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

**TOKYO, Japan, March 25, 2019**— Renesas Electronics Corporation (“Renesas”, TSE: 6723), a premier supplier of advanced semiconductor solutions, announced in the press release entitled “*Regarding Acquisition of Stock of Integrated Device Technology, Inc.*” issued on September 11, 2018, to reach an agreement with Integrated Device Technology, Inc. (“IDT”, NASDAQ: IDTI), a U.S.-based analog semiconductor supplier, whereby IDT will become a wholly-owned subsidiary of Renesas (the “acquisition”). Subject to the completion of the acquisition, Renesas today announced that it has resolved at the Board of Directors held today, certain subscription items for stock acquisition rights to be issued as stock options for a corporate officer of Renesas and directors (excluding outside directors), corporate officers and employees of IDT and its subsidiaries. Renesas has also determined items regarding taking applications or persons who will receive these stock options. The terms and conditions are outlined below. As announced in the press release entitled “*Renesas and IDT Announce Final Regulatory Approval for Renesas’ Proposed Acquisition of IDT*” issued on March 23, 2019, the acquisition has been approved by the IDT’s shareholder meeting on January 15, 2019 PST and Renesas has received notification from the Committee on Foreign Investment in the United States (“CFIUS”) on March 22, 2019 PDT, March 23, 2019 JST, that the investigation of the companies’ proposed merger transaction is complete. The acquisition is now expected to close on March 29, 2019 PDT, March 30 JST, subject to customary closing conditions.

### [Outline of Resolutions]

1. Renesas will accept applications for directors (excluding outside directors), corporate officers and employees of IDT located outside Japan (all of them are scheduled to retire before the allotment date of the stock options), who will receive the "Renesas Electronics Corporation Stock Options for FY2019 (Series No.1)," and will grant those stock options on April 9, 2019 (Japan Standard Time).
2. Renesas will accept applications for employees of IDT’s subsidiaries located in Japan, who will receive the "Renesas Electronics Corporation Stock Options for FY2019 (Series No.2)," and will grant those stock options on April 9, 2019 (Japan Standard Time).
3. Renesas will accept applications for a corporate officer of Renesas and directors (excluding outside directors), corporate officers and employees of IDT and its subsidiaries located outside Japan, who will receive the "Renesas Electronics Corporation Stock Options for FY2019 (Series No.3)," and will grant those stock options on April 9, 2019 (Japan Standard Time).

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

In relation to the acquisition, Renesas has concluded a merger agreement with IDT under which IDT shares are to be acquired at a price of US\$49.00 per share, for a total equity value of approximately US\$6.7 billion (approximately 733 billion yen at an exchange rate of 110 yen to the dollar). Under the merger agreement, IDT shares will be retired when the acquisition is completed, and restricted stock units (RSUs) and performance stock units (PSUs) for existing IDT shares allocated as stock options to the directors (excluding outside directors), corporate officers and employees of IDT and its subsidiaries will be converted to stock acquisition rights to be issued as stock options for Renesas common shares. By issuing such stock options equivalent to those offered by IDT prior to the completion of the acquisition to the directors (excluding outside directors), corporate officers and employees of IDT and its subsidiaries,

Renesas will be able to retain excellent talents as well as to have them share the advantages and risks of rises and falls in the value of Renesas shares with all the shareholders. Therefore, the main purpose of the stock options is to encourage the directors, corporate officers and employees of IDT and its subsidiaries to contribute to increasing the share price and enterprise value, which will ultimately lead to improving the corporate value of Renesas Group.

Renesas plans to grant 625,318 stock options this time, which accounts for approximately 3.7 percent increase in the number of Renesas shares issued and outstanding (1,668,385,390 shares as of December 31, 2018).

These stock acquisition rights include both those vested on the date of allocation and those vested after a fixed period from the allocation date. Therefore, the number of Renesas common shares issuable following the vesting of the stock acquisition rights on the allotment date of the stock acquisition rights will account for approximately 1.5 percent of the number of Renesas shares issued and outstanding. Renesas expects the term from the allotment date until the vesting date of the stock options to last up to 3.9 years.

The calculation of the total number of stock options to be granted is based on a stock price of 500 yen per share at an exchange rate of 113 yen to the US dollar. As stipulated in the above-mentioned merger agreement, the number of stock acquisition rights to be converted from the RSUs and PSUs for existing IDT shares will be determined based on the average stock price of Renesas shares and the average exchange rate during a fixed period, which will last up until two business days prior to the completion of the acquisition. Renesas plans to announce the final number of stock options when the information becomes available on the allotment date.

## II. Details of the stock options to be issued

### 1. Regarding "Renesas Electronics Corporation Stock Options for FY2019 (Series No.1)"

(1) Name of the stock options: "Renesas Electronics Corporation Stock Options for FY2019 (Series No.1)"

(2) Number of the stock options granted and number of eligible persons:

Renesas will grant 111,049 stock options to 5 members comprising of directors (excluding outside directors), corporate officers and employees of IDT located outside Japan (all of them are scheduled to retire before the allotment date of the stock options).

