

The following is an English translation of the Notice of the 10th Ordinary General Meeting of Shareholders of Renesas Electronics Corporation to be held on June 26, 2012 (as well as the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements with respect to the 10th Business Period, and report on the results of the audit conducted on such Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors), except for translation of the instructions on voting rights and the access map for the place of the meeting in the Notice. The Company provides this translation for your reference and convenience only.

Renesas Electronics Corporation

Securities Code: 6723
1753, Shimonumabe, Nakahara-ku,
Kawasaki, Kanagawa

Yasushi Akao
Representative Director, President

June 11, 2012

To Our Shareholders:

NOTICE OF THE 10TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The Tenth Ordinary General Meeting of Shareholders (the "General Meeting") of Renesas Electronics Corporation (the "Company") will be held as follows:

1. DATE: June 26, 2012 (Tuesday) at 10:00 A.M. (Japan Standard Time)
2. PLACE: Tamagawa Renaissance City Hall at 1753, Shimonumabe, Nakahara-ku, Kawasaki, Kanagawa, Japan

3. AGENDA OF THE GENERAL MEETING:
MATTERS TO BE REPORTED UPON

Report on the Business Report, Consolidated Financial Statements and Financial Statements, and report on the results of the audit conducted on the Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors with respect to the 10th Business Period from April 1, 2011 to March 31, 2012.

MATTERS TO BE VOTED UPON:

- (1) Election of Ten Directors
- (2) Election of Two Corporate Auditors

REFERENCE DOCUMENTS FOR THE GENERAL MEETING

Proposal No. 1: Election of Ten Directors

Upon the close of the General Meeting, the term of office held by all Directors will expire. We therefore propose that ten Directors be elected.

The candidates are as follows:

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|-----|----------------------------------|--|--|---|
| 1 | Yasushi Akao (August 7, 1954) | April 1979 | Joined Hitachi, Ltd. | 6,900 |
| | | April 2003 | Deputy General Manager, SOC Division, MCU & SOC Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation) | |
| | | April 2004 | Managing Officer, and General Manager, Corporate Strategy Planning Division, Renesas Technology Corp. | |
| | | December 2004 | Managing Officer, and Deputy Executive General Manager, System Solution Business Group, Renesas Technology Corp. | |
| | | April 2007 | Board Director, and Deputy Executive General Manager, MCU Business Group, Renesas Technology Corp. | |
| | | April 2008 | Board Director, and Executive General Manager, MCU Business Group, Renesas Technology Corp. | |
| | | April 2009 | Representative Director and President, Renesas Technology Corp. | |
| | | April 2010 | Representative Director, President, the Company (to the present) | |

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|-----|--------------------------------|--|---|---|
| 2 | Masaki Kato (March 3, 1951) | <p>April 1974</p> <p>November 2002</p> <p>April 2003</p> <p>October 2004</p> <p>September 2006</p> <p>October 2006</p> <p>June 2009</p> <p>April 2010</p> <p>June 2011</p> | <p>Joined NEC Corporation</p> <p>General Manager, Corporate Sales Planning Division, Sales Operations Unit, NEC Electronics Corporation (currently, Renesas Electronics Corporation)</p> <p>Vice President, NEC Plasma Display Corporation (currently, Pioneer Plasma Display Corporation)</p> <p>General Manager, Business Management Division, Plasma Display Business Company, Pioneer Corporation</p> <p>Left Pioneer Corporation</p> <p>Senior Vice President, NEC Electronics Corporation</p> <p>Executive Vice President and Member of the Board, NEC Electronics Corporation</p> <p>Executive Vice President and Member of the Board, the Company</p> <p>Representative Director and Executive Managing Vice President (to the present)</p> | 12,200 |

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|-----|------------------------------------|--|---|---|
| 3 | Susumu Furukawa (July 12, 1954) | February 1979 May 1986 November 1991 May 2000 January 2002 February 2004 June 2005 April 2006 April 2008 April 2010 | <p>Joined ASCII Corporation</p> <p>Left ASCII Corporation</p> <p>President, Microsoft Co., Ltd. (currently, Microsoft Japan Co., Ltd.)</p> <p>Chairman and CEO, Microsoft Co., Ltd., and Director, Far East Research and Development, Microsoft Corporation</p> <p>Vice President, Consumer Strategy, Microsoft Corporation</p> <p>Vice President, Advanced Strategies and Policy, Microsoft Corporation</p> <p>Vice President, Advanced Strategies and Policy, Microsoft Corporation, and Executive Officer and Chief Technical Officer, Microsoft Co., Ltd.</p> <p>Left Microsoft Corporation and Microsoft Co., Ltd.</p> <p>Professor, Research Institute for Digital Media and Content, Keio University</p> <p>Professor, Graduate School of Media Design, Keio University (to the present)</p> <p>Member of the Board, the Company (to the present)</p> <p>(Important Concurrent Positions)</p> <p>Professor, Graduate School of Media Design, Keio University</p> | 0 |

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|-----|---|--|--|---|
| 4 | Masahiro Yamamura (July 24, 1951) | April 1974 April 2003 April 2004 July 2006 October 2008 January 2009 April 2010 March 2011 June 2011 April 2012 | <p>Joined Hitachi, Ltd.</p> <p>Managing Officer, and Executive General Manager, Memory Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation)</p> <p>Managing Officer, and Executive General Manager, Memory Business Group, Renesas Technology Corp.</p> <p>Managing Officer, Renesas Technology Corp.</p> <p>Chairman and CEO, Renesas Technology (Shanghai) Co., Ltd. (currently, Renesas Electronics (Shanghai) Co., Ltd.)</p> <p>Senior Vice President, Hitachi Global Storage Technologies, Inc.</p> <p>President, Hitachi Global Storage Technologies Japan, Ltd.</p> <p>Chairman of the Board, Hitachi Global Storage Technologies Netherlands B.V. (currently, Viviti Technologies Ltd.)</p> <p>Director of the Board, Hitachi Global Storage Technologies Japan, Ltd.</p> <p>General Manager, Semiconductor Business Division, Hitachi, Ltd.</p> <p>Member of the Board, the Company (to the present)</p> <p>General Manager, Semiconductor Business Division, and COO, Power Systems Company, Hitachi, Ltd. (to the present)</p> <p>(Important Concurrent Positions)</p> <p>General Manager, Semiconductor Business Division, and COO, Power Systems Company, Hitachi, Ltd.</p> | 0 |

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|-----|---------------------------------------|---|---|---|
| 5 | Yoichi Yano (November 20, 1954) | <p>April 1980 November 2002</p> <p>November 2004</p> <p>September 2006</p> <p>May 2007</p> <p>June 2007</p> <p>April 2008</p> <p>April 2010</p> | <p>Joined NEC Corporation</p> <p>General Manager, 4th System LSI Division, 2nd Business Development Operations Unit, NEC Electronics Corporation (currently, Renesas Electronics Corporation)</p> <p>Vice President, 4th Systems Operations Unit, NEC Electronics Corporation</p> <p>Senior Vice President, and Vice President, 4th Systems Operations Unit, NEC Electronics Corporation</p> <p>Executive Vice President, and Vice President, Microcomputer Operations Unit, NEC Electronics Corporation</p> <p>Executive Vice President and Member of the Board, and Vice President, Microcomputer Operations Unit, NEC Electronics Corporation</p> <p>Dismissal of Vice President, Microcomputer Operations Unit, NEC Electronics Corporation</p> <p>Executive Vice President and Member of the Board, the Company (to the present)</p> | 6,800 |

(Translation)

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|-----|------------------------------------|--|--|---|
| 6 | Shozo Iwakuma (August 19, 1955) | April 1980 April 2003 April 2005 April 2007 April 2009 April 2010 | Joined Hitachi, Ltd. Department Manager, Human Resources Department, Human Resources & General Affairs Division, Renesas Technology Corp. (currently, Renesas Electronics Corporation) General Manager, Human Resources & General Affairs Division, Renesas Technology Corp. Managing Officer, and General Manager, Human Resources & General Affairs Division, Renesas Technology Corp. Board Director, and General Manager, Human Resources & General Affairs Division, Renesas Technology Corp. Senior Vice President and Member of the Board, the Company (to the present) | 3,700 |

