

FY12/3 Q1 Financial Results

Renesas Electronics Corporation

August 2, 2011

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Executive Summary

I . FY12/3 Q1 Financial Results

- Q1 semiconductor sales decreased by 26% QoQ due to the impacts of the earthquake
- Q1 net loss was 33.2 billion yen with 11.9 billion yen of special loss on disaster

II . FY12/3 Financial Forecasts

- Expect to achieve operating profit and net profit in FY12/3 2H by recovering sales and other efforts

I. FY12/3 Q1 Financial Results

FY12/3 Q1 Financial Snapshot

- Semiconductor sales decreased to 184 billion yen, a reduction by 26% QoQ
- Operating loss recorded 19.1 billion yen due to sales decrease

FY11/3

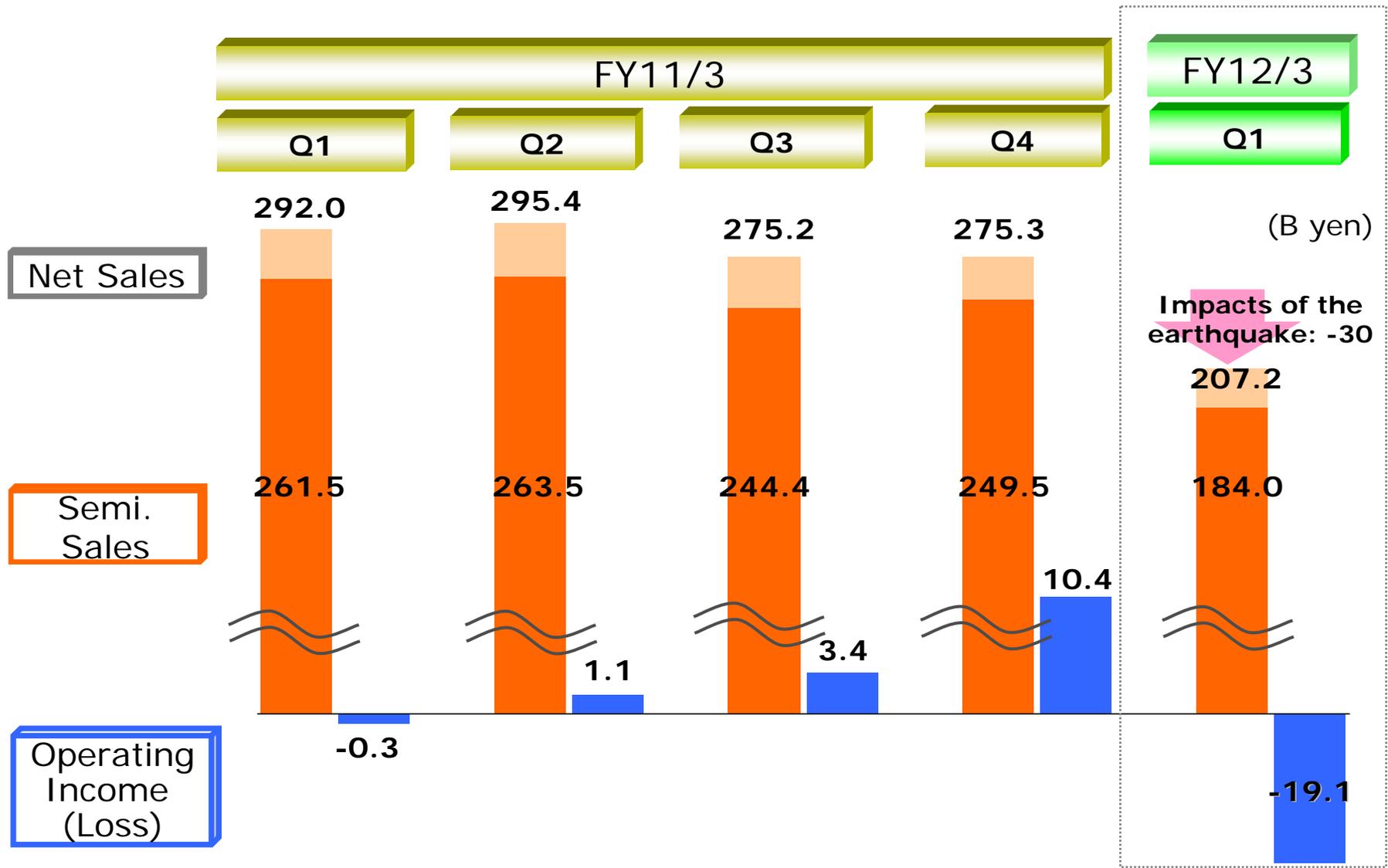
FY12/3

(B yen)

