

**Renesas Electronics Announces Share Issue through Third-Party Allotment,  
and Change in Major Shareholders, Largest Shareholder  
who is a Major Shareholder, Parent Company and Other Related Companies**

**TOKYO, Japan, December 10, 2012** – Renesas Electronics Corporation (TSE: 6723, hereafter “Renesas” or “the Company”), a premier supplier of advanced semiconductor solutions, at a meeting of the board of directors held today, resolved to issue shares through Third-Party Allotment to The Innovation Network Corporation of Japan (“INCJ”), Toyota Motor Corporation, Nissan Motor Co., Ltd., Keihin Corporation, Denso Corporation, Canon Inc., Nikon Corporation, Panasonic Corporation and Yaskawa Electric Corporation, and (hereafter the “scheduled subscribers”).

In implementing the Third-Party Allotment, one of the scheduled subscribers, INCJ, is required to file for regulatory approval in relation to business mergers with competition authorities in various countries, and the payment pertaining to the Allotment of Third Party Shares is subject to approval from all the applicable regulatory authorities. Furthermore, implementation of the Third-Party Allotment will result in changes to major shareholders, the largest shareholder who is a major shareholder, the parent company and other related companies, as outlined herein.

**I. Outline of the Third-Party Allotment**

1. Outline of the offering

(1) Issue period	February 23, 2013 through September 30, 2013 (Note 1) The above schedule takes into account the time required by the competition authorities of each country where INCJ, one of the scheduled subscribers, files application, to review the Third-Party Allotment. Payment for the following total of shares is to be made promptly by the scheduled subscribers after approval from all applicable antitrust authorities, etc. is obtained.
(2) Number of shares to be newly issued	1,250,000,000 common shares
(3) Issue price	¥120 per share
(4) Amount to be procured	¥150,000,000,000
(5) Method of offer or allotment	Third-Party Allotment

(6) Subscribers and shares per subscriber	The Innovation Network of Japan Toyota Motor Corporation Nissan Motor Co., Ltd. Keihin Corporation Denso Corporation Canon Inc. Nikon Corporation Panasonic Corporation Yaskawa Electric Corporation	1,152,917,000 shares 41,666,600 shares 25,000,000 shares 8,333,300 shares 8,333,300 shares 4,166,600 shares 4,166,600 shares 4,166,600 shares 1,250,000 shares
(7) Other	Each of the above items will be subject to (1) approval of an amendment of the Company's Charter to increase the total number of authorized shares and approval of the issuing of shares through third-party allotment at an extraordinary meeting of shareholders scheduled to be held on February 22, 2013, (2) the effectiveness of the Securities Registration Statement under the Financial Instruments and Exchange Act, and (3) regulatory approval in relation to business mergers from all applicable competitive authorities in various countries where INCJ, one of the scheduled subscribers, files applications.	

Note 1: With regard to the Third-Party Allotment, under the Companies Act the pay-in period has been set as February 23, 2013 to September 30, 2013, and this period is recorded as the pay-in date. The reason for setting the pay-in period as February 23, 2013 to September 30, 2013 is that in implementing the Third-Party Allotment, it is expected that one of the scheduled subscribers will be required to file for regulatory approval in relation to business mergers with competition authorities in various countries, meaning that if such regulatory filings are undertaken, in cases where a waiting period is required the scheduled subscriber will be unable to pay in the relevant funds until the waiting period is over. Moreover, it is not possible to confirm the date of completion for the above procedures as of today. The necessity of filing for permission from the competition authorities in each country is determined according to the annual sales of the issuing and subscribing companies, along with factors such as the percentage of voting rights in the issuing company that will be secured by the subscriber, and as of today it has been found that applications to competition authorities will be necessary in Japan, China, South Korea, Taiwan and the EU. It is planned that the capital increase by Third-Party Allotment will be filed and paid in promptly, for issuance of the total amount of new shares in a single issue, upon receipt of approval from all of the applicable national competition authorities.

## 2. Purpose and Background of Offering

### (1) Operating Environment and Initiatives to Date

Japan's major industries, especially manufacturing, have faced significant threats from a series of severe, non-cyclical events which have brought about significant changes. These include the global financial crisis sparked by the 2008 Lehman Brothers collapse, natural disasters like the Great East Japan Earthquake and flooding in Thailand last year, the current rekindling of the European fiscal crisis and slowdown in China's economy, and destabilization of relations

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between Japan and countries in East Asia. Given also the significant influence of the persistent strong yen and the rapid changes in the domestic Japanese consumer equipment market, semiconductor industry players are also facing tough operating conditions, as exemplified by the bankruptcy of a DRAM manufacturer in February 2012.

As a result of this global economic situation and these unprecedented changes in the Japanese market, we posted large net losses in two consecutive terms following the April 1, 2010 integration of the former NEC Electronics and Renesas Technology (consolidated net losses of ¥115,023 million in the year ended March 2011, and ¥62,600 million in the year ended March 2012). Similarly, we forecast a consolidated net loss of ¥150 billion for the year ending March 2013 due to implementation of business and structural measures, as well as a personnel streamlining program, as per our announcement of August 2, 2012. Moreover, there has been considerable concern with regard to balance sheet deterioration; consolidated net assets as of September 30, 2012 were ¥106,820 million (47% of the ¥226,500 million recorded as of March 31, 2012).

Since the April 1, 2010 integration, we have steadily implemented various initiatives, built around integration synergies and structural reforms. We realized integration synergies including: reduction of material costs through standardization of materials and bulk purchasing; improvement of R&D cost efficiency through integration and focusing of technological assets; and reduction of SG&A costs, including through focusing sales channels and integrating IT systems. The structural reforms involved restructuring of our production sites (including the sale of the Tsugaru and Roseville plants), selection and concentration of businesses, and an early retirement program for around 1,500 employees implemented at the end of March 2011. As a result, we were able to recover following the Great East Japan Earthquake, which struck while these initiatives were being implemented and had a major impact on business, and to cut fixed costs by around 20% over the two years since the integration.

Despite this, we considered it necessary to implement further measures to deal with the abovementioned sharp fluctuations in the global economy and Japanese market. On July 3, 2012, in a release entitled "Renesas Electronics Announces the Direction of Various Measures to Establish Robust and Profitable Structure" we announced further significant restructuring of our domestic production sites and an early retirement incentive program, with a shift toward a more responsive cost structure by making major reductions in fixed costs and relatively increasing variable costs. The early retirement incentive program, as outlined in our announcement of October 16, 2012, received 7,446 applications, and all applicants retired as of

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October 31. As part of the restructuring of our domestic production sites, as outlined in our announcement of October 12, 2012, the Company, Renesas Eastern Japan Semiconductor, Inc., a wholly owned subsidiary of Renesas Electronics, and AOI ELECTRONICS CO.,LTD. agreed to transfer all stocks of Renesas High Components, Inc. (“RHC”), a wholly owned subsidiary of Renesas Eastern Japan Semiconductor, and Renesas Eastern Japan Semiconductor's partial sales business including the sales staff for the companies outside Renesas group, related to the RHC's contract manufacturing service, aiming to complete on January 1, 2013.

As outlined in our announcement of September 28, 2012, we secured new financing totaling ¥97 billion from our major shareholders and main banks. We also entered into an agreement for a syndicated loan totaling ¥161.1 billion, arranged by our main banks, which allows us to convert short-term debt to long-term debt and secure stable long-term funding. Through these initiatives we have secured enough funding for the foreseeable future to allow us to implement the ongoing structural reforms. We are also in discussions with our major shareholders and main banks regarding changing the terms and conditions on which we borrow to promote the further structural reforms in the future.

## (2) Need to Raise Funds

Despite implementing the initiatives described above, the need to invest in growth is increasing. Investment is needed to secure a financial base that can withstand the severe changes described above, and for R&D in key areas, capex, and M&A activity to help earnings recovery. Looking at the financial base first, the Group's cash & equivalents balance had fallen to ¥69.6 billion as of September 30, 2012, equivalent to about one month's sales. This is expected to improve as benefits from structural reform are realized and operating cash flows pick up due to earnings recovery. However, bolstering our financial base is still a pressing matter, as it will allow us to manage our businesses flexibly even if there are significant shifts in the market structure during the process of improvement. Looking at growth investment, as a participant in the semiconductor industry it is vital to invest timely to support future differentiation of our products. Giving utmost priority to a stable financial base while continuing to restrict growth investment would be extremely risky in terms of securing future competitiveness. For example, it may lead to a deterioration of the group's market share.

To address these pressing issues, and to quickly establish a robust framework designed to

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support the implementation of growth strategies that will allow us to prevail amid tough global competition, as described in detail in “3. Amount, Purpose, and Schedule for Spending Funds Raised,” we believe it is of utmost importance to push ahead with radical initiatives driven by rapid management decision-making not constrained by pre-existing frameworks. Accordingly, we have started to look more urgently at securing the funding or increased capital necessary to achieve this.

### (3) Details of Consideration of Funding Method and Reason for Choosing the Capital Increase by Third-party Allotment

As described above, we need to rapidly secure the funding or increased capital necessary to support strong future growth. Other than by way of third-party allocation, we also considered securing the funding and capital through a additional borrowing, public offering, and a rights offering. Given that we had recently received the maximum support available from our major shareholders and main banks, any additional borrowing from these major shareholders and main banks, or from our other banks or elsewhere, was not a realistic option. Of the options involving increased capital, we determined that it would be difficult to secure the necessary funding/capital through a public offering given the sustained decline in our share price since the Great East Japan Earthquake, the unclear outlook for our operating environment, and a stock market climate that is not conducive to public offerings. The rights offering option looked promising in terms of the gradual progress of deregulation and considerations of existing minority interest holders. Viewed comprehensively, however, we determined this option was not certain to secure sufficient funding/capital early enough given the fact there were no examples of commitment-type rights offerings in Japan, the liquidity of our shares, and the time expected to take for the process, etc.

This process pointed to a capital increase by way of third-party allocation as the best option for Renesas. We began considering candidates for the allocation from among multiple foreign and domestic investors. Since around spring of 2012 we have received concrete investment proposals from a number of these candidates.

