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## Notice Regarding Issuance of Stock Acquisition Rights as Stock Options

**TOKYO, Japan, June 28, 2016**— Renesas Electronics Corporation (TSE: 6723), a premier supplier of advanced semiconductor solutions, today announced that it has resolved at the Meeting of Board of Directors held on June 28, 2016, certain subscription items for stock acquisition rights to be issued as stock options for Renesas members of the board (excluding outside directors) and Senior Vice Presidents and determined items regarding taking applications or persons who will receive these stock acquisition rights. The terms and conditions are as outlined below.

### [Outline of Resolutions]

1. For Renesas members of the board (excluding outside directors) and Senior Vice Presidents, Renesas will accept applications for persons who will receive the "First Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation", and will grant those stock acquisition rights on August 1, 2016.
2. For Renesas Senior Vice Presidents, Renesas will accept applications for persons who will receive the "Second Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation", and will grant those stock acquisition rights on August 1, 2016.
3. For Renesas Senior Vice Presidents, Renesas will accept applications for persons who will receive the "Third Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation", and will grant those stock acquisition rights on August 1, 2016.

### I. Reason for issuance of stock acquisition rights as stock options

The purpose of the issuance of stock acquisition rights is to encourage Renesas members of the board (excluding outside directors) and Senior Vice Presidents to share the merits of a rise in Renesas' share value and the risks of a drop in the share value with the shareholders, and to increase their desire to further contribute to increasing Renesas' stock price and increasing the value of the company.

### II. Details of the stock acquisition rights to be granted

1. Regarding "First Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation"

(1) Name of stock acquisition rights: "First Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation"

(2) Number of stock acquisition rights: 2,059

The above number of stock acquisition rights is the number scheduled to be granted. In the event that there is a decrease in the total number of stock acquisition rights granted due to non-subscription by eligible individuals and for other reasons, the total number of stock acquisition rights to be issued shall be the total number of stock acquisition rights granted.

(3) Type and number of stocks to be issued upon exercise of the stock acquisition rights:

The type of shares to be issued upon exercise of the stock acquisition rights shall be Renesas common stock, and the number of shares to be issued upon exercise of each stock acquisition right (hereinafter "number of shares granted") shall be 100 shares. However, following the day after the date of resolution, if Renesas performs either a stock split (including an allotment of shares without contribution of Renesas common stock. This applies to all mentions of stock splits in the remainder of this document.) or a stock consolidation, the number of shares granted shall be adjusted according to the following formula. Moreover, if the result of the adjustment includes a fractional share, that fractional share would be discarded.

(Adjusted number of shares granted) = (Number of shares granted prior to adjustment) × (Stock split or stock consolidation ratio)

The adjusted number of shares granted applies from the following day after the basis date of stock split (or effective date of the stock split, if the basis date is not stipulated) in the case of a stock split or the following day after the effective date of the stock consolidation in the case of a stock consolidation.

However, if a stock split is performed on the condition that the proposal to increase capital or capital reserve by reducing the capital surplus is approved at the general shareholders' meeting, and if a date before the completion date of said general shareholders' meeting is taken to be the reference date for that stock split, then the post-adjustment number of shares granted shall be made retroactive and applied to the day following that basis date after the day following the day of completion of said general shareholders' meeting.

In addition to the above, if, at any time after the date of resolution, Renesas undergoes a merger or a demerger, or similar situation of this type and an adjustment of the number of shares granted, Renesas may appropriately adjust the number of shares granted within the scope deemed reasonable.

When the number of shares granted is adjusted, on or before the day before the day post-adjustment number of shares granted is applied, Renesas shall notify or announce to persons who hold each holder of the stock acquisition rights recorded in the stock option ledger ("Participants") any necessary items. However, if it is not possible to notify or announce these items on or before the day before the date of said application, Renesas shall notify or announce these items immediately.

(4) The amount to be invested when exercising each stock acquisition rights:

The amount to be invested when exercising each stock acquisition right shall be the amount to be paid for each share that can be granted by the exercise of the respective stock acquisition right (hereinafter "the exercise price"), which shall be 1 yen, multiplied by the "number of shares granted."

(5) Exercise period for stock acquisition rights:

The exercise period shall be the period beginning August 2, 2016 and ending August 1, 2026.

