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NEC Electronics, Renesas will form 3d largest semiconductor maker

KAWASAKI, JAPAN—NEC Electronics, a unit of NEC, and Renesas, Tokyo, which originated from Hitachi and Mitsubishi Electric Co. in 2003, plan to integrate into a single entity which will become the third largest semiconductor company.

Both companies, which specialize in microcontrollers and systems-on-a-chip, say “fierce global competition” has lead them to explore the possibility of merging the companies. The two companies are currently the largest suppliers of microcontrollers.

The companies plan to become integrated on April 1, 2010 and to maintain a public listing for the new company. Ongoing negotiations between NEC Electronics and Renesas will result in a new name, new headquarters location and what percent of the new company each will own.

In July, both companies will sign an agreement to integrate their business operations. As of March 31, 2009, NEC Electronics boasted 22,500 employees, while Renesas had 25,000 on the same date.

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