(3) Total number of the stock options: 111,049

However, the total number of the stock options described above is the expected number of stock options to be allotted. If the total number of stock options to be allotted decreases due to a lack of applications for subscription or for other reasons, the total number of stock options to be allotted will be the total number of stock options to be issued.

(4) Class and number of shares to be acquired upon exercise of the stock options:

The class of shares to be acquired upon exercise of the stock options shall be shares of common stock of Renesas, and the number of shares to be acquired upon exercise of one stock option (the "Number of Shares to be Granted") shall be 100 shares.

However, in the case of a stock split (including gratuitous allotment of shares of common stock

of Renesas; the same applies hereinafter) or stock consolidation of shares of common stock of Renesas by Renesas after the allotment date, the Number of Shares to be Granted shall be adjusted using the following formula with respect to the stock options that have not been exercised at the time of such stock split or stock consolidation:

(Number of Shares to be Granted after adjustment) = (Number of Shares to be Granted before adjustment) × (Ratio of stock split or stock consolidation)

In addition to the above, if, after the allotment date, Renesas carries out a merger or company split, or deems it necessary (to essentially the same extent) to adjust the Number of Shares to be Granted in other situations, Renesas may appropriately adjust the Number of Shares to be Granted to a reasonable extent.

Any fraction less than one share resulting from such adjustment shall be rounded down to the nearest whole share.

(5) Amount of assets to be contributed upon exercise of the stock options:

The contribution to be made upon exercise of the stock options will be made for cash, and the amount of the assets to be contributed upon exercise of each stock option shall be obtained by multiplying one Japanese yen, which is the amount per share to be delivered upon exercise of such stock option, by the Number of Shares to be Granted.

(6) Exercise period for stock options:

The exercise date shall only be April 9, 2019 (Japan Standard Time).

(7) Matters relating to stated capital or capital reserve to be increased by the issuance of new shares upon the exercise of the stock options:

(7.1) The amount of stated capital to be increased by the issuance of shares upon the exercise of the stock options will be one-half of the maximum amount of increase of stated capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Calculation Rules of Japan, and any amount less than one Japanese yen resulting from the calculation will be rounded up to the nearest Japanese yen.

(7.2) The amount of capital reserve to be increased by the issuance of shares upon the exercise of the stock options will be the amount obtained by subtracting the amount of stated capital to be increased described in (7.1) above from the maximum amount of increase of stated capital, etc. described in (7.1) above.

(8) Restrictions on assignments of the stock options:

Assignments of the stock options require the approval by resolution of the Renesas' Board of Directors.

(9) Call options pertaining to the stock options:

(9.1) If any of the following proposals is approved at a shareholders' meeting of Renesas (or, if a resolution of a shareholders' meeting is not required, resolved at a board of directors' meeting of Renesas), Renesas may acquire all of the stock options at no cost on the date separately designated by the board of directors of Renesas.

- (i) proposal for approval of a merger agreement providing that Renesas be dissolved;
- (ii) proposal for approval of a company split agreement or company split plan providing that Renesas be split;
- (iii) proposal for approval of a share exchange agreement or share transfer plan providing that Renesas become a wholly-owned subsidiary;
- (iv) proposal for approval of Renesas acquiring all of shares subject to class-wide call pursuant to Article 171, Paragraph 1 of the Companies Act of Japan;
- (v) proposal for approval of amendments to the articles of incorporation specifying a provision that, as a condition pertaining to all of the shares issued by Renesas, the acquisition of such shares through transfer requires Renesas' approval;
- (vi) proposal for approval of amendments to the articles of incorporation specifying a provision that, as a condition pertaining to the class of shares to be acquired upon exercise of the stock options, the acquisition of such class of shares through transfer requires Renesas' approval, or a provision that Renesas may acquire all of such class of shares by resolution of the shareholders' meeting;
- (vii) proposal for approval of stock consolidation of class of shares to be acquired upon exercise of the stock options (only if the number obtained by multiplying the unit shares relating to such class of shares by the ratio of stock consolidation generates a fraction less than one share); and
- (viii) proposal for approval of demand for cash-out by special controlling shareholders pursuant to the provisions of Article 179-3, Paragraph 1 of the Companies Act of Japan.

(9.2) If the stock option holder is unable to exercise its stock options pursuant to the provisions of Paragraph (12) below, Renesas may acquire the stock options held by such stock option holder at no cost on the date separately designated by the board of directors of Renesas.

(10) Matters relating to delivery of the stock options upon reorganization:

If Renesas conducts a merger (limited to where Renesas is to be dissolved as a result of the merger), absorption-type company split or incorporation-type company split (limited to where Renesas is to be split as a result of the absorption-type company split or incorporation-type company split), or share exchange or share transfer (limited to where Renesas becomes a wholly-owned subsidiary as a result of the share exchange or share transfer) (collectively, a "Reorganization"), in each case stock options of a stock company set out in (a) through (e) of Article 236, Paragraph 1, Item (8) of the Companies Act of Japan (collectively, the "Reorganized Company") will be delivered to the stock option holder holding the stock options that are outstanding immediately before the effective date of the Reorganization (which means, in the case of an absorption-type merger, the day on which the absorption-type merger becomes effective, in the case of an incorporation-type merger, the day on which the incorporation-type merger becomes effective, in the case of an absorption-type company split, the day on which the absorption-type company split becomes effective, in the case of an incorporation-type company split, the day on which the incorporation-type company split becomes effective, in the case of a share exchange, the day on which the share exchange becomes effective, and in the case of a share transfer, the day on which the wholly-owning parent company incorporated through share transfer is incorporated; the same applies hereinafter) (the "Outstanding Stock Options") on the following conditions, in which case, the Outstanding Stock Options will be terminated; provided, however, that this shall apply only if the delivery of stock options by the Reorganized Company on the following conditions is stipulated in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan.