(6) Increased capitals and capital reserve when issuing shares upon the exercise of the share options:

(6.1) The amount of additional paid-in capital upon exercise of the stock acquisition right will be half of the maximum amount of increases of the capital to be calculated according to Article 17, Paragraph 1 of the Japanese generally accepted accounting principles, and any fractions less than one whole Yen shall be rounded down to the nearest whole Yen.

(6.2) The amount of additional paid-in capital reserve upon exercise of the stock acquisition right will increase by the amount obtained by deducting the amount of capital to be increased set forth in (6.1) above, from the maximum amount of increases of the common stock set forth in (6.1) above.

(7) Restriction on the acquisition of stock acquisition rights through transfers:

Any acquisition of the stock acquisition rights through transfer shall require the approval by resolution of the Board of Directors of Renesas.

(8) Call provision of stock acquisition rights:

If the proposals 1, 2, 3, 4, and 5 below are approved at a general shareholders' meeting (or if, in the case a shareholders' meeting determination is not required, if they are approved at a

meeting of Board of Directors), Renesas may acquire the stock acquisition rights without compensation at a arrival of the prescribed by the Board of Directors.

1. Proposal to approve a merger agreement under which Renesas would become the dissolving company
2. Proposal to approve a demerger agreement or a demerger plan under which Renesas would become the demerging company
3. Proposal to approve any statutory stock exchange agreement or any statutory stock transfer plan under which Renesas would become a wholly-owned subsidiary.
4. Proposal to approve the amendment of the Articles of Incorporation under which a transfer of any stocks issued by the Company shall be subject to Renesas approval
5. Proposal to approve the amendment of the Articles of Incorporation under which a transfer of the stocks to be issued by the exercise of the stock acquisition right shall be subject to Renesas approval, or Renesas may acquire all of the stocks to be issued by the exercise of the stock acquisition right pursuant to a resolution of the general shareholders' meeting.

(9) Policy to determine cancellation of stock acquisition right and issuance of stock acquisition right in reorganization:

If Renesas is to engage a merger (limited to cases where Renesas is to be dissolving company as a result of the merger), an absorption-type demerger or incorporation-type demerger (limited to cases where Renesas is to be the demerging company), or a share exchange or share transfer (limited to case where Renesas is to be a wholly-owned subsidiary) (hereinafter collectively called the "Reorganization"), Renesas shall issue stock acquisition rights of the companies listed in (a) to (e) of Article 236, Paragraph 1, item 8 of the Companies Act (hereinafter "Restructured Company") to the Participants holding outstanding stock acquisition rights (hereinafter "Outstanding stock acquisition rights") immediately before the effective date of the Reorganization in each case (in the case of an absorption-type merger, the effective date of the absorption-type merger; in the case of an incorporation-type merger, the establishment date of the company newly incorporated through the merger; in the case of an absorption-type demerger, the effective date of that absorption-type demerger; in the case of an incorporation-type demerger, the establishment date of the company newly incorporated through the demerger; in the case of a share exchange, the effective date of the share exchange; and in the case of a share transfer, the establishment date of the wholly owning parent company established through the share transfer, and so on hereinafter). Provided, however, that the rights may be issued only if provisions for issuing stock acquisition rights of the Reorganized company in accordance with the following conditions are stipulated in the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, stock exchange agreement, or stock transfer plan.

1. Numbers of stock acquisition rights of the Restructured Company to be issued

The number of stock acquisition rights to the number of the Outstanding stock acquisition rights held by Participants shall be delivered respectively.

2. Type of the Restructured Company's to be acquired upon exercise of stock acquisition rights  
Shall be common stock of the Restructured Company.

3. Number of shares of the Restructured Company to be acquired upon exercise of stock acquisition rights

Shall be determined in accordance with (3) above based on the consideration of conditions for the acts of structural reorganization and other factors.

4. Amount of assets to be paid upon exercise of stock acquisition rights

The value of the assets to be paid upon exercise of each stock acquisition rights shall be equivalent to the amount calculated by multiplying the "amount to be paid-in after Reorganization" by the number of shares of the restructured company to be acquired upon the exercise of each share options decided according to item 3 above. The "amount to be paid-in after Reorganization", shall be one yen for each share of the Restructured Company which may be acquired upon the exercise of the each stock acquisition right.