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|--------|---|--|---|---|
| * 8 | Masayuki Ichige (February 22, 1953) | April 1975 April 2003 April 2005 April 2008 April 2012 | <p>Joined Mitsubishi Electric Corporation General Manager, Business Planning Office, Corporate Marketing Group, Mitsubishi Electric Corporation</p> <p>General Manager, Planning & Administration Dept., Energy & Industrial Systems Group, Mitsubishi Electric Corporation</p> <p>General Manager, Kansai Branch Office, Mitsubishi Electric Corporation</p> <p>Executive Officer, Mitsubishi Electric Corporation (to the present)</p> <p>(Important Concurrent Positions) Executive Officer, Mitsubishi Electric Corporation</p> | 0 |
| * 9 | Tokuo Yamamoto (February 24, 1958) | April 1981 April 2005 June 2007 April 2012 | <p>Joined NEC Corporation Chief Manager, Affiliated Company Division, NEC Corporation</p> <p>General Manager, Affiliated Company Division, NEC Corporation</p> <p>Assistant General Manager, Corporate Strategy and Business Development Division, and Department Manager, Affiliated Company Department, Corporate Strategy and Business Development Division, NEC Corporation (to the present)</p> | 0 |

(Translation)

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|---------|---|--|--|---|
| * 9 | Tokuo Yamamoto (February 24, 1958) | | (Important Concurrent Positions) Assistant General Manager, Corporate Strategy and Business Development Division, and Department Manager, Affiliated Company Department, Corporate Strategy and Business Development Division, NEC Corporation | |
| * 10 | Tetsuya Tsurumaru (August 29, 1954) | April 1979 April 2003 April 2006 April 2008 April 2010 April 2011 | Joined Hitachi, Ltd. General Manager, Naka Factory, MCU & SOC Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation) General Manager, Strategic Production Planning Division, Production and Technology Unit, Renesas Technology Corp. Managing Officer, and Executive General Manager, Production and Technology Unit, Renesas Technology Corp. Senior Vice President, and Associate Vice President, Production and Technology Unit, the Company Senior Vice President, and Vice President, Production and Technology Unit, the Company (to the present) | 1,600 |

- (Note) 1. Asterisk denotes a new candidate for Director.
2. None of the candidates have a special conflict of interest with the Company.
3. Mr. Masayuki Ichige is currently and has been involved in the execution of business of Mitsubishi Electric Corporation during the past 5 years. Mr. Masayuki Ichige has received a salary, etc. as an employee of Mitsubishi Electric Corporation during the past 2 years. Mitsubishi Electric Corporation is a “Specific Related Party” as defined in Item 19, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act.
4. Mr. Tokuo Yamamoto is currently and has been involved in the execution of business of NEC Corporation during the past 5 years. Mr. Tokuo Yamamoto will receive and has received a

salary, etc. as an employee of NEC Corporation during the past 2 years. NEC Corporation is a “Specific Related Party” as defined in Item 19, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act.

5. Messrs. Susumu Furukawa, Masayuki Ichige and Tokuo Yamamoto are candidates for outside Directors. The Company has filed Mr. Susumu Furukawa as an independent Director under the rules of Tokyo Stock Exchange, Inc.
 - (i) The Company selected Mr. Susumu Furukawa as a candidate for outside Director with the expectation that he would oversee and check the overall management of the Company from a global perspective by leveraging his extensive experience at Microsoft Corporation and its subsidiary, Microsoft Co., Ltd., and his extensive knowledge, experience and deep insight, etc. gained from his career as Professor of Graduate School of Keio University, etc.

Mr. Susumu Furukawa currently serves as an outside Director of the Company, and the term of office of Mr. Susumu Furukawa as an outside Director of the Company will be 2 years and 3 months at the close of the General Meeting.
 - (ii) Mr. Masayuki Ichige currently serves as a Executive Officer of Mitsubishi Electric Corporation, and Mr. Tokuo Yamamoto currently serves as a Assistant General Manager, Corporate Strategy and Business Development Division, and Department Manager, Affiliated Company Department, Corporate Strategy and Business Development Division, NEC Corporation. The Company selected these candidates for outside Directors with expectation that they would oversee and check the overall management of the Company by leveraging their extensive knowledge, experience and deep insight gained from their many-years careers as an executive member or officer.
6. If the new appointments of Messrs. Masayuki Ichige and Tokuo Yamamoto are approved, the Company will enter into liability limitation agreements with them, limiting their liabilities as defined in Paragraph 1, Article 423 of the Companies Act to the higher of either (i) 10,000,000 yen or (ii) the minimum liability amount stipulated in the applicable laws and regulations. The Company has already entered into liability limitation agreement with Mr. Susumu Furukawa, limiting his liability as defined in Paragraph 1, Article 423 of the Companies Act to the higher of either (i) 10,000,000 yen or (ii) the minimum liability amount stipulated in the applicable laws and regulations, and if his reappointment is approved, the Company will renew such liability limitation agreement with him.
7. In addition to what is described for in the “Brief Employment History, Position, Responsibility and Important Concurrent Positions” section above, current position and responsibilities in the Company of each candidate who is currently Director of the Company are as described in “2. (3) Directors and Corporate Auditors of the Company” of the Business Report (pages 29 through 32 below).

Proposal No. 2: Election of Two Corporate Auditors

Upon the close of the General Meeting, the term of office as Corporate Auditor held by Mr. Hiroki Kawamura will expire, and Mr. Toyooki Nakamura will resign from his office as Corporate Auditor. We therefore propose that two Corporate Auditors be elected. The consent of the Board of Corporate Auditors for this Proposal has been obtained. The candidates are as follows:

| No. | Name (Date of Birth) | Brief Employment History, Position, Responsibility and Important Concurrent Positions | | Number of the Company's Shares Held |
|-----|---|--|--|---|
| 1 | Kazuki Fukuda (November 15, 1950) | April 1974 April 2000 December 2000 July 2005 June 2010 | Joined NEC Corporation Department Manager, Finance Systems & Finance Affairs Office, Corporate Finance & Controller Division, NEC Corporation Senior Vice President, NEC (China) Co., Ltd. Associate Senior Vice President, NEC Soft, Ltd. Resigned as Senior Vice President, NEC Soft, Ltd. Corporate Auditor, NEC Mobiling, Ltd. (to the present) | 0 |
| 2 | Yoshihito Kitamatsu (October 8, 1956) | April 1980 April 2005 June 2009 October 2009 April 2011 | Joined Hitachi, Ltd. Department Manager, Financial Accounting Controls Department, Hitachi Works, Power Systems Group, Hitachi, Ltd. General Manager, Finance Management Division, Power Systems Group, Hitachi, Ltd. General Manager, Finance Management Division, Power Systems Company, Hitachi, Ltd. General Manager, Finance & Accounting Department, Finance Group, Hitachi, Ltd. (to the present) (Important Concurrent Positions) General Manager, Finance & Accounting Department, Finance Group, Hitachi, Ltd. | 0 |

- (Note)
1. Messrs. Kazuki Fukuda and Yoshihito Kitamatsu are new candidates for Corporate Auditor.
 2. None of the candidates have a special conflict of interest with the Company.
 3. Mr. Yoshihito Kitamatsu is currently and has been involved in the execution of business of Hitachi, Ltd. during the past 5 years. Mr. Yoshihito Kitamatsu will receive and has received a salary, etc. as an employee of Hitachi, Ltd. during the past 2 years. Hitachi, Ltd. is a “Specific Related Party” as defined in Item 19, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act.
 4. Messrs. Kazuki Fukuda and Yoshihito Kitamatsu are candidates for outside Corporate Auditor.
 - (i) The Company selected Mr. Kazuki Fukuda as a candidate for outside Corporate Auditor with the expectation that he would audit the overall management of the Company by leveraging his extensive knowledge, experience and deep insight gained from his many years of involvement in accounting operations at NEC Corporation and his involvement in business operations and management as Senior Vice President of NEC Soft, Ltd.
 - (ii) The Company selected Mr. Yoshihito Kitamatsu as a candidate for outside Corporate Auditor with the expectation that he would audit the overall management of the Company by leveraging his extensive knowledge, experience and deep insight gained from his many years of involvement in accounting operations at Hitachi, Ltd.
 5. If the new appointment of Mr. Yoshihito Kitamatsu is approved, the Company will enter into liability limitation agreement with him, limiting his liability as defined in Paragraph 1, Article 423 of the Companies Act to the higher of either (i) 10,000,000 yen or (ii) the minimum liability amount stipulated in the applicable laws and regulations.
 6. Mr. Kazuki Fukuda will resign from his office as Corporate Auditor of NEC Mobiling, Ltd. on June 19, 2012.

