

April 7, 2023

To: All Shareholders

Renesas Electronics Corporation

**The 21st Annual General Meeting of Shareholders
Questions Received from Shareholders and Answers**

At the 21st Annual General Meeting of Shareholders held on March 30, 2023 (the “Shareholders’ Meeting”), we received a total of 59 questions (including those only written as opinions) from shareholders, including questions submitted in advance, and questions made by attendees at the Shareholders’ Meeting.

We aim to provide as many shareholders as possible with a fair and equal opportunity to ask questions. However, in consideration of shareholders’ time and scheduling requirements, and due to the necessity of prioritizing questions related to the purpose of the Shareholders’ Meeting, we were unable to answer some of the questions during the Shareholders’ Meeting.

In order to answer to shareholders’ questions to the greatest extent possible, and to ensure transparency of the question and answer session at the Shareholders’ Meeting, we have compiled the below summary of all shareholder questions and our Company’s answers. Please note, the questions and answers below have been consolidated and summarized for ease of understanding due to the large number of questions received and multiple similar questions regarding certain topics.

This is the second year in which we have published questions and answers for the shareholders’ meeting. We will continue to actively consider and implement measures to further enhance communication with shareholders, including the option to hold a virtual-only shareholders’ meeting and the method and format of doing so. We thank you for your continued support.

1.	Q: Outlook for issuing dividends
	A: We regard shareholder returns as one of our most important matters alongside strategic investments. As part of the measures for shareholder returns, we conducted a share buyback totaling approximately ¥200 billion in 2022, and in 2023, we conducted another share buyback totaling approximately ¥50 billion.

We are also preparing to resume dividend payments as soon as possible. To this end, in 2023 we intend to continue to respond to various changes in business environment and to maintain our solid performance from the previous year.

2. Q: Measures to achieve Aspiration 2030

A:
We have announced our “2030 Aspiration” and set our target to raise corporate value by up to six times the market capitalization by 2030, which can be broken down into “two times cash flow” × “three times multiples.” We will achieve this target by increasing cash flow through raising sales revenue, eliminating the valuation gap with competitors, and by stabilizing cash flow through business model reform.

3. Q: Semiconductor supply and demand outlook ((i) current supply-demand situation and (ii) the Company’s supply outlook)

A:
We recognize that the supply and demand environment for semiconductors is easing considerably compared to last year. Nevertheless, there remains a sense of insufficiency in some areas of the semiconductor industry in general (not limited solely to our products) that use relatively mature processes and technologies, due to limitation in capacity expansion. In terms of demand, the EV sector continues to create demand for automotive products, and strong demand continues for industrial/infrastructure products.

In terms of securing production capacity, in addition to investing in our own factories, we are carrying out activities to secure supply volume by continuously sharing the medium-to long-term outlook with foundries. For raw materials, we are also sharing our outlook with our suppliers and concluding long-term contracts to secure supply volumes.

4. Q: Power Semiconductor: progress in recruiting activities for the Kofu Plant and technical issues of the factory restarting

A:
Recruiting activities for reopening the Kofu Plant are proceeding as planned, and we expect to be able to secure the planned number of hires. With regard to hiring experienced workers, we are proceeding with hiring mainly engineers who were employees at the former Kofu Plant and engineers from device manufacturers with

relevance to semiconductor production. For line workers, we are also promoting the recruitment of experienced workers at the former Kofu Plant in addition to new graduates.

In addition, in preparation for commencing operations of a new 300mm power semiconductor line at the Kofu Plant, engineers in charge of manufacturing equipment and processes will receive training and work experience at the Naka Plant, which has a 300mm facility (N3 line). We also plan to provide on-site support from development engineers at the Naka Plant N3 line at launch time. We are proceeding with product development of trial products by using the Naka Plant N3 line as the mother fab, and are identifying issues and pre-implementing countermeasures for mass production after the Kofu Plant restarts operations.

5. Q: Power Semiconductor: demand for and shares of 300mm power semiconductors

A:
Power semiconductors are one of the elements supporting the growth in the production and sales of chips for automotive applications, and we expect to see a significant demand for IGBT solutions and other products that we plan to produce after the restart of our Kofu Plant. We intend to expand the production of power semiconductors by carefully monitoring trends in demand and making appropriate investments.

6. Q: Power Semiconductor: mass production of RC-IGBT

A:
For RC-IGBT, we prioritize the provision of two-chip solutions using IGBT and FRD devices, which can fully demonstrate maximum performance by combining with our GDU and MCU.

In addition, we believe our solution meets the requirements for high current, high voltage, and high-frequency operation in high-power inverters.

