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Renesas Electronics Reaches a Definitive Agreement to Transfer Certain Assets and Shares of Subsidiaries Related to its LTE Modem Technology

September 4, 2013 — Renesas Electronics Corporation (Representative Director, Chairman and CEO, Hisao Sakuta, hereafter "Renesas") and its wholly-owned subsidiary Renesas Mobile Corporation (Chief Executive Officer: Hideaki Chaki, hereafter "RMC") today announced that it decided to transfer all the shares of Renesas Mobile Europe Oy, RMC's subsidiary (hereafter "RME"), and Renesas Mobile India Private Limited, RME's subsidiary (hereafter "RMI") to Broadcom Corporation (hereafter "Broadcom") (together with certain assets related to its LTE modem technology hereafter "Transfer"), and executed a definitive agreement (hereafter "Definitive Agreement") with Broadcom to effect such transfer, upon the terms and subject to the conditions of the agreement.

1. Reason for Transfer

Renesas and RMC announced on June 27 that they would stop development activities and sales expansion of the 4th generation wireless modem developed by RME and RMI (hereafter "LTE Modem"), and work towards the termination of this business. After the announcement, Renesas and RMC had started performing the steps necessary to end these activities. During the process, however, Broadcom proposed Renesas and RMC to acquire the LTE Modem technology. Reviewing this proposal, Renesas and RMC reached a conclusion that it would be desirable for all the stakeholders to effect the Transfer to Broadcom, a prominent technology innovator and global leader in semiconductors for wired and wireless communications.

This transaction enables Renesas and RMC to quickly exit from the LTE Modem business and focus more on their core business, while enabling Broadcom to strengthen its semiconductor business for communications. Therefore, this transaction is highly expected to improve corporate values of both parties.

2. Outline of Subsidiaries Transferred

(1) Renesas Mobile Europe Oy

(a) Company Name	Renesas Mobile Europe Oy
(b) Headquarter	Helsinki, Finland
(c) Title, Name of Representative	Managing Director, Juha Heikki Tenhunen

(d) Business	Development of LTE Modem, etc.	
(e) Capital	35 million Euro	
(f) Founded	September 1, 2010	
(g) Major Shareholders and Percentage Held	RMC (100.00%)	
(h) Relationship with Renesas	Capital	RME is a wholly owned subsidiary of RMC, a wholly owned subsidiary of Renesas.
	Human	Three employees of Renesas concurrently serve as Members of the Board.
	Business	Renesas provides RME with short-term loans, while a subsidiary of Renesas contract out the design and development of LTE Modem, etc. to RME.

(i) Financial Situation in the past three years

	FY2010	FY2011	FY2012
Shareholders' Equity (Millions of Euro)	36	41	47
Total Assets (Millions of Euro)	75	71	75
Shareholders' Equity per Share (Euro)	3,581	4,070	4,708
Net Revenue (Millions of Euro)	49	164	166
Operating Income (Millions of Euro)	1	7	7
Net Income (Millions of Euro)	1	5	6
Net Income per Share (Euro)	71	489	638
Dividends per Share (Euro)	0	0	0

(2) Renesas Mobile India Private Limited

(a) Company Name	Renesas Mobile India Private Limited	
(b) Headquarter	Bangalore, India	
(c) Title, Name of Representative	Managing Director, Ilkka Savimäki	
(d) Business	Development of LTE Modem, etc.	
(e) Capital	340 million Rupee	
(f) Founded	October 13, 2010	
(g) Major Shareholders and Percentage Held	RME (99.9974%) RMC (0.0026%)	
(h) Relationship with Renesas	Capital	RMI is a subsidiary of RME, a wholly owned subsidiary of RMC.
	Human	One employee of Renesas concurrently serves as a Member of the Board. One Member of the Board of Renesas' subsidiary concurrently serves as a Member of the Board
	Business	A sub-subsidiary of Renesas contract out the design and development of LTE Modem, etc. to RMI.

(i) Financial Situation in the past three years

	FY2010	FY2011	FY2012
Shareholders' Equity (Millions of	365	448	545

Rupee)			
Total Assets (Millions of Rupee)	507	549	656
Shareholders' Equity per Share (Rupee)	94	116	141
Net Revenue (Millions of Rupee)	279	900	1,005
Operating Income (Millions of Rupee)	61	212	251
Net Income (Millions of Rupee)	25	83	97
Net Income per Share (Rupee)	7	21	25
Dividends per Share (Rupee)	0	0	0

3. Outline of Buyer

(a) Company Name	Broadcom Corporation	
(b) Headquarter	Irvine, California, U.S.A.	
(c) Title, Name of Representative	President, CEO and Member of the Board of Directors Scott A. McGregor	
(d) Business	Communications semiconductors	
(e) Shareholders' Equity	(*1)	
(f) Consolidated Net Assets	(*1)	
(g) Consolidated Total Assets	(*1)	
(h) Founded	1991	
(i) Relationship with the Seller	Capital	There is no important capital relationship between Broadcom and Renesas.
	Human	There is no important human relationship between Broadcom and Renesas.
	Business	There is no important business relationship between Broadcom and Renesas.

(*1) Please refer to Broadcom's investor site at http://investor.broadcom.com

4. Subjects to be Transferred and Purchase Price

(1) Subjects to be Transferred

All the shares of RME and RMI as well as certain assets related to the LTE Modem technology shall be transferred.

(2) Purchase Price

Expected purchase price is approximately USD 164 million including all the shares of RME and RMI as well as certain assets related to the LTE Modem technology. The final purchase price is subject to adjustment under the Definitive Agreement.

5. Number of Shares Transferred, and Number of Shares Before and After Transfer

(1) RME

a) Number of Shares Before Transfer	10,000 shares (% held: 100%)
b) Number of Shares Transferred	10,000 shares (% held: 100%)
c) Number of Shares After Transfer	0 shares (% held: 0%)

(2) RMI

a) Number of Shares Before Transfer	3,872,500 shares (% held: 100%) *) 100% held by RME and RMC combined with RMC holding one hundred shares
b) Number of Shares Transferred	3,872,500 shares (% held: 100%) *) 100% held by RME and RMC combined with RMC holding one hundred share
c) Number of Shares After Transfer	0 shares (% held: 0%)

6. Schedule of Transfer

(1) Board Resolution and Execution of Definitive Agreement	September 4, 2013
(2) Execution Date of Transfer	October 1, 2013 (Target Date)

7. Outlook

It is uncertain at this time what impact this decision will have on the Renesas Group's consolidated financial performance in the 2nd quarter of this fiscal year and after, but we would make an immediate announcement should any impact be identified.

The content in the press release, including, but not limited to, product prices and specifications, is based on the information as of the date indicated on the document, but may be subject to change without prior notice.

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