Business Report

(For the Period from April 1, 2011 to March 31, 2012 (the “Period”))

1. Overview of Operations of the Group

(1) Business Progress and Results of the Group

(i) Overview

The world economy showed moderate recovery trend during the first half of the Period. However, overall economy became steadily more sluggish from the second half of the Period affected by intensified financial crisis in Euro zone and decelerated growth of emerging countries mainly in Asia which had underpinned economic growth. Especially, slowdown of China’s growth reflecting monetary tightening policy, as well as Thailand’s floods had negative impacts on global economy. Whereas in Japan, while demand growth was partially seen in the first half of the Period driven by the recovery from the Great East Japan Earthquake (the “Earthquake”), the stagnant global economy and the continuous trend of strong yen heightened concerns about the deterioration in market conditions, which led Japanese economy to stagnate from the second half of the Period.

Under these economic circumstances, as for the semiconductor market in which the Renesas Electronics Group (“the Group”) operates as a core business, demand recovery was seen in automotive sector especially for Japanese automakers for the second half of the Period. However, for the other sectors, demand was sluggish overall owing to the stagnant global economy. Particular, semiconductor demand for PC and PC peripherals and some of the consumer electronics decreased substantially influenced by Thailand’s floods and other factors. In addition, semiconductor demand in emerging markets, which had driven the market growth, weakened during the second half of the Period resulting from increased uncertainties in global economy and others.

In addition to the recent economic and market environment factors, the Group was severely impacted by the Earthquake. Five front-end (semiconductor wafer processing) and three back-end (semiconductor assembly and testing) factories were forced to halt production. They included the Naka factory in Hitachinaka, Ibaraki, which accounts for about 15% of the Group’s volume production.

In this very hard business environment, the Group made “rapid recovery from the earthquake and maximizing product supply to customers” its top priority of tasks, launched a full-scale effort to achieve that task. While, for the purpose of correspondence to structural changes of society and economy by the Earthquake, Company focused on “reforming its business structure to achieve stable and profitable management base”.

With respect to its top priority of tasks, “rapid recovery from the earthquake and maximizing product

supply to customers”, the Group recognizes that the impact of the disaster and the loss of production at the stricken factories were matters of grave concern to its shareholders. In response, it took every step possible to enable a rapid recovery, mobilizing all resources in the Group and taking advantage of generous support from outside the Group. These steps included round-the-clock efforts to repair physical plant and equipment at the damaged factories and alternate production at other factories in the Group and at external foundries (contract manufacturing companies). As a result, the recovery proceeded ahead of schedule. Production was restarted at all of the affected factories, and by mid-September 2011 it became possible to supply products at the same level as before the Earthquake. In-house power generation equipment was installed at some factories to deal with utility power shortages after the Earthquake, and power-saving initiatives were pursued vigorously throughout the Group. To minimize the impact of the disaster on its financial results as far as possible, the Group continued to work toward greater efficiencies, as it had since the April 2010 merger between former NEC Electronics Corporation and former Renesas Technology Corp. Additionally, it put strict limits on equipment investment, pursued greater efficiencies in research and development, and strengthened cost control and efficiency boosting initiatives in all phases of its operations.

With respect to its second goal, “reforming its business structure to achieve stable and profitable management base”, the Group took note of structural changes occurred in the Earthquake of society and economy and moved to accelerate the allocation of management resources to profitable businesses that would put the Group on track toward sustainable growth. It also moved to support business lines that will enable a solid business structure and consistent profits without depending on sales growth. These business lines serve markets related to the smart society (a society that uses energy resources efficiently), international markets (including those of developing nations), automotive markets, and other markets where growth is foreseen. New products for those markets received high priority. For the three pillars of the Group's business (MCUs, Analog & Power Devices, and SoC (System on Chip) Solutions) the Group moved forward with structural steps from two directions – in the businesses themselves and in the production activities that support them.

On the business side, structural steps in the MCU business leveraged the Group's strengths in support and technology to realize high-performance, high-quality, low-power-consumption products. To increase its share of approximately 30% of the global MCU market, the Group strengthened its product development and product lineup in growing markets such as the smart society market, international and developing nation markets, and automotive. The Analog & Power Device business, despite the business environment, is positioned as a core business that can be developed into a reliable contributor to earnings. In keeping with the policy pursued since the merger, steps were taken to strengthen the Analog & Power business, for example by pursuing synergy with the MCU business. One of the fruits of these initiatives in the MCU and A&P businesses was the “78K0R/LG3-M”, a 16-bit MCU released in May 2011. Designed for

next-generation smart electricity meters, it features optimized power consumption, high-capacity on-chip memory, and real-time management of electric power supply and demand. In October 2011, the first product group in the new “Smart Analog MCU” series was released. The “RL78/G1E group” comprises kit solution products combining MCUs with analog ICs. Depending on the application, the circuit configuration and features can be changed by control from the MCU. These new products combine compact size, ultra-low power consumption, and high performance. In December 2011, new ground was broken with the development of the industry's first embedded flash memory for MCUs fabricated with a 40-nm (Note 1) process. The next step will be to accelerate the application of this technology to MCU products. A series of automotive MCU products fabricated with this industry leading 40-nm process that will feature on-chip memory is planned. Meanwhile, concentration on core competences continued with the decision in January 2012 by the Analog & Power Business Unit to withdraw from the large-format display driver business, in view of the difficulty of improving the profitability of that business.

In the SoC business, management resources were concentrated in areas where stable growth is expected into the future, including the fields of multimedia terminals and devices for the social and industrial infrastructure to support cloud computing. In October 2011, the “R-Car H1” SoC was released for car infotainment systems. The new SoC delivers the highest level of performance in the industry, featuring the ability to process large volumes of information acquired via networks and powerful image processing for more detailed image navigation systems. In February 2012, the “MP5232” triple-mode smart phone platform was released. Designed for the volume zone in mobile Internet terminal applications, including smart phone and tablet devices, it offers high performance and expandability. It is the first product from the Group to feature a single-chip LTE (Note 2) processor. Meanwhile, concentration on core competences continued with the agreement in July 2011 to sell the Group's high-power amplifier business to Murata Manufacturing Co., Ltd., together with its power-amp manufacturing site, the Nagano Device Division (Komoro, Nagano) of Renesas Eastern Japan Semiconductor, Inc. The transfer was finalized in March 2012.

As part of the effort to expand sales in developing nations and other international markets, the Group's marketing divisions were integrated in April 2011. The aim was to strengthen the ability to develop new markets across all lines of business and to strengthen the execution of marketing strategies. In February 2012, the Group opened an office in Brazil, “Renesas Electronics Brasil-Servicos Ltda.”, which will work to expand sales in Brazil's rapidly growing semiconductor market. Located in Sao Paulo, the office will serve rapidly growing local manufacturers and new entrants from Europe and North America in fields such as automotive, industrial and consumer electronics.

Structural steps in production were intended mainly to strengthen cost competitiveness and achieve new production efficiencies by concentrating functions. In an aggressive effort, we continued to consolidate and abolish production lines and to sell redundant production sites. On the front end, Renesas Electronics

America sold its semiconductor wafer fabrication facility in Roseville, California, to Telefunken Semiconductors International in May 2011. In March 2012, Renesas Kansai Semiconductor Co., Ltd. closed its 5-inch wafer fabrication line in Shiga, and Renesas Northern Japan Semiconductor, Inc. agreed to transfer its Tsugaru factory to Fuji Electric Co., Ltd. On the back end, Renesas Semiconductor Kyushu Yamaguchi Co., Ltd. closed its Fukuoka factory and consolidated its functions at its plants in Oita and elsewhere. In March 2012, Renesas Eastern Japan Semiconductor, Inc. closed its Tokyo Device Division.