From among these, we determined that the proposal from INCJ had the best potential to contribute to improvements in our corporate value and shareholder value from a longer-term perspective, based on a comprehensive set of considerations, including: that the proposal from INCJ is for the entire amount of the investment and will not impose undue restrictions on our business or that of our stakeholders compared to other proposals; the proposal offers a greater probability of securing the large amount of funding we need rapidly and in a lump-sum

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compared to other fund procurement methods; and the proposal offers superior opportunities for business synergies with the investors.

Looking more closely at the potential business synergies with the prospective investors, we have a track record of meeting the tough demands of globally competitive customers in various product areas. We have developed technical ability, expertise, and experience by learning from our customers, and have consistently supplied products to the market, gaining a high market share. Our customers who are prospective investors as part of the consortium formed by INCJ are all leading players on the global stage in terms of their products, and technical ability. By becoming our shareholders, they would be in a position to benefit from improvement in our corporate value and share in our fortunes. This would allow us to build longer-lasting and more stable trading and collaborative relationships. Through such close relationships, in addition to offering products that have an edge over those from rivals, as exemplified by MCUs (Note 2) (where we have the global leading share), we would be able to establish a more cost-competitive, stable supply framework making use of a multiple-fab (Note 3) approach. As a result, we would become more attractive as a supplier enabling us to build stronger long-term relationships with other global customers. In short, although the Third-Party Allotment is not an agreement on specific operational alliances with individual companies, we can expect to realize deep business synergies with these prospective investors.

Note 2: MCU = microcontroller unit, semiconductor chips containing all the functionality of a computer which are the “brain” of a variety of electronic equipment. MCUs control the equipment together with pre-installed programs. According to data from the IHS iSuppli Competitive Landscaping Tool database (provided by iSuppli Japan), we had the top share of the overall global MCU market in 2011 at around 27%.

Note 3: Multiple-fab refers to the practice of establishing multiple sites for volume production of a given product (foundries are often called “fabs” in the semiconductor industry). This approach allows a stable supply of the product to be maintained even if natural disasters or accidents occur.

Moreover, from the perspective of stable supply of products through business synergies, we are pursuing policies to allow us to maintain and strengthen our production technology and know-how. Specifically, we are working to restructure our domestic factories (as outlined in our announcement of July 3, 2012) and increasingly using efficient outsourcing options, while taking care to avoid focusing on ultra-short-term economic rationality, instead striking a suitable balance between in-house production at key sites and outsourcing, particularly for automotive MCUs, our core area of competence. By forming stable, long-term transactional relationships with our existing customers that are the scheduled subscribers to the Third-Party Allotment, and by meeting their strict requirements, we believe we can develop even greater stability in our product supply. This ability to provide stable supplies of high-quality products enables us to

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differentiate ourselves from competitors, win the trust of customers and help generate the competitive edge we need to win further orders from customers.

INCJ was formed in 2010 under the Law on Special Measures for Industrial Revitalization (the “Industrial Revitalization Law”). Its objective is to create next-generation industries that go beyond the conventional industrial categories. It pursues this aim through investment activities involving wide ranging collaboration with industry and other institutions like university research centers. The MCU products which form the core of our business are used in a wide range of applications, including automobiles, electric appliances and precision instruments, and industrial equipment, and support overall industry worldwide. Moreover, we have world-leading market shares and technical capabilities in multiple product domains, including MCUs for the automotive industry, consumer products and general manufactured goods, along with low-voltage power MOSFET and other products. Accordingly, INCJ, which since its inception has consistently conducted concrete studies and provided concrete proposals focused on reorganizing the semiconductor industry, has a deep understanding of how important it is that that stable operation of our business continues and we continue to invest in growth fields and provide superior products consistently in the future.

The capital increase by third-party allotment will increase the number of shares outstanding, causing significant dilution of the shares. However, by rapidly securing capital funding, and applying the funds raised (in accordance with the detailed description in “3. *Amount, Purpose, and Schedule for Spending Funds Raised*”) we expect to boost future sales and improve gross margins by becoming able to build better products, and bolster our financial and business base so that it can withstand severe, non-cyclical shifts in the economy and structural changes in the market. In short, we believe the capital increase by third-party allotment can contribute to improved profitability in the future. Moreover, as described above, by establishing strong trading relationships with the prospective investors among our customers from this time forward, we can further stabilize our business base, which should in turn contribute to improvements in corporate and shareholder value. Accordingly, we believe the capital increase by third-party allotment can also generate sufficient benefits for our existing shareholders and thus have elected to proceed in raising funds through a capital increase by third-party allocation.

The capital increase by third-party allotment will raise sufficient funds for growth investment. However, if further growth investment is required in the future, we have been advised that INCJ is willing to provide further funding up to a total of ¥50 billion, through either investments or loans.

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The agreement between Renesas and the scheduled subscribers signed today includes agreement that, expeditiously after the investment funds a paid in, an extraordinary general meeting of shareholders will be convened for the purpose of approving a resolution to appoint a candidate director and auditor nominated by INCJ (provided, however, that upon separate agreement by both parties, a proposed resolution appointing said candidates for director and auditor as well as mutually agreed candidates for director and auditor will be submitted to the company's ordinary general meeting of shareholders scheduled for June 2013) and that during the period until the execution of the above appointments, INCJ must be consulted in advance and written approval be given by INCJ regarding any matters of a given level of importance pertaining to the business or management of Renesas or its subsidiaries (including: changes to the articles of incorporation, etc. of Renesas or its subsidiaries; decisions on holding/submitting resolutions to a general meeting of shareholders; reorganization; issuance of shares, etc.; borrowing from/loans to a third party in excess of ¥10 billion ; undertaking capital investment in excess of ¥10 billion, and other matters which require approval by the board of directors or management committee).

With an eye on the challenge from overseas rivals, as well as other concerns, we intend to continue our efforts to build a robust organization and operating framework. Moreover, under the current management framework, we aim to pursue further rationalization initiatives, including further optimization of the personnel structure.

### 3. Amount, Purpose, and Schedule for Spending Funds Raises

#### (1) Amount to be procured

1	Total amount to be paid	¥150,000,000,000
2	Estimated issue cost	¥2,300,000,000
3	Estimated net after expenses	¥147,700,000,000

(Note) Estimated issue cost does not include consumption tax

Estimated issue cost is expected to consist mainly of advisory fees, registration and license tax, legal fees, and expenditure on an extraordinary shareholders' meeting.

#### (2) Specific Uses of Funds Raised

	Specific Use	Amount (millions of yen)	Planned outlay period
(i)	Investment related to leading-edge process (Note 4) development of MCUs and	40,000	June 2013 to March 2017

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	standardization of development basis		
(ii)	Capex related to production (sample and volume production)	20,000	June 2013 to March 2017
(iii)	Investment in automotive semiconductor solutions	40,000	June 2013 to March 2018
(iv)	Investment in industrial semiconductor solutions	40,000	June 2013 to March 2017
(v)	Development investment for rebuilding the management base	10,000	June 2013 to March 2016

Note 4: 'Process' refers to technology which defines basic structure of transistors and its manufacturing flow from silicon wafers to semiconductor chips with miniaturization and optimization of performance in order to achieve target electric and physical property.

In the emerging Smart Society brought about by the increasing pace of network connectivity in electronic equipment and social infrastructure, control systems that embed MCUs and IT equipment using SoCs (Note 5) are rapidly converging. Therefore, the new market for control systems based on MCUs is expected to expand. As this transition progresses simultaneously in advanced and developing countries, an extremely large new market will be created for the semiconductor industry to exploit. By strengthening its earnings base and financial foundation, Renesas aims to respond to these changes in the market and construct high value-added MCU-based kit solutions (Note 6) for customers with further strengthened Analog and Power semiconductors, which are essential to the kit solutions, while improving its competitiveness in SoCs. Renesas will realize growth in this new market by supplying platforms (Note 7) that combines these kit solutions with software including IPs and OS commonly used for each application, contributing to shorter development periods, increased cost competitiveness and productivity for customers.

Note 5: SoC refers to "System on Chip", integrates required functions or system on a single semiconductor chip. SoCs enable users to optimize performance as they are customized for customer's applications, however, users cannot change specs once they are manufactured.

Note 6: Kit solutions refer to provision of a set combining MCUs with other semiconductors such as analog ICs and power semiconductors. Kit solutions allow customers to reduce time for choosing semiconductors and product development as well as to optimize their product cost..

Note 7: Platforms refer to provision of the complete set even with optimum development environment as the total system, combining kit solutions with software. Platforms provide optimized solutions for customers by offering kit solutions with standardized functions and specs for each system or application, software and development environment, unlike application-specific products which are customized for customers products

Based on the strategic direction outlined above, it is planned to use the funds raised from the capital increase by third party allotment for "Investment in leading-edge process development

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of MCUs and standardization of development basis”, “Investment in capex related to production (sample and volume production), “Investment in automotive semiconductor solutions”, “Investment in industrial semiconductor solutions”, and “Development investment for rebuilding the management base”. Through this growth investment, which is necessary to survive and prosper amid tough global competition, we intend to rapidly improve earnings and strengthen our core competences. Moreover, we will aim to increase market share in the areas we excel in and improve margins by growing sales and improving customer value, improving our ability to develop compelling semiconductor solution proposals, and optimizing customer systems, focusing on our platform business in a mid-and-long term.

Investment in leading-edge process development of MCUs and standardization of development basis relates to refining the platform development, investing in leading-edge process development of MCUs and standardizing development basis by integrating basic functions and specifications of software and hardware used in each manufacturing process in order to strengthen our technological competitiveness and core competencies of MCUs. Specific investments will include: developing the latest 28nm MCU process technology and its associated standard development basis; improving the competitiveness of the 40nm processes we have already developed, and developing to expand IPs such as internal memory for MCUs.

The planned capex related to production (test and volume production) is aimed at securing our competitive edge in the latest technology, as exemplified by the 40nm MCUs that only we can supply. It is extremely important in the semiconductor industry to invest at the right times to ensure the provision of differentiated offerings in the future. This will require investment in tangible fixed assets for use on production lines, including: investment in equipment for a standard development basis for next-generation 28nm processes, a pressing issue; and investment in production equipment for 90nm processes for automotive analog ICs, which are essential to our provision of automotive solutions. We will also invest to improve the efficiency of current production processes, including improving and maintaining the existing 8-inch line.