	Q1	Q4
Net Sales	292.0	275.3
Semiconductor Sales	261.5	249.5
Operating Income (Loss)	-0.3	10.4
Ordinary Income (Loss)	-3.5	7.8
Net Income (Loss)	-33.1	-56.2
1 US\$=	92 yen	83 yen
1 Euro=	121 yen	111 yen

Q1	YoY	QoQ
207.2	-84.8 (-29%)	-68.0 (-25%)
184.0	-77.4 (-30%)	-65.4 (-26%)
-19.1	-18.8	-29.5
-20.3	-16.7	-28.0
-33.2	-0.2	+23.0
82 yen	10 yen strong	1 yen strong
117 yen	4 yen strong	6 yen weak

FY12/3 Quarterly Financial Results

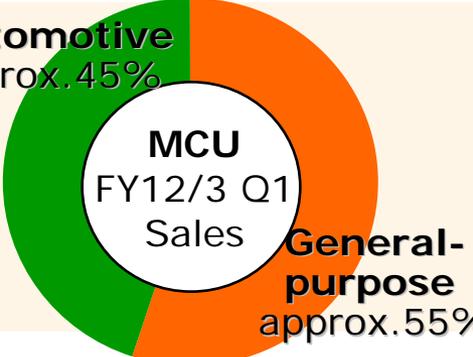
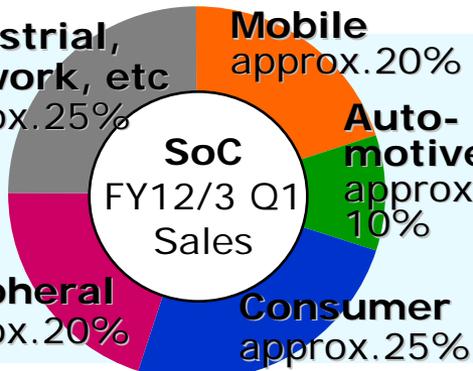


FY12/3 Q1 Semiconductor Sales Breakdown by Business

- Sales of MCU and Analog & Power decreased by less than 20% QoQ
- SoC sales significantly decreased by 44% QoQ

(B yen)	FY11/3		FY12/3		
	Q1	Q4	Q1	YoY	QoQ
Total Semiconductor Sales	261.5	249.5	184.0	-77.4 (-30%)	-65.4 (-26%)
MCU	99.3	95.0	77.2	-22.1 (-22%)	-17.8 (-19%)
Analog & Power	82.6	77.0	62.9	-19.8 (-24%)	-14.2 (-18%)
SoC	77.7	74.7	41.8	-35.9 (-46%)	-33.0 (-44%)
Other Semiconductors	1.8	2.7	2.2	+0.4 (+19%)	-0.5 (-19%)