7. Q: Aim of the Pantronics acquisition (including outlook for semiconductors for smartphones, etc.)

A:
Pantronics' NFC technology is used not only in IoT applications such as POS

devices, but also in automotive applications such as keyless entry systems. We believe this acquisition will be of great significance to us. Following the completion of the acquisition, we intend to further utilize Pantronics' technology in a greater variety of products and solutions.

8. Q: Production of advanced SoC (ASIC / ASSP) and provision of application platforms

A:
We have already started shipping sample products for our customers of our advanced SoC product "V4H," a 7-nanometer product for automobile applications.

With respect to application platforms, our Winning Combination enables us to integrate various applications and software by combining digital products (MCU and SOC) with other analog and power products. We will continue to increase the number of Winning Combinations and provide optimized application platforms.

9 Q: The current status of and plan for R&D expenses

A:
We invested in R&D to the amount of approximately 200 billion yen in 2022, which is equivalent to approximately 13% of sales for the year.

In terms of the breakdown of this cost by business unit, approximately one-third of the total R&D investment went to the Automotive Business Unit, and the remaining two-thirds went to the Industrial, Infrastructure, and IoT Business Unit. For the breakdown by product type, approximately half of the total investment went into microcomputer / SoC digital products, the other half for analog power products, and the remaining for power semiconductor. By region, approximately 60% of R&D investment was done in Japan, less than 30% in US, and the remaining in Europe and other regions including Asia.

10. Q: Number of domestic engineers hired

A:
The number of domestic engineers hired has been expanding in recent years. We hired approximately 100 new graduates in 2022, approximately 150 new graduates in 2023, and we expect the number will further increase in 2024. We have also been hiring experienced engineers on a scale equal to or greater than that of new graduate

hires.

11. Q: Trends in the number of domestic patent applications and publications, and the impact on technological capabilities

A:

The number of domestic patent applications and publications has seen a decline in recent years, but this is the result of shifting our approach from that of obtaining a large number of patents over a broad area, towards a policy of building a high-quality patent portfolio and striving to achieve a rationalization of intellectual property maintenance costs, with focus on patents that are truly necessary for the business. Even after the rationalization, we hold about 20,000 patents worldwide, and we have no concern that our technological capabilities will decline.

12. Q: Participation in academic conferences and effects on business

A:

We have been actively participating in major academic conferences and symposiums to present the results of our research and development. We will continue to utilize these opportunities to present our technological superiority to our stakeholders.

13. Q: Sustainability initiatives

A:

With our purpose, "To Make Our Lives Easier," we hope to build a sustainable future with technologies that make everyone's life easier. Based on this aim, we have established a Sustainability Promotion Office as an organization directly under the CEO, and the Board of Directors has newly appointed an Outside Director as an ESG Sponsor last year to promote our sustainability initiatives.

Regarding our sustainability efforts, the major pillars of our environmental initiatives are the effective use of water resources and reducing CO2 emissions. We are making steady progress in effective use of water resources, and we are also taking proactive steps to reduce our CO2 emissions. As part of this, from last year, we have started using electricity derived from renewable energy. We will continue our efforts to realize the externally announced targets for 2030 and 2050.

In addition, we plan to publish our first Sustainability Report at the end of April this year to promote understanding of our sustainability efforts.

We believe the solutions provided by the semiconductor products we develop and produce will contribute to the promotion of global sustainability, and we will further continue to expand and promote sustainability initiatives through our core business.

14. Q: Policy on appointment of Directors

A:

We have a relatively small number of directors (five) based on the concept that the Board of Directors should make the best decisions for the Company and fulfill its fiduciary duty to shareholders based on constructive and intensive discussions. The selection of directors is conducted from this perspective through appropriate procedures such as deliberations by the Nomination Committee.

We also emphasize factors such as diversity. In addition, since outstanding candidates for outside directors are often extremely busy, we also confirm and ensure that they will be able to devote sufficient time to our Board of Directors by approaching them over the long term.

15. Q: Pros and cons of virtual-only shareholders' meetings and plans for future operation

A:

We have decided to hold the 21st Annual General Meeting of Shareholders on a virtual-only basis in order to provide all shareholders with the opportunity to attend the meeting as equally as possible, regardless of their located region or country.

With a hybrid system that uses both on-site and online attendance, it is not easy to treat the on-site and online participants completely equally. We believe we can ensure more equality and fairness among participants by holding the meeting completely online. We also believe a fully online meeting will make it easier for shareholders who are unable to come to the venue to participate in the meeting, thereby expanding access to our shareholders' meeting.