The cornerstone of investment in automotive semiconductor solutions will be sustaining future growth of automotive MCUs, for which we already have by far the leading global share (Note 8). There will also be investment to improve our product offerings, ability to make proposals to customers, and sales & marketing capabilities in order to expand our business domain in automotive semiconductors (for which further growth is expected as hybrid and electric vehicles become more mainstream) and in emerging markets, which we see as key regions. Specifically, we will invest in M&A activity and collaborations for the purpose of improving our technical

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ability and bolstering our product lineup in the area of Analog & Power semiconductors, which are an essential part of MCU-based kit solutions, and in the development of next-generation solutions for improving automotive safety.

Note 8: According to data from the IHS iSuppli Competitive Landscaping Tool database (provided by iSuppli Japan), Renesas had the leading share of the global automotive MCU market in 2011 at around 42%.

The investment in industrial semiconductor solutions will be to improve our product offerings, ability to make proposals to customers, and sales & marketing capabilities in order to expand our business domain in new applications for which growth is expected with the advent of the “smart society” and in emerging markets, which we see as key regions. The “smart society” refers to the emergence of smart-grid technology in the industrial infrastructure domain and the move to networked home appliances in the consumer domain. Specifically, we will aim to: improve product offerings through M&As and collaborations with makers of embedded operating systems for MCUs and with IP vendors; improve our ability to make proposals and our sales & marketing capabilities through collaborations and M&As with independent design houses in emerging economies; and engage in M&A activity aimed at strengthening e-commerce systems, improving customer service, and obtaining modular technologies. We also hope to develop and utilize part of these industry-aimed semi-conductor solutions in the automobile field in future.

One of the aims of the development investment for rebuilding the management base is improving the business evaluation system to speed up decision-making in response to sudden market changes. Another is to improve resistance to seismic activity for manufacturing equipment, establishing multi-fab production for creating a more robust BCP (Note 9) to ensure the stable supply of products to customers. These investments will be in assets which underpin our overall business activities.

Note 9: BCP = Business Continuity Plan, a plan formulated in advance to allow business activity to continue, or resume within a target timeframe, in the event of natural disasters, accidents, etc.

We plan to start the investment spending soon after the planned completion of the paying-in of the raised funds on September 30, 2013, starting with the items that are feasible at the time. We plan to start this soon because, as described in “2. Purpose and Background of Offering,” the need for urgent growth investment in key areas aimed at improving earnings is growing by the day in addition to the needs to establish a financial base that can withstand severe changes.

The funds raised will be managed in our bank account until the spending on the above items

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commences. Until that time, we may temporarily use the funds raised for operational purposes. However, in such cases the funds will ultimately be paid out for the purposes described above.

#### 4. Reasonableness of use of proceeds

As described in 2. *Purpose and Background of Offering* and 3. *Amount, Purpose, and Schedule for Spending Funds Raised* above, the procured funds will be used to invest in leading-edge process development of MCUs and standardization of development basis, Capex related to production (test and volume production), investment in automotive semiconductor solutions, investment in industrial semiconductor solutions, and development investment for rebuilding the management base, thereby helping to expand sales and improve gross profit margins through improved products and contributing to improved future profitability by creating a stronger financial and operating base that is resistant to non-cyclical, severe fluctuations in the operating environment and industry structure. This can be expected to contribute to enterprise value and shareholder value, and we therefore consider this to be a reasonable use of capital funds.

#### 5. Reasonableness of issuance conditions, etc.

##### (1) Calculation basis and details of amounts to be paid

As described in 2. *Purpose and Background of Offering* and 3. *Amount, Purpose, and Schedule for Spending Funds Raised* above, we recognized an urgent need to strengthen the Company's financial soundness, business foundation and growth capital, and based on consideration of current Company and semiconductor industry circumstances, along with the limited number of third parties from which we could assuredly, rapidly and at a single time secure the large amount of capital necessary, we repeated discussions with scheduled subscribers. INCJ finally proposed an issue price of ¥120 on the basis of its due diligence including the review of our business plan, while we carried out a lot of discussions by the board of directors. After in-depth consideration by the board of directors and comprehensive consideration of factors, including: (i) comparison with capital proposals from other candidates, (ii) the need to assuredly and rapidly secure sufficient growth capital for significant future business development, and (iii) the point that implementing a third-party capital increase with the scheduled subscribers would, from a medium- to long-term perspective, be expected to contribute to an increase in corporate and shareholder value, and (iv) the proposed issue price holds a certain level of reasonableness in light of the value assessed by a third-party institution for us to implement the Third-Party Allotment; and having determined that the Third-Party Allotment would also advance the interests of existing shareholders, the board finally determined the reasonableness of the Third-Party Allotment at the issue price of ¥120.

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Moreover, Renesas retained Plutus Consulting (Plutus) a third-party institution independent from Renesas and the INCJ to assess the value of Renesas shares. Based on the business plan provided by Renesas and using the DCF method, Plutus calculated a price of Renesas shares of ¥38 to ¥265. (Note 8) The issue price of ¥120 falls within this range. According to this valuation report, the principle in establishing corporate value is to assess earnings potential. As such, they use an income approach that reflects an evaluation of the intrinsic properties of the company having first directly appraised the capacity of the company to secure future earnings. Basing corporate value on appraisal of future earnings potential is the most logically rigorous method available, and it incorporates calculation of discounted cash flow, which is the most widely used method.

Note 10: In making this calculation Plutus bears no responsibility for the accuracy or completeness of the business plan and other materials that they relied on in making their calculation. In addition, in its most recent quarterly reporting period (the interim period from April 1, 2012 to September 30, 2012) Renesas reported a net loss, and that Renesas' operating results and financial condition are deteriorating, and Plutus has also stated that it must be borne in mind that our business plan assumes future events such as structural improvements and that it is difficult to verify their feasibility. Furthermore, a share price is calculated (1) by setting three different discount rates; the lower, the medium, and the upper, in consideration of nature of the discount rate having a certain margin of error, (2) by setting the range of corporate value on the basis of such three discount rates, and (3) by deducting interest-bearing liabilities from the corporate value. Plutus has also stated that although their DCF-based calculation resulted in a range of share values of Renesas that appears to be wide, if the corporate value is assessed excluding interest-bearing debt, this is within the scope of a normal range of values.

The issue price of ¥120 is a discount of 59.9% from the Tokyo Stock Exchange closing price of ¥299 on December 7, 2012, the business day immediately preceding the day on which the board of directors approved this Third-Party Allotment, a 58.5% discount on the ¥289 average closing price for the one month up to the immediately preceding business day, a 58.3% discount on the ¥288 average closing price for the three months up to the immediately preceding business day, and a 57.1% discount on the ¥280 average closing price for the six months up to the immediately preceding business day.

Because the Third-Party Allotment at the above issue price is deemed to be favorable to the scheduled subscribers under Article 199 clause 3 of the Companies Act, the Japan Securities Dealers Association's "Policy Regarding Treatment of Allotment to Third Parties", the third party allotment at an issue price of ¥120 will be subject to approval of a special resolution by shareholders at an extraordinary general meeting scheduled to be held on February 22, 2013.

At the meeting of the board of directors, all corporate auditors, including two outside corporate auditors recognized as such under the regulations of Tokyo Stock Exchange, confirmed their

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agreement with the necessity and appropriateness of the Third-Party Allotment, after comprehensive consideration of the conditions of the allotment, including the purpose and reason for the offering, the amount of capital procurement and use of funds, the amount of dilution, selection of the subscribers, the issuing conditions and other matters contained in *2. Purpose and Background of Offering* and *3. Amount, Purpose, and Schedule for Spending Funds Raised* described above.

(2) Basis for determining reasonableness of number of shares issued and scale of dilution of shares

The number of shares to be issued in the third party allotment is 299.68% of voting rights pertaining to the total number of shares that were issued and outstanding prior to the decision of the board of directors to undertake a third party allotment, which will dilute existing shareholders by more than 25%. We believe that in order to realize higher corporate and shareholder value in the medium term, it is necessary to procure the required capital funding assuredly, rapidly and in a lump sum. Furthermore, in the context of the INCJ intending to obtain 69.16% of voting rights after the Third-Party Allotment, becoming the parent company and contributing to management of the business, we determined the scale of the dilution arising from the Third-Party Allotment after discussions with the scheduled subscribers regarding the amount of investment capital it was necessary to secure.

With regard to this dilution, as outlined above in *2. Purpose and Background of Offering* and *3. Amount, Purpose, and Schedule for Spending Funds Raised*, the procured funds will be used to invest in leading-edge process development of MCUs and standardization of development basis, Capex related to production (test and volume production), investment in automotive semiconductor solutions, investment in industrial semiconductor solutions, and development investment for rebuilding the management base, thereby helping to expand sales and improve gross profit margins through improved products and contributing to improved future profitability by creating a stronger financial and operating base that is resistant to severe, non-cyclical fluctuations in the operating environment and industry structure. The capital increase by third-party allotment can therefore be expected to contribute to improving future earnings. Moreover, as outlined in *2. Purpose and Background of Offering*, the capital investment should realize stronger transaction relationships with the customers that are scheduled subscribers, contributing to a more stable business foundation and enabling the realization of significant business development. This can be expected to contribute to enterprise value and shareholder value in the medium term, and we therefore consider that the capital increase through Third-Party Allotment will also provide ample value to all existing shareholders, and that the

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issue conditions are reasonable.

Because the Third-Party Allotment will dilute existing shareholders by more than 25%, the Third-Party Allotment, including its scale and other conditions, will be subject to approval of a special resolution by shareholders at an extraordinary general meeting scheduled to be held on January 22, 2013.