To strengthen its risk management, ensure a stable supply of products, and hold the impact of any emergency to the absolute minimum, the Group conducted a thorough review of its Business Continuity Plan (BCP) in light of the lessons of the Earthquake. As called for in the BCP, the seismic resistance of its factories and other facilities was strengthened and alternate production capabilities were enhanced by promoting a multi-fab policy (construction of a production system to allow the same product to be produced at multiple sites). Supply chain management was strengthened by diversifying materials procurement, and other measures are being introduced, such as sharing of risk information with customers.

- (Notes)
1. nm: Abbreviation of nanometer, a unit of length equal to one billionth of a meter.
 2. LTE: Abbreviation of Long Term Evolution, a high-speed data communications standard for mobile phones, often referred to as 3.9G.

(ii) Summary of Consolidated Financial Results

Consolidated financial results of the Group for the Period were as follows.

[Consolidated Net sales]

Consolidated net sales for the Period were 883.1 billion yen, a decrease by 22.4% year on year. This decrease was due to a decline in sales in all business segments because of the impact of Earthquake and Thailand's floods, a weak demand influenced by stagnant economy mainly in Europe and China and moreover, the stronger yen .

The business segment of the Group comprises three main product groups; "MCUs", "Analog & Power Devices" and "SoC solutions", and "the other semiconductors" and "Sales from Others" that fit to neither of above three product categories. Sales of respective product groups were as follows:

(MCUs)

MCUs mainly include microcontrollers for automotive, industrial systems, microcontrollers used in digital home appliances, white goods, and consumer electronics including game consoles, and microcontrollers for PC and PC peripherals such as hard disc drives.

Sales of MCUs for the Period were 336.3 billion yen, 12.4% decrease from the corresponding period of the previous year. This drop was mainly due to a decline in sales of microcontrollers for PC and PC peripherals, and consumer electronics.

(Analog & Power Devices)

Analog and Power Devices mainly include power MOSFETs, mixed signal ICs, IGBTs (Insulated Gate Bipolar Transistors), diodes, small signal transistors, display driver ICs, compound semiconductor devices such as optical and microwave devices, employed in automobiles, industrial systems, PC and PC peripherals and consumer electronics.

Sales of Analog and Power Devices for the Period were 243.8 billion yen, 22.9% decrease from the previous period. This drop was mainly due to a decrease in the sales of display driver ICs for PCs and LCD TVs, analog IC and discrete for consumer electronics.

(SoC Solutions)

SoC Solutions mainly include semiconductors for mobile handsets, ICs for network equipment, semiconductors for industrial systems, semiconductors for PC and PC peripherals including hard disc drives and USB devices, semiconductors for consumer electronics such as digital home appliances and game consoles, and semiconductors used in automobiles including car navigation systems.

Sales of SoC Solutions for the Period were 201.2 billion yen, 35.5% decrease from the previous period. This drop was due to a decline in the semiconductor sales for consumer electronics and mobile handsets..

(Other Semiconductors)

Sales of Other Semiconductors include production by commissioning and royalties. Sales of Other Semiconductors for the Period were 4.8 billion yen, 30.6% decrease from the previous period.

(Sales from Others)

Sales from Others include non-semiconductor products sold on a resale basis by the Group's sales subsidiaries, and development and production by commissioning conducted at the Group's design and manufacturing subsidiaries. Sales from Others for the Period were 97.1 billion yen, 18.4% decrease from the previous period.

[Consolidated Operating Income (loss)]

Operating loss for the Period was 56.8 billion yen, 71.3 billion yen worse year on year, mainly owing to a decrease in sales despite of the Group's efforts to further streamline R&D expenses and to reduce selling, general and administrative expenses.

[Ordinary Income (loss)]

Consolidated ordinary loss for the Period was 61.2 billion yen, due to non-operating loss of 4.5 billion yen from recording interest expenses, foreign exchange losses and others.

[Net Income (loss)]

Consolidated net loss for the Period was 62.6 billion yen, mainly due to recording 21.3 billion yen special income including gain on transfer of business and at the same time recording 19.7 billion yen special loss including loss on disaster.

In relation to a year-end dividend to our shareholders, truly to our regret, we decided to omit, prudently taking into consideration the overall conditions of the business results for the Period. The Company will continue to strive to improve earnings and financial position as a whole in order to resume dividend distribution. In this regard, we deeply appreciate our shareholders for their understanding and continuing support.

(2) Research and Development by the Group

(i) Development of industry's first on-chip flash memory for MCUs utilizing 40-nm process

The Group has developed the industry's first on-chip flash memory for MCUs fabricated with a 40-nm process.

In recent automotive devices and other applications where high reliability is required, there is a need for further enhancements in performance and support for a wider variety of functions, including more advanced control functions, safety and security, and network support. MCUs with flash memory are used for such applications in order to allow device software to be rewritten. This has created a need for higher memory capacities and greater integration through finer geometries.

In general, it is difficult to achieve high quality and high reliability in flash memory while pursuing finer geometries. But the Group has the advantage of many years of experience with its MONOS structure (Note 1) flash memory, which it has used in its 90-nm process MCUs. By fully utilizing its experience and know-how, the Group has further improved its flash memory technology and applied it to 40-nm process. Preproduction prototypes of the new on-chip flash memory achieve an extraordinary 120-MHz read speed, 20 years of data retention, and 125,000 write cycles.

The Group will use this newly developed technology to accelerate the development of automotive 40-nm process MCUs with on-chip flash memory. It will be first to market with devices to help its automotive customers deliver the safety, user friendliness, and friendliness to the environment that users expect from state-of-the-art products.

(ii) New SoC delivers industry's highest level of performance for next-generation car infotainment systems

The Group released the "R-Car H1", an SoC that delivers the industry's highest level of performance for next-generation car infotainment systems.

Next-generation infotainment systems will require the ability to process large volumes of data,

upgrade support, more realistic image navigation, and high-quality video and audio processing functions with enhanced usability. Also required is support for features to secure the driver's field of view, such as top-view (a virtual view of the environs of the car).

This product features five CPU cores, two high-performance graphics cores, two image recognition cores and other functions on a single chip. As an SoC for car navigation and other car infotainment systems, it delivers about 12 GIPS (Note 2) of CPU processing performance – the highest level in the industry and about six times higher than the previous product from the Company. In addition to providing the processing power to satisfy a variety of application requirements in high-performance car infotainment systems, it also supports 83 mega-polygons per second of graphics performance (about eight times higher than the previous product from the Company), enabling realistic 3D imaging for superior navigation operability. Playback of full high-definition video content is supported along with a rich variety of other multimedia functions. Powerful image recognition capabilities enable top-view and traffic sign recognition to support safe and user-friendly driving.

This product will be followed by others in a timely fashion that will be optimized to respond to market needs, contributing to safer and more convenient driving.

- (Notes)
1. MONOS structure: Abbreviation of Metal Oxide Nitride Oxide Silicon structure. This is a type of nonvolatile memory technology in which data is stored by trapping an electrical charge in an insulating nitride layer sandwiched between two oxide layers.
 2. GIPS: Abbreviation of Giga Instructions Per Second. This expresses the number of instructions that a CPU can execute in one second in units of one billion.

(3) Capital Investment of the Group

During the Period, as a result of drastic restraining of investment, the amount of capital investment by the Group was 36.5 billion yen, 7 billion yen decrease from the previous period. The Company invested mainly aiming to promoting larger wafer and finer process node in production of front-end factories, increasing the capacities of back-end factories mainly at overseas sites, and investment for recovery from Earthquake including operation of alternate production.

(4) Financing Activities of the Group

During the Period, the Group did not land financing by floating stock or corporate bonds. Also, on the end of Period, debt with interest of the Group was 258.3 billion, decrease 119.9 billion from on the end of previous Period. This is because the Company on May 27, 2011 redeemed Zero Coupon Unsecured Euro Yen Convertible Bonds due 2011 (issued on May 27, 2004) at maturity and full value.

(5) Issues to be Addressed by the Group

The Group has strongly implemented management strategies and various measures during the Period to attain following management targets; "rapid recovery from the earthquake and maximizing product supply to customers" during the first half of the Period and "reforming its business structure to achieve stable and profitable management base" during the second half of the Period. However, as previously described in "1.(1) Business Progress and Results of the Group", consolidated net sales for the Period significantly decreased year on year affected by the Earthquake and Thailand's floods as well as stagnant global economy. Therefore, improvement of the Group's business performance has become an urgent matter. Given this circumstance, the Group will put all possible efforts into "achieving sales recovery and growth". At the same time, the Group will continuously expedite its efforts for "reforming its business structure to achieve stable and profitable management base".