(10.1) Number of stock options of the Reorganized Company for delivery:

The stock option holders will each receive delivery of stock options of the Reorganized Company in the same number as the number of the Outstanding Stock Options held thereby.

(10.2) Type of shares of the Reorganized Company for delivery upon exercise of the stock options:

Common stock of the Reorganized Company

(10.3) Number of shares of the Reorganized Company for delivery upon exercise of the stock options:

This will be determined in accordance with Paragraph (4) above after considering the terms and conditions of the Reorganization, etc.

(10.4) Amount of assets to be contributed upon exercise of the stock options:

The contribution to be made upon exercise of the stock options to be delivered will be made for cash, and the amount of the assets to be contributed shall be obtained by multiplying one Japanese yen, which is the amount per share of the Reorganized Company to be delivered upon exercise of the stock options, by the number of shares of the Reorganized Company underlying the stock options to be determined pursuant to (10.3) above.

(10.5) Exercise period of the stock options:

The exercise period of the stock options will be from the later of the commencement date of the period set out in Paragraph (6) above in which the stock options are exercisable or the effective date of the Reorganization through the expiration date of the period set out in Paragraph (6) above in which the stock options are exercisable.

(10.6) Matters relating to stated capital or capital reserve to be increased by the issuance of new shares upon exercise of the stock options:

This will be determined in accordance with Paragraph (7) above.

(10.7) Restrictions on acquiring the stock options by means of transfer:

Acquiring stock options by means of a transfer requires approval of the board of directors of the Reorganized Company.

(10.8) Call options pertaining to the stock options:

This will be determined in accordance with Paragraph (9) above.

(10.9) Other conditions of exercise of the stock options:

This will be determined in accordance with Paragraph (12) below.

(11) Handling of Fraction Less Than One Share Arising upon Exercise of the Stock Options

With respect to the number of shares to be delivered to the stock option holders who exercise their stock options, any fraction less than one share will be rounded down to the nearest whole share.

(12) Other conditions of exercise of the stock options

(12.1) If the stock option holder waives the stock options, the stock option holder may not exercise such stock options.

(12.2) The stock options allotment agreement between Renesas and the stock option holder may provide other conditions not stipulated above.

(13) Amount of payment in exchange for the stock options:

No monetary payment is required in exchange for the stock options.

(Note) The stock options are allotted to the directors (excluding outside directors), corporate officers and employees of IDT in exchange for the extinguishment of the RSUs and PSUs of IDT held by the relevant directors (excluding outside directors), corporate officers and employees resulting from the acquisition. The economic value of such stock options is substantially equivalent to the economic value of such RSUs and PSUs. As the value of the stock options has been reflected to the consideration for the acquisition, the issue of the stock options does not fall upon the issue of stock acquisition rights with specially favorable terms.

(14) Allotment date of the stock options: April 9, 2019 (Japan Standard Time)

(15) Certificates for the stock options:

Renesas will not issue certificates for the stock options.

(Note) If it becomes necessary to deem an alternate reading of a term contained in the provisions of these terms and conditions, make a correction to comply with applicable laws and ordinances or take other such measures, Renesas may take reasonably necessary measures by amending the provisions of these terms and conditions or adopting other methods as Renesas deems appropriate in accordance with the laws and ordinances, and the purpose of the stock options.

## 2. Regarding "Renesas Electronics Corporation Stock Options for FY2019 (Series No.2)"

(1) Name of the stock options: "Renesas Electronics Corporation Stock Options for FY2019 (Series No.2)"

(2) Number of the stock options granted and number of eligible persons:

Renesas will grant 2,850 stock options to 16 employees of IDT's subsidiaries located in Japan.

(3) Total number of the stock options: 2,850

However, the total number of the stock options described above is the expected number of stock options to be allotted. If the total number of stock options to be allotted decreases due to a lack of applications for subscription or for other reasons, the total number of stock options to be allotted will be the total number of stock options to be issued.

(4) Class and number of shares to be acquired upon exercise of the stock options:

The class of shares to be acquired upon exercise of the stock options shall be shares of common stock of Renesas, and the number of shares to be acquired upon exercise of one stock option (the "Number of Shares to be Granted") shall be 100 shares.

