

FOR IMMEDIATE RELEASE

Mitsubishi Electric Corporation  
Renesas Technology Corp.

## **MITSUBISHI ELECTRIC TO OBTAIN OWNERSHIP OF RENESAS TECHNOLOGY'S KUMAMOTO FACTORY**

**Tokyo, January 31, 2008** - Mitsubishi Electric Corporation (President and CEO: Setsuhiro Shimomura; hereafter "Mitsubishi Electric") and Renesas Technology Corp. (Chairman and CEO: Satoru Ito; hereafter "Renesas") announced today that they have reached an agreement for Mitsubishi Electric to acquire buildings and its manufacturing facilities of Renesas' Kumamoto factory.

In April 2003, Mitsubishi Electric transferred its system LSI and system memory businesses to Renesas, which was established as a joint venture between Mitsubishi Electric and Hitachi Ltd. Mitsubishi Electric currently concentrates its resources on power and high-frequency optical devices, which prove effective in achieving high synergies within the company.

Reflecting the increasing demand to save energy and protect the environment globally, the inverter controller equipment market, where power devices are used in industrial machinery, home appliances and others, has been steadily growing and is expected to expand. To meet the growing demand for these devices, Mitsubishi Electric has been trying to increase its wafer production capabilities, thus boosting the company's business. Specifically, Mitsubishi Electric has been working to increase the production capability for 6-inch wafers at its existing factory, the Kumamoto Factory of Power Device Works, also located in Kumamoto. Meanwhile, the company has been seeking to manufacture its products using 8-inch wafers to further increase its production capability.

Renesas has concentrated its resources on three main business segments: microcontrollers, system solutions and standard products. With this focus, Renesas decided to withdraw from the flash memory business in December 2005. Since then, Renesas' Kumamoto factory, which was used primarily to produce flash memory products, has been operating under its capacity due to the business change. Maximizing its value has been a challenge to Renesas.

The Renesas Kumamoto factory is located on the same grounds as Mitsubishi Electric's Kumamoto Factory of Power Device Works. Furthermore, the Renesas factory has already been commissioned to manufacture Mitsubishi Electric's power devices using 8-inch wafers. Given the close proximity of the location, technical alignment and economic value, Mitsubishi Electric concluded that it would be best to acquire these facilities from Renesas. For Renesas, transferring the factory to Mitsubishi Electric will improve their manufacturing efficiency in the focused segments.

Mitsubishi Electric and Renesas will discuss the details of the terms and conditions for this transfer, and Mitsubishi Electric will officially obtain the ownership of the factory on April 1, 2008.

### **About Mitsubishi Electric**

With over 80 years of experience in providing reliable, high-quality products to both corporate clients and general consumers all over the world, Mitsubishi Electric Corporation (TSE:6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. The company recorded consolidated group sales of 3,855 billion yen (US\$ 32.7billion\*) in the fiscal year ended March 31, 2007. For more information visit <http://global.mitsubishielectric.com>

\*At an exchange rate of 118 yen to the US dollar, the rate given by the Tokyo Foreign Exchange Market on March 31, 2007

### **About Renesas Technology**

Renesas Technology Corp. is one of the world's leading semiconductor system solutions providers for mobile, automotive and PC/AV (Audio Visual) markets and the world's No.1 supplier of microcontrollers. It is also a leading provider of LCD Driver ICs, Smart Card microcontrollers, RF-ICs, High Power Amplifiers, Mixed Signal ICs, System-on-Chip (SoC), System-in-Package (SiP) and more. Established in 2003 as a joint venture between Hitachi, Ltd. (TSE:6501, NYSE:HIT) and Mitsubishi Electric Corporation (TSE:6503), Renesas Technology achieved consolidated revenue of 953billion JPY in FY2006 (end of March 2007). Renesas Technology is based in Tokyo, Japan and has a global network of manufacturing, design and sales operations in around 20 countries with about 26,500 employees worldwide. For further information, please visit <http://www.renesas.com>

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