6. Basis for selection of subscribers, etc.

(1) Outline of scheduled subscribers

(1)	Name	The Innovation Network Corporation of Japan (INCJ)	
(2)	Location	1-4-1, Marunouchi, Chiyoda-ku Tokyo 100-0005, Japan	
(3)	Name and title of representative	Kimikazu Noumi, CEO	
(4)	Main Business	Support of specific business activities as specified under the Act on Special Measures for Industrial Revitalization	
(5)	Amount of capital	78,005 million yen	
(6)	Established	July 17, 2009	
(7)	Number of shares issued	3,120,200 (As of July 20, 2012)	
(8)	Financial year end	March 31	
(9)	Number of Employees	112 (As of September 30, 2012)	
(10)	Major shareholders and percentage of shares held	(As of July 20, 2012)	
		Minister of Finance	91.02%
		Development Bank of Japan Inc.	0.64%
		Asahi Kasei Corp.	0.32%
		Osaka Gas Co., Ltd.	0.32%
		Canon Inc.	0.32%
		Sharp Corporation	0.32%
		The Shoko Chukin Bank, Ltd.	0.32%
		Sumitomo Chemical Co., Ltd.	0.32%
		Sumitomo Corporation	0.32%
		Sumitomo Electric Industries, Ltd.	0.32%
		Sony Corporation	0.32%
		Takeda Pharmaceutical Company Limited	0.32%
		Tokyo Electric Power Company, Incorporated	0.32%
		Toshiba Corporation	0.32%
		Toyota Motor Corporation	0.32%

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	JGC Corporation	0.32%	
	Panasonic Corporation	0.32%	
	East Japan Railway Company	0.32%	
	Hitachi, Ltd.	0.32%	
	Marubeni Corporation	0.32%	
	Mizuho Corporate Bank, Ltd.	0.32%	
	Sumitomo Mitsui Banking Corporation	0.32%	
	Mitsubishi Chemical Holdings Corporation	0.32%	
	Mitsubishi Heavy Industries, Ltd.	0.32%	
	Mitsubishi Corporation	0.32%	
	Bank of Tokyo-Mitsubishi UFJ.,Ltd.	0.32%	
	GE Japan	0.32%	
	JX Nippon Oil & Energy Corporation	0.32%	
(11) Relationship between the Company and INCJ			
Capital relationship	There are no notable capital relationships between the Company and INCJ. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of INCJ.		
Personal relationship	There are no notable personal relationships between the Company and INCJ. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of INCJ.		
Business relationship	There is no notable business relationship between the Company and INCJ. Furthermore, there are no notable business relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of INCJ.		
Related parties	INCJ is not a related party of the Company. Furthermore, affiliates and affiliated companies of INCJ are not related parties of the Company.		
(12) Results of operations and financial conditions for the past 3 years			
Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
Net assets	90,717	98,263	143,428
Total assets	90,976	99,211	363,908
Net assets per share (yen)	49,297.68	48,163.54	47,177.27
Sales	-	-	2
Ordinary income	(1,289)	(3,020)	(4,462)
Net income	(1,292)	(3,029)	(4,472)

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Net income per share (yen)	(708.89)	(1,615.76)	(2,156.00)
Dividend per ordinary share (yen)	-	-	-

(1) Name	Toyota Motor Corporation		
(2) Location	1 Toyota-cho, Toyota-shi, Aichi 471-8571, Japan		
(3) Name and title of representative	Akio Toyoda, President and Representative Director		
(4) Main Business	Automobiles, Finance, Other		
(5) Amount of capital	397,050 million yen (As of March 31, 2012)		
(6) Established	August 28, 1937		
(7) Number of shares issued	3,447,997,492 (As of March 31, 2012)		
(8) Financial year end	March 31		
(9) Number of Employees	325,905 (consolidated) (As of March 31, 2012)		
(10) Main clients	-		
(11) Main banks	Bank of Tokyo-Mitsubishi UFJ., Ltd., Sumitomo Mitsui Banking Corporation		
(12) Major shareholders and percentage of shares held	(As of March 31, 2012)		
	Japan Trustee Services Bank, Ltd.		10.30%
	Toyota Industries Corporation		6.34%
	The Master Trust Bank of Japan, Ltd.		5.47%
	Nippon Life Insurance Company		3.77%
	State Street Bank and Trust Company (Standing proxy: Settlement & Clearing Services Division at Mizuho Corporate Bank, Ltd.)		3.46%
	Trust & Custody Services Bank, Ltd.		2.49%
	The Bank of New York Mellon as depositary bank for depositary receipt holders (Standing proxy: Sumitomo Mitsui Banking Corporation)		2.36%
	Mitsui Sumitomo Insurance Company, Limited:		1.92%
	SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)		1.85%
	Denso Corporation		1.71%
(13) Relationship between the Company and Toyota			
Capital relationship	There are no notable capital relationships between the Company		

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	and Toyota. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Toyota.
Personal relationship	There are no notable personal relationships between the Company and Toyota. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Toyota.
Business relationship	The Company sells semiconductor products made by the Company to Toyota.
Related parties	Toyota is not a related party of the Company. Furthermore, affiliates and affiliated companies of Toyota are not related parties of the Company.

(14) Results of operations and financial conditions for the past 3 years

Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
Consolidated net assets	10,930,443	10,920,024	11,066,478
Consolidated total assets	30,349,287	29,818,166	30,650,965
Consolidated net capital per share (yen)	3,303.49	3,295.08	3,331.51
Consolidated sales	18,950,973	18,993,688	18,583,653
Consolidated operating income	147,516	468,279	355,627
Consolidated net income	209,456	408,183	283,559
Consolidated net income per share (yen)	66.79	130.17	90.21
Dividend per ordinary share (yen)	45.00	50.00	50.00

(1) Name	NISSAN MOTOR CO., LTD.
(2) Location	2, Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa 220-8623, Japan
(3) Name and title of representative	Carlos Ghosn, President and Chief Executive Officer
(4) Main Business	Manufacture and sales and related business of automotive products and marine equipment
(5) Amount of capital	605,814 million yen (As of March 31, 2012)

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(6)	Established	December 26, 1933																				
(7)	Number of shares issued	4,520,715,112 (As of March 31, 2012)																				
(8)	Financial year end	March 31																				
(9)	Number of Employees	157,365 (consolidated) (As of March 31, 2012)																				
(10)	Main clients	-																				
(11)	Main banks	Mizuho Corporate Bank, Ltd., Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ.,Ltd., Sumitomo Mitsui Trust Bank, Limited., Development Bank of Japan Inc.																				
(12)	Major shareholders and percentage of shares held	(As of March 31, 2012) <table border="0"> <tr> <td>Renault S.A.S (Standing proxy: Settlement &amp; Clearing Services Division of Mizuho Corporate Bank, Ltd.)</td> <td>43.40%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>3.86%</td> </tr> <tr> <td>The Chase Manhattan Bank, N.A. London Special Account No.1 (Standing proxy: Settlement &amp; Clearing Services Division of Mizuho Corporate Bank, Ltd.)</td> <td>3.17%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>3.05%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>2.06%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account 9)</td> <td>1.54%</td> </tr> <tr> <td>SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)</td> <td>1.44%</td> </tr> <tr> <td>Sompo Japan Insurance Inc.</td> <td>1.19%</td> </tr> <tr> <td>State Street Bank and Trust Company 505225 (Standing proxy: Settlement &amp; Clearing Services Division of Mizuho Corporate Bank, Ltd.)</td> <td>0.99%</td> </tr> <tr> <td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td> <td>0.93%</td> </tr> </table>	Renault S.A.S (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	43.40%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.86%	The Chase Manhattan Bank, N.A. London Special Account No.1 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	3.17%	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.05%	Nippon Life Insurance Company	2.06%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.54%	SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	1.44%	Sompo Japan Insurance Inc.	1.19%	State Street Bank and Trust Company 505225 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	0.99%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	0.93%
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State Street Bank and Trust Company 505225 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	0.99%																					
Tokio Marine & Nichido Fire Insurance Co., Ltd.	0.93%																					
(13)	Relationship between the Company and Nissan																					
	Capital relationship	There are no notable capital relationships between the Company and Nissan. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Nissan.																				
	Personal relationship	There are no notable personal relationships between the Company and Nissan. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Nissan.																				

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	Business relationship	The Company sells semiconductor products made by the Company to Nissan.		
	Related parties	Nissan is not a related party of the Company. Furthermore, affiliates and affiliated companies of Nissan are not related parties of the Company.		
(14) Three-year operating results and financial position				
	Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
	Consolidated net assets	3,015,105	3,273,783	3,449,997
	Consolidated total assets	10,214,820	10,736,693	11,072,053
	Consolidated net assets per share (yen)	663.90	703.16	750.77
	Consolidated sales	7,517,277	8,773,093	9,409,026
	Consolidated operating income	311,609	537,467	545,839
	Consolidated ordinary income	207,747	537,814	535,090
	Consolidated net income	42,390	319,221	341,433
	Consolidated net income per share (yen)	10.40	76.44	81.67
	Dividend per ordinary share (yen)	0.00	10.00	20.00

(1)	Name	Keihin Corporation
(2)	Location	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0539, Tokyo
(3)	Name and title of representative	Tsuneo Tanai, President and CEO
(4)	Main Business	Manufacture and sales of automobile parts
(5)	Amount of capital	6,932 million yen (As of March 31, 2012)
(6)	Established	December 19, 1956
(7)	Number of shares issued	73,985,246 (As of March 31, 2012)
(8)	Financial year end	March 31
(9)	Number of	19,843 (consolidated) (As of March 31, 2012)