However, in the case of a stock split (including gratuitous allotment of shares of common stock of Renesas; the same applies hereinafter) or stock consolidation of shares of common stock of Renesas by Renesas after the allotment date, the Number of Shares to be Granted shall be adjusted using the following formula with respect to the stock options that have not been exercised at the time of such stock split or stock consolidation:

(Number of Shares to be Granted after adjustment) = (Number of Shares to be Granted before adjustment) × (Ratio of stock split or stock consolidation)

In addition to the above, if, after the allotment date, Renesas carries out a merger or company split, or deems it necessary (to essentially the same extent) to adjust the Number of Shares to be Granted in other situations, Renesas may appropriately adjust the Number of Shares to be Granted to a reasonable extent.

Any fraction less than one share resulting from such adjustment shall be rounded down to the nearest whole share.

(5) Amount of assets to be contributed upon exercise of the stock options:

The contribution to be made upon exercise of the stock options will be made for cash, and the amount of the assets to be contributed upon exercise of each stock option shall be obtained by multiplying one Japanese yen, which is the amount per share to be delivered upon exercise of such stock option, by the Number of Shares to be Granted.

(6) Exercise period for stock options:

The exercise period shall be the period beginning April 9, 2019 (Japan Standard Time) and ending April 8, 2029 (Japan Standard Time).

(Note) However, Renesas and the stock option holders are scheduled to enter into a stock options allotment agreement with the following terms and conditions.

The Stock Option Holder may exercise the Stock Options in accordance with the following exercise conditions only during the period from April 9, 2019 (Japan Standard Time) to April 8, 2024 (Japan Standard Time) (the "Exercisable Period"). The Stock Option Holder may not exercise the Stock Options on or after April 9, 2024 (Japan Standard Time): The Stock Option Holder may not exercise the Stock Options during the period for which the Stock Option Holder resides in a country other than the country separately designated by Renesas as the country in which the Stock Option Holder was considered to continue to work at the commencement of its services or employment (in the case of secondment, Renesas will determine such country based on the assignor company) (the "Country of Original Employment"). In this case, if the Exercisable Period has already elapsed or the Exercisable Period is to expire in less than one year at the time when the Stock Option Holder regains its residence in the Country of Original Employment, the Stock Option Holder may exercise the Stock Options that could have been exercised during the period for which the Stock Option Holder resided in a country other than the Country of Original Employment if the Stock Option Holder had resided in the Country of Original Employment and that have not been exercised, within the period of one year from such time; provided, however, that the Stock Option Holder shall exercise the Stock Options only during the exercise period set out above and the Stock Option Holder shall reside in the Country of Original Employment at the time of such exercise; provided, further, that this provision shall not apply if the Stock Option Holder loses its Exercise Qualification as a result of retirement or resignation.

(7) Matters relating to stated capital or capital reserve to be increased by the issuance of new shares upon the exercise of the stock options:

(7.1) The amount of stated capital to be increased by the issuance of shares upon the exercise of the stock options will be one-half of the maximum amount of increase of stated capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Calculation Rules of Japan, and any amount less than one Japanese yen resulting from the calculation will be rounded up to the nearest Japanese yen.

(7.2) The amount of capital reserve to be increased by the issuance of shares upon the exercise of the stock options will be the amount obtained by subtracting the amount of stated capital to be increased described in (7.1) above from the maximum amount of increase of stated capital, etc. described in (7.1) above.

(8) Restrictions on assignments of the stock options:

Assignments of the stock options require the approval by resolution of the Renesas' Board of Directors.

(9) Call options pertaining to the stock options:

(9.1) If any of the following proposals is approved at a shareholders' meeting of Renesas (or, if a resolution of a shareholders' meeting is not required, resolved at a board of directors' meeting of Renesas), Renesas may acquire all of the stock options at no cost on the date separately designated by the board of directors of Renesas.

- (i) proposal for approval of a merger agreement providing that Renesas be dissolved;
- (ii) proposal for approval of a company split agreement or company split plan providing that Renesas be split;
- (iii) proposal for approval of a share exchange agreement or share transfer plan providing that Renesas become a wholly-owned subsidiary;
- (iv) proposal for approval of Renesas acquiring all of shares subject to class-wide call pursuant to Article 171, Paragraph 1 of the Companies Act of Japan;
- (v) proposal for approval of amendments to the articles of incorporation specifying a provision that, as a condition pertaining to all of the shares issued by Renesas, the acquisition of such shares through transfer requires Renesas' approval;
- (vi) proposal for approval of amendments to the articles of incorporation specifying a provision that, as a condition pertaining to the class of shares to be acquired upon exercise of the stock options, the acquisition of such class of shares through transfer requires Renesas' approval, or a provision that Renesas may acquire all of such class of shares by resolution of the shareholders' meeting;
- (vii) proposal for approval of stock consolidation of class of shares to be acquired upon exercise of the stock options (only if the number obtained by multiplying the unit shares relating to such class of shares by the ratio of stock consolidation generates a fraction less than one share); and
- (viii) proposal for approval of demand for cash-out by special controlling shareholders pursuant to the provisions of Article 179-3, Paragraph 1 of the Companies Act of Japan.

(9.2) If the stock option holder is unable to exercise its stock options pursuant to the provisions of Paragraph (12) below, Renesas may acquire the stock options held by such stock option holder at no cost on the date separately designated by the board of directors of Renesas.

