News Release

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INCJ to sell part of its holdings in Renesas Electronics Corporation

Tokyo, June 22, 2022– INCJ, Ltd. ("INCJ") announced today that it has sold 168,016,000 shares of Renesas Electronics Corporation ("Renesas") by tendering them in a tender offer conducted by Renesas Electronics Corporation.

As a result of this sale, INCJ's shareholding in Renesas Electronics has decreased from 20.1*% to 12.6%.

*As of May 31, 2022

About Renesas Electronics Corporation

Renesas Electronics Corporation is a semiconductor manufacturer established in April 2010 through the business integration of NEC Electronics Corporation and Renesas Technology Corporation. As the world leading global microcontroller company, Renesas Electronics provides a variety of semiconductors, mainly embedded processors, analog & power, and connectivity in the automotive, industrial, infrastructure, and IoT fields. The company also contributes to early stage development by proposing "winning combination" solutions that optimally combine its products. By connecting all kinds of things and promoting intelligent endpoints, Renesas aims to create a sustainable future with technologies that make people's lives easier.

Learn more at https://www.renesas.com/jp/en.

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ 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： JPY150 billion (maximum)

*Up to JPY50 billion additional investment was authorized for future growth capital as needed

- Actual investment： JPY138.35 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

（Reference）INCJ to sell part of its shares in Renesas Electronics Corporation
https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Renesas_20210616.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.

In 2021, Renesas has acquired UK-headquartered analog semiconductor company Dialog Semiconductor Plc, and Israel-based Wi-Fi chipset developer Celeno Communications Inc., further advancing the company's transformation initiatives.

3. **Regarding the current transaction**

INCJ's original aim was to return Renesas to a growth trajectory. 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.

Renesas recently made a proposal to acquire its own shares through a tender offer for the purpose of returning profits to its shareholders, improving capital efficiency, and stabilizing the potential supply and demand for its shares. After considering and evaluating the proposal from various perspectives, including economic rationale, INCJ determined to enter into a tender agreement with Renesas and tender its shares in the tender offer.

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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