FY12/3 Q1 Semiconductor Sales Breakdown by Business

<p>Automotive approx. 45%</p>  <p>MCU FY12/3 Q1 Sales</p> <p>General-purpose approx. 55%</p>	<ul style="list-style-type: none"> ➤ General-purpose MCUs decreased sales for applications including HDDs and consumer electronics since the Naka factory was affected by the earthquake ➤ Automotive MCUs also decreased sales from the impact caused by production adjustment of automotive manufactures, in addition to sales decrease followed by the damages to the Naka Factory by the earthquake
<p>Compound Semiconductor approx. 15%</p> <p>Display driver IC approx. 20%</p>  <p>A&P FY12/3 Q1 Sales</p> <p>Power Device approx. 20%</p> <p>Analog IC, Discrete, etc approx. 45%</p>	<ul style="list-style-type: none"> ➤ Power devices and analog ICs decreased sales in overall Japan market, especially in automotive applications, due to the impacts of the earthquake, etc ➤ Sales of display driver ICs for small panels were continuously steady despite that for large panels were sluggish
<p>Industrial, Network, etc approx. 25%</p> <p>PC peripheral approx. 20%</p>  <p>SoC FY12/3 Q1 Sales</p> <p>Mobile approx. 20%</p> <p>Automotive approx. 10%</p> <p>Consumer approx. 25%</p>	<ul style="list-style-type: none"> ➤ SoC sales decreased in all applications, especially in mobile and consumer applications due to demand decrease ➤ Automotive SoCs decreased sales followed by the damages to the Naka Factory

FY12/3 Q1 Balance Sheet

- “Cash and cash equivalents” and “Interest-bearing debt” significantly decreased due to redemption of convertible corporate bond (110 billion yen on May 27)

(B yen)	As of Mar. 31, 2011	As of Jun. 30, 2011
Total Assets	1,145.0	937.4
Cash and Cash Equivalents	337.3	177.0
Inventories	123.4	134.5
Liabilities	854.0	681.6
Interest-Bearing Debt	378.2	266.5
Shareholders' Equity	306.0	272.8
Net Assets	291.1	255.8
D/E Ratio (Gross)	1.33	1.07
D/E Ration (Net)	0.14	0.36
Equity Ratio	24.8%	26.5%

Note 1)

1. “Cash and Cash Equivalents”: Sum of cash and deposits, and short-term investment securities minus the Time deposits with maturities of more than three months
2. “Interest-bearing debt”: Short-term borrowings, Current portion of long-term borrowings, Current portion of bonds with share subscription rights, lease obligations, Long-term borrowings
3. “Equity”: Shareholders' equity, Accumulated other Comprehensive Income
4. “D/E ratio (gross)”: Interest-bearing debt / Equity

FY12/3 Q1 Cash Flows

- Cash flows from operating activities recorded 29.2 billion yen loss due to sales decrease as well as payments for extra retirement benefit for those applying early retirement program

(B yen)	FY11/3			FY12/3
	Q1	Q4	Full-year	Q1
Cash Flows from Operating Activities	-2.0	15.6	102.5	-29.2
Cash Flows from Investing Activities	-14.4	-24.0	-95.8	-14.8
Free Cash Flows	-16.4	-8.4	6.7	-44.0

II. FY12/3 Financial Forecasts

FY12/3 Consolidated Financial Forecasts

- Full-year semiconductor sales are expected to decrease by 11% YoY due to the impacts of the earthquake, etc. Operating loss of 28 billion yen are also expected.
- Target to achieve operating profit and net profit in FY12/3 2H, recovering its sales to the level of FY11/3 2H thanks to the early restoration from the earthquake

