

**NEC Electronics and Renesas to Integrate
Business Operations**
Establishment of the World's Third Largest Semiconductor Company

KAWASAKI, Japan, TOKYO, Japan, April 27, 2009 -- NEC Electronics Corporation (NEC Electronics; TSE: 6723), Renesas Technology Corp. (Renesas), NEC Corporation (NEC; TSE: 6701), Hitachi, Ltd. (Hitachi; TSE: 6501 / NYSE: HIT), and Mitsubishi Electric Corporation (Mitsubishi Electric; TSE: 6503) today agreed to enter into negotiations to integrate business operations at NEC Electronics and Renesas.

1. Background and goals of business integration

NEC Electronics was established in 2002, separating from NEC, and Renesas was established in 2003, integrating semiconductor units at Hitachi and Mitsubishi Electric. Both as leading semiconductor companies, NEC Electronics and Renesas provide a wide variety of semiconductor solutions, primarily specializing in microcontroller units (MCUs). In light of fierce global competition in the semiconductor market, NEC Electronics and Renesas have agreed to explore the possibility of business integration in order to further strengthen their business foundations and technological assets while increasing corporate value through enhanced customer satisfaction.

By integrating the world's two largest MCU suppliers (*1), the new company will provide one of the most competitive MCU product lineups throughout the world.

NEC Electronics and Renesas both focus on the fast-growing field of system-on-chip (SoCs) products. NEC Electronics is a leading producer of SoCs for digital consumer electronics, while Renesas is a well established manufacturer of SoCs for mobile phones and automotive applications. By reinforcing the companies' respective strengths and development resources the new company will provide globally competitive SoC products.

In terms of the discrete semiconductor business, both companies will define strategies to enhance the competitiveness of analog and discrete products that generate synergies with MCUs.

The new integrated company will have three major product groups, MCUs, SoCs, and discrete products, and will become the world's third-largest semiconductor business. The new company will select and focus on the development of projects covering a diverse range of fields and will expand its comprehensive lineup of globally competitive products.

In order to address the ongoing challenges of the current economic downturn, NEC Electronics and Renesas will each execute structural reform plans in order to strengthen their business frameworks. Upon completion of these structural reforms, the two companies will integrate their operations to achieve synergies and boost profitability. This integration will result in the establishment of a powerful new semiconductor company that is capable of consistently achieving high earnings and maintaining the ability to withstand changing market conditions.

2. Corporate structure following integration

The preconditions for holding future negotiations are to integrate business operations on April 1, 2010, and to maintain public listing for the new company.

To ensure fairness and equitability, the ownership ratio of the integrated company will be decided and announced before the conclusion of the integration contract through negotiations between NEC Electronics and Renesas, based on scheduled due diligence. The new company will announce the company name, the location of its headquarters, the corporate representative, the board members, capitalization, total assets, and financial forecasts following the integration.

3. Schedule moving forward

NEC Electronics and Renesas plan to sign an agreement at the end of July, 2009 to integrate their business operations. The dates and details of the extraordinary general meetings of shareholders for NEC Electronics and Renesas to consider approval of the integration are to be announced following the signing of the agreement.

Implementation of the planned business integration is conditional upon authorization of the integration by the relevant government agencies.

4. Outline of NEC Electronics and Renesas Technology

(1)	Company Name	NEC Electronics Corporation	Renesas Technology Corp.
(2)	Major Operations	R&D, manufacture, sale, and servicing of semiconductor devices mainly on system LSIs	Development, design, manufacture, sale, and servicing of SoC products such as MCUs, logic devices, and analog devices; discrete semiconductor products; and memory products such as SRAM
(3)	Established	November 1, 2002	April 1, 2003
(4)	Headquarters	Kawasaki City, Kanagawa Prefecture, Japan	Chiyoda-ku, Tokyo, Japan
(5)	Representative	Toshio Nakajima, President and CEO	Katsuhiko Tsukamoto, Representative Director, Chairman Yasushi Akao, Representative Director, President
(6)	Capital	¥85.955 billion (As of March 31, 2009)	¥77 billion (As of March 31, 2009)
(7)	Number of Stocks Issued	123.5 million (As of March 31, 2009)	5.54 million (As of March 31, 2009)
(8)	Net Assets	¥224.817 billion (Consolidated, As of Sept. 30, 2008)	¥333.052 billion (Consolidated, As of Sept. 30, 2008)
(9)	Total Assets	¥622.047 billion (Consolidated, As of Sept. 30, 2008)	¥840.343 billion (Consolidated, As of Sept. 30, 2008)
(10)	End of FY	March 31	March 31
(11)	Employees	22,500 (Consolidated, As of March 31, 2009)	25,000 (Consolidated, As of March 31, 2009)
(12)	Major Customers	Electronic equipment manufacturers, Semiconductor production equipment manufacturers, Semiconductor materials manufacturers	Electronic equipment manufacturers, Semiconductor production equipment manufacturers, Semiconductor materials manufacturers
(13)	Major Stockholders and Ownership Ratios	NEC Corporation: 65.02% Japan Trustee Services Bank, Ltd. (Trust Account from The Sumitomo Trust and Banking Co., Ltd., for retirement benefit Trust Account of NEC Corporation): 5.02%	Hitachi, Ltd.: 55% Mitsubishi Electric Corporation: 45%
(14)	Main Banks	Sumitomo Mitsui Banking Corporation	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Ltd.