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	Employees																					
(10)	Main clients	Honda Motor Co., Ltd., Hero MotoCorp Ltd., Kawasaki Heavy Industries, Ltd., Yamaha Motor Co., Ltd.																				
(11)	Main banks	Bank of Tokyo-Mitsubishi UFJ.,Ltd., Mitsubishi UFJ Trust and Banking Corporation																				
(12)	Major shareholders and percentage of shares held	(As of March 31, 2012) <table border="0"> <tr> <td>Honda Motor Co., Ltd.</td> <td>41.33%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>3.99%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>3.14%</td> </tr> <tr> <td>National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy: The Master Trust Bank of Japan, Ltd.)</td> <td>2.99%</td> </tr> <tr> <td>Bank of Tokyo-Mitsubishi UFJ, Ltd.</td> <td>2.62%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account 9)</td> <td>2.55%</td> </tr> <tr> <td>The Bank of New York, Treaty JASDEC Account (Standing proxy: Bank of Tokyo-Mitsubishi UFJ, Ltd.)</td> <td>2.10%</td> </tr> <tr> <td>Keihin Corporation Client Stock Ownership Association</td> <td>1.22%</td> </tr> <tr> <td>JPMorgan Chase Bank 385078 (Standing proxy: Settlement &amp; Clearing Services Division of Mizuho Corporate Bank, Ltd.)</td> <td>1.20%</td> </tr> <tr> <td>State Street Bank and Trust Client Omnibus Account OM02 (Standing proxy: Settlement &amp; Clearing Services Division of Mizuho Corporate Bank, Ltd.)</td> <td>1.19%</td> </tr> </table>	Honda Motor Co., Ltd.	41.33%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.99%	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.14%	National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2.99%	Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.62%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.55%	The Bank of New York, Treaty JASDEC Account (Standing proxy: Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2.10%	Keihin Corporation Client Stock Ownership Association	1.22%	JPMorgan Chase Bank 385078 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	1.20%	State Street Bank and Trust Client Omnibus Account OM02 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	1.19%
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State Street Bank and Trust Client Omnibus Account OM02 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	1.19%																					
(13)	Relationship between the Company and Keihin																					
	Capital relationship	There are no notable capital relationships between the Company and Keihin. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Keihin.																				
	Personal relationship	There are no notable personal relationships between the Company and Keihin. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Keihin.																				
	Business relationship	The Company sells semiconductor products made by the Company to Keihin.																				
	Related parties	Keihin is not a related party of the Company. Furthermore, affiliates and affiliated companies of Keihin are not related parties of the Company.																				
(14)	Three-year operating results and financial position																					

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Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
Consolidated net assets	136,502	140,927	143,909
Consolidated total assets	193,740	193,557	202,724
Consolidated net assets per share (yen)	1,580.33	1,658.08	1,652.61
Consolidated sales	255,937	278,490	259,994
Consolidated operating income	13,716	21,598	10,818
Consolidated ordinary income	15,361	21,694	11,458
Consolidated net income	7,633	12,324	4,239
Consolidated net income per share (yen)	103.21	166.63	57.32
Dividend per ordinary share (yen)	21.00	25.00	26.00

(1) Name	DENSO Corporation
(2) Location	1-1, Showa-cho, Kariya-shi, Aichi 448-8661, Japan
(3) Name and title of representative	Nobuaki Katoh, President & CEO
(4) Main Business	Powertrain systems, electronic systems, thermal systems, information & safety systems, motors, industrial systems, equipment for daily life
(5) Amount of capital	187,457million yen (As of March 31, 2012)
(6) Established	December 16, 1949
(7) Number of shares issued	884,068,713 (As of March 31, 2012)
(8) Financial year end	March 31
(9) Number of Employees	126,036 (consolidated) (As of March 31, 2012)
(10) Main clients	Toyota Motor Corporation, Honda Motor Co., Ltd., Suzuki Motor Corporation, General Motors Corporation, Hyundai Motor Company, etc
(11) Main banks	Bank of Tokyo-Mitsubishi UFJ.,Ltd., Sumitomo Mitsui Banking Corporation
(12) Major shareholders	(As of March 31, 2012)

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and percentage of shares held	<p>Toyota Motor Corporation 22.54%</p> <p>Toyota Industries Corporation 7.85%</p> <p>Robert Bosch Investment Nederland B.V. (Standing proxy: Mizuho Corporate Bank Custody &amp; Proxy Dept.) 5.25%</p> <p>Japan Trustee Services Bank, Ltd. (Trust account) 3.53%</p> <p>The Master Trust Bank of Japan, Ltd. (Trust account)) 3.52%</p> <p>Nippon Life Insurance Company 2.72%</p> <p>Denso Employee Stock Ownership Plan 2.20%</p> <p>Mitsui Sumitomo Insurance Company, Limited 1.71%</p> <p>SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS(Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo branch) 1.24%</p> <p>State Street Bank and Trust Company (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch) 1.14%</p>		
(13) Relationship between the Company and Denso			
Capital relationship	There are no notable capital relationships between the Company and Denso. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Denso.		
Personal relationship	There are no notable personal relationships between the Company and Denso. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Denso.		
Business relationship	The Company sells semiconductor products made by the Company to Denso.		
Related parties	Denso is not a related party of the Company. Furthermore, affiliates and affiliated companies of Denso are not related parties of the Company.		
(14) Three-year operating results and financial position			
Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
Consolidated net assets	2,032,264	2,072,443	2,117,201
Consolidated total assets	3,364,070	3,380,433	3,607,697
Consolidated net assets per	2,378.18	2,435.14	2,492.92

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share (yen)			
Consolidated sales	2,976,709	3,131,460	3,154,630
Consolidated operating income	136,640	188,331	160,732
Consolidated ordinary income	152,672	207,228	180,754
Consolidated net income	73,427	143,033	89,298
Consolidated net income per share (yen)	91.11	177.49	110.81
Dividend per ordinary share (yen)	27.00	46.00	46.00

(1) Name	Canon Inc.
(2) Location	30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan
(3) Name and title of representative	Fujio Mitarai, Chairman & CEO
(4) Main Business	Development, manufacture, sales and servicing of office, consumer and industrial equipment, etc.
(5) Amount of capital	174,762 million yen (As of December 31, 2011)
(6) Established	August 10, 1937
(7) Number of shares issued	1,333,763,464 (As of December 31, 2011)
(8) Financial year end	December 31
(9) Number of Employees	198,307 (consolidated) (As of December 31, 2011)
(10) Main clients	Sales and manufacturing subsidiaries of the Canon Group worldwide
(11) Main banks	Mizuho Corporate Bank, Ltd., Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ.,Ltd.
(12) Major shareholders and percentage of shares held	(As of December 31, 2011) Japan Trustee Services Bank, Ltd.(Trust Account) 5.43% The Master Trust Bank of Japan, Ltd.(Trust Account) 5.19% The Dai-ichi Life Insurance Company, Limited 4.68% Moxley and Co. LLC (Standing proxy: Bank of Tokyo-Mitsubishi UFJ.,Ltd.) 2.83% State Street Bank and Trust Company (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch) 2.16%

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	SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	2.13%
	JPMorgan Chase Bank 380055 (Standing proxy: Mizuho Corporate Bank, Ltd.)	2.05%
	State Street Bank and Trust Company (Standing proxy: Mizuho Corporate Bank, Ltd.)	1.54%
	Sompo Japan Insurance Inc.	1.51%
	Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension (Standing proxy: Mizuho Corporate Bank, Ltd.)	1.38%

(13) Relationship between the Company and Canon

Capital relationship	There are no notable capital relationships between the Company and Canon. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Canon.
Personal relationship	There are no notable personal relationships between the Company and Canon. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Canon.
Business relationship	The Company sells semiconductor products made by the Company to Canon. In addition, the Company buys some of the equipment required in the semiconductor manufacturing process, commissions service and maintenance of that equipment, and buys necessary parts from Canon. Furthermore, the Company buys printers and other office equipment from Canon subsidiary, Canon Marketing Japan Inc.
Related parties	Canon is not a related party of the Company. Furthermore, affiliates and affiliated companies of Canon are not related parties of the Company.

(14) Three-year operating results and financial position

Accounting Period (Unit: million yen unless otherwise noted)	FY ended December 31, 2009	FY ended December 31, 2010	FY ended December 31, 2011
Consolidated shareholders' equity	2,688,109	2,645,782	2,551,132
Consolidated total assets	3,847,557	3,983,820	3,930,727
Consolidated net capital per	2,177.53	2,153.73	2,123.23

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share (yen)			
Consolidated sales	3,209,201	3,706,901	3,557,433
Consolidated operating income	217,055	387,552	378,071
Consolidated net income	131,647	246,603	248,630
Consolidated net income per share (yen)	106.64	199.71	204.49
Dividend per ordinary share (yen)	110.00	120.00	120.00

(1) Name	NIKON CORPORATION		
(2) Location	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8331, Japan		
(3) Name and title of representative	Makoto Kimura, Representative Director, President, Member of the Board		
(4) Main Business	Manufacture and sales of equipment in precision equipment segment, image segment, instruments segment and other segments, as well as services incidental to these		
(5) Amount of capital	65,475 million yen (As of March 31, 2012)		
(6) Established	July 25, 1917		
(7) Number of shares issued	400,878,921 (As of March 31, 2012)		
(8) Financial year end	March 31		
(9) Number of Employees	24,348 (consolidated) ( As of March 31, 2012)		
(10) Main clients	Business corporations, etc		
(11) Main banks	Bank of Tokyo-Mitsubishi UFJ.,Ltd., Mizuho Corporate Bank, Ltd., Resona Bank, Ltd.		
(12) Major shareholders and percentage of shares held	(As of March 31, 2012)		
	Japan Trustee Services Bank, Ltd.(Trust Account)		7.50%
	The Master Trust Bank of Japan, Ltd. (Trust Account)		7.45%
	JPMorgan Chase Bank 380055 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)		5.94%
	Meiji Yasuda Life Insurance Company		5.13%
	State Street Bank and Trust Company (Standing proxy: HSBC, Tokyo Branch)		4.80%
	Mitsubishi UFJ Trust and Banking Corporation		2.28%
	Tokio Marine & Nichido Fire Insurance Co., Ltd.		2.01%

Note: This document is for general announcement to the press concerning the Company's issue of new investment shares by a third party allocation and is not intended to solicit investment from investors.