FY2011/3

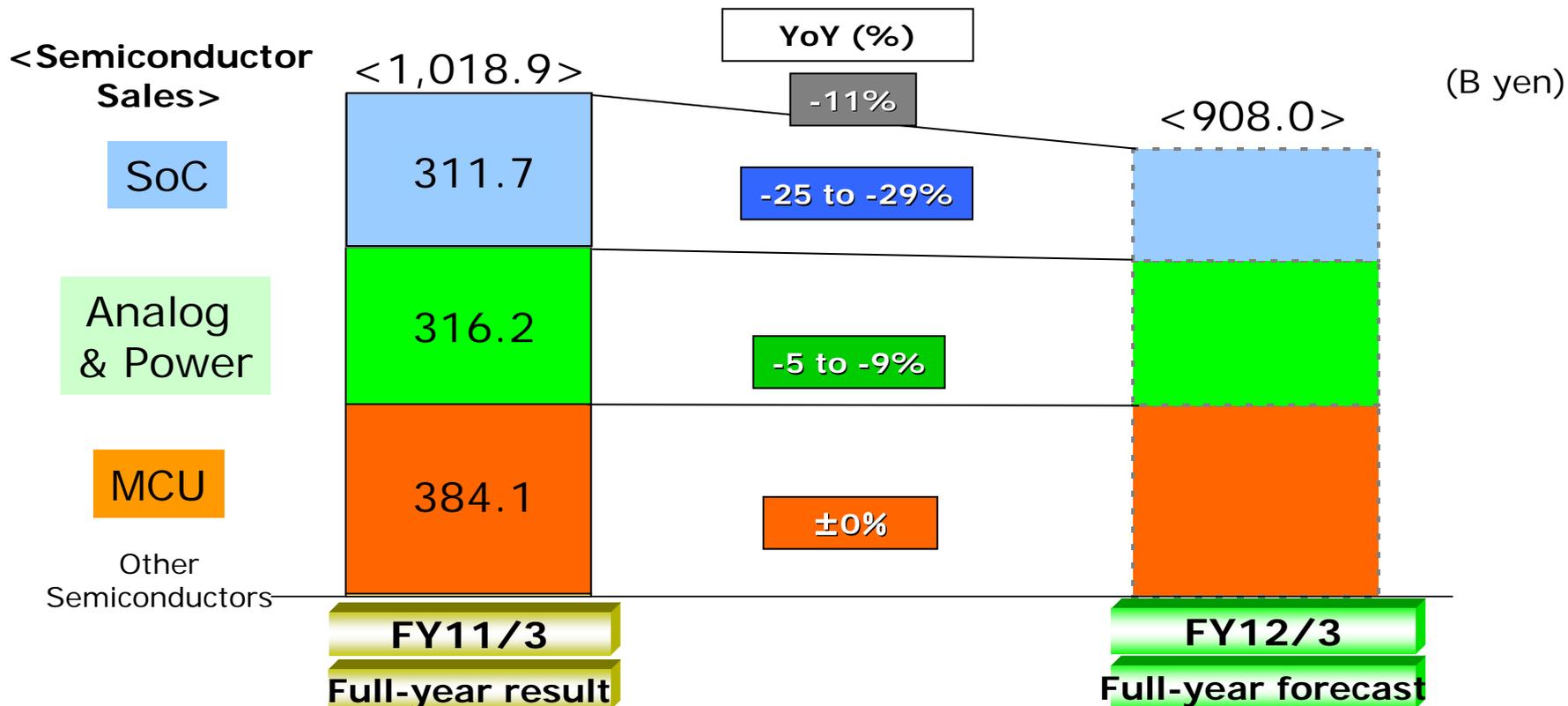
FY2012/3

(B yen)

	1H	2H	Full-year	1H	2H	Full-year	YoY
Net Sales	587.5	550.4	1,137.9	462.0	557.0	1,019.0	-118.9
Semiconductor Sales	525.0	493.9	1,018.9	408.0	500.0	908.0	-110.9
Operating Income (Loss)	0.7	13.8	14.5	-35.0	7.0	-28.0	-42.5
Ordinary Income (Loss)	-7.8	+8.8	1.0	-40.0	3.0	-37.0	-38.0
Net Income (Loss)	-41.2	-73.8	-115.0	-43.0	3.0	-40.0	+75.0
1 US\$=	90 yen	83 yen	86 yen	82 yen			-
1 Euro=	116 yen	112 yen	114 yen	110 yen			-

