

INCJ sells its remaining holdings in Renesas Electronics Corporation

Tokyo, November 14, 2023 – INCJ, Ltd. (“INCJ”) announced that it has completed the sale of all shares (excluding odd-lot shares)* of Renesas Electronics Corporation (“Renesas Electronics”) held by INCJ as of today.

As a result of this sale, INCJ's shareholding ratio** of Renesas Electronics went from 7.38%*** to 0%.

*Excluding 75 shares, which amount to less than one unit (100 shares). These 75 shares will be disposed of separately and without delay.

** Ratio based on voting rights

*** As of November 13

About 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, sales and service related to various semiconductor products

Overview of investment

- Announcement date: December 2012
- Authorized investment amount: JPY150 billion (maximum)
 - *Additional investment of up to JPY50 billion was authorized, as needed, for future growth capital
- 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/b91ecaa48c32f1a459841bf5966e8d90377edbdba.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

(Reference) INCJ to sell part of its holdings in Renesas Electronics Corporation

https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Renesas_20220622.pdf

(Reference) INCJ to sell part of its holdings in Renesas Electronics Corporation

https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Renesas_20230404.pdf

(Reference) INCJ to sell part of its holdings in Renesas Electronics Corporation

https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Renesas_20230818.pdf

(Reference) INCJ to sell part of its holdings in Renesas Electronics Corporation

https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Renesas_20231012.pdf

(Reference) INCJ to sell part of its holdings in Renesas Electronics Corporation

https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Renesas_20231025.pdf

1. Background of investment

Microcontroller products, the core of Renesas Electronics product lineup, supported a wide range of Japanese industries. In particular, Renesas Electronics' automotive microcontroller products were highly regarded for their advanced technology and know-how accumulated through cooperation with the automotive industry, and maintained the top share of the global market. At the same time, Renesas Electronics needed to build a robust profit structure to survive in the rapidly changing semiconductor industry.

In December 2012, INCJ and eight consortium companies decided to invest a total of JPY150 billion in Renesas Electronics to promote structural reform and investment for growth. INCJ decided to invest 138.35 billion yen in Renesas Electronics in September 2013, based on the judgment that Renesas Electronics' stable operation of its business and continued supply of superior products would contribute to the creation of new businesses and products not only in the semiconductor industry but also in related industries.

2. Business progress

Post investment, Renesas Electronics, -through the implementation of comprehensive structural reforms, including areas of production, business, and personnel, - has gone through a transformation that enabled it to generate sustainable profits. Furthermore, as part of its growth strategy, the company has acquired U.S. analog semiconductor companies Intersil Corporation in February 2017 and Integrated Device Technology, Inc. in March 2019, expanding its analog product lineup. These acquisitions have allowed Renesas Electronics to expand its kit solutions, which combine analog semiconductor products with microcontrollers and SoCs, traditionally Renesas Electronics' strong suit, to provide a wide range of products for the automotive, industrial, infrastructure, IoT, and other fields.

Renesas Electronics has acquired several other companies, including Dialog Semiconductor Plc, a UK-based analog semiconductor company (August 2021), further accelerating these efforts.

3. Regarding the current transaction

INCJ recognizes that by returning Renesas to a stable growth trajectory, it has fulfilled its role as a shareholder. INCJ has been systematically reducing its shareholding through appropriate means and timing that took into consideration the progress of its post investment support activities and the execution of Renesas' future growth strategy, leading to this final sale.

Upon completion of the sale, Toshiyuki Shiga, Chairman and CEO, Member of the Board of INCJ, commented: "10 years have passed since we invested in Renesas to support its growth in the rapidly changing semiconductor industry. Through methodical implementation of structural reforms, Renesas has transformed into a company capable of generating sustainable profits. It has established a strong presence in the global semiconductor industry, through steadfast execution of large-scale acquisitions and post-merger integrations. We look forward to seeing Renesas excel and grow further under a diverse shareholder structure."

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/>

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