	Nippon Life Insurance Company	1.97%	
	SSBT OD05 OMNIBUS ACCOUNT -TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	1.92%	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.84%	
(13) Relationship between the Company and Nikon			
Capital relationship	There are no notable capital relationships between the Company and Nikon. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Nikon.		
Personal relationship	There are no notable personal relationships between the Company and Nikon. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Nikon.		
Business relationship	The Company sells semiconductor products made by the Company to Nikon. In addition, the Company buys some of the equipment required in the semiconductor manufacturing process, commissions service and maintenance of that equipment, and buys necessary parts from Nikon.		
Related parties	Nikon is not a related party of the Company. Furthermore, affiliates and affiliated companies of Nikon are not related parties of the Company.		
(14) Three-year operating results and financial position			
Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
Consolidated net assets	372,069	389,220	433,616
Consolidated total assets	740,632	829,909	860,230
Consolidated net assets per share (yen)	937.75	980.62	1,091.98
Consolidated sales	785,498	887,512	918,651
Consolidated operating income	(13,854)	54,052	80,080
Consolidated ordinary income	(15,334)	55,811	89,383
Consolidated net income	(12,615)	27,312	59,305
Consolidated net income per share (yen)	(31.82)	68.90	149.57

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Dividend per ordinary share (yen)	8.00	19.00	38.00
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(1)	Name	Panasonic Corporation
(2)	Location	1006, Oaza Kadoma, Kadoma-shi, Osaka 571-8501, Japan
(3)	Name and title of representative	Kazuhiro Tsuga, President
(4)	Main Business	Manufacture and sales of electric and electronic equipment, others
(5)	Amount of capital	258,740 million yen (As of March 31, 2012)
(6)	Established	December 15, 1935
(7)	Number of shares issued	2,453,053,497 (As of March 31, 2012)
(8)	Financial year end	March 31
(9)	Number of Employees	330,767 (consolidated) (As of March 31, 2012)
(10)	Main clients	-
(11)	Main banks	-
(12)	Major shareholders and percentage of shares held	(As of March 31, 2012) The Master Trust Bank of Japan, Ltd. (Trust Account) 5.42% Japan Trustee Services Bank, Ltd. (Trust Account) 5.20% Nippon Life Insurance Company 3.12% Sumitomo Mitsui Banking Corporation 2.72% Moxley & Co. LLC (Standing proxy: Sumitomo Mitsui Banking Corporation) 2.36% Panasonic Corporation Employee Shareholding Association 2.03% SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch) 1.91% Sumitomo Life Insurance 1.52% STATE STREET BANK AND TRUST COMPANY (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch) 1.38% Japan Trustee Services Bank, Ltd. (Trust Account 9) 1.23%
(13)	Relationship between the Company and Panasonic	
	Capital relationship	There are no notable capital relationships between the Company

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	and Panasonic. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Panasonic.
Personal relationship	There are no notable personal relationships between the Company and Panasonic. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Panasonic.
Business relationship	The Company sells semiconductor products made by the Company to Panasonic. In addition, the Company buys lead frame used in the manufacture of semiconductor packages from Panasonic and pays Panasonic a licensing fee for use of intellectual property rights.
Related parties	Panasonic is not a related party of the Company. Furthermore, affiliates and affiliated companies of Panasonic are not related parties of the Company.

(14) Three-year operating results and financial position

Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
Consolidated net assets	3,679,773	2,946,335	1,977,566
Consolidated total assets	8,358,057	7,822,870	6,601,055
Consolidated net capital per share (yen)	1,348.63	1,236.05	834.79
Consolidated sales	7,417,980	8,692,672	7,846,216
Consolidated operating income	190,453	305,254	43,725
Consolidated net income	(103,465)	74,017	(772,172)
Consolidated net income per share (yen)	(49.97)	35.75	(333.96)
Dividend per ordinary share (yen)	10.00	10.00	10.00

(1) Name	YASKAWA Electric Corporation
(2) Location	2-1 Kurosakishiroishi, Yahatanishi-ku, Kitakyushu-shi, Fukuoka 806-0004 Japan
(3) Name and title of representative	Junji Tsuda, President

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(4)	Main Business	Manufacture, sale, installation, maintenance, and engineering in the following segments: Motion Control, Robotics, System Engineering, and Information Technologies, others
(5)	Amount of capital	23,062 million yen (As of March 20, 2012)
(6)	Established	July 16, 1915
(7)	Number of shares issued	252,331,938 (As of March 20, 2012)
(8)	Financial year end	March 20
(9)	Number of Employees	8,246 (consolidated) ( As of March 20, 2012)
(10)	Main clients	Sun-Wa Technos Corporation, Haga Electric Ltd., Dhowa Technos Co., Ltd.
(11)	Main banks	Mizuho Corporate Bank, Ltd., The Bank of Fukuoka, Ltd., Bank of Tokyo-Mitsubishi UFJ.,Ltd.
(12)	Major shareholders and percentage of shares held	(As of March 20, 2012) Japan Trustee Services Bank, Ltd. (Trust Account) 6.45% The Master Trust Bank of Japan, Ltd. (Trust Account) 6.37% Mizuho Corporate Bank, Ltd. 3.21% Japan Trustee Services Bank, Ltd. (The Chuo Mitsui Trust and Banking Company, Limited Employee Retirement Benefit Trust Account) 3.16% Meiji Yasuda Life Insurance Company 3.08% Japan Trustee Services Bank, Ltd. (The Sumitomo Trust & Banking Co., Ltd. Re-trust Account, The Bank of Fukuoka, Ltd. Employee Retirement Benefit Trust Account) 2.53% Sajap (Standing proxy: Bank of Tokyo-Mitsubishi UFJ., Ltd.) 2.47% Japan Trustee Services Bank, Ltd.(Trust Account 9) 2.07% Nippon Life Insurance Company 1.68% The Nomura Trust and Banking Co., Ltd. (Trust Account) 1.66%
(13)	Relationship between the Company and Yaskawa	
	Capital relationship	There are no notable capital relationships between the Company and Yaskawa. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of Yaskawa.
	Personal relationship	There are no notable personal relationships between the Company and Yaskawa. Furthermore, there are no notable

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		personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of Yaskawa.		
	Business relationship	The Company sells semiconductor products made by the Company to Yaskawa.		
	Related parties	Yaskawa is not a related party of the Company. Furthermore, affiliates and affiliated companies of Yaskawa are not related parties of the Company.		
<b>(14) Three-year operating results and financial position</b>				
Accounting Period (Unit: million yen unless otherwise noted)	FY ended March 20, 2010	FY ended March 20, 2011	FY ended March 20, 2012	
Consolidated net assets	93,289	98,029	104,507	
Consolidated total assets	241,649	264,594	279,072	
Consolidated net assets per share (yen)	351.47	370.42	397.82	
Consolidated sales	224,710	296,847	307,111	
Consolidated operating income	(6,977)	12,874	14,818	
Consolidated ordinary income	(6,049)	13,429	15,626	
Consolidated net income	(5,699)	6,544	8,432	
Consolidated net income per share (yen)	(22.64)	26.00	33.51	
Dividend per ordinary share (yen)	3.00	6.00	10.00	

**(2) Reasons for selection of the scheduled subscribers**

As described in 2. *Purpose and Background of Offering* above, in considering subscribers, and after consultation with a number of investors in and out of Japan, the capital proposal by the consortium formed by INCJ and customers of the Company was judged to be optimal in terms of business synergies, comparison with capital proposals from other candidates, as well as other terms and conditions including the total amount of investment, eventually leading to increase in corporate and shareholder value, and therefore, we decided to select the consortium as subscribers.

**(3) Scheduled subscribers' policy on holding shares**

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INCJ agreed to hold the shares issued through the Third-Party Allocation at least for two years from the payment date, and INCJ and other scheduled subscribers, as sponsors who recognize the future potential of the Company, have confirmed that they plan to hold the shares issued through the Third-Party Allocation in the medium to long term. Especially, INCJ was established with the mission of providing risk money on a five- to seven-year basis, and has confirmed that it will be a medium- to long-term shareholder of the Company. Furthermore, the Company plans to receive a letter of definite promise from INCJ and other Scheduled Subscribers on their agreement that if they transfer part or all of the new shares allocated to them within two years from the payment date, they will immediately notify the Company in writing of the contents of the transfer, and that they agree that the Company reports the contents of the notification to the Tokyo Stock Exchange, and that the contents of the notification will be made public.

(4) Confirming the sufficiency of scheduled subscribers' funds

INCJ, the scheduled subscriber, under the terms of the Act on Special Measures for Industrial Revitalization, is a joint stock company funded by the government for the purpose of providing capital and other support for the business activities of target companies. The funding required for this capital investment is procured through borrowing or bond issuance, and any such borrowing and bonds are guaranteed by the government under law. In consideration of the above points, we have determined to our satisfaction that INCJ is in a sound position to procure and pay the funds associated with the Third-Party Allotment.

In the case of other scheduled subscribers, the Company has also verified, by confirming the sales, the amount of total assets, the amount of net assets, the cash and deposits and other financial information stated in most recent financial reports and quarterly reports filed with financial authorities, that they are in sound positions to make the payments required for the Third-Party Allotment.

7. Major shareholders and shareholding ratios after the offering

Before the Offering (As of September 30, 2012)		After the Offering	
Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Mitsui Trust & Banking Co.,Ltd. / NEC Corporation pension and severance payments Trust Account) (Note 11)	32.44%	The Innovation Network Corporation of Japan	69.16%

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Hitachi, Ltd.	30.62%	Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Mitsui Trust & Banking Co.,Ltd. / NEC Corporation pension and severance payments Trust Account) (Note 12)	8.12%
Mitsubishi Electric Corporation	25.05%	Hitachi, Ltd.	7.66%
NEC Corporation	3.02%	Mitsubishi Electric Corporation	6.27%
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.)	0.82%	Toyota Motor Corporation	2.50%
RBC IST LONDON-CLIENTS ACCOUNT (Standing proxy: Citibank Japan Ltd.)	0.75%	Nissan Motor Co., Ltd.	1.50%
Renesas Electronics Employee Stock Plan	0.45%	NEC Corporation	0.76%
Japan Securities Finance Co., Ltd.	0.35%	Keihin Corporation	0.50%
BNY FOR GCM CLIENT ACCOUNTS (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0.27%	Denso Corporation	0.50%
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0.22%	Canon Inc.	0.25%
—		Nikon Corporation	0.25%
—		Panasonic Corporation	0.25%

(Note 11) Based on the retirement benefit trust agreement with Sumitomo Mitsui Trust and Banking Co., Ltd., NEC has reserved the right to instruct the exercise of voting rights

(Note 12) The above figures are based on the assumption that there will be no changes in the number of shares held by these entities prior to the offering or as a result of the Third-Party Allotment. If any such changes to take place, there will be concomitant changes in percentage shareholdings after the Third-Party Allotment.

## 8. Outlook

No impact is expected on the Company's earnings for the fiscal period ending on March 31,

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2013 as a result of the Third-Party Allotment. Impact on earnings from March 31, 2014 is undetermined at this time but will be announced as soon as it becomes clear.