(10) Matters relating to delivery of the stock options upon reorganization:

If Renesas conducts a merger (limited to where Renesas is to be dissolved as a result of the merger), absorption-type company split or incorporation-type company split (limited to where Renesas is to be split as a result of the absorption-type company split or incorporation-type company split), or share exchange or share transfer (limited to where Renesas becomes a wholly-owned subsidiary as a result of the share exchange or share transfer) (collectively, a "Reorganization"), in each case stock options of a stock company set out in (a) through (e) of Article 236, Paragraph 1, Item (8) of the Companies Act of Japan (collectively, the "Reorganized Company") will be delivered to the stock option holder holding the stock options that are outstanding immediately before the effective date of the Reorganization (which means, in the case of an absorption-type merger, the day on which the absorption-type merger becomes effective, in the case of an incorporation-type merger, the day on which the incorporation-type merger becomes effective, in the case of an absorption-type company split, the day on which the absorption-type company split becomes effective, in the case of an incorporation-type company split, the day on which the incorporation-type company split becomes effective, in the case of a share exchange, the day on which the share exchange becomes effective, and in the case of a share transfer, the day on which the wholly-owning parent company incorporated through share transfer is incorporated; the same applies hereinafter) (the "Outstanding Stock Options") on the following conditions, in which case, the Outstanding Stock Options will be terminated; provided, however, that this shall apply only if the delivery of stock options by the Reorganized Company on the following conditions is stipulated in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan.

(10.1) Number of stock options of the Reorganized Company for delivery:

The stock option holders will each receive delivery of stock options of the Reorganized Company in the same number as the number of the Outstanding Stock Options held thereby.

(10.2) Type of shares of the Reorganized Company for delivery upon exercise of the stock options:

Common stock of the Reorganized Company

(10.3) Number of shares of the Reorganized Company for delivery upon exercise of the stock options:

This will be determined in accordance with Paragraph (4) above after considering the terms and conditions of the Reorganization, etc.

(10.4) Amount of assets to be contributed upon exercise of the stock options:

The contribution to be made upon exercise of the stock options to be delivered will be made for cash, and the amount of the assets to be contributed shall be obtained by multiplying one Japanese yen, which is the amount per share of the Reorganized Company to be delivered upon exercise of the stock options, by the number of shares of the Reorganized Company underlying the stock options to be determined pursuant to (10.3) above.

(10.5) Exercise period of the stock options:

The exercise period of the stock options will be from the later of the commencement date of the period set out in Paragraph (6) above in which the stock options are exercisable or the effective date of the Reorganization through the expiration date of the period set out in Paragraph (6) above in which the stock options are exercisable.

(10.6) Matters relating to stated capital or capital reserve to be increased by the issuance of

new shares upon exercise of the stock options:

This will be determined in accordance with Paragraph (7) above.

(10.7) Restrictions on acquiring the stock options by means of transfer:

Acquiring stock options by means of a transfer requires approval of the board of directors of the Reorganized Company.

(10.8) Call options pertaining to the stock options:

This will be determined in accordance with Paragraph (9) above.

(10.9) Other conditions of exercise of the stock options:

This will be determined in accordance with Paragraph (12) below.

(11) Handling of Fraction Less Than One Share Arising upon Exercise of the Stock Options

With respect to the number of shares to be delivered to the stock option holders who exercise their stock options, any fraction less than one share will be rounded down to the nearest whole share.

(12) Other conditions of exercise of the stock options

(12.1) The stock option holder shall be in the position of director, executive officer, auditor, corporate officer or employee of Renesas or its subsidiaries (the "Exercise Qualification") at the time of exercise of the stock options

(12.2) Notwithstanding (12.1) above, if the stock option holder loses its Exercise Qualification (other than loss due to death), the stock option holder may exercise its stock options only within the period of 13 months after the immediate following day of the day of loss of the Exercise Qualification (only if during the period set out in Paragraph (6) above).

(12.3) Notwithstanding (12.1) above, if the stock option holder dies, the stock options may be succeeded to by one (and only one) of the heirs of the stock option holder (the "Rights Successor"). In this case, the Rights Successor may exercise the stock options in a lump sum and only before the day that is six months after the day immediately following the day on which the stock option holder dies (and only if during the period provided for in Paragraph (6) above). If the Rights Successor dies, the heirs of the Rights Successor may not further succeed to the stock options.

(12.4) If the stock option holder waives the stock options, the stock option holder may not exercise such stock options.

(12.5) The stock options allotment agreement between Renesas and the stock option holder may provide other conditions not stipulated above.

(13) Amount of payment in exchange for the stock options and calculation method:

The amount to be paid in exchange for each stock option shall be an amount obtained by multiplying the Number of Shares to be Granted by the option price per share that is calculated using the Binominal Model based on the basic parameters.

The stock option holder is not required to make any payment of money; monetary receivables owed by Renesas to the stock option holder shall be set off in lieu of the stock option holder

paying the above amount to be paid in.

(14) Allotment date of the stock options: April 9, 2019 (Japan Standard Time)

(15) Certificates for the stock options:

Renesas will not issue certificates for the stock options.