(i) Sales Recovery and Growth

As previous described in "1.(1) Business Progress and Results of the Group", consolidated net sales of the Group for the Period decreased by 22.4% year on year. This decrease was mainly caused by the impacts of the Earthquake and Thailand's floods, continuous trend of strong yen, as well as worsened economic condition affected by prolonged Euro-zone crisis and slowdown of emerging markets including China. Through efforts including holding down expenses and rapid realization of integration synergies since the merger on April 2010, the Group achieved to reduce fixed costs. However, this cost reduction was more than offset by sales decrease, and as a result, the Group recorded 56.8 billion yen operating loss and 62.6 billion yen net loss. While the Group will continuously implement measures for "reforming its business structure to achieve stable and profitable management base", the Group considers that achievement of sales recovery at the earliest possible timing is vital. With regard to sales recovery and growth, the Group will put all possible efforts to minimize opportunity loss and expand revenue by establishing production system which promptly correspond to demand trend with carefully capturing the signs of an economic turnaround and market changes. In addition, the Group aims to fully utilize the IT system integrated on April 2012 to achieve more efficient business operation. Moreover, in order to raise the overall sales volume, the Group will work on sales expansion in Asia markets where growth is expected to continue going forward and also sales promotion to overseas customers who are offering many business opportunities with potential growth.

As for each business segment, in the MCU business, in order to rapidly recover its sales amount which decreased due to the impacts of the Earthquake and Thailand's floods, the Group will make efforts to better manage business deals, expand sales to most important customers/segments, develop new customers in overseas especially in emerging countries and increase long tail customers*. At the same time, with the aim to establish core competence, the Group will continue to increase product

lineups and build sales promotion channel for Smart Analog products as well as accelerate development of front-end MCU. In the Analog and Power Device business, the Group will further reinforce products for automotive and industrial systems to stabilize and expand sales. Also, in order to secure market competitiveness, the Group will strengthen collaboration between design, production and sales departments and promptly increase product lineups, as well as strengthen price competitiveness through lowering production cost by increasing production efficiency. In the SoC business, the Group will make efforts to stabilize sales and secure profitability by focusing management resources on mobile and social/industrial infrastructure related markets, and at the same time the Group will pursue achieving further business deals.

*Long tail customers: Order size of each customer is small, however, customers' range is broad and relatively stable profitability is expected to be secured.

(ii) Reforming its Business Structure to Achieve Stable and Profitable Management Base

The Group's approach has been expanding its businesses and strengthening product competitiveness based on three main product groups, MCUs, Analog and Power Devices, and SoC solutions as well as to strive for thoroughgoing increases in efficiency and cost reduction across all management areas. The Group will take advantage of its experience to recover from the Earthquake not only to redouble its efforts to focus on profitable business, but also to build a solid business structure.

In the MCU business, the Group aims to grow its industry leading worldwide share of roughly 30 percent even further by maintaining continuity and stability of existing business centered on major customers in Japan and overseas, as well as by strengthening sales growth of the global market including those in emerging countries through initiative such as an increase of product lineups for Chinese market and expansion of sales offices in Brazil and India. In the Analog and Power Device business, the Group will aim for even further growth by taking full advantage of synergy with the MCU business, and strengthen this area as its main business focused on power semiconductors and mixed-signal ICs that can secure stable profitability even in adverse market conditions. In the SoC solution business, the Group will move forward even more strongly with market selection and concentration in strategic areas, product groups and market that deserve attention and aim at assuring profitability and growth in those priority areas.

Finally, the Group is performing a thorough review of business portfolio as well as accelerating reforms of manufacturing structures in line with the review of business portfolio. Since manufacturing accounts for a large share of the Group's fixed expenses, as for the front end processes, the Group will make use of larger wafers as well as outsource production to overseas foundries, which is also part of the Group's multi-fab strategy of making products at two or more factories. For back-end processes, with

the aim of reduction in production cost and risk hedging of foreign currency, the Group will increase the capacities of the own back-end factories mainly in Asia and thus accelerate shifting overseas manufacturing.

(6) Changes in the Results of Financial Position and Profit and Loss (Consolidated)

(In billions of yen except per share figures)

| Indices \ Business Period | 6th Business Period 4/1/07-3/31/08 (U.S. GAAP) | 7th Business Period 4/1/08-3/31/09 (Japanese GAAP) | 8th Business Period 4/1/09-3/31/10 (Japanese GAAP) | 9th Business Period 4/1/10-3/31/11 (Japanese GAAP) | 10th Business Period (the "Period") 4/1/11-3/31/12 (Japanese GAAP) |
|---------------------------------------|--|--|--|--|---|
| Net sales | 687.7 | 550.7 | 471.0 | 1,137.9 | 883.1 |
| Operating income (loss) | 5.1 | (66.4) | (49.2) | 14.5 | (56.8) |
| Ordinary income (loss) | - | (76.2) | (54.4) | 1.0 | (61.2) |
| Net income (loss) before income taxes | (3.3) | (91.5) | (52.8) | (110.8) | (59.6) |
| Net income (loss) | (16.0) | (85.1) | (56.4) | (115.0) | (62.6) |
| Net income (loss) per share (yen) | (129.52) | (688.77) | (456.95) | (275.75) | (150.08) |
| Total assets | 616.3 | 488.2 | 459.9 | 1,145.0 | 858.2 |
| Net assets | 227.1 | 194.7 | 136.3 | 291.1 | 226.5 |

- (Note) 1. Since the third quarter of the 8th Business Period (from October 1 2009 to December 31, 2009), the Company has changed its preparation standards for Financial Statements from accounting principles generally accepted in the United States of America (U.S. GAAP) to accounting principles generally accepted in Japan (Japanese GAAP). Consequently, the figures stated for the 8th Business Period and the 9th Business Period are based on Japanese GAAP, and therefore for the purposes of easy comparison, the 7th Business Period has also been stated using figures prepared on the basis of Japanese GAAP. For the 6th Business Period, figures based on Japanese GAAP have not been prepared and the 6th Business Period stated using figures based on U.S. GAAP.
2. "Net income (loss) per share" is calculated based on the average number of shares outstanding during each business period.
3. Major factor of large fluctuation in profit and loss during the 9th Business Period is the merger of former NEC Electronics Corporation and former Renesas Technology Corp. on April 1, 2010.

(7) Principal Subsidiaries (as of March 31, 2012)

| Name of Subsidiaries | | Capital (Millions of yen) | Investment Ratio (%) | Main Business | Location |
|----------------------|--|---------------------------------|-------------------------|---|------------------------|
| Japan | Renesas Electronics Sales Co., Ltd. | 2,500 | 100 | Sale of semiconductors in Japan | Chiyoda-ku, Tokyo |
| | Renesas Northern Japan Semiconductor, Inc. | 2,550 | 100 | Manufacture (front-end and back-end process) of semiconductors | Kameda-gun, Hokkaido |
| | Renesas Yamagata Semiconductor Co., Ltd. | 1,000 | 100 | Manufacture (front-end process) of semiconductors | Tsuruoka-shi, Yamagata |
| | Renesas Kansai Semiconductor Co., Ltd. | 1,000 | 100 | Manufacture (front-end and back-end process) of semiconductors | Otsu-shi, Shiga |
| | Renesas Semiconductor Kyushu Yamaguchi Co., Ltd. | 1,000 | 100 | Manufacture (front-end and back-end process) of semiconductors | Kumamoto-shi, Kumamoto |
| | Renesas Kyushu Semiconductor Corp. | 500 | 100 | Manufacture (back-end process) of semiconductors | Kikuchi-gun, Kumamoto |
| | Renesas Mobile Corporation | 5,000 | 100 | Marketing, design and development of semiconductors | Chiyoda-ku, Tokyo |
| Overseas | Renesas Electronics America Inc. | (1,000USD) 380,800 | 100 | Sale, design and development of semiconductors in the U.S.A. | California, U.S.A |
| | Renesas Electronics Europe GmbH | (1,000Euro) 14,000 | *100 | Sale, design and development of semiconductors in Europe | Dusseldorf, Germany |
| | Renesas Electronics Hong Kong Limited | (1,000HKD) 15,000 | 100 | Sale of semiconductors in Hong Kong | Hong Kong, China |
| | Renesas Electronics Taiwan Co., Ltd. | (1,000NTD) 170,800 | 100 | Sale of semiconductors in Taiwan | Taipei, Taiwan |
| | Renesas Electronics Singapore Pte. Ltd. | (1,000USD) 32,287 | *100 | Sale of semiconductors in ASEAN, India, Oceania and Middle East | Singapore |

- (Note) 1. There are a total of 57 consolidated subsidiaries as of March 31, 2012, consisting of 22 domestic companies and 35 overseas companies, including the principal subsidiaries set forth above.
2. Asterisks denote the figures which include the indirect ownership.