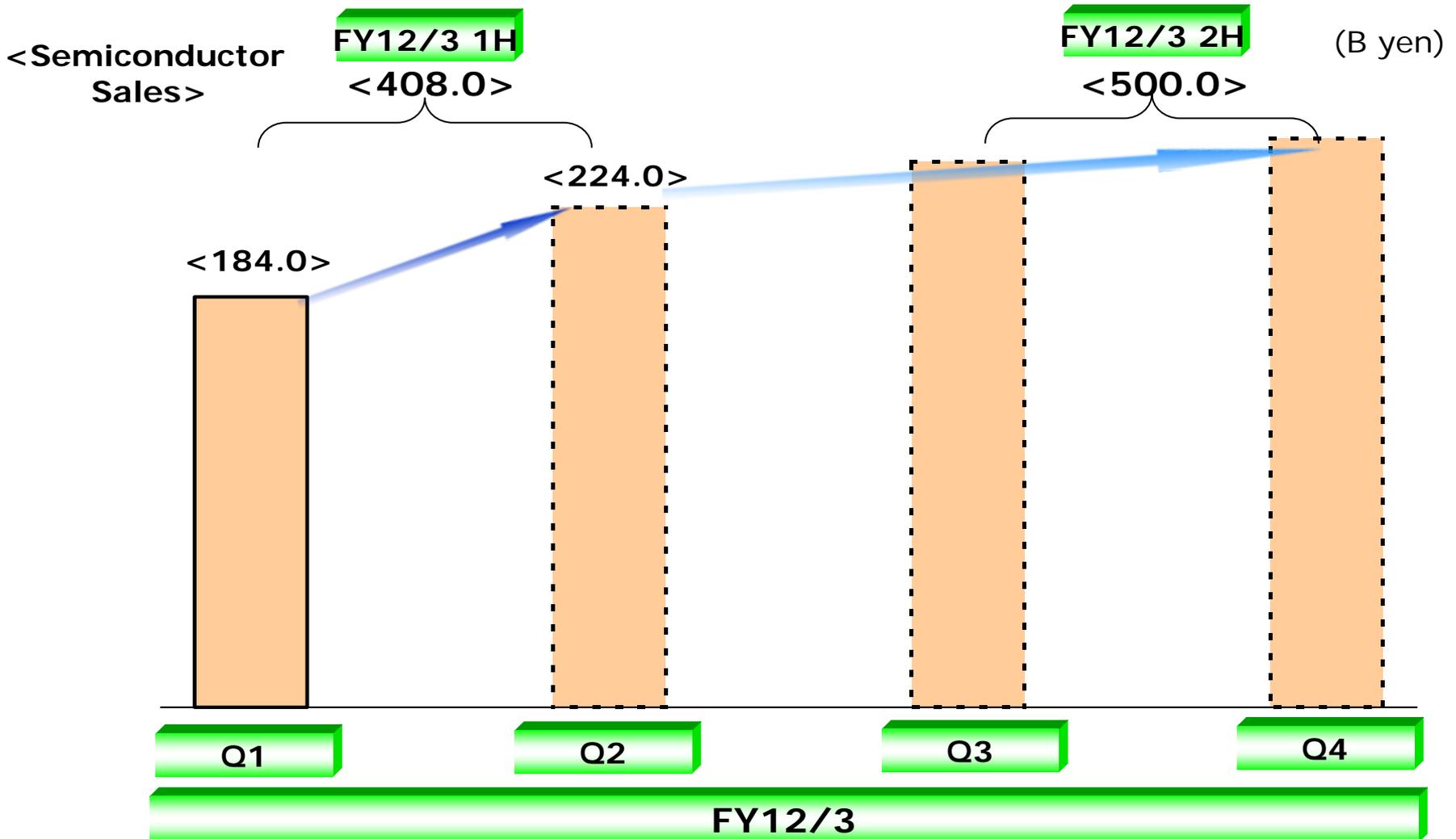
FY12/3 Full-year Semiconductor Sales (YoY)

- Expect FY12/3 MCU sales to remain flat YoY to overcome the earthquake impacts, especially due to demand recovery for automotive in FY12/3 2H
- Expect FY12/3 sales of Analog & Power and SoC to decline YoY from selection and concentration of business resources as well as from sales decrease by the earthquake impacts