(Note) If it becomes necessary to deem an alternate reading of a term contained in the provisions of these terms and conditions, make a correction to comply with applicable laws and ordinances or take other such measures, Renesas may take reasonably necessary measures by amending the provisions of these terms and conditions or adopting other methods as Renesas deems appropriate in accordance with the laws and ordinances, and the purpose of the stock options.

(Note) The issuance of the stock options shall not be made unless and until a requisite registration relating to such issuance under the Financial Instruments and Exchange Act of Japan comes into effect.

### 3. Regarding "Renesas Electronics Corporation Stock Options for FY2019 (Series No.3)"

(1) Name of the stock options: "Renesas Electronics Corporation Stock Options for FY2019 (Series No.3)"

(2) Number of the stock options granted and number of eligible persons:

Renesas will grant 511,419 stock options to 1,324 members comprising of a corporate officer of Renesas and directors (excluding outside directors), corporate officers and employees of IDT and its subsidiaries located outside Japan.

(3) Total number of the stock options: 511,419

However, the total number of the stock options described above is the expected number of stock options to be allotted. If the total number of stock options to be allotted decreases due to a lack of applications for subscription or for other reasons, the total number of stock options to be allotted will be the total number of stock options to be issued.

(4) Class and number of shares to be acquired upon exercise of the stock options:

The class of shares to be acquired upon exercise of the stock options shall be shares of common stock of Renesas, and the number of shares to be acquired upon exercise of one stock option (the "Number of Shares to be Granted") shall be 100 shares.

However, in the case of a stock split (including gratuitous allotment of shares of common stock of Renesas; the same applies hereinafter) or stock consolidation of shares of common stock of Renesas by Renesas after the allotment date, the Number of Shares to be Granted shall be adjusted using the following formula with respect to the stock options that have not been exercised at the time of such stock split or stock consolidation:

(Number of Shares to be Granted after adjustment) = (Number of Shares to be Granted before adjustment) × (Ratio of stock split or stock consolidation)

In addition to the above, if, after the allotment date, Renesas carries out a merger or company split, or deems it necessary (to essentially the same extent) to adjust the Number of Shares to be Granted in other situations, Renesas may appropriately adjust the Number of Shares to be Granted to a reasonable extent.

Any fraction less than one share resulting from such adjustment shall be rounded down to the nearest whole share.

(5) Amount of assets to be contributed upon exercise of the stock options:

The contribution to be made upon exercise of the stock options will be made for cash, and the amount of the assets to be contributed upon exercise of each stock option shall be obtained by multiplying one Japanese yen, which is the amount per share to be delivered upon exercise of such stock option, by the Number of Shares to be Granted.

(6) Exercise period for stock options:

The exercise period shall be the period beginning April 9, 2019 (Japan Standard Time) and ending April 8, 2029 (Japan Standard Time).

(Note) However, Renesas and the stock option holders are scheduled to enter into a stock options allotment agreement with the following terms and conditions.

The Stock Option Holder may exercise the Stock Options in accordance with the following exercise conditions only during the period from April 9, 2019 (Japan Standard Time) to April 8, 2024 (Japan Standard Time) (the "Exercisable Period"). The Stock Option Holder may not exercise the Stock Options on or after April 9, 2024 (Japan Standard Time):

The Stock Option Holder may not exercise the Stock Options during the period for which the Stock Option Holder resides in a country other than the country separately designated by Renesas as the country in which the Stock Option Holder was considered to continue to work at the commencement of its services or employment (in the case of secondment, Renesas will determine such country based on the assignor company) (the "Country of Original Employment"). In this case, if the Exercisable Period has already elapsed or the Exercisable Period is to expire in less than one year at the time when the Stock Option Holder regains its residence in the Country of Original Employment, the Stock Option Holder may exercise the Stock Options that could have been exercised during the period for which the Stock Option Holder resided in a country other than the Country of Original Employment if the Stock Option Holder had resided in the Country of Original Employment and that have not been exercised, within the period of one year from such time; provided, however, that the Stock Option Holder shall exercise the Stock Options only during the exercise period set out above and the Stock Option Holder shall reside in the Country of Original Employment at the time of such exercise; provided, further, that this provision shall not apply if the Stock Option Holder loses its Exercise Qualification as a result of retirement or resignation.

(7) Matters relating to stated capital or capital reserve to be increased by the issuance of new shares upon the exercise of the stock options:

(7.1) The amount of stated capital to be increased by the issuance of shares upon the exercise of the stock options will be one-half of the maximum amount of increase of stated capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Calculation Rules of Japan, and any amount less than one Japanese yen resulting from the calculation will be

rounded up to the nearest Japanese yen.

(7.2) The amount of capital reserve to be increased by the issuance of shares upon the exercise of the stock options will be the amount obtained by subtracting the amount of stated capital to be increased described in (7.1) above from the maximum amount of increase of stated capital, etc. described in (7.1) above.

(8) Restrictions on assignments of the stock options:

Assignments of the stock options require the approval by resolution of the Renesas' Board of Directors.

(9) Call options pertaining to the stock options:

(9.1) If any of the following proposals is approved at a shareholders' meeting of Renesas (or, if a resolution of a shareholders' meeting is not required, resolved at a board of directors' meeting of Renesas), Renesas may acquire all of the stock options at no cost on the date separately designated by the board of directors of Renesas.