(8) Main Business of the Group (as of March 31, 2012)

The Group conducts, as a pure semiconductor manufacturer, design, development, manufacture, sale and provision of services of semiconductors. The Group's main business and products are as follows:

| Segment | Major Products |
|----------------------------------|---|
| MCU Business | Microcontroller |
| Analog and Power Device Business | Power MOSFET, Mixed Signal IC, IGBT, Diode, Small Signal Transistor, Display Driver IC, Compound Semiconductor Device |
| SoC Solution Business | ASIC, ASSP |

(9) Principal Offices and Plants of the Group (as of March 31, 2012)**(i) The Company**

| | Location |
|-------------------------------|--|
| Registered Head Office | Kawasaki-shi, Kanagawa |
| Headquarters | Chiyoda-ku, Tokyo |
| Manufacturing Base | Naka Site (Hitachinaka-shi, Ibaraki) |
| | Takasaki Site (Takasaki-shi, Gunma) |
| | Kofu Site (Kai-shi, Yamanashi) |
| | Saijo Site (Saijo-shi, Kochi) |
| | Kochi Site (Konan-shi, Kochi) |
| Research and Development Base | Tamagawa/Sagamihara Site (Kawasaki-shi, Kanagawa/Sagamihara-shi, Kanagawa) |
| | Musashi Site (Kodaira-shi, Tokyo) |
| | Kitaitami Site (Itami-shi, Hyogo) |
| | Takasaki Site (Takasaki-shi, Gunma) |

(ii) Subsidiaries

Principal subsidiaries and their locations are described in "I-(7) Principal Subsidiaries" above.

(10) Employees of the Group (as of March 31, 2012)

| Number of Employees | decrease from March 31, 2011 |
|---------------------|------------------------------|
| 42,800 | 3,830 |

(Note) The above figure is the number of permanent employees (including employees temporarily transferred from outside Group to the Group, and excluding employees temporarily transferred from the Group to outside Group), and the number of temporary employees is excluded.

(11) Major Borrowings of the Group (as of March 31, 2012)

| Lenders | Balance of Borrowings (Millions of yen) |
|---|--|
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 36,420 |
| Mizuho Corporate Bank, Ltd. | 32,500 |
| The Sumitomo Trust and Banking Co., Ltd. | 23,111 |
| Mitsubishi UFJ Trust and Banking Corporation | 22,000 |

(Note) The Sumitomo Trust and Banking Co., Ltd. merged with The Chuo Mitsui Trust and Banking Company, Limited, and Chuo Mitsui Asset Trust and Banking Company, Limited as of April 1 2012, changed its corporate name to Sumitomo Mitsui Trust Bank, Limited.

2. Outline of the Company

(1) Shares of the Company (as of March 31, 2012)

- (i) **Total Number of Authorized Shares** 800,000,000 shares
- (ii) **Total Number of Shares Issued** 417,124,490 shares
(including 2,548 of Company's own shares)
- (iii) **Number of Shareholders** 19,428

(iv) Major Shareholders (top ten)

| Name of Shareholders | Number of Shares Held (shares) | Percentage of Shares Held (%) |
|---|-----------------------------------|----------------------------------|
| Hitachi, Ltd. | 127,725,748 | 30.62 |
| Mitsubishi Electric Corporation | 104,502,885 | 25.05 |
| Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd. / NEC Corporation pension and severance payments Trust Account) | 78,200,000 | 18.75 |
| NEC Corporation | 69,695,857 | 16.71 |
| STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 | 4,152,375 | 1.00 |
| RBC DEXIA INVESTOR SERVICES TRUST, LONDON-CLIENTS ACCOUNT | 3,522,790 | 0.84 |
| MORGAN STANLEY & CO. INTERNATIONAL PLC | 2,252,600 | 0.54 |
| Renesas Electronics Employee Stock Plan | 1,631,600 | 0.39 |
| THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT | 1,050,175 | 0.25 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 959,000 | 0.23 |

- (Note) 1. Percentage of shares held is calculated excluding 2,548 of Company's own shares.
2. Percentage of shares held is calculated by rounding to three decimal places.
3. 78,200,000 shares (percentage of shares held: 18.75%) owned by Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd./NEC Corporation pension

and severance payments Trust Account) were shares that were contributed by NEC Corporation as severance indemnities trusts. Also, NEC Corporation, as of May 1, 2012, contributed 57,100,000 shares (percentage of shares held:13.69%) that was part of 69,695,857 shares (percentage of shares held: 16.71%) owned by it to Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd./NEC Corporation pension and severance payments Trust Account) additionally. In the result, at the same point in time both sides' number of shares held and percentage of shares held were as below. The voting rights of such shares will be exercised at the instruction of NEC Corporation. Therefore, NEC Corporation holds 35.46% of voting rights.

| Name of Shareholders | Number of Shares Held (shares) | Percentage of Shares Held (%) |
|---|--------------------------------|-------------------------------|
| Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd. / NEC Corporation pension and severance payments Trust Account) | 135,300,000 | 32.44 |
| NEC Corporation | 12,595,857 | 3.02 |

(Note) 4 The Sumitomo Trust and Banking Co., Ltd. merged with The Chuo Mitsui Trust and Banking Company, Limited, and Chuo Mitsui Asset Trust and Banking Company, Limited as of April 1 2012, changed its corporate name to Sumitomo Mitsui Trust Bank, Limited.

(2) Stock Acquisition Rights, etc. of the Company (as of March 31, 2012)

(i) Stock Acquisition Rights Issued to the Directors and Corporate Auditors of the Company as a Compensation for their Duties

(a) Stock Acquisition Rights Pursuant to the Provisions of Articles 236, 238 and 239 of the Companies Act.

| | Number of Stock Acquisition Rights Issued | Class and Number of Shares to be Issued | Issue Price of Stock Acquisition Right | Amount to be paid upon Exercise of Stock Acquisition Rights | Exercisable Period |
|--|---|---|--|---|-------------------------|
| 4th Stock Acquisition Rights (Resolved at the 4th General Meeting of Shareholders and the Meeting of the Board of Directors held on June 27, 2006) | 20 | 2,000 shares of common stock (100 shares per 1 stock acquisition right) | No charge | 3,927 yen per share | July/13/08 - July/12/12 |

(b) Stock Acquisition Rights Held by the Directors and Corporate Auditors of the Company

| Title | Number of Stock Acquisition Rights Issued | Number of Directors |
|---|---|---------------------|
| Directors (excluding outside Directors) | 20 | 1 |

(Note) No outside Director or outside Corporate Auditor hold the Stock Acquisition Rights.

(ii) Other Important Matters Concerning the Stock Acquisition Rights

The Company on May 27, 2011 redeemed Zero Coupon Unsecured Euro Yen Convertible Bonds due 2011 (issuance price:110 billion yen) (issued on May 27, 2004) at maturity and full value. During the Period, there was not the exercise of stock acquisition right attached to such bond, conversion into common shares.

