

Renesas Technology Expands Global Development and Design Capability

- Establishing a new building of Renesas Viet Nam Design -

HO CHI MINH CITY, Vietnam and TOKYO -- June 29, 2006 -- Renesas Technology Corp., today announced that it has decided to establish a new building in Ho Chi Minh City to expand its development and design capability for its Vietnam design subsidiary, Renesas Design Viet Nam Co., Ltd. (RVC) With the approval for an increase in capital by the Ho Chi Minh City Export Processing Zone Authority, Renesas will start the construction of the new building once a construction permit is issued. The operations in the new building will begin in September 2007.

Renesas has been actively expanding and enhancing its global development and design operations. The company currently operates a number of facilities outside of Japan, including Beijing and Suzhou in China and one each in Ho Chi Minh City, Vietnam; Rennes, France; Penang, Malaysia; London, United Kingdom; Dusseldorf, Germany; and San Jose, U.S.A. In addition, Renesas outsources design work to companies in India.

RVC was created in October 2004, as one of the main centers for developing sophisticated multi-function System-on-Chips (SoCs) with a high level of design capability. Currently approximately 100 engineers work at RVC, developing and designing SoC hardware and software for mobile, automotive, and digital consumer applications. Among the projects they have already completed are verification work on SuperH™ CPU cores, design of IP modules such as video I/O and USB modules, SH-Mobile product development, and the development of digital TV software. As the business at RVC expands, Renesas has decided to construct a new building to support such needs. The number of engineers at RVC is expected to increase to 500 by 2008.

In Vietnam, the company is contributing to the advancement of LSI technology and the growth of the high-tech industry in many ways. These include employment of local engineers at RVC, ongoing technical training, the establishment of semiconductor design courses at universities, and activities to provide technology education to students.

Renesas hopes to provide system solutions for a ubiquitous network society by strengthening its development and design capabilities on a global basis.

<Overview of RVC>

Company name: Renesas Design Viet Nam Co., Ltd.

Representative: President & CEO, Tsuneo Sato

Established: October 5, 2004

Paid-in capital: US \$10.2 million (wholly owned by Renesas Technology Corp.)

Business operations: General system LSI design operations, including hardware design, software design, logic verification, evaluation, incidental operations related to design

Employees: Approx. 100 (as of June 2006)

Address of new building: Lot W.29-30-31a, Tan Thuan Road, Tan Thuan Export Processing Zone, Tan Thuan Dong Ward, District 7, Ho Chi Minh City, Vietnam

About Renesas Technology Corp.

Renesas Technology Corp. is one of the world's leading semiconductor system solutions providers for mobile, automotive and PC/AV (Audio Visual) markets and the world's No.1 supplier of microcontrollers. It is also a leading provider of LCD Driver ICs, Smart Card microcontrollers, RF-ICs, High Power Amplifiers, Mixed Signal ICs, System-on-Chip (SoC), System-in-Package (SiP) and more. Established in 2003 as a joint venture between Hitachi, Ltd. (TSE:6501, NYSE:HIT) and Mitsubishi Electric Corporation (TSE:6503), Renesas Technology achieved consolidated revenue of 906 billion JPY in FY2005 (end of March 2006). Renesas Technology is based in Tokyo, Japan and has a global network of manufacturing, design and sales operations in around 20 countries with about 26,200 employees worldwide. For further information, please visit <http://www.renesas.com>

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