Procedures under the Corporate Code of Conduct

- Matters regarding procedures under the corporate code of conduct

As the Third-Party Allotment will (i) dilute existing shareholders by more than 25% and (ii) be accompanied by a change in the controlling shareholder, Article 432 of the Securities Listing Regulations stipulated by the Tokyo Stock Exchange requires obtainment of opinion from an independent party or confirmation of the willingness of shareholders.

To meet this requirement, as described in 5. *Reasonableness of Issuance Conditions, etc.*, the Company plans to obtain shareholder approval for the conditions of Third-Party Allotment described in 10. *Summary of issuance* in relation to confirmation of the willingness of shareholders stipulated in Article 432 of the Securities Listing Regulations by a special resolution under the Companies Act at an extraordinary general meeting of the Company's shareholders scheduled to be held on February 22, 2013.

9. Business results and equity finance status for the past 3 years

(1) Business results for the past 3 years (consolidated)

Unit: Million yen unless otherwise noted	FY ended March 31, 2010	FY ended March 31, 2011	FY ended March 31, 2012
Consolidated sales	471,034	1,137,898	883,112
Consolidated operating income (loss)	(49,235)	14,524	(56,750)
Consolidated ordinary income (loss)	(54,397)	1,033	(61,228)
Consolidated net income (loss)	(56,432)	(115,023)	(62,600)
Consolidated net income (loss) per share (yen)	(456.95)	(275.75)	(150.08)
Dividend per ordinary share (yen)	0.00	0.00	0.00
Consolidated net assets per share (yen)	1,070.90	680.27	522.53

(2) Number of issued shares and dilutive shares (As of December 7, 2012)

	Number of shares	Ratio to issued shares
Number of shares issued	417,124,490	100%

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Number of potential shares at current conversion price (exercise price)	—	—
Number of potential shares at minimum conversion price (exercise price)	—	—
Number of potential shares at maximum conversion price (exercise price)	—	—

(3) Recent share price

(i) Overview of past 3 years

Unit: yen	March 31, 2010	March 31, 2011	March 31, 2012
Opening Price	618	942	714
Highest Price	1,220	1,403	772
Lowest Price	498	550	426
Closing Price	947	708	576

(ii) Overview of past 6 months

Unit: yen	2012					
	Jun	Jul	Aug	Sep	Oct	Nov
Opening Price	239	314	247	266	298	297
Highest Price	381	370	335	346	313	358
Lowest Price	217	212	226	249	256	250
Closing Price	306	263	263	300	295	283

(iii) Share price on business day before date of resolution of issuance

Unit: yen	December 7, 2012
Opening Price	¥297
Highest Price	¥305
Lowest Price	¥292
Closing Price	¥299

(4) Three-year summary of equity finance

Third-Party Allotment

Transfer date	April 1, 2010
Amount procured	134,100,001,830 yen (estimated net proceeds)
Issue price	917 yen per share

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Number of issued shares at the time of offering	123,500,000 (Note 13)	
Number of share to be issued	146,782,990	
Total number of shares after the offering	417,124,490	
Subscribers	NEC Corporation	61,395,857 shares
	Hitachi, Ltd.,	46,962,923 shares
	Mitsubishi Electronics Corporation	38,424,210 shares
Intended use of funds at the time of offering	R&D investment, investment in expansion of overseas sales, business structure expenditures, and repayment of interest-bearing debt	
Fund payment schedule at the time of offering	Between April 2010 and March 2012 for all	
Current status of appropriation	R&D investment in order to develop a product line that is highly competitive globally, investment in expansion of overseas sales, business reorganization expenditure, and repayment of interest-bearing debt.	

(Note 13) This is the stated number of shares at the time of offering; however, on April 1, 2010, with the merger of the former NEC Electronics Corporation and the former Renesas Technology Corp., the Company allotted a total of 146,841,500 shares to former Renesas Technology Corp. shareholders Hitachi Ltd. and Mitsubishi Electric.

#### 10. Summary of Issuance

- |                                                                   |                                                                                                           |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| (1) Number and class of shares to be issued                       | 1,250,000,000 Common shares                                                                               |
| (2) Amount to be paid per share                                   | 120 yen per share                                                                                         |
| (3) Total amount to be paid                                       | 150,000,000,000 yen                                                                                       |
| (4) Amount of stated capital and capital reserves to be increased | Amount of capital increase<br>60 yen per share<br>Amount of capital reserves increase<br>60 yen per share |
| (5) Method of allotment of shares                                 | Third-party allotment method                                                                              |
| (6) Payment period                                                | February 23, 2013 to September 30, 2013                                                                   |
| (7) Subscribers and number of shares allocated                    |                                                                                                           |

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Innovation Network Corporation of Japan	1,152,917,000 shares
Toyota Motor Corporation	41,666,600 shares
Nissan Moto Co., Ltd.	25,000,000 shares
Keihin Corporation	8,333,300 shares
Denso Corporation	8,333,300 shares
Cannon Inc.	4,166,600 shares
Nikon Corporation	4,166,600 shares
Panasonic Corporation	4,166,600 shares
Yaskawa Electric Corporation	1,250,000 shares

(8) Each of the above items will be subject to (1) approval of an amendment of the Company's Charter to increase the total number of authorized shares and approval of the Third-Party Allotment of Shares at an extraordinary meeting of shareholders scheduled to be held on February 22, 2013, (2) the effectiveness of the Securities Registration Statement under the Financial Instruments and Exchange Act, and (3) regulatory approval related to business mergers from competition authorities in various countries.

## II Announcement of Change in Major Shareholders, Major Shareholder who is the Largest Shareholder, Parent Company and Other Related Companies

### 1. Background of change

The Innovation Network Corporation of Japan is expected to become a major shareholder who is the Company's largest shareholder, and the parent company as a result of the Third-Party Allotment. Furthermore, the Company's current largest shareholder Hitachi Ltd., which is a major shareholder and other related company, will no longer hold those positions. Additionally, Mitsubishi Electric Corporation and NEC Corporation will no longer be major shareholders or other related companies.

### 2. Outline of changing shareholders

(1) Outline of the company expected to become a major shareholder who is the largest shareholder, and parent company

(1)	Name	The Innovation Network Corporation of Japan (INCJ)
(2)	Location	1-4-1, Marunouchi, Chiyoda-ku Tokyo 100-0005, Japan
(3)	Name and title of representative	Kimikazu Noumi, CEO
(4)	Main Business	Support of specific business activities as specified under the Act on Special Measures for Industrial Revitalization
(5)	Amount of capital	78,005 million yen
(6)	Established	July 17, 2009
(7)	Net Assets	143,428 million yen
(8)	Total Assets	363,908 million yen
(9)	Major shareholders and percentage of shares held	(As of July 20, 2012) Minister of Finance 91.02% Development Bank of Japan Inc. 0.64% Asahi Kasei Corp. 0.32% Osaka Gas Co., Ltd. 0.32% Canon, Inc. 0.32% Sharp Corporation 0.32% The Shoko Chukin Bank, Ltd. 0.32% Sumitomo Chemical Co., Ltd. 0.32% Sumitomo Corporation 0.32% Sumitomo Electric Industries, Ltd. 0.32% Sony Corporation 0.32% Takeda Pharmaceutical Company Limited 0.32% Tokyo Electric Power Company, Incorporated 0.32%

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	Toshiba Corporation	0.32%
	Toyota Motor Corporation	0.32%
	JGC Corporation	0.32%
	Panasonic Corporation	0.32%
	East Japan Railway Company	0.32%
	Hitachi, Ltd.	0.32%
	Marubeni Corporation	0.32%
	Mizuho Corporate Bank, Ltd.	0.32%
	Sumitomo Mitsui Banking Corporation	0.32%
	Mitsubishi Chemical Holdings Corporation	0.32%
	Mitsubishi Heavy Industries, Ltd.	0.32%
	Mitsubishi Corporation	0.32%
	Bank of Tokyo-Mitsubishi UFJ, Ltd.	0.32%
	GE Japan	0.32%
	JX Nippon Oil & Energy Corporation	0.32%
(10)	Relationship between the listed issuer and the shareholder	
	Capital relationship	There are no notable capital relationships between the Company and INCJ. Furthermore, there are no notable capital relationships between affiliates and affiliate companies of the Company and affiliates and affiliate companies of INCJ.
	Personal relationship	There are no notable personal relationships between the Company and INCJ. Furthermore, there are no notable personal relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of INCJ.
	Business relationship	There is no notable business relationship between the Company and INCJ. Furthermore, there are no notable business relationships between affiliates and affiliated companies of the Company and affiliates and affiliated companies of INCJ.

(2) Outline of the company expected to cease to be a major shareholder and other related company

(1)	Name	Hitachi, Ltd.
(2)	Location	6-6, Marunouchi 1-chome, Chiyoda-ku Tokyo, Japan