- (i) proposal for approval of a merger agreement providing that Renesas be dissolved;
- (ii) proposal for approval of a company split agreement or company split plan providing that Renesas be split;
- (iii) proposal for approval of a share exchange agreement or share transfer plan providing that Renesas become a wholly-owned subsidiary;
- (iv) proposal for approval of Renesas acquiring all of shares subject to class-wide call pursuant to Article 171, Paragraph 1 of the Companies Act of Japan;
- (v) proposal for approval of amendments to the articles of incorporation specifying a provision that, as a condition pertaining to all of the shares issued by Renesas, the acquisition of such shares through transfer requires Renesas' approval;
- (vi) proposal for approval of amendments to the articles of incorporation specifying a provision that, as a condition pertaining to the class of shares to be acquired upon exercise of the stock options, the acquisition of such class of shares through transfer requires Renesas' approval, or a provision that Renesas may acquire all of such class of shares by resolution of the shareholders' meeting;
- (vii) proposal for approval of stock consolidation of class of shares to be acquired upon exercise of the stock options (only if the number obtained by multiplying the unit shares relating to such class of shares by the ratio of stock consolidation generates a fraction less than one share); and
- (viii) proposal for approval of demand for cash-out by special controlling shareholders pursuant to the provisions of Article 179-3, Paragraph 1 of the Companies Act of Japan.

(9.2) If the stock option holder is unable to exercise its stock options pursuant to the provisions of Paragraph (12) below, Renesas may acquire the stock options held by such stock option holder at no cost on the date separately designated by the board of directors of Renesas.

(10) Matters relating to delivery of the stock options upon reorganization:

If Renesas conducts a merger (limited to where Renesas is to be dissolved as a result of the merger), absorption-type company split or incorporation-type company split (limited to where Renesas is to be split as a result of the absorption-type company split or incorporation-type company split), or share exchange or share transfer (limited to where Renesas becomes a wholly-owned subsidiary as a result of the share exchange or share transfer) (collectively, a "Reorganization"), in each case stock options of a stock company set out in (a) through (e) of

Article 236, Paragraph 1, Item (8) of the Companies Act of Japan (collectively, the “Reorganized Company”) will be delivered to the stock option holder holding the stock options that are outstanding immediately before the effective date of the Reorganization (which means, in the case of an absorption-type merger, the day on which the absorption-type merger becomes effective, in the case of an incorporation-type merger, the day on which the incorporation-type merger becomes effective, in the case of an absorption-type company split, the day on which the absorption-type company split becomes effective, in the case of an incorporation-type company split, the day on which the incorporation-type company split becomes effective, in the case of a share exchange, the day on which the share exchange becomes effective, and in the case of a share transfer, the day on which the wholly-owning parent company incorporated through share transfer is incorporated; the same applies hereinafter) (the “Outstanding Stock Options”) on the following conditions, in which case, the Outstanding Stock Options will be terminated; provided, however, that this shall apply only if the delivery of stock options by the Reorganized Company on the following conditions is stipulated in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan.

(10.1) Number of stock options of the Reorganized Company for delivery:

The stock option holders will each receive delivery of stock options of the Reorganized Company in the same number as the number of the Outstanding Stock Options held thereby.

(10.2) Type of shares of the Reorganized Company for delivery upon exercise of the stock options:

Common stock of the Reorganized Company

(10.3) Number of shares of the Reorganized Company for delivery upon exercise of the stock options:

This will be determined in accordance with Paragraph (4) above after considering the terms and conditions of the Reorganization, etc.

(10.4) Amount of assets to be contributed upon exercise of the stock options:

The contribution to be made upon exercise of the stock options to be delivered will be made for cash, and the amount of the assets to be contributed shall be obtained by multiplying one Japanese yen, which is the amount per share of the Reorganized Company to be delivered upon exercise of the stock options, by the number of shares of the Reorganized Company underlying the stock options to be determined pursuant to (10.3) above.

(10.5) Exercise period of the stock options:

The exercise period of the stock options will be from the later of the commencement date of the period set out in Paragraph (6) above in which the stock options are exercisable or the effective date of the Reorganization through the expiration date of the period set out in Paragraph (6) above in which the stock options are exercisable.

(10.6) Matters relating to stated capital or capital reserve to be increased by the issuance of new shares upon exercise of the stock options:

This will be determined in accordance with Paragraph (7) above.

(10.7) Restrictions on acquiring the stock options by means of transfer:

Acquiring stock options by means of a transfer requires approval of the board of directors of the Reorganized Company.

(10.8) Call options pertaining to the stock options:

This will be determined in accordance with Paragraph (9) above.

(10.9) Other conditions of exercise of the stock options:

This will be determined in accordance with Paragraph (12) below.

(11) Handling of Fraction Less Than One Share Arising upon Exercise of the Stock Options

With respect to the number of shares to be delivered to the stock option holders who exercise their stock options, any fraction less than one share will be rounded down to the nearest whole share.

