

INCJ to sell part of its shares in Renesas Electronics Corporation

Tokyo, April 26, 2018 – Innovation Network Corporation of Japan (INCJ) announced today that it has sold 203,359,600 of its shares in Renesas Electronics Corporation (Renesas). Following the disposal, INCJ's shareholding in Renesas is 33.4%, down from 45.6%

About Renesas Electronics Corporation

Renesas Electronics Corporation (TSE: 6723) delivers trusted embedded design innovation with complete semiconductor solutions that enable billions of connected, intelligent devices to enhance the way people work and live—securely and safely. A global leader in microcontrollers, analog, power and SoC products and integrated platforms, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, Home Electronics, Office Automation and Information Communication Technology applications to help shape a limitless future. Learn more at renesas.com.

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private investment company that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to JPY2 trillion (approx. US\$20 billion).

INCJ's management team is drawn from the private sector with diverse experience in investment, technologies and management. Through its Innovation Network Committee, INCJ assesses investment opportunities that contribute to industrial innovation in Japan in line with criteria set by the government.

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【Additional information】

1. About Renesas

Renesas Electronics Corporation

- Established: November 1, 2002 (Operating from April 1, 2010)
- CEO: Bunsei Kure
- HQ: Koto-ku, Tokyo
- Principal activities: Research, development, design, manufacturing, sale and service related to various semiconductor products

2. Initial investment overview

- Investment decision announcement: December 2012
- Authorized investment amount: JPY 150 billion (maximum)
**Up to JPY 50 billion additional investment was authorized for future growth capital as needed*
- Actual investment amount: JPY 138.35 billion
- Co-investors/ Consortium members at the time of the investment:
Toyota Motor Corporation, NISSAN MOTOR CO. LTD., Keihin Corporation, DENSO Corporation, Canon Inc., NIKON CORPORATION, Panasonic Corporation, YASKAWA Electric Corporation
- Shareholding: 69.2% (at the time of investment)
(Reference) INCJ resolves to make joint capital investment in Renesas Electronics Corporation
<https://www.incj.co.jp/english/news/upload/docs/b91ecaa48c32f1a459841bf5966e8d90377edbd.pdf>
(Reference) INCJ to sell its shares in Renesas Electronics Corporation: June 2017
<https://www.incj.co.jp/english/news/upload/docs/af0e1244aaba1946a163ecb293f7da7cd124a957.pdf>
(Reference) INCJ to sell part of its shares in Renesas Electronics Corporation: March 2018
https://www.incj.co.jp/english/news/upload/docs/E_PressRelease_INCJ_Renesas_20180309.pdf

3. Investment background

(1) Investment background

Renesas has been bolstering a broad range of industries in Japan with its core microcontroller (MCU) products. In particular, Renesas boasts the world's leading market share in the automotive MCU segment, where its products are recognized for its advanced technologies and expertise accumulated through cooperation with the automotive industry.

However, at the same time, Renesas needed a solid earnings structure to thrive in the extremely volatile semiconductor market.

In December 2012, INCJ and 8 other consortium members decided to invest a total of JPY 150 billion in Renesas to fund its structural reform and provide growth capital. INCJ concluded that the stable operation of Renesas, and its continuing provision of excellent products into the future, will contribute to new product and business innovation not just in the semiconductor industry but in related industries as well, and therefore executed a JPY 138.35 billion investment in September 2013.

(2) Post investment progress of the business

Post investment, Renesas has executed comprehensive structural reforms encompassing production, operation and talent management, enabling the company to transform into a profit making entity.

(3) Regarding the current transaction

In June 2017, INCJ announced the disposal of 317,688,800 Renesas shares via a public offering. In March 2018, INCJ sold 75,026,425 shares to Denso. In the current transaction, INCJ has sold 203,359,600 shares. Following the disposal, INCJ's shareholding is 33.4%, down from 45.6%.

4. Ministerial opinion (Minister of Economy Trade and industry)

INCJ should consider the ideal structure of the Japanese semiconductor industry and liaise with METI closely when considering the sale/disposal of the remaining Renesas shares held.