5. Exercise period of stock acquisition rights

The exercise period shall be from the later of the starting date of the term in (5) above, or the effective date of the Reorganization to the final date of the exercise period stipulated in (5) above.

6. Increased capitals and capital reserve when issuing shares upon the exercise of stock acquisition rights

Shall be determined in accordance with conditions for the exercise stipulated in (6) above.

7. Restriction on transfer of stock acquisition rights

Any transfer of stock acquisition rights shall be subject to the approval by a resolution of the Board of Directors of the Restructured Company.

8. Call provision of stock acquisition rights

Shall be determined in accordance with (8) above.

9. Other conditions for exercising stock acquisition rights

Shall be determined in accordance with (11) below.

(10) Treatment of fraction less than one share to be delivered upon exercise of the stock acquisition rights

If the number of shares to be delivered to the Participants who have exercised stock acquisition rights includes any fraction less than one share, such fraction shall be rounded down.

(11) Other conditions for the exercise of stock acquisition rights

1. In principle, the Participants may exercise said stock acquisition rights from the date after a year from the day following the date said stock acquisition rights were granted. However, if the Participants loses his/her position as member of the board or Senior Vice President, due to, for example, the expiration of his/her period of employment or appointment, said stock options may be exercised until 60 days have passed since the day following the date of loss of said position.

2. If the Participants gives up said stock acquisition rights, he/she may not exercise said stock acquisition rights.

(12) Method of calculation for amount to be paid upon exercise of stock acquisition rights

The amount to be paid for each stock acquisition right shall be equivalent to the amount calculated by multiplying the option price per share (rounded to the nearest one yen) by the number of shares to be granted, where the option price is calculated using the Black-Scholes model using the basic parameters (2) to (7) below.

$$C = Se^{-qT} N(d) - Xe^{-rT} N(d - \sigma\sqrt{T})$$

In this formula,

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

1. C = option price per share

2. S = share price: the closing price (regular way) of Renesas' common stock on the Tokyo

Stock Exchange on August 1, 2016 (or the base price on the following trading day if there is no closing price on that date)

3. X = Exercise price: 1 yen

4. T = Expected life: 6 years

5.  $\sigma$  = Volatility: for 6 years (the variation rate computed based on the closing price (regular way) on each trading day of the Renesas' common stock from August 1, 2010 through July 31, 2016)

6. r = risk-free interest rate (the interest rate on Japanese government bonds for the remaining years corresponding to the expected life)

7. q = dividend yield: dividend per share (actual dividend for the fiscal year ended March 31, 2016) / share price determined by (2) above

8.  $N(\cdot)$  = cumulative distribution function of the standard normal distribution

(Note) The amount calculated in accordance with the above formula is the fair value of the stock acquisition rights, thereby is not applicable to the issue of stock acquisition rights with specially favorable terms. Renesas shall pay monetary compensation equivalent to the amount to be paid for stock acquisition rights to eligible persons, and the right to claim this compensation shall be offset with the obligation to pay the amount to be paid for stock acquisition rights.

(13) Grant date of stock acquisition rights: August 1, 2016

(14) Payment date for stock acquisition rights: August 1, 2016

(15) Number of stock acquisition rights granted and number of eligible persons:

2,059 stock acquisition rights will be granted to two members of the board (excluding outside directors) and eight Senior Vice Presidents.

2. Regarding "Second Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation"

(1) Name of stock acquisition rights: "Second Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation"

(2) Number of stock acquisition rights: 598

The above number of stock acquisition rights is the number scheduled to be granted. In the event that there is a decrease in the total number of stock acquisition rights granted due to

non-subscription by eligible individuals and for other reasons, the total number of stock acquisition rights to be issued shall be the total number of stock acquisition rights granted

(3) Type and number of stocks to be issued upon exercise of the stock acquisition rights:

The type of shares to be issued upon exercise of the stock acquisition rights shall be Renesas common stock, and the number of shares to be issued upon exercise of each stock acquisition right (hereinafter "number of shares granted") shall be 100 shares. However, following the day after the date of resolution, if Renesas performs either a stock split (including an allotment of shares without contribution of Renesas common stock. This applies to all mentions of stock splits in the remainder of this document.) or a stock consolidation, the number of shares granted shall be adjusted according to the following formula. Moreover, if the result of the adjustment includes a fractional share, that fractional share would be discarded.

$$(\text{Adjusted number of shares granted}) = (\text{Number of shares granted prior to adjustment}) \times (\text{Stock split or stock consolidation ratio})$$

The adjusted number of shares granted applies from the following day after the basis date of stock split (or effective date of the stock split, if the basis date is not stipulated) in the case of a stock split or the following day after the effective date of the stock consolidation in the case of a stock consolidation.

