

Renesas Electronics
Japan GAAP – Non-GAAP Reconciliation

(Billion yen)	Q3 2017 Forecast (Jul-Sep 2017)	Q2 2017 Actual (Apr-Jun 2017)	Q1 2017 Actual (Jan-Mar 2017)	Q2 2016 Actual (Apr-Jun 2016)
Net Sales	195.2	198.1	177.6	152.0
Semiconductor Sales	191.9	194.3	172.6	147.5
GAAP Gross profit	88.8	90.5	80.8	65.1
GAAP Gross margin (%)	45.5%	45.7%	45.5%	42.8%
Inventory Buildup	-	-	-	+2.3
Stock-Based Compensation (COGS)	+0	+0	+0	-
Non-GAAP Gross Profit	88.8	90.5	80.8	67.4
Non-GAAP Gross Margin (%)	45.5%	45.7%	45.5%	44.3%
GAAP Operating Income	20.7	18.8	25.5	18.6
Inventory Buildup	-	-	-	+2.3
Stock-Based Compensation (COGS)	+0	+0	+0	-
Amortization of Goodwill (SG&A)	+8.8	+8.7	+2.9	-
Costs Related to the Acquisition of Intersil (SG&A)	+0.1	+0.4	+0.5	-
Costs Related to the Acquisition of Intersil (R&D)	+0.1	-	-	-
Amortization of Purchased Intangible Assets (SG&A)	+0.2	+0.3	+0.1	-
Stock-Based Compensation (R&D)	+0.1	+0.3	+0	-
Stock-Based Compensation (SG&A)	+0.5	+0.4	+0.1	-
Costs Related to the Offering (SG&A)	-	+0.2	-	-
Non-GAAP Operating Income	30.5	29.0	29.1	20.9
Non-GAAP Operating Margin (%)	15.6%	14.6%	16.4%	13.7%