

INCJ to sell part of its shares in Renesas Electronics Corporation

Tokyo, June 16, 2021 – INCJ, Ltd. (“INCJ”) announced today that it has sold 163,535,900 shares of Renesas Electronics Corporation (“Renesas”) held by INCJ in the issuance of new shares and the secondary offering of shares of Renesas. Upon completion of this transaction, INCJ's shareholding ratio in Renesas has reduced from 32.1%* to 20.4%. *As of May 31, 2021

INCJ has granted the designated Japanese underwriter in the transaction, the right to additionally acquire up to 3,094,000 shares of Renesas in connection with the over-allotment accompanying the secondary offering. If such rights are fully exercised, INCJ's shareholding in Renesas will reduce to 20.2%.

About Renesas Electronics Corporation

Renesas Electronics Corporation 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, and a leader in Analog & Power and SoC products, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, infrastructure, and IoT applications that help shape a limitless future. Renesas's registered head office is located in Japan (Koto-ku, Tokyo) and Renesas employs approximately 19,000 employees.

Learn more at [renesas.com](https://www.renesas.com).

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan. Innovation Network Corporation of Japan was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations. Following revisions to its governing law—the Industrial Competitiveness Enhancement Act—the continuing company changed its name to Japan Investment Corporation (JIC) and began new activities. INCJ, Ltd. is mandated until March 2025 to pursue the activities of the original Innovation Network Corporation of Japan, engaging in “Value Up” initiatives at portfolio companies, making additional and milestone investments, and developing exit strategies from investments in portfolio companies.

URL: <http://www.incj.co.jp/english/>

Appendix

Target: Renesas Electronics Corporation

- Established : November 1, 2002 (Operating from April 1, 2010)
- Representative : Hidetoshi Shibata
- Headquarters : Koto-ku, Tokyo
- Business outline : Research, development, design, manufacturing, sale and service related to various semiconductor products

Overview of investment

- Announcement date : December 2012
- Authorized investment amount : JPY 150 billion (maximum)
 - *Up to JPY 50billion additional investment was authorized for future growth capital as needed
- Actual investment : 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)
<https://www.incj.co.jp/english/newsroom/upload/docs/b91ecaa48c32f1a459841bf5966e8d90377edbda.pdf>

- (Reference) INCJ to sell part of its shares in Renesas Electronics Corporation: June 20, 2017
<https://www.incj.co.jp/english/newsroom/upload/docs/af0e1244aaba1946a163ecb293f7da7cd124a957.pdf>
- (Reference) INCJ to sell part of its shares in Renesas Electronics Corporation: March 9, 2018
https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Renesas_20180309.pdf
- (Reference) INCJ to sell part of its shares in Renesas Electronics Corporation: April 26, 2018
https://www.incj.co.jp/english/newsroom/upload/docs/E_Press%20Release_INCJ_Renesas.pdf

1. Background of investment

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 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 150bn 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 138.35bn investment in September 2013.

2. Business progress

Post investment, Renesas has executed comprehensive structural reforms encompassing production, operations and talent management, enabling the company to transform into a profit-making entity. In addition, as part of its long-term growth strategy, Renesas has expanded its lineup of analog products by acquiring US analog semiconductor companies Intersil Corporation in February 2017 and Integrated Device Technology, Inc. in March 2019. These acquisitions have enhanced its analog product line-up and enabled an expansion of kit solutions by combining analog semiconductor products with their existing strengths in MCU and SoC to serve a wide range of customers in the automotive, industrial, infrastructure, and IoT sectors.

On February 8, 2021, Renesas announced that it had reached an agreement to begin the process of acquiring British semiconductor company Dialog Semiconductor Plc, further accelerating these transformation initiatives.

3. Regarding the current transaction

INCJ's original aim was to return Renesas to a growth trajectory, and this is on track with the aforementioned large-scale M&A and subsequent business integration. INCJ believes that it is desirable for Renesas to pursue further growth under a diverse shareholder structure, and remains committed to supporting the growth of Renesas even after the sale of these shares, concomitant with its ongoing position as a large shareholder. With respect to the remaining shares held in Renesas, INCJ intends to sell these within INCJ's investment activity period through to the end of March 2025, taking into account progress in the company's growth strategy and the supply and demand of shares.

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