

April 9, 2025

To: All Shareholders

Renesas Electronics Corporation

**The 23rd Annual General Meeting of Shareholders
Questions Received from Shareholders and Answers**

At the 23rd Annual General Meeting of Shareholders held on March 26, 2025 (the “Shareholders’ Meeting”), we received a total of 53 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 respond to the questions received from the shareholders to the best of our ability and to ensure transparency on Q&A process at the Shareholders’ Meeting, we publish a summary of all questions and answers received at the Shareholders’ Meeting.

Because we received a large number of questions, including multiple questions regarding similar topics, we have summarized the questions we received into major categories and focused our answers on the main points for ease of understanding. Therefore, the number of questions listed below will not exactly match the number of questions received, as noted above. For questions that were answered during the General Meeting of Shareholders, detailed answers can be found in the video of the General Meeting of Shareholders published on our website.

This is the fourth 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: Details of the digitalization strategy
	A: Please refer to the video of the General Meeting of Shareholders available on our website .

2. Q: Reason for the recent decline in MCUs market share and the future strategies

A:

We have seen some media reports that our auto MCU market share has declined in the recent years, but we understand this decline is due to our switch to 28nm products in around 2017 - 2019 timeframe which the specifications did not match the mainstream market at that time. We are now developing and providing new products which meet the market requirements and are aware of growing customer interest in our products, and we expect our market share will recover in the future. According to Gartner's 2024 auto MCU market result, our auto MCUs market share (on a sales basis) has increased by 1.3% YoY.

3. Q: Investment in China

A:

China is expected to continue to grow as the world's largest semiconductor market. As one of our focused markets, we are working on various measures such as business development adapted to meet the local ecosystem and acquiring design-ins through collaboration with local companies. As for our software business, we plan to expand our SaaS (Software as a Service) business by developing a wide range of customers with Altium 365 etc., from large corporations to small and medium-sized enterprises.

4. Q: Impact of a change in US presidential administration

A:

At this point, possible impacts to our business could be, for example, with regard to automobile products, if automobile prices rise in response to higher tariffs, this may lead to a slowdown in demand, which may affect our sales of automotive semiconductor products. In addition to such indirect effects may be caused by the trends in the end products which incorporate our products, possible imposition of tariffs directly on our semiconductor products may also impact to our business. We will continue to monitor the situation closely.

5. Q: Initiatives on DX and AI utilization

A:

We are actively working on a variety of measures toward the DX and utilization of AI, focusing on improving the daily operation efficiencies through the use of AI including generative AI and DX, and improving the efficiency of product design and developments through the use of existing and internally developed AI tools while also utilizing technologies of Altium.

6.	Q: Initiatives and strategies for AI-related products
	<p>A:</p> <p>We are actively engaged in the development of value-added products that incorporate or utilize AI technology. For example, we provide “RZ Series,” which is MPU products for edge AI-related applications, and AI software solutions (Reality AI solutions) to run on MCU products. Furthermore, for automated driving and next-generation in-vehicle architecture (SDV), we develop and supply high-performance in-vehicle SoCs “R-Car Series” which achieve 2000 TOPS of AI performance, and are accelerating the use of AI in the in-vehicle field. We also develop and supply other power semiconductor-related products for AI servers for data centers and AI PCs.</p>
7.	Q: Products development of our power semiconductor business
	<p>A:</p> <p>We aim to provide ecosystem-based power semiconductor solutions leveraging our strength in power semiconductor products, including high-voltage GaN (650/700V), to provide higher efficiency, lower power losses, and smaller form factors for EVs & eMobility, infrastructure & computing, energy & industrial, and consumer/fast charging applications. We believe we offer higher value to customers as been a one-stop shop for both HV and LV power semiconductor products.</p>
8.	Q: Our software support system
	<p>A:</p> <p>We inform our customers the issue and solutions through “Tool News” when a defect or other problems are found in our software and continuously improving the quality of our products from various perspectives. Please contact our technical support if you have any inquiries on specific software products.</p>
9.	Q: Financing for Altium acquisition
	<p>A:</p> <p>We are raising funds in an appropriate manner without relying on conventional bank loans, taking into consideration various factors such as the market environment and our financial indicators. For the Altium acquisition, we raised 938.0 billion yen in July 2024 from MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank and others based on the loan agreement executed in May 2024.</p>
10.	Q: 2030 Aspiration and future sales forecast
	<p>A:</p> <p>We are making steady progress toward achieving our "2030 Aspiration"—to become</p>

a top-three embedded semiconductor solution supplier, achieve revenue exceeding \$20 billion, and increase the equity value sixfold from January 2022 levels—and there is no change to this goal. We will continue to aggressively implement measures to achieve “2030 Aspiration” such as acquisition of Altium and initiative of our “Back to Basics.”