In fact, the number of participating shareholders increased approximately four times compared to last year, when the meeting was held using the hybrid method, and we believe the reason for choosing the virtual-only method was proved to be correct.

Since this year was the first time we held a virtual-only shareholders' meeting, we will continue to seek the best possible format in light of feedback received from our shareholders.

16. Q: Impact of Ukraine situation on local employees and production

A:
We have a base in Lviv, a city in the western part of Ukraine, with approximately 200 employees. We consider our employees and business partners in Ukraine as indispensable. Since the emergency in Ukraine, we have continued our business in Ukraine by implementing telecommuting and using operations in other locations as substitutes.

In terms of production, we do not have any production subcontractors in the relevant region. Other factors, including the procurement of raw materials, have not affected the production activities of the Company and its subcontractors.

17. Q: Impact of JOLED's filing for court protection under the Civil Rehabilitation Law

A:
The impacts on the Company will be extremely limited.

18. Q: Accounting Auditor's audit of amortization associated with large-scale investments

A:
For investment projects, impairment losses are determined on a regular basis and when indications of a decrease in profitability are recognized. The accounting auditor has provided its unqualified opinion as stated in the audit report, as a result of audits conducted in accordance with auditing standards.

19. Q: Compensation system (base salary increases for employees, etc.)

A:
We have introduced a personnel system based on the importance of roles in order to respond to environmental changes in the semiconductor industry and to implement compensation based on a Pay for Performance policy. With regard to base salaries, we conduct reviews globally every April with reference to market data, etc. We are striving to maintain high performers based on our Pay for Performance policy rather

than the uniform regular salary increases introduced by typical Japanese companies. We will continue our efforts towards an improved personnel and compensation system that is in line with the business environment.

20. Q: Bonus system (differences among business units, etc.)

A:
The bonus system is also based on our Pay for Performance policy in order to motivate top talents to achieve great performance. In addition to individual performance, we determine appropriate levels of bonuses based on the performance of each business units.

21. Q: Personnel evaluations (differences based on (1) employee's age, (2) length of service, (3) gender, (4) dependents, and (5) use of childcare leave)

A:
Personnel evaluations are based solely on performance, according to our Pay for Performance policy, and employees are not evaluated on the basis of age, length of service, gender, dependents, or use of childcare leave.

22. Q: Gap in salaries, bonuses, promotion, etc. between men and women in Japan

A:
We evaluate employees both domestically and internationally based on the Pay for Performance policy only on the basis of performance. There is no discrepancy between men and women in the treatment of salary increases, bonuses, promotions, etc. We believe that the reason for the difference in the average salary between men and women is due to differences in the labor structure and other factors.

23. Q: Employment of the elderly (employment of the elderly overseas, foreign employees aged 60 or older in Japan, etc.)

A:
We have implemented appropriate measures to employ the elderly in other countries outside of Japan in accordance with laws and regulations. We also currently have one foreign employee aged 60 or older in Japan.

24. Q: Re-employment system (salaries, etc.)

A:
For re-employed employees after mandatory retirement, salaries will be changed

	<p>based on differences in job descriptions and related responsibilities. In addition to organizational personnel plans and business strategies, the Company will appropriately decide on duties and roles based on the organization's personnel plans and business strategies, as well as comprehensive consideration of the specialized knowledge, skills, and techniques of each employee.</p>
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25.	<p>Q: Our policy on remote work</p> <p>A: We have proactively introduced a remote work system from an early stage, including investing in the IT necessary to enable this, to provide employees with a variety of work style options. Our remote work system is in line with the guidelines of the Ministry of Health, Labor and Welfare. Even after the COVID-19 pandemic eases, we intend to meet the needs of the organization and individuals as much as possible, and there is no change in our policy on remote work.</p>
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26.	<p>Q: Introduction of the hourly annual leave system</p> <p>A: We introduced the hourly annual leave system in January 2022 to increase options and enable flexibility of working styles. It has been actively used for childcare, nursing care, school events, etc. (Approximately 70 employees used the system per month in 2022.)</p>
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27.	<p>Q: Compliance with ILO Core Labor Standards and other international standards</p> <p>A: We review our personnel practices appropriately and continuously in accordance with the laws and regulations of each country, while also complying with the ILO and other international rules and standards.</p>
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28.	<p>Q: Compliance with labor-related laws and regulations</p> <p>A: We conduct our business in compliance with labor-related laws and regulations and will continue to comply with laws and regulations to respond to various situations.</p>
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All answers above are based on information available as of the date of the 21st Annual General Meeting of Shareholders (March 30, 2023).