental impact of our products throughout the entire product life cycle. We will also participate in activities intended to harmonize human pursuits and the environment, promoting increased awareness of issues such as climate change and biodiversity.
Renesas Electronics Corporation was established on April 1, 2010 through the merger of NEC Electronics Corporation and Renesas Technology Corp. and is specialized in the manufacture of semiconductors. By integrating the two companies’ product technologies and marketing capabilities and further strengthening cost competitiveness, Renesas Electronics aims to achieve sustainable growth in an industry that is subject to dynamic changes in market conditions. At the same time, the Company will contribute to a world where people and the planet prosper in harmony by realizing its vision and building a new future for everyone.

In line with its establishment, Renesas Electronics has formulated the Renesas Electronics Group CSR Charter, which defines the Group's basic approach to CSR. In other words, this charter embodies a commitment that all Group members must adhere to in order for the Group to further enhance the trust of all stakeholders. In addition to product quality assurance and sound customer relationships, the charter covers issues that the entire Group must tackle. These issues include: (1) the proactive disclosure of corporate information; (2) the achievement of human resource diversity based on race, nationality, gender and age; (3) the creation of workplace environments where individuals can exert their full capabilities; (4) the addressing of human rights-related problems; (5) the realization of appropriate labor environments through, for example, the elimination of forced or child labor; and (6) the promotion of activities aimed at preserving biodiversity and preventing further climate change. These issues are similarly covered by the ten principles in the four categories of “human rights,” “labour,” “environment” and “anti-corruption” under the United Nations Global Compact. Accordingly, Renesas Electronics has declared its agreement with these principles and now participates in this UN initiative.

With the goal of accomplishing the Renesas Electronics Group CSR Charter, we are implementing various plans and measures.

The continued existence and growth of corporations are a prerequisite for the fulfillment of CSR. In accordance with this view, the Renesas Electronics Group launched a “100-day project” to examine and identify possible measures within 100 days following the merger to enable the stable growth of the Group and thereby quickly generate synergistic effects. Building on the successes made through this project, we are currently striving to sustain stable growth.
Also building on the successes gained under the 100-day project, the Renesas Electronics Group is promoting business activities through which it is endeavoring to contribute to the protection of the global environment through the reduction of its environmental impact and to help realize an affluent society through the provision of advanced technologies.

The semiconductor industry exerts a significant environmental impact due to substantial consumption of electricity, water and chemical substances in the fabrication processes. As a player in the industry, Renesas Electronics is continuing to step up efforts to minimize its environmental impact. In addition to minimizing the environmental impact of our fabrication processes, we are working to reduce the environmental impact of semiconductors throughout their entire life cycle—from development to disposal. In this way, we are aiding worldwide efforts to protect the environment.

The Company's semiconductor products are based on advanced technologies and are widely used in a variety of equipment and systems developed by our customers, including electronic device and automobile manufacturers. In fact, our semiconductors are contributing to the downsizing and improved energy efficiency of various finished products while increasingly serving as “building blocks” of societal development for future generations.

Also, the concept of “cloud computing” is gaining a firm foothold in society. Roughly speaking, cloud computing releases Internet users from the burden of maintaining and managing personal hardware and software and enables them to use the services that they desire via the Internet. The proliferation of cloud computing is expected to break down barriers between people and computers, allowing people to lead a convenient lifestyle without being conscious of the presence of computers. Our semiconductor products—embedded in communications systems and terminals—are supporting the development of cloud computing services today.

In recent years, technological development has enabled photovoltaic (PV), wind and other types of power generation. In fact, some types of power generation can now be conducted by households. In conjunction with such a change, there is a growing need to realize the comprehensive control of power consumption and supply at the household level. In response, the establishment of “smart grid”—a next-generation, optimal power distribution network system—is being promoted on a global scale with an eye to early deployment. Leveraging its sophisticated semiconductor technologies, Renesas Electronics is providing wide-ranging solutions to help realize smart grid power distribution in the near future.

As explained above, the Renesas Electronics Group is promoting business activities aimed at preserving the global environment and realizing an affluent society. We strongly believe that the technological advances we achieve will, directly and indirectly, benefit the future of the international community and the world in general, and that they will consequently empower society at large to advance, becoming a world where people and the planet prosper in harmony.

This CSR and Environmental Report 2010 is the first communication tool that describes the CSR activities and outlook of the Renesas Electronics Group as a newly established entity. We are committed to communicating with you, our fellow stakeholders, thereby further reinforcing our relationship based on trust with you. At the same time, we will do our utmost to maximize the corporate value of the Renesas Electronics Group. Your candid opinions and advice on this report and our corporate activities are important to us. We would like to hear from you. Your voice will be incorporated into our future activities.