However, if a stock split is performed on the condition that the proposal to increase capital or capital reserve by reducing the capital surplus is approved at the general shareholders' meeting, and if a date before the completion date of said general shareholders' meeting is taken to be the reference date for that stock split, then the post-adjustment number of shares granted shall be made retroactive and applied to the day following that basis date after the day following the day of completion of said general shareholders' meeting.

In addition to the above, if, at any time after the date of resolution, Renesas undergoes a merger or a demerger, or similar situation of this type and an adjustment of the number of shares granted, Renesas may appropriately adjust the number of shares granted within the scope deemed reasonable.

When the number of shares granted is adjusted, on or before the day before the day post-adjustment number of shares granted is applied, Renesas shall notify or announce to persons who hold each holder of the stock acquisition rights recorded in the stock option ledger ("Participants") any necessary items. However, if it is not possible to notify or announce these items on or before the day before the date of said application, Renesas shall notify or announce these items immediately.



(4) The amount to be invested when exercising each stock acquisition rights:

The amount to be invested when exercising each stock acquisition right shall be the amount to be paid for each share that can be granted by the exercise of the respective stock acquisition right (hereinafter “the exercise price”), which shall be 1 yen, multiplied by the “number of shares granted.”

(5) Exercise period for stock acquisition rights:

The exercise period shall be the period beginning August 2, 2016 and ending August 1, 2026.

(6) Increased capitals and capital reserve when issuing shares upon the exercise of the share options:

(6.1) The amount of additional paid-in capital upon exercise of the stock acquisition right will be half of the maximum amount of increases of the capital to be calculated according to Article 17, Paragraph 1 of the Japanese generally accepted accounting principles, and any fractions less than one whole Yen shall be rounded down to the nearest whole Yen.

(6.2) The amount of additional paid-in capital reserve upon exercise of the stock acquisition right will increase by the amount obtained by deducting the amount of capital to be increased set forth in (6.1) above, from the maximum amount of increases of the common stock set forth in (6.1) above.

(7) Restriction on the acquisition of stock acquisition rights through transfers:

Any acquisition of the stock acquisition rights through transfer shall require the approval by resolution of the Board of Directors of Renesas.

(8) Call provision of stock acquisition rights:

If the proposals 1, 2, 3, 4, and 5 below are approved at a general shareholders' meeting (or if, in the case a shareholders' meeting determination is not required, if they are approved at a meeting of Board of Directors), Renesas may acquire the stock acquisition rights without compensation at a arrival of the prescribed by the Board of Directors.

1. Proposal to approve a merger agreement under which Renesas would become the dissolving company

2. Proposal to approve a demerger agreement or a demerger plan under which Renesas would become the demerging company

3. Proposal to approve any statutory stock exchange agreement or any statutory stock transfer plan under which Renesas would become a wholly-owned subsidiary.
4. Proposal to approve the amendment of the Articles of Incorporation under which a transfer of any stocks issued by the Company shall be subject to Renesas approval
5. Proposal to approve the amendment of the Articles of Incorporation under which a transfer of the stocks to be issued by the exercise of the stock acquisition right shall be subject to Renesas approval, or Renesas may acquire all of the stocks to be issued by the exercise of the stock acquisition right pursuant to a resolution of the general shareholders' meeting.

