Number of the Outside Directors: 2
Number of Consultations/Reports Using Group Hotline in Fiscal 2014: 10
Renesas Electronics is working constantly to reinforce its corporate governance, based on the understanding that efficient, sound and transparent corporate management is the key to making continuous improvements in its corporate value. To this end, the Company establishes necessary management frameworks and implements various initiatives.

### Corporate Governance Structure

**Overview of Boards**

- **Board of Directors**
  - Makes decisions on important management issues
  - Supervises Directors' performance of duties
  - Five directors (two outside directors)
  - The chief role of external directors is to audit the execution of duties by other directors for appropriateness and to take part in management decision-making with their outside perspective.

- **Board of Corporate Auditors**
  - Audits Directors' performance of duties
  - Decides auditing policies, etc.
  - Supervises Directors' performance of duties
  - Four corporate auditors (four outside corporate auditors)
  - Three of the corporate auditors have considerable knowledge of finance and accounting.
  - Two of the outside corporate auditors are independent.

**Notes**

- As a rule, meets once a month and whenever necessary.
- Matters referred to the Board of Directors as a rule go through a pre-deliberation by the Executive Committee to allow for a fuller deliberation.
  - To clarify business execution responsibilities and speed up decision-making, we have implemented an executive officer system and provide appropriate authority to executive officers based on the area of responsibility they are assigned by the Board of Directors.

- As a rule, meets once a month and whenever necessary.
- To enhance the effectiveness of audits, Corporate Auditors collaborate with the accounting auditor, Renesas Electronics’ Internal Audit Office and other related divisions and offices to collect auditing-related information and to exchange views.

(As of August 31, 2014)
Renesas Electronics has formulated Basic Rules for Risk Management and, based on these rules, the Company has established a Group-wide risk-management structure. Risks in overall corporate management are categorized according to the level of possible exposure and the degree of potential impact on the Company. The Company designates a division or office responsible for each risk category. When a management crisis occurs, Renesas Electronics sets up a risk-specific task force in line with planned countermeasures. These risk-specific task forces do their utmost to minimize the negative impacts of a management crisis.

As part of enhancing its risk management system, Renesas Electronics recognizes business continuity plans (BCPs) as the primary means to prevent disasters and manage risks. Together with our Group companies, we have worked proactively to establish and strengthen our BCPs in order to protect the safety of employees, continue supplying products and services and safeguard our management resources. We performed a general inspection of our BCP predating the Great East Japan Earthquake and have made further revisions based on that experience and anticipated damage from an earthquake directly beneath the Tokyo metropolitan area and a Nankai Trough earthquake.

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

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

The CEO Office oversees all matters relating to promoting compliance and designates a division or office responsible for each compliance risk category.

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

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

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

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

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

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

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Compliance Risks

<table>
<thead>
<tr>
<th>Major Compliance Risks</th>
<th>Details</th>
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<tbody>
<tr>
<td>Fraudulent order/fictitious revenue</td>
<td>Subcontract Law violations, camouflage contracting, illegal importing, interest-conflicting transactions</td>
</tr>
<tr>
<td>Illega export</td>
<td>Computer viruses, illegal software copying, unauthorized access</td>
</tr>
<tr>
<td>Deceptive advertising</td>
<td>Infringement of others’ intellectual property rights</td>
</tr>
<tr>
<td>Antimonopoly Law violations (cartels, etc.), transactions with antiformal forces, confidential/personal information leaks, insider trading, internal illegal activities</td>
<td></td>
</tr>
<tr>
<td>Accounting fraud</td>
<td>Inappropriate relationships with sales partners, illegal conduct against sales partners</td>
</tr>
<tr>
<td>Human rights abuses (sexual harassment, etc.), occupational accidents, corporate entertainment/gift-giving scandals, illegal political donations</td>
<td></td>
</tr>
<tr>
<td>Environmental damage, contamination of specified hazardous substances</td>
<td></td>
</tr>
</tbody>
</table>
Compliance Hotline

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

In addition, by employing a third party who serves as an external contact point, we have established a system under which the anonymity of the person reporting is protected at his or her request. This external contact point can be accessed not only by the Group's executives, employees or temporary staff, but also by members of the Group's suppliers and authorized distributors. The Company's internal rules clearly prohibit the adverse treatment of those who consult with or report to the Group Hotline. The Company has posted such rules on its Intranet and Websites so that people can use the Group Hotline without anxiety. The hotline was used 10 times in fiscal 2014 for consultation or reporting.

Renesas Electronics Group Hotline

Initiatives against Antisocial Forces

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

Secure Export Control Initiatives

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

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

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

Confidential Information Management/Personal Information Protection

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

Privacy Policy (Website)
www.renesas.com/privacy/

Information Security Policy (Website)