(3) Directors and Corporate Auditors of the Company

(i) Name etc. of Directors and Corporate Auditors of the Company (as of March 31, 2012)

| Name | Position at the Company | Responsibility and Important Concurrent Positions |
|---------------|--|--|
| Yasushi Akao | *Representative Director, President | Management of execution of overall business operations, Chairman of General Meeting of Shareholders and Meeting of Board of Directors, and hosting of Executive Committee, Corporate Management Meeting and other important meetings |
| Masaki Kato | *Representative Director and Executive Managing Vice President and Member of the Board | Management of important matters relating to production and Corporate Planning Division, General Manager, Corporate Export Control Office, and matters relating to Purchasing Division and Information Systems Division |
| Kazuaki Ogura | *Executive Vice President and Member of the Board | Matters relating to Internal Audit Office, Finance & Accounting Division and Order Transaction Control Department |
| Yoichi Yano | *Executive Vice President and Member of the Board | Matters relating to Technology Development Unit, Intellectual Property Division and Quality Assurance Division |

| | | |
|--------------------|--|--|
| Shozo Iwakuma | *Senior Vice President and Member of the Board | Matters relating to Legal & Compliance Division and Human Resources & General Affairs Division |
| Shigeo Mizugaki | *Senior Vice President and Member of the Board | Management of important matters relating to MCU Business Unit |
| Susumu Furukawa | Member of the Board | Professor, Graduate School of Media Design, Keio University |
| Noritomo Hashimoto | Member of the Board | Director, Executive Officer, Mitsubishi Electric Corporation |
| Takashi Niino | Member of the Board | Senior Vice President, CSO (Chief Strategy Officer) and Member of the Board, NEC Corporation |
| Masahiro Yamamura | Member of the Board | General Manager, Semiconductor Business Division, Hitachi, Ltd. |
| Hiroki Kawamura | Corporate Auditor (Full time) | |
| Junichiro Nishi | Corporate Auditor (Full time) | |
| Yoichiro Yamakawa | Corporate Auditor | Partner, Attorney-at-Law, Koga & Partners Statutory Auditor, Nisshin Steel Co., Ltd. Statutory Auditor, Daio Paper Corporation |
| Yoshinobu Shimizu | Corporate Auditor | Statutory Auditor, Mitsubishi UFJ Trust and Banking Corporation |
| Toyoaki Nakamura | Corporate Auditor | Representative Executive Officer, Senior Vice President and Executive Officer, Hitachi, Ltd. |

- (Note)
1. Messrs. Susumu Furukawa, Noritomo Hashimoto and Takashi Niino are outside Directors, as stipulated in Item 15, Article 2 of the Companies Act.
 2. Messrs. Hiroki Kawamura, Yoichiro Yamakawa and Yoshinobu Shimizu are outside Corporate Auditors, as stipulated in Item 16, Article 2 of the Companies Act.
 3. The Company has notified Tokyo Stock Exchange, Inc. of Messrs. Susumu Furukawa, Yoichiro Yamakawa and Yoshinobu Shimizu as independent Director/Corporate Auditor under the rules of Tokyo Stock Exchange, Inc. who will have no conflict of interests with the Company's general shareholders.
 4. Mr. Hiroki Kawamura was involved in accounting operations at NEC Corporation and its affiliated company for many years, and Mr. Junichiro Nishi was involved in accounting operation at Mitsubishi Corporation, former Renesas Technology Corp. and its affiliated company; and thus they have considerable knowledge of finance and accounting. Mr. Yoshinobu Shimizu is a Certified Public Accountant.
 5. The Directors and Corporate Auditors were changed during the Period as follows:
 - i) At the 9th Ordinary General Meeting of Shareholders held on June 28, 2011, Messrs. Shigeo Mizugaki and Masahiro Yamamura were newly elected and took office as Directors and Mr. Toyoaki Nakamura was newly elected and took office as Corporate Auditor.

- ii) Upon the close of the 9th Ordinary General Meeting of Shareholders held on June 28, 2011, Messrs. Junshi Yamaguchi, Toyoaki Nakamura and Hajime Matsukura have retired from their positions as Directors due to expiration of each term of office as Directors and Mr. Michiharu Nakamura has resigned from his position as a Corporate Auditor.
6. Mr. Noritomo Hashimoto serves as Director, Executive Officer, Mitsubishi Electric Corporation and Mr. Takashi Niino serves as Senior Vice President, CSO (Chief Strategy Officer) and Member of the Board, NEC Corporation. The Company engages in transactions relating to development and sales of system LSI, etc. with Mitsubishi Electric Corporation and NEC Corporation respectively.
7. Mr. Yoshinobu Shimizu serves as outside Statutory Auditor of Mitsubishi UFJ Trust and Banking Corporation. The Company has a business relating to loans, etc. with Mitsubishi UFJ Trust and Banking Corporation.
8. Responsibility and Important Concurrent Positions of Directors and Corporate Auditors of the Company which were partially changed as of April 1, 2012, are as follows:

| Name | Position at the Company | Responsibility and Important Concurrent Positions |
|--------------------|--|---|
| Masaki Kato | *Representative Director and Executive Managing Vice President and Member of the Board | Management of important matters relating to production and Corporate Planning Division, General Manager, Corporate Export Control Office, and matters relating to Purchasing Division, Global Sourcing Management Division and Information Systems Division |
| Kazuaki Ogura | *Executive Vice President and Member of the Board | Matters relating to Internal Audit Office and Order Transaction Control Department, and management of important matters relating to Finance & Accounting Division |
| Yoichi Yano | *Executive Vice President and Member of the Board | Management of important matters relating to Technology Development Unit, and matters relating to Intellectual Property Division and Quality Assurance Division |
| Shozo Iwakuma | *Senior Vice President and Member of the Board | Matters relating to Legal & Compliance Division, and management of important matters relating to Human Resources & General Affairs Division |
| Noritomo Hashimoto | Member of the Board | Senior Vice President, Mitsubishi Electric Corporation |
| Takashi Niino | Member of the Board | Senior Executive Vice President, CSO (Chief Strategy Officer), CIO (Chief Information Officer) and Member of the Board (Representative Director) , NEC Corporation |

| | | |
|-------------------|---------------------|---|
| Masahiro Yamamura | Member of the Board | General Manager, Semiconductor Business Division, and COO (Chief Operating Officer), Power Systems Company, Hitachi, Ltd. |
| Toyoaki Nakamura | Corporate Auditor | Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd. |

9. The Company has introduced a Corporate Officer system and asterisks denote the Directors who have been acting as Corporate Officers. The names of other Corporate Officers (who are not also Directors) as of April 1, 2012 are as follows:

Yoshiro Miyaji, Tetsuya Tsurumaru, Shinichi Iwamoto, Hideaki Chaki, Hideo Tsujioka, Tetsuro Kitano, Toshihide Tsuboi, Atsushi Hasegawa, Shinjiro Fujiwara, Tsutomu Aoki, Masahiko Sagawa

(ii) Remuneration, etc. for Directors and Corporate Auditors

| | Number / Total Amount Paid |
|--------------------|--|
| Directors | 13 persons / 145 million yen (including 5 outside Directors / 11 million yen) |
| Corporate Auditors | 6 persons / 56 million yen (including 3 outside Corporate Auditors / 36 million yen) |
| Total | 19 persons / 201 million yen (including 8 outside Directors and Corporate Auditors / 47 million yen) |

- (Note) 1. As of March 31, 2012, there were ten (10) Directors (including three (3) outside Directors) and five (5) Corporate Auditors (including three (3) outside Corporate Auditors). The number of Directors and Corporate Auditors above includes three (3) Directors (including two (2) outside Directors) and one (1) Corporate Auditor who retired upon the close of the 9th Ordinary General Meeting of Shareholders held on June 28, 2011.
2. The amount of Directors' remuneration above does not include the amount paid as salary for employees to those Directors who are also employees.
3. No bonuses were paid to the Directors and Corporate Auditors. No stock options were given to the Directors and Corporate Auditors.
4. The maximum monthly remuneration for Directors as approved at the General Meeting of Shareholders is 30 million yen. (Approved at the Extraordinary General Meeting of Shareholders held on February 24, 2010.)
5. The maximum monthly remuneration for Corporate Auditors as approved at the General Meeting of Shareholders is 12 million yen. (Approved at the Extraordinary General Meeting of Shareholders held on February 24, 2010.)

(4) Outside Directors and Corporate Auditors of the Company

(i) Important Concurrent Positions of Outside Directors and Outside Corporate Auditors and Relation Between Organizations where Outside Directors or Outside Corporate Auditors hold Important Concurrent Positions and the Company (as of March 31, 2012)

Important Concurrent Positions, and relation between organizations where outside Directors and outside Corporate Auditor hold important concurrent positions and the Company is described in "II-(3)-(i) Name etc. of Directors and Corporate Auditors of the Company" above.

