Solid Technologies Building a Path to the Future

Q1 Give us an overview of business activities in fiscal 2013, and tell us what you aspire to do and have resolved to do going forward.

A1 In fiscal 2013, we were not able to keep pace with changes in our customer base, changes that resulted from the March 2011 earthquake and the rapid rise of the yen. Going forward, we will prepare thoroughly so that our CSR management works with and for the benefit of our stakeholders.

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

Stable profitability is essential for an enterprise to grow sustainably, but it is not the only reason enterprises exist. I believe that a company’s very existence, its very business, sustainably, but it is not the only reason enterprises exist. I meet our stakeholders’ expectations.

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

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

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

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

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

At Renesas Electronics, we see CSR as a strategy that aims to solve society’s problems and at the same time achieve sustainable growth for the company. As a means of doing this, Renesas Electronics as a whole shares a Corporate Philosophy, a statement of our values. It is important for us to put these values into practice on the job day to day. With our specialty technologies, we hope to provide solutions and services to as many of its problems as we can. This connects to the way Renesas Electronics practices social responsibility.

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

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

Q3 What do you think about social trends in relation to CSR, and how will you deal with them?

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

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

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

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

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

Since the semiconductor industry uses large volumes of resources like energy and water, it creates a large environmental burden. The Renesas Electronics Group is working actively to lower environmental burden, by adapting our production lines to conserve energy, optimizing production conditions to cut CO2 emissions, reusing water resources, and so on.

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

A4 We take every opportunity to listen. We aim to be a trusted partner of our customers the world over.

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

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

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

Q5 What is your message for your stakeholders?

A5 We aim to be a business that, as a member of society, listens to others and is trusted and needed by society.

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

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

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

Chairman and CEO
Hisao Sakuta