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(3)	Name and title of representative	Hiroaki Nakanishi, President, Representative Executive Officer, and Director:																					
(4)	Main Business	Development, manufacture, sales and servicing of information & telecommunications systems, power systems, social & industrial systems, electronic systems & equipment, construction machinery, high functional materials, automotive systems, component devices, digital media consumer goods, financial services and others																					
(5)	Amount of capital	427,775 million yen (As of March 31, 2012)																					
(6)	Established	February 1, 1920																					
(7)	Consolidated Net Assets	2,773,995 million yen (As of March 31, 2012)																					
(8)	Consolidated Total Assets	9,418,526 million yen (As of March 31, 2012)																					
(9)	Major shareholders and percentage of shares held	<p style="text-align: right;">(As of March 31, 2012)</p> <table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd (Trust Account)</td> <td style="text-align: right;">6.99%</td> </tr> <tr> <td>Japan Trustee Services Bank (Trust Account)</td> <td style="text-align: right;">6.58%</td> </tr> <tr> <td>SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited)</td> <td style="text-align: right;">2.86%</td> </tr> <tr> <td>Hitachi Group Employees' Shareholding Association</td> <td style="text-align: right;">2.78%</td> </tr> <tr> <td>State Street Bank and Trust Company 505224 (Standing proxy: Mizuho Corporate Bank, Ltd.)</td> <td style="text-align: right;">2.75%</td> </tr> <tr> <td>NATS CUMCO (Standing proxy: Mizuho Corporate Bank, Ltd.)</td> <td style="text-align: right;">2.56%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td style="text-align: right;">2.12%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account 9)</td> <td style="text-align: right;">2.09%</td> </tr> <tr> <td>State Street Bank and Trust Company 505225 (Standing proxy: Mizuho Corporate Bank, Ltd.)</td> <td style="text-align: right;">1.75%</td> </tr> <tr> <td>The Dai-ichi Life Insurance Company, Limited</td> <td style="text-align: right;">1.54%</td> </tr> </table>		The Master Trust Bank of Japan, Ltd (Trust Account)	6.99%	Japan Trustee Services Bank (Trust Account)	6.58%	SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited)	2.86%	Hitachi Group Employees' Shareholding Association	2.78%	State Street Bank and Trust Company 505224 (Standing proxy: Mizuho Corporate Bank, Ltd.)	2.75%	NATS CUMCO (Standing proxy: Mizuho Corporate Bank, Ltd.)	2.56%	Nippon Life Insurance Company	2.12%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.09%	State Street Bank and Trust Company 505225 (Standing proxy: Mizuho Corporate Bank, Ltd.)	1.75%	The Dai-ichi Life Insurance Company, Limited	1.54%
The Master Trust Bank of Japan, Ltd (Trust Account)	6.99%																						
Japan Trustee Services Bank (Trust Account)	6.58%																						
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited)	2.86%																						
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State Street Bank and Trust Company 505224 (Standing proxy: Mizuho Corporate Bank, Ltd.)	2.75%																						
NATS CUMCO (Standing proxy: Mizuho Corporate Bank, Ltd.)	2.56%																						
Nippon Life Insurance Company	2.12%																						
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.09%																						
State Street Bank and Trust Company 505225 (Standing proxy: Mizuho Corporate Bank, Ltd.)	1.75%																						
The Dai-ichi Life Insurance Company, Limited	1.54%																						
(10)	Relationship between the listed issuer and the shareholder	Capital relationship	The shareholder holds 127,725,748 common shares in the Company (ratio of shareholding 30.62%)																				
		Personal relationship	Masahiro Yamamura is an employee of this shareholder and also an internal director of the Company, and Yoshihito Kitamatsu is an																				

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		employee of this shareholder and also an external auditor of the Company. In addition, two employees of the Company are also external directors of Hitachi ULSI Systems Co., Ltd., a consolidated subsidiary of this shareholder. Furthermore, as of November 1, 2012, 22 employees of this shareholder were seconded to the Company.
	Business relationship	The Company outsources the design, etc., of semiconductor products to this company.

(1)	Name	Mitsubishi Electric Corporation														
(2)	Location	2-7-3 Marunouchi, Chiyoda-ku, Tokyo, Japan														
(3)	Name and title of representative	Kenichiro Yamanishi, Representative Executive Officer President & CEO														
(4)	Main Business	Development, manufacture, sales and servicing of electric systems, industrial mechatronics, information and communication systems, electronic devices, home appliances and others.														
(5)	Amount of capital	175,820 million yen (As of March 31, 2012)														
(6)	Established	January 15, 1921														
(7)	Consolidated Net Assets	1,191,020 million yen (As of March 31, 2012)														
(8)	Consolidated Total Assets	3,391,651 million yen (As of March 31, 2012)														
(9)	Major shareholders and percentage of shares held	<p style="text-align: right;">(As of March 31, 2012)</p> <table> <tr> <td>The Master Trust Bank of Japan, Ltd (Trust Account)</td> <td style="text-align: right;">7.30%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td style="text-align: right;">6.03%</td> </tr> <tr> <td>State Street Bank and Trust Company (Standing proxy: Hong Kong Shanghai Bank Tokyo Branch)</td> <td style="text-align: right;">4.75%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td style="text-align: right;">3.81%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td style="text-align: right;">3.37%</td> </tr> <tr> <td>Mitsubishi Electric Group Employees Shareholding Union</td> <td style="text-align: right;">2.34%</td> </tr> <tr> <td>SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo)</td> <td style="text-align: right;">2.28%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd (Trust Account)	7.30%	Japan Trustee Services Bank, Ltd. (Trust Account)	6.03%	State Street Bank and Trust Company (Standing proxy: Hong Kong Shanghai Bank Tokyo Branch)	4.75%	Meiji Yasuda Life Insurance Company	3.81%	Nippon Life Insurance Company	3.37%	Mitsubishi Electric Group Employees Shareholding Union	2.34%	SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo)	2.28%
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		Branch) The Bank of Tokyo-Mitsubishi UFJ, Ltd. 1.72% Japan Trustee Services Bank, Ltd. (Trust Account 1.65% 4) The Chase Manhattan Bank NA, London SL 1.58% Omnibus Account (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank,Ltd.)
(10)	Relationship between the listed issuer and the shareholder	Capital relationship The shareholder holds 104,502,885 common shares in the Company (ratio of shareholding 25.05%)
		Personal relationship Masayuki Ichige an executive managing officer of this shareholder is also an external director of the Company. Furthermore, as of November 1, 2012, two employees of this shareholder were seconded to the Company.
		Business relationship The Company outsources the production, etc., of semiconductor products to this company.

(1)	Name	NEC Corporation
(2)	Location	5-7-1 , Shiba, Minato-ku, Tokyo, Japan
(3)	Name and title of representative	Nobuhiro Endo, President
(4)	Main Business	Planning, development, manufacture, sales and servicing in IT solutions business, carrier network business, social infrastructure business and personal solutions business.
(5)	Amount of capital	397,199 million yen (As of March 31, 2012)
(6)	Established	July 17, 1899
(7)	Consolidated Net Assets	777,614 million yen (As of March 31, 2012)
(8)	Consolidated Total Assets	2,557,570 million yen (As of March 31, 2012)
(9)	Major shareholders and percentage of shares held	(As of March 31, 2012) Japan Trustee Services Bank, Ltd. (Trust Account) 5.47% The Master Trust Bank of Japan, Ltd (Trust Account) 4.67% SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS (Standing proxy: The Hong Kong and 3.01%

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	Shanghai Banking Corporation Limited, Tokyo Branch) NEC Corporation Employee Stock Ownership Plan 2.02% Japan Trustee Services Bank, Ltd. (Trust Account 9) 1.95% Nippon Life Insurance Company 1.61% SUMITOMO LIFE INSURANCE COMPANY 1.57% Japan Trustee Services Bank (Trust Account 4) 1.30% THE BANK OF NEW YORK EUROPE LIMITED 1.06% 131705 (Standing proxy: Settlement & Clearing Services Division of Mizuho Corporate Bank, Ltd.) TAM TWO (Standing proxy: Bank of Tokyo-Mitsubishi UFJ, Ltd.) 0.90%		
(10)	Relationship between the listed issuer and the shareholder	Capital relationship	The shareholder holds 12,595,857 common shares in the Company (3.02% of total shares outstanding). It also has 135,300,000 common shares in the Company placed in an employee pension trust, for which it retains control of voting rights. The effective percentage of total voting rights held by the shareholder is therefore 35.46%.
		Personal relationship	Norio Yamamoto an employee of this shareholder is also an external director of the Company. Furthermore, as of November 1, 2012, one employee of this shareholder is seconded to the Company.
		Business relationship	The Company outsources the operation and maintenance, etc., of information systems to this company.

(3) Number of shares held by shareholder (the number of voting rights) and the ratio of total voting rights

(i) The Innovation Network Corporation of Japan

	Category	Number of voting rights (ratio of voting rights held)		
		Directly held	Aggregate	Total
Before change	-	-	-	-
After change	Parent company	11,529,170 (69.16%)	0 (0.00%)	11,529,170 (69.16%)

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(ii) Hitachi, Ltd.

	Category	Number of voting rights (ratio of voting rights held)		
		Directly held	Aggregate	Total
Before change	Other related company	1,277,257 (30.62%)	0 (0.00%)	1,277,257 (30.62%)
After change	—	1,277,257 (7.66%)	0 (0.00%)	1,277,257 (7.66%)

(iii) Mitsubishi Electric Corporation

	Category	Number of voting rights (ratio of voting rights held)		
		Directly held	Aggregate	Total
Before change	Other related company	1,045,028 (25.05%)	0 (0.0%)	1,045,028 (25.05%)
After change	—	1,045,028 (6.27%)	0 (0.00%)	1,045,028 (6.27%)

(iv) NEC Corporation

	Category	Number of voting rights (ratio of voting rights held)		
		Directly held	Aggregate	Directly held
Before change	Other related company	125,958 (3.02%)	1,353,000 (32.44%)	1,478,958 (35.46%)
After change	—	125,958 (0.76%)	1,353,000 (8.12%)	1,478,958 (8.87%)

Note: The 135,300,000 shares held by Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd./NEC Corporation pension and severance payments Trust Account) are part of the shares in the Company that are held by the pension and severance trust of NEC Corporation. Control of the exercise of voting rights with regard to these shares is held by NEC Corporation. Including voting rights of 125,958 directly held by NEC Corporation, the effective total number of voting rights in the Company held by NEC Corporation is 1,478,958.

Note: Number of shares without voting rights that have been deducted from total shares issued and outstanding:  
8,690 shares  
Total shares issued and outstanding as of September 30, 2012: 417,124,490 shares

(4) Outlook

No impact is expected on Renesas Group earnings as a result of the above changes.

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### **Forward-Looking Statements**

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas Electronics and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to several important factors including, but not limited to, general economic conditions in our markets, which are primarily Japan, North America, Asia, and Europe; demand for, and competitive pricing pressure on, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

### **About Renesas Electronics Corporation**

Renesas Electronics Corporation (TSE: 6723), the world’s number one supplier of microcontrollers, is a premier supplier of advanced semiconductor solutions including microcontrollers, SoC solutions and a broad-range of analog and power devices. Business operations began as Renesas Electronics in April 2010 through the integration of NEC Electronics Corporation (TSE:6723) and Renesas Technology Corp., with operations spanning research, development, design and manufacturing for a wide range of applications. Headquartered in Japan, Renesas Electronics has subsidiaries in 20 countries worldwide. More information can be found at [www.renesas.com](http://www.renesas.com).

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