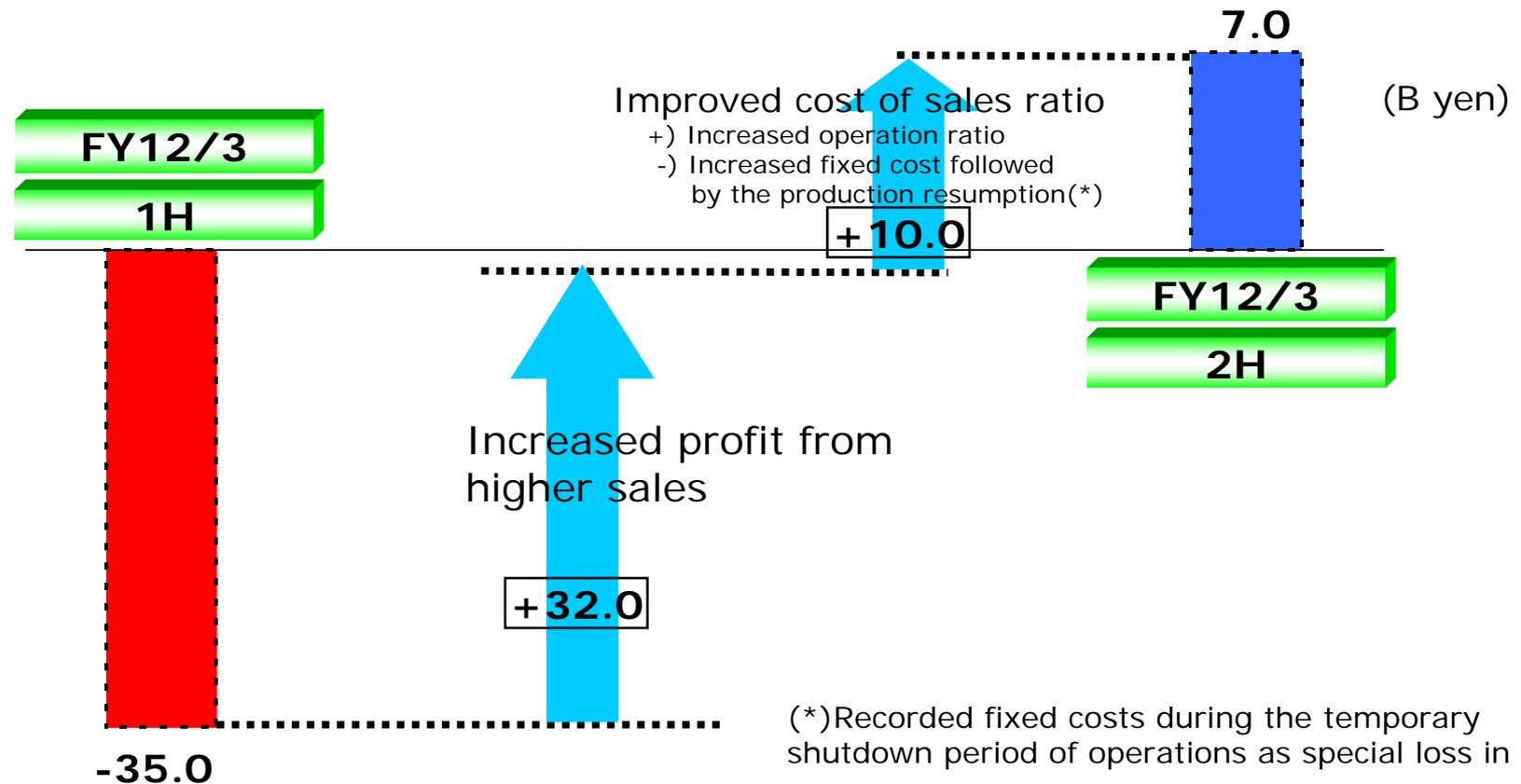
FY12/3 Quarterly Semiconductor Sales Forecasts

- Expect recovery in semiconductor sales after Q2 thanks to early restoration from the earthquake and demand increase in FY12/3 2H