(12) Other conditions of exercise of the stock options

(12.1) The stock option holder shall be in the position of director, executive officer, auditor, corporate officer or employee of Renesas or its subsidiaries (the "Exercise Qualification") at the time of exercise of the stock options

(12.2) Notwithstanding (12.1) above, if the stock option holder loses its Exercise Qualification (other than loss due to death), the stock option holder may exercise its stock options only within the period of 13 months after the immediate following day of the day of loss of the Exercise Qualification (only if during the period set out in Paragraph (6) above).

(12.3) Notwithstanding (12.1) above, if the stock option holder dies, the stock options may be succeeded to by one (and only one) of the heirs of the stock option holder (the "Rights Successor"). In this case, the Rights Successor may exercise the stock options in a lump sum and only before the day that is six months after the day immediately following the day on which the stock option holder dies (and only if during the period provided for in Paragraph (6) above). If the Rights Successor dies, the heirs of the Rights Successor may not further succeed to the stock options.

(12.4) If the stock option holder waives the stock options, the stock option holder may not exercise such stock options.

(12.5) The stock options allotment agreement between Renesas and the stock option holder may provide other conditions not stipulated above.

(13) Amount of payment in exchange for the stock options:

No monetary payment is required in exchange for the stock options.

(Note) The stock options are granted as compensation for performance of duties and the issue of the stock options does not fall upon the issue of stock acquisition rights with specially favorable terms.

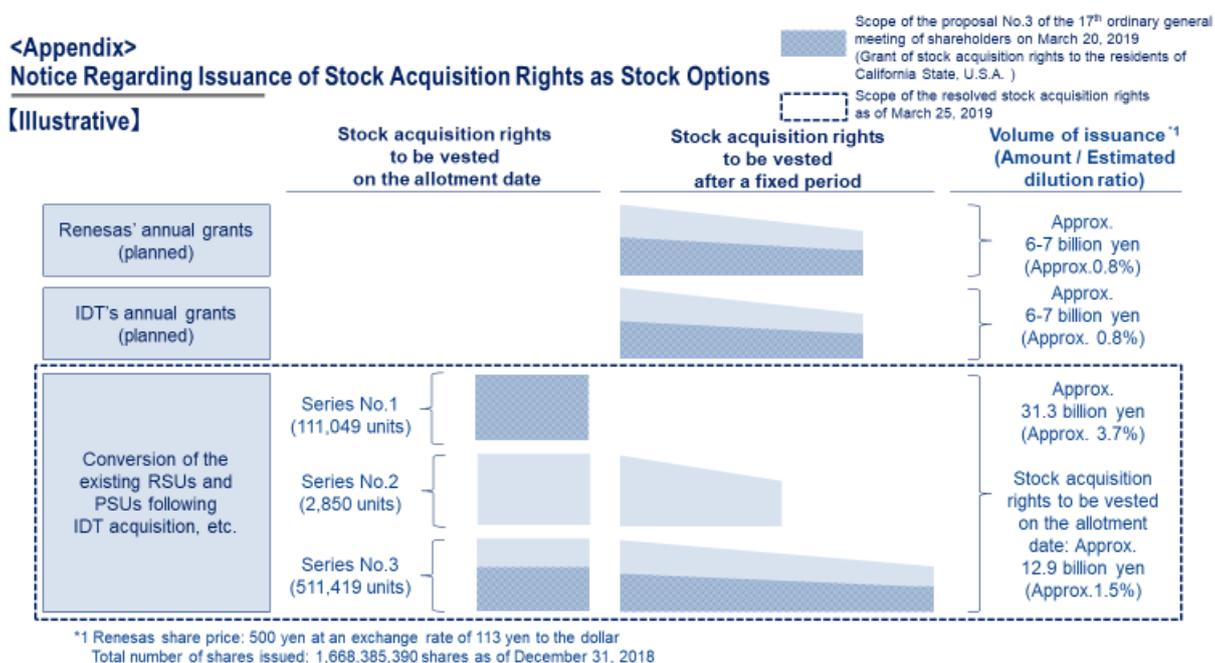
(14) Allotment date of the stock options: April 9, 2019 (Japan Standard Time)

(15) Certificates for the stock options:

Renesas will not issue certificates for the stock options.

(Note) If it becomes necessary to deem an alternate reading of a term contained in the provisions of these terms and conditions, make a correction to comply with applicable laws and ordinances or take other such measures, Renesas may take reasonably necessary measures by amending the provisions of these terms and conditions or adopting other methods as Renesas deems appropriate in accordance with the laws and ordinances, and the purpose of the stock options.

(Note) The issuance of the stock options shall not be made unless and until a requisite registration relating to such issuance under the Financial Instruments and Exchange Act of Japan comes into effect.



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## About Renesas Electronics Corporation

Renesas Electronics Corporation ([TSE: 6723](https://www.tse-europe.com/quote/6723)) delivers trusted embedded design innovation with complete semiconductor solutions that enable billions of connected, intelligent devices to enhance the way people work and live. A [global](#) leader in microcontrollers, analog, power, and SoC products, Renesas provides comprehensive solutions for a broad range of automotive, industrial, home electronics, office automation, and information communication technology applications that help shape a limitless future. Learn more at [renesas.com](https://www.renesas.com). ###

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