(9) Policy to determine cancellation of stock acquisition right and issuance of stock acquisition right in reorganization:

If Renesas is to engage a merger (limited to cases where Renesas is to be dissolving company as a result of the merger), an absorption-type demerger or incorporation-type demerger (limited to cases where Renesas is to be the demerging company), or a share exchange or share transfer (limited to case where Renesas is to be a wholly-owned subsidiary) (hereinafter collectively called the "Reorganization"), Renesas shall issue stock acquisition rights of the companies listed in (a) to (e) of Article 236, Paragraph 1, item 8 of the Companies Act (hereinafter "Restructured Company") to the Participants holding outstanding stock acquisition rights (hereinafter "Outstanding stock acquisition rights") immediately before the effective date of the Reorganization in each case (in the case of an absorption-type merger, the effective date of the absorption-type merger; in the case of an incorporation-type merger, the establishment date of the company newly incorporated through the merger; in the case of an absorption-type demerger, the effective date of that absorption-type demerger; in the case of an incorporation-type demerger, the establishment date of the company newly incorporated through the demerger; in the case of a share exchange, the effective date of the share exchange; and in the case of a share transfer, the establishment date of the wholly owning parent company established through the share transfer, and so on hereinafter). Provided, however, that the rights may be issued only if provisions for issuing stock acquisition rights of the Reorganized company in accordance with the following conditions are stipulated in the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, stock exchange agreement, or stock transfer plan.

1. Numbers of stock acquisition rights of the Restructured Company to be issued

The number of stock acquisition rights to the number of the Outstanding stock acquisition rights held by Participants shall be delivered respectively.

2. Type of the Restructured Company's to be acquired upon exercise of stock acquisition rights  
Shall be common stock of the Restructured Company.

3. Number of shares of the Restructured Company to be acquired upon exercise of stock acquisition rights

Shall be determined in accordance with (3) above based on the consideration of conditions for the acts of structural reorganization and other factors.

4. Amount of assets to be paid upon exercise of stock acquisition rights

The value of the assets to be paid upon exercise of each stock acquisition rights shall be equivalent to the amount calculated by multiplying the “amount to be paid-in after Reorganization” by the number of shares of the restructured company to be acquired upon the exercise of each share options decided according to item 3 above. The “amount to be paid-in after Reorganization”, shall be one yen for each share of the Restructured Company which may be acquired upon the exercise of the each stock acquisition right.

5. Exercise period of stock acquisition rights

The exercise period shall be from the later of the starting date of the term in (5) above, or the effective date of the Reorganization to the final date of the exercise period stipulated in (5) above.

6. Increased capitals and capital reserve when issuing shares upon the exercise of stock acquisition rights

Shall be determined in accordance with conditions for the exercise stipulated in (6) above.

7. Restriction on transfer of stock acquisition rights

Any transfer of stock acquisition rights shall be subject to the approval by a resolution of the Board of Directors of the Restructured Company.

8. Call provision of stock acquisition rights

Shall be determined in accordance with (8) above.

9. Other conditions for exercising stock acquisition rights

Shall be determined in accordance with (11) below.

(10) Treatment of fraction less than one share to be delivered upon exercise of the stock acquisition rights

If the number of shares to be delivered to the Participants who have exercised stock acquisition rights includes any fraction less than one share, such fraction shall be rounded down.

(11) Other conditions for the exercise of stock acquisition rights

1. In principle, the Participants may exercise said stock acquisition rights from the date after a year from the day following the date said stock acquisition rights were granted. However, if the Participants loses his/her position as member of the board or Senior Vice President, due to, for example, the expiration of his/her period of employment or appointment, said stock options may be exercised until 60 days have passed since the day following the date of loss of said position.

2. If the Participants gives up said stock acquisition rights, he/she may not exercise said stock acquisition rights.

(12) Grant date of stock acquisition rights: August 1, 2016

(13) Amount paid for stock acquisition rights:

No monetary payment is required in exchange for stock acquisition rights.

(Note) The said stock acquisition rights are granted as compensation for performance of duties and are not advantageous issue.

(14) Number of stock acquisition rights granted and number of eligible persons: 598 stock acquisition rights will be granted to two Senior Vice Presidents.