(ii) Principal Activities

| Title | Name | Principal Activities |
|-----------|--------------------|--|
| Directors | Susumu Furukawa | Mr. Susumu Furukawa attended 11 of 16 Meetings of Board of Directors during the Period, and made necessary remarks to discussion of proposals based on his wealth of knowledge on technology and market trends mainly in the high-tech field and abundant experience in global corporate management. |
| | Noritomo Hashimoto | Mr. Noritomo Hashimoto attended 14 of 16 Meetings of Board of Directors during the Period, and made necessary remarks to discussion of proposals based on his wealth of knowledge and experience of business management. |
| | Takashi Niino | Mr. Takashi Niino attended 12 of 16 Meetings of Board of Directors during the Period, and made necessary remarks to discussion of proposals based on his wealth of knowledge and experience of business management. |

| Title | Name | Principal Activities |
|--------------------|-----------------|---|
| Corporate Auditors | Hiroki Kawamura | <p>(i) Mr. Hiroki Kawamura attended all 16 Meetings of Board of Directors during the Period, and made necessary remarks based on his wealth of knowledge, etc. of business operations and accounting, so that decisions at the Meetings of Board of Directors were fairly and properly made.</p> <p>(ii) Mr. Hiroki Kawamura attended all 14 Meetings of Corporate Auditors during the Period. Further, as a full-time Corporate Auditor, based on his wealth of knowledge of business operations and accounting, Mr. Hiroki Kawamura (a) explained the contents of the discussion at the Executive Committee, etc. regarding the matters to be presented to the Meetings of Board of Directors, (b) reported the audit status and results thereof, and (c) answered the questions to part-time Corporate Auditors.</p> |

| | | |
|--|-------------------|---|
| | Yoichiro Yamakawa | <p>(i) Mr. Yoichiro Yamakawa attended 13 of 16 Meetings of Board of Directors during the Period, and made necessary remarks, mainly from legal point of view as an attorney at law for ensuring procedures in accordance with laws and regulations, so that decisions at the Meetings of Board of Directors were fairly and properly made.</p> <p>(ii) Mr. Yoichiro Yamakawa attended 12 of 14 Meetings of Corporate Auditors during the Period, and made necessary remarks, from fair and independent position and from legal point of view as an attorney at law, for establishing and maintenance of the Company's compliance system, etc.</p> |
| | Yoshinobu Shimizu | <p>(i) Mr. Yoshinobu Shimizu attended 15 of 16 Meetings of Board of Directors during the Period, and made necessary remarks on finance and accounting procedures, mainly from accounting point of view as a certified public accountant, so that decisions at the Meetings of Board of Directors were fairly and properly made.</p> <p>(ii) Mr. Yoshinobu Shimizu attended 13 of 14 Meetings of Corporate Auditors during the Period, and made necessary remarks, from fair and independent position and from accounting point of view as a certified public accountant, for ensuring appropriate accounting procedure.</p> |

(Note) In addition to the above Meetings of Board of Directors, there were seven (7) Written Resolutions pursuant to Article 370 of the Companies Act and Article 24 of the Articles of Incorporation of the Company, which shall be deemed that the resolution of Meeting of Board of Directors has been made.

(iii) Outline of Liability Limitation Agreements

The Company has entered into liability limitation agreements with Outside Directors and Outside Corporate Auditors (excluding Mr. Hiroki Kawamura) respectively, limiting their liabilities as defined in Paragraph 1, Article 423 of the Companies Act to the higher of either 10,000,000 yen or the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act.

(5) Independent Auditors of the Company

(i) Name: Ernst & Young ShinNihon LLC

(ii) Remuneration and Other Amounts to be Paid to the Independent Auditors for the Period:

| Classification | Amount (in millions of yen) |
|--|--------------------------------|
| (i) The total amount of money and other property benefits to be paid by the Company and its subsidiaries to the Independent Auditors | 319 |
| (ii) Remuneration and other amounts to be paid by the Company to the Independent Auditors for the services stipulated in Paragraph 1, Article 2 of the Certified Public Accountants Act. | 232 |

- (Note) 1. As there is no explicit distinction in the audit contract (entered into between the Company and the Independent Auditors) between the fees for audits under the Companies Act and the fees for audits based on the Financial Instruments and Exchange Law, and as it is unable to distinguish between these two (2) types of fees, the fees set forth in (ii) above include both of such fees.
2. All five (5) overseas subsidiaries described in “I-(7) Principal Subsidiaries” above were audited by other Independent Auditors than the Company’s.

(iii) Policy Regarding Decision to Either Dismiss or Not Reappoint the Independent Auditor

The Board of Corporate Auditors, by unanimous consent, will dismiss the Independent Auditor when confirmed that the Independent Auditor falls under any item of Paragraph 1, Article 340 of the Companies Act.

In addition, should anything occur to negatively impact the qualifications or independence of the Independent Auditor, making it unlikely that the Independent Auditor will be able to properly perform an audit, the Director will propose, with the consent of the Board of Corporate Auditors, or as requested by the Board of Corporate Auditors, not to reappoint the Independent Auditor at General Meeting of Shareholders.

(6) Structures for Ensuring Appropriate Execution of Directors’ Duties in Conformity with Laws and Regulations and the Articles of Incorporation; and Other Structures to Ensure Appropriate Business Operation

The Meeting of the Board of Directors made the resolution with respect to the basic policies for the establishment of structures set forth in Item 6, Paragraph 4, Article 362 of the Companies Act and Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act (“Internal Control System”). The full text of these basic policies is available from our website (http://japan.renesas.com/internal_control/). Summaries of those are as follows:

(i) Structures for ensuring execution of duties by Directors and employees in conformity with laws and regulations and Articles of Incorporation

- The Directors shall take the lead in complying with the ‘Renesas Electronics Group CSR Charter’ and the ‘Renesas Electronics Group Code of Conduct’ that have been adopted for the purpose of establishing corporate ethics and ensuring compliance with laws and regulations, the Articles of Incorporation and internal rules of the Company by Directors and employees. The Directors shall keep the Company and its subsidiaries (collectively,

“Renesas Electronics Group”) informed of such principles and conduct, and shall have Renesas Electronics Group comply with them.

- The Directors shall stipulate basic matters such as implementation system and educational programs for compliance in the Renesas Electronics Group’s own fundamental rules of compliance, shall deliberate and resolve important matters regarding compliance at “Internal Control Promotion Committee”, and shall offer training programs and the like for the Renesas Electronics Group to be fully aware of compliance.
- The Directors shall set up ‘Renesas Electronics Group Hot Line’ as internal contact points for Renesas Electronics Group and its business partners to report violations or possible violations of compliance. Furthermore, the Directors shall keep Renesas Electronics Group and its business partners informed that they assure the anonymity of informants upon requests from informants and informants shall never be adversely affected.
- The Directors shall keep away from any antisocial force, shall work closely with external specialized institutions, and shall act resolutely in an organized manner when contacted by it.

(ii) Structures for properly preserving and managing information related to execution of duties by Directors

The Directors shall properly prepare, preserve and manage minutes of the General Meetings of Shareholders, Meetings of Board of Directors and other documents in accordance with applicable laws and regulations. The Directors shall also properly prepare, preserve and manage other documents, books and records pertaining to the duties of Directors and employees in accordance with the Company’s own fundamental rules of document management.

(iii) Rules and other structures regarding risk management for loss

- The Directors shall stipulate basic matters of risk management in the Company’s own fundamental rules of risk management, and shall establish a risk management framework in accordance with the rules.
- The Corporate Officers and division managers responsible for classified risk shall strive to minimize loss by developing prevention measures against risk materialization and by developing countermeasures in case of risk materialization.
- The President and the Corporate Officers shall, depending on its importance, establish an appropriate organization chaired by themselves, and shall implement appropriate measures in accordance with the Company’s own fundamental rules of risk management

when serious risk materializes.

(iv) Structures for ensuring efficient execution of duties by Directors

- The Directors shall hold an ordinary Meeting of the Board of Directors once a month and extraordinary meetings as needed for the sake of quick decision-making.
- The Directors shall adopt a Corporate Officer System, shall make prompt decisions on the important management issues at the Meeting of the Board of Directors, and shall supervise the execution of duties by the Corporate Officers. Furthermore, the important issues for the Company's management shall be discussed at the Executive Committee prior to the Meeting of the Board of Directors in order to enhance the Board's deliberations.
- The Corporate Officers (including Corporate Officers