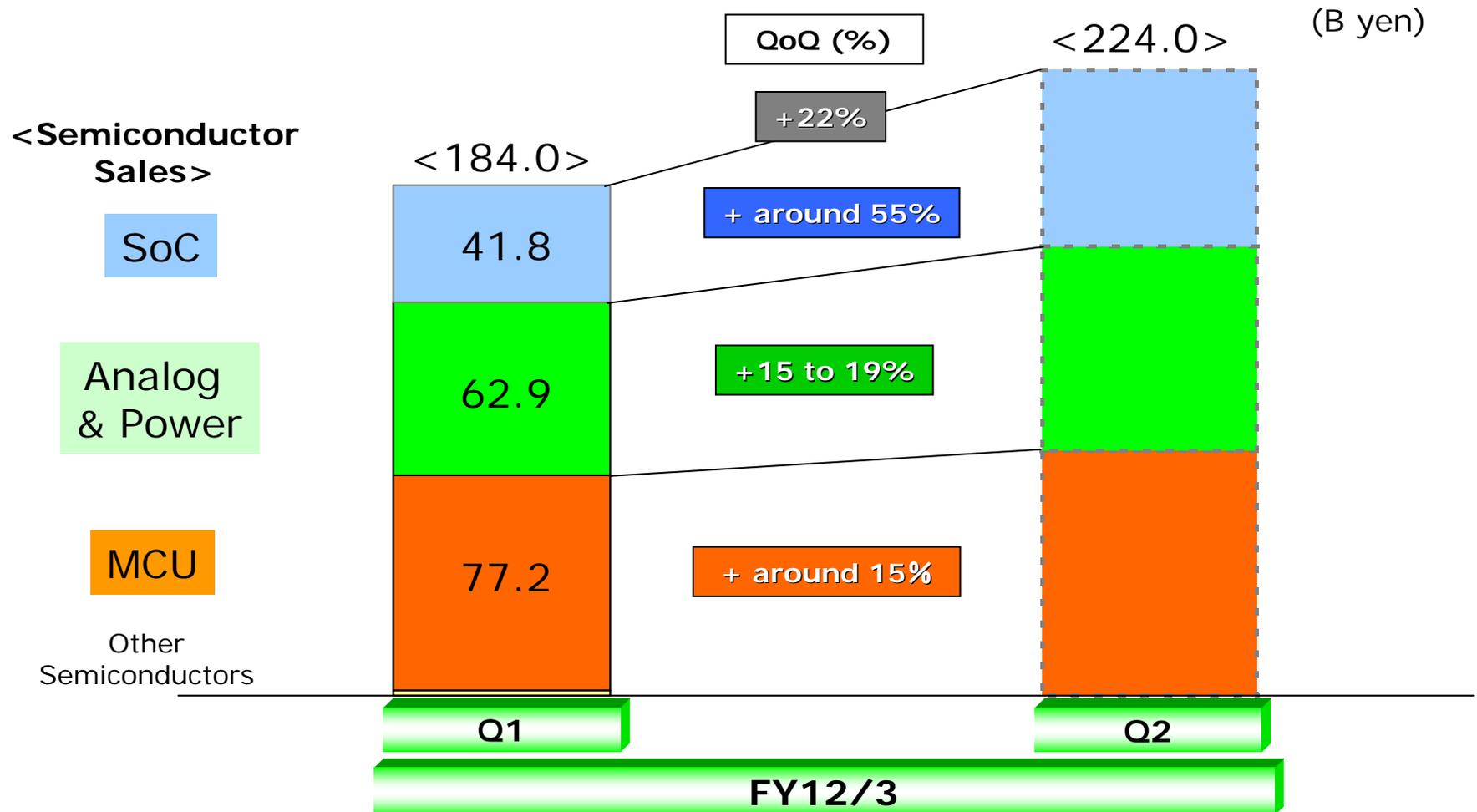
FY12/3 1H & 2H Operating Income (Loss) Forecasts

- Expect operating income to grow from semiconductor sales increase of 92 billion yen in 2H compared to 1H
- Forecast to improve operation ratio after Q2 due to the early restoration from the earthquake and demand increase