3. Regarding "Third Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation"

(1) Name of stock acquisition rights: "Third Series of FY2016 Stock Acquisition Rights of Renesas Electronics Corporation"

(2) Number of stock acquisition rights: 228

The above number of stock acquisition rights is the number scheduled to be granted. In the event that there is a decrease in the total number of stock acquisition rights granted due to non-subscription by eligible individuals and for other reasons, the total number of stock acquisition rights to be issued shall be the total number of stock acquisition rights granted

(3) Type and number of stocks to be issued upon exercise of the stock acquisition rights:

The type of shares to be issued upon exercise of the stock acquisition rights shall be Renesas common stock, and the number of shares to be issued upon exercise of each stock acquisition right (hereinafter “number of shares granted”) shall be 100 shares. However, following the day after the date of resolution, if Renesas performs either a stock split (including an allotment of shares without contribution of Renesas common stock. This applies to all mentions of stock splits in the remainder of this document.) or a stock consolidation, the number of shares granted shall be adjusted according to the following formula. Moreover, if the result of the adjustment includes a fractional share, that fractional share would be discarded.

(Adjusted number of shares granted) = (Number of shares granted prior to adjustment) × (Stock split or stock consolidation ratio)

The adjusted number of shares granted applies from the following day after the basis date of stock split (or effective date of the stock split, if the basis date is not stipulated) in the case of a stock split or the following day after the effective date of the stock consolidation in the case of a stock consolidation.

However, if a stock split is performed on the condition that the proposal to increase capital or capital reserve by reducing the capital surplus is approved at the general shareholders’ meeting, and if a date before the completion date of said general shareholders’ meeting is taken to be the reference date for that stock split, then the post-adjustment number of shares granted shall be made retroactive and applied to the day following that basis date after the day following the day of completion of said general shareholders’ meeting.

In addition to the above, if, at any time after the date of resolution, Renesas undergoes a merger or a demerger, or similar situation of this type and an adjustment of the number of shares granted, Renesas may appropriately adjust the number of shares granted within the scope deemed reasonable.

When the number of shares granted is adjusted, on or before the day before the day post-adjustment number of shares granted is applied, Renesas shall notify or announce to persons who hold each holder of the stock acquisition rights recorded in the stock option ledger (“Participants”) any necessary items. However, if it is not possible to notify or announce these items on or before the day before the date of said application, Renesas shall notify or announce these items immediately.

(4) The amount to be invested when exercising each stock acquisition rights:

The amount to be invested when exercising each stock acquisition right shall be the amount to be paid for each share that can be granted by the exercise of the respective stock acquisition

right (hereinafter “the exercise price”), which shall be 1 yen, multiplied by the “number of shares granted.”

(5) Exercise period for stock acquisition rights:

The exercise period shall be the period beginning August 2, 2016 and ending August 1, 2026.

(6) Increased capitals and capital reserve when issuing shares upon the exercise of the share options:

(6.1) The amount of additional paid-in capital upon exercise of the stock acquisition right will be half of the maximum amount of increases of the capital to be calculated according to Article 17, Paragraph 1 of the Japanese generally accepted accounting principles, and any fractions less than one whole Yen shall be rounded down to the nearest whole Yen.

(6.2) The amount of additional paid-in capital reserve upon exercise of the stock acquisition right will increase by the amount obtained by deducting the amount of capital to be increased set forth in (6.1) above, from the maximum amount of increases of the common stock set forth in (6.1) above.

(7) Restriction on the acquisition of stock acquisition rights through transfers:

Any acquisition of the stock acquisition rights through transfer shall require the approval by resolution of the Board of Directors of Renesas.

(8) Call provision of stock acquisition rights:

If the proposals 1, 2, 3, 4, and 5 below are approved at a general shareholders' meeting (or if, in the case a shareholders' meeting determination is not required, if they are approved at a meeting of Board of Directors), Renesas may acquire the stock acquisition rights without compensation at a arrival of the prescribed by the Board of Directors.

1. Proposal to approve a merger agreement under which Renesas would become the dissolving company

2. Proposal to approve a demerger agreement or a demerger plan under which Renesas would become the demerging company

3. Proposal to approve any statutory stock exchange agreement or any statutory stock transfer plan under which Renesas would become a wholly-owned subsidiary.

4. Proposal to approve the amendment of the Articles of Incorporation under which a transfer of any stocks issued by the Company shall be subject to Renesas approval

5. Proposal to approve the amendment of the Articles of Incorporation under which a transfer of the stocks to be issued by the exercise of the stock acquisition right shall be subject to Renesas approval, or Renesas may acquire all of the stocks to be issued by the exercise of the stock acquisition right pursuant to a resolution of the general shareholders' meeting.