11. Q: Impact and outlook of Ukraine conflict

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 beginning of the conflict 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. We are taking appropriate measures, including the procurement of raw materials and logistics, so there is no impact on the production activities of the Company and its subcontractors.

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

A:

R&D expenditures for FY2024 totaled approximately 229.8 billion yen on a Non-GAAP basis. By product use, about 2/5 of R&D investments were in automotive, and about 3/5 in industrial, infrastructure, and IoT. By business field, about 1/4 were in High Performance Computing, 1/5 were in Embedded Processing, about 1/4 were in Analog & Connectivity, about 1/4 were in Power, and the rest were in other businesses including Altium. By region, Japan accounts for about half, the U.S. for about one-fourth, and the rest are in Europe, Asia, and other regions.

13. Q: Trends in the number of domestic patent applications and publications

A:

The number of domestic patent applications and publications has seen a decline compared to the mid-2010s, 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. We hold about 20,000 patents worldwide and are not aware of the decline in our technological capabilities.

14.	Q: Number of domestic engineers hired
	<p>A:</p> <p>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 2024, and approximately 150 new graduates in 2025. We have also been hiring experienced engineers on an as-needed basis, considering position and skills required, on a scale equal to or greater than that of new graduate hires.</p>

15.	Q: Treatment and training of employees
	<p>A:</p> <p>We have introduced a personnel system based on the importance of roles to respond to environmental changes in the semiconductor industry and to implement compensation based on a Pay for Performance policy. In addition to providing necessary training in a timely manner so that each employee can demonstrate their abilities, we have established a compensation system and educational programs that allow all employees to inspire, improve, and demonstrate their abilities.</p>

16.	Q: Bonus system
	<p>A:</p> <p>The bonus system is 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.</p>

17.	Q: Policy on remote work
	<p>A:</p> <p>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. We will continue to respond appropriately in accordance with the guidelines.</p>

18.	Q: Personnel evaluations (differences based on (1) employee's age, (2) length of service, (3) gender, (4) dependents, and (5) use of childcare leave)
	<p>A:</p> <p>Personnel evaluations are also 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.</p>

19.	Q: Re-employment system (salaries and roles, etc.)
	<p>A:</p> <p>For employees re-employed after mandatory retirement, salaries will be changed based on differences in job descriptions and related responsibilities. Duties and roles will be determined appropriately, taking into account the organization's workforce plan and business strategy, as well as the specialized knowledge, skills, and techniques possessed by each employee.</p>

20.	Q: Employment of the elderly outside of Japan
	<p>A:</p> <p>We have implemented appropriate measures to employ the elderly in other countries outside of Japan in accordance with laws and regulations. We currently have one foreign employee aged 60 or older in Japan.</p>

21.	Q: Gap in salaries, bonuses, promotion, etc. between men and women in Japan
	<p>A:</p> <p>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.</p>

22.	Q: Accounting Auditor's audit
	<p>A:</p> <p>We take steps to ensure an appropriate audit by the Accounting Auditor by sharing documents and data related to accounting procedures as well as regularly interviewing the leadership team.</p>

23.	Q: Compliance with labor-related laws and regulations
	<p>A:</p> <p>We conduct our business in compliance with labor-related laws and regulations, and will continue to respond to various situations appropriately by complying with laws and regulations.</p>

All answers above are based on information available as of the date of the 23rd Annual General Meeting of Shareholders (March 26, 2025).

The following questions were answered at the General Meeting of Shareholders, so please refer to the video of the General Meeting of Shareholders available on our [website](#). The questions and answers are generally listed in the order in which they were asked and answered at the General Meeting of Shareholders, although some questions with similar content have been combined.

24.	Q: Shareholder return policy
25.	Q: Cash allocation policy
26.	Q: Future business forecast, market outlook and average product price
27.	Q: Renesas and Altium platform business model
28.	Q: Necessity of canceling the annual merit increase and headcount reduction
29.	Q: Status of technology development of advanced process nodes
30.	Q: Composition of the Board of Directors
31.	Q: Operation status of Kofu Plant