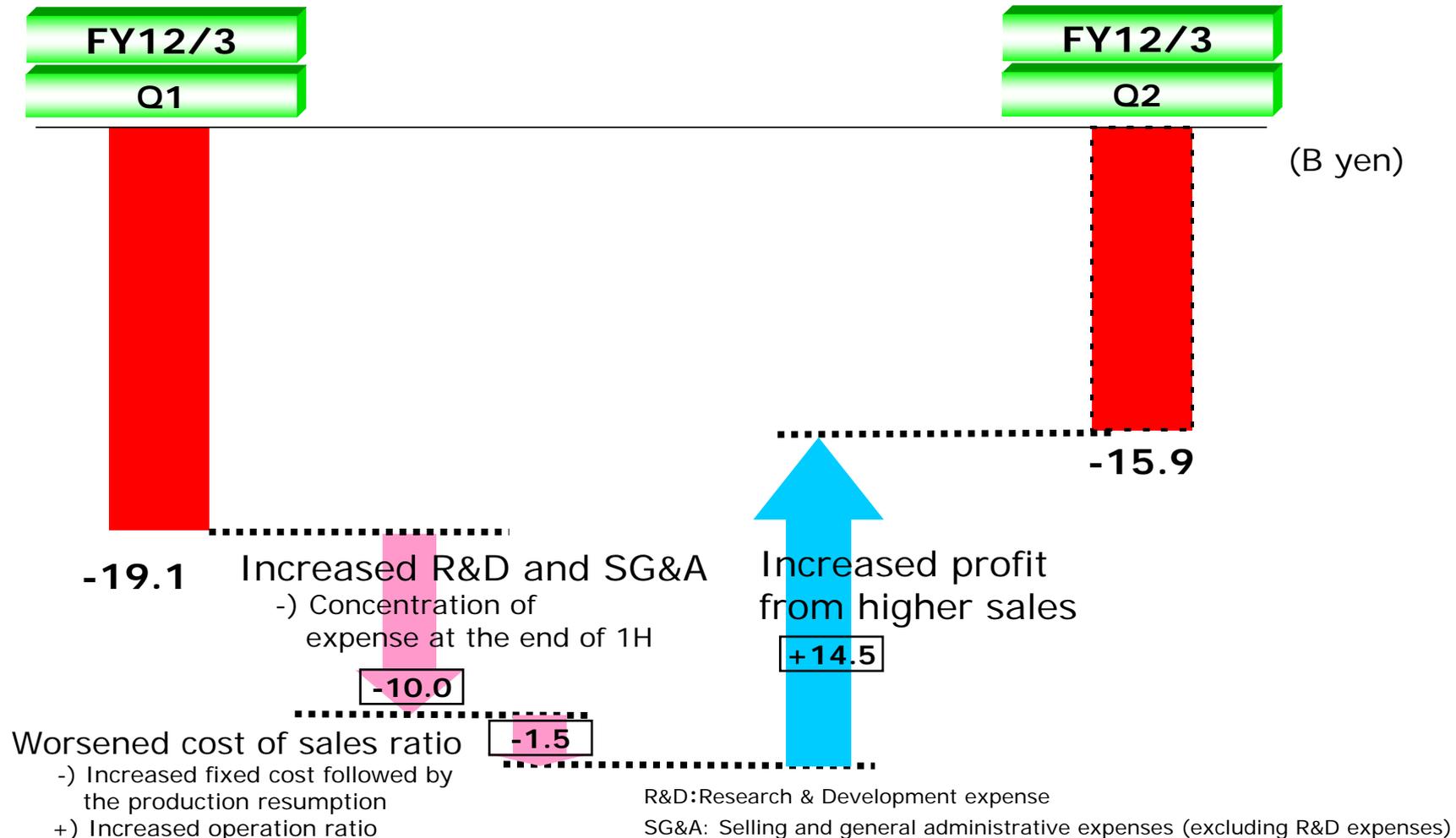
FY12/3 Q2 Semiconductor Sales Forecasts (QoQ)

- Expect semiconductor sales of three businesses to increase QoQ owing to the early restoration of the earthquake and demand increase



FY12/3 Q2 Operating Income (Loss) Forecasts (QoQ)

- Expect Q2 operating income to improve due to profit increase from sales increase despite of concentration of expense at the end of 1H



(FOREWARD-LOOKING STATEMENTS)

The statements in this presentation with respect to the plans, strategies and forecasts 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 could differ materially from such forward-looking statements due to several factors. The important factors that could cause actual results to differ materially from such statements include, but are 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, our products and services in the marketplace; our ability to continue to win acceptance of its products and services in these highly competitive markets; and movements in currency exchange rates, particularly the rate between the yen and the U.S. dollar. Among other factors, a worsening of the world economy; a worsening of financial conditions in the world markets, and a deterioration in the domestic and overseas stock markets, would cause actual results to differ from the projected results forecast.



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