(9) Policy to determine cancellation of stock acquisition right and issuance of stock acquisition right in reorganization:

If Renesas is to engage a merger (limited to cases where Renesas is to be dissolving company as a result of the merger), an absorption-type demerger or incorporation-type demerger (limited to cases where Renesas is to be the demerging company), or a share exchange or share transfer (limited to case where Renesas is to be a wholly-owned subsidiary) (hereinafter collectively called the "Reorganization"), Renesas shall issue stock acquisition rights of the companies listed in (a) to (e) of Article 236, Paragraph 1, item 8 of the Companies Act (hereinafter "Restructured Company") to the Participants holding outstanding stock acquisition rights (hereinafter "Outstanding stock acquisition rights") immediately before the effective date of the Reorganization in each case (in the case of an absorption-type merger, the effective date of the absorption-type merger; in the case of an incorporation-type merger, the establishment date of the company newly incorporated through the merger; in the case of an absorption-type demerger, the effective date of that absorption-type demerger; in the case of an incorporation-type demerger, the establishment date of the company newly incorporated through the demerger; in the case of a share exchange, the effective date of the share exchange; and in the case of a share transfer, the establishment date of the wholly owning parent company established through the share transfer, and so on hereinafter). Provided, however, that the rights may be issued only if provisions for issuing stock acquisition rights of the Reorganized company in accordance with the following conditions are stipulated in the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger plan, stock exchange agreement, or stock transfer plan.

1. Numbers of stock acquisition rights of the Restructured Company to be issued

The number of stock acquisition rights to the number of the Outstanding stock acquisition rights held by Participants shall be delivered respectively.

2. Type of the Restructured Company's to be acquired upon exercise of stock acquisition rights  
Shall be common stock of the Restructured Company.

3. Number of shares of the Restructured Company to be acquired upon exercise of stock acquisition rights

Shall be determined in accordance with (3) above based on the consideration of conditions for

the acts of structural reorganization and other factors.

4. Amount of assets to be paid upon exercise of stock acquisition rights

The value of the assets to be paid upon exercise of each stock acquisition rights shall be equivalent to the amount calculated by multiplying the “amount to be paid-in after Reorganization” by the number of shares of the restructured company to be acquired upon the exercise of each share options decided according to item 3 above. The “amount to be paid-in after Reorganization”, shall be one yen for each share of the Restructured Company which may be acquired upon the exercise of the each stock acquisition right.

5. Exercise period of stock acquisition rights

The exercise period shall be from the later of the starting date of the term in (5) above, or the effective date of the Reorganization to the final date of the exercise period stipulated in (5) above.

6. Increased capitals and capital reserve when issuing shares upon the exercise of stock acquisition rights

Shall be determined in accordance with conditions for the exercise stipulated in (6) above.

7. Restriction on transfer of stock acquisition rights

Any transfer of stock acquisition rights shall be subject to the approval by a resolution of the Board of Directors of the Restructured Company.

8. Call provision of stock acquisition rights

Shall be determined in accordance with (8) above.

9. Other conditions for exercising stock acquisition rights

Shall be determined in accordance with (11) below.

(10) Treatment of fraction less than one share to be delivered upon exercise of the stock acquisition rights

If the number of shares to be delivered to the Participants who have exercised stock acquisition rights includes any fraction less than one share, such fraction shall be rounded down.

(11) Other conditions for the exercise of stock acquisition rights



1. In principle, the Participants may exercise said stock acquisition rights from the date after a year from the day following the date said stock acquisition rights were granted. However, if the Participants loses his/her position as member of the board or Senior Vice President, due to, for example, the expiration of his/her period of employment or appointment, said stock options may be exercised until 60 days have passed since the day following the date of loss of said position.

2. If the Participants gives up said stock acquisition rights, he/she may not exercise said stock acquisition rights.

(12) Allotment date of stock acquisition rights: August 1, 2016

(13) Amount paid for stock acquisition rights:

No monetary payment is required in exchange for stock acquisition rights.

(Note) The said stock acquisition rights are granted as compensation for performance of duties and are not advantageous issue.

(14) Number of stock acquisition rights granted and number of eligible persons: 228 stock acquisition rights will be granted to one Senior Vice President.

### **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. Amongst 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.

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### **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).