(15) Present Relationship between Corporate Parties	Capital Ties	Renesas owns 100 shares of stock in NEC Electronics.
	Personal Ties	No relevant items
	Business Relationship	NEC Electronics outsources some production processes to Renesas Northern Japan Semiconductor, Inc., a consolidated subsidiary of Renesas.
	Relevant Circumstances of Related Parties	No relevant items

(16) Business Performance

(Unit: ¥1 million)

Fiscal Year Ending	NEC Electronics (Consolidated, US-GAAP)			Renesas (Consolidated, Japan-GAAP)		
	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2006	March 31, 2007	March 31, 2008
Net Sales	645,963	692,280	687,745	906,038	952,590	950,519
Operating Income (Loss)	(35,689)	(28,557)	5,094	13,124	23,482	43,592
Ordinary Income (Loss)	—	—	—	2,194	15,722	28,694
Income (Loss) before Income Taxes	(42,386)	(35,375)	(3,252)	(9,835)	13,275	28,171
Net Profit (Loss)	(98,198)	(41,500)	(15,995)	(2,470)	8,738	9,468
Net Income (Loss) Per Share (¥)	(795.13)	(336.04)	(129.52)	(493.92)	1,747.52	1,893.64
Dividend Per Share (¥)	0	0	0	—	—	—
Net Assets Per Share (¥)	2,495.98	2,146.32	1,839.20	63,354.90	65,735.31	66,623.71

Note 1: NEC Electronics' consolidated financial information is in accordance with U.S. GAAP. However, the figure for operating income shown above represents net sales minus the cost of sales, research and development expenses, and selling, general and administrative expenses.

Note 2: The consolidated financial results of Renesas are not subject to audits based on the Financial Instruments and Exchange Law.

Note 3: Both companies will announce consolidated results for the fiscal year ended March 2009 after the financial announcements for FY 09/3 Q4.

Notes: (*1) Source: Gartner "Semiconductor Applications Worldwide Annual Market Share: Database" 2 April 2009

About NEC Electronics

NEC Electronics Corporation (TSE: 6723) specializes in semiconductor products encompassing advanced technology solutions for the high-end computing and broadband networking markets, system solutions for the mobile handset, PC peripheral, automotive and digital consumer markets, and multi-market solutions for a wide range of customer applications. NEC Electronics Corporation has subsidiaries worldwide including NEC Electronics America, Inc. and NEC Electronics (Europe) GmbH. For additional information about NEC Electronics worldwide, visit www.necel.com.

About Renesas Technology Corp.

Renesas Technology Corp. is one of the world's leading semiconductor system solutions providers for mobile, automotive and PC/AV (Audio Visual) markets and the world's No.1 supplier of microcontrollers. It is also a leading provider of LCD Driver ICs, Smart Card microcontrollers, RF-ICs, High Power Amplifiers, Mixed Signal ICs, System-on-Chip (SoC), System-in-Package (SiP) and more. Established in 2003 as a joint venture between Hitachi, Ltd. (TSE:6501, NYSE:HIT) and Mitsubishi Electric Corporation (TSE:6503), Renesas Technology achieved consolidated revenue of 951 billion JPY in FY2007 (end of March 2008). Renesas Technology is based in Tokyo, Japan and has a global network of manufacturing, design and sales operations in 17 countries with 25,000 employees worldwide. For further information, please visit <http://www.renesas.com/>

About NEC Corporation

NEC Corporation is one of the world's leading providers of Internet, broadband network and enterprise business solutions dedicated to meeting the specialized needs of a diversified global base of customers. NEC delivers tailored solutions in the key fields of computer, networking and electron devices, by integrating its technical strengths in IT and Networks, and by providing advanced semiconductor solutions through NEC Electronics Corporation. The NEC Group employs more than 150,000 people worldwide. For additional information, please visit the NEC website at: <http://www.nec.com>.

About Hitachi

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 390,000 employees worldwide. Fiscal 2007 (ended March 31, 2008) consolidated revenues totaled 11,226 billion yen (\$112.3 billion). The company offers a wide range of systems, products and services in market sectors including information systems, electronic devices, power and industrial systems, consumer products, materials, logistics and financial services. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About Mitsubishi Electric

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, Mitsubishi Electric Corporation (TSE: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. The company recorded consolidated group sales of 4,049.8 billion yen (US\$ 40.5 billion*) in the fiscal year ended March 31, 2008. For more information visit: <http://global.mitsubishielectric.com>

*At an exchange rate of 100 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2008

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