Renesas Electronics Corporation
November 2010

Junshi Yamaguchi
Representative Director, Chairman

Yasushi Akao
Representative Director, President
The establishment of Renesas Electronics in April 2010 has integrated the product, technology and competitive capabilities of NEC Electronics and Renesas Technology. In addition, the stakeholders of the two companies have been integrated, which means that Renesas Electronics is now shouldering the social responsibility tasks and issues that were previously handled by the two companies separately. This special feature section will explain the current strengths and characteristics of the Renesas Electronics Group and elaborate on the Group’s approach to the protection of the global environment into the future.

Renesas Electronics Today

Today, with its newly integrated expertise in CSR, Renesas Electronics is a global company boasting net sales at the ¥1,000-billion level, commanding the leading share of the global microcontroller market and generating the world’s third highest sales of semiconductors.

Renesas Electronics is supporting modern industries and lifestyles through its world-leading operations in the three fields of “MCU Business,” “Analog & Power Devices Business” and “SoC Solutions Business” as well as through the generation of synergy among the activities in these fields. Furthermore, the Company is contributing to environmental protection through the provision of sophisticated semiconductor technologies, which help to realize more compact, energy-efficient home appliances and automotive electronic devices.

- Consolidated net sales (fiscal 2010)
  Approx. ¥1,062.4 billion*

- Workforce (as of April 2010)
  Approx. 48,000 (on a global basis)

- Global microcontroller market share (2009)
  30% (overwhelming No. 1 position)
  (see Note on inside front cover)

- Semiconductor sales (fiscal 2010)
  Approx. ¥942.5 billion
  (No. 3 in the global market)

- CO₂ emissions reduction
  (fiscal 2009 to fiscal 2010; Japan)
  Approx. 57,000 tons

- Ratio of employment of people with disabilities
  (as of June 1, 2010)
  1.99%

*The sum of NEC Electronics and Renesas Technology consolidated net sales in the fiscal year ended March 31, 2010, including sales of products other than semiconductors, is presented by adjusting the former Renesas Technology’s sales account to those presented by the former NEC Electronics.
Renesas Electronics Advancing toward a New Tomorrow

Renesas Electronics will continue to develop and market leading-edge semiconductors, thereby contributing to the improved convenience that society seeks for today and tomorrow and helping to protect the global environment.

Most of electronic devices and equipment—which underpin our modern lifestyles and allow us to make creative advances into the future—use semiconductors. At present, the value of annual semiconductor production in Japan totals approximately ¥5 trillion, commanding only about one percent of Japan’s GDP. However, the market scale of all the industries that use semiconductors—such as the electronics, automobile, broadcasting and telecommunication industries—is estimated to be around ¥220 trillion, which represents about 40% of the GDP. As this data shows, the significance of the semiconductor industry is rapidly growing. Meanwhile, the entire world is increasingly sharing the burdens of future issues in such fields as medical care, care for the elderly, social welfare, disaster prevention and food security. As digitalization accelerates in these fields, expectations for the roles that semiconductors can play are continuously ballooning.

Today, the entire human race is facing many problems that are completely different from those it has overcome in the past. These problems include: (1) societal changes attributable to advances in information communication technologies and the pace of such changes; (2) depletion of fossil energy resources; (3) climate change; and (4) destruction of the ecosystem. In order to help modern society overcome these and other problems, Renesas Electronics is continuing to achieve technological advances in the semiconductor field. As such, the Company is assisting the international community in saving energy and reducing greenhouse gas (GHG) emissions while stepping up efforts to enable people to lead more convenient, secure lifestyles than ever before.

Indeed, technological advances can be the most effective means in helping to prevent further destruction of the global environment. For example, smart grid systems, which are expected to optimize electric power distribution, use microcontrollers, and a lot of smart-grid projects using various types of measurement and communication devices are being promoted in many regions throughout the world. Of these devices, an electric power meter called “smart meter” provides communication functions, enabling electric power companies to constantly and accurately monitor household power consumption. Based on such monitoring, electric power companies will be able to promote the more efficient use of electric power. Moreover, if all home appliances were networked, monitored and controlled appropriately, the efficiency of power consumption would be improved for individual appliances. Thus, smart grid systems are drawing attention as a promising infrastructure for future communities.

As the above example clearly shows, microcontrollers, along with semiconductors, help reduce power consumption. What is more, they help eliminate various kinds of redundancies in households, offices, automobiles, and industrial machinery and facilities. In other words, they are playing an indispensable role in achieving efficiency in various aspects of human activities today. As manufacturer of a comprehensive lineup of semiconductors, Renesas Electronics will contribute to the realization of a sustainable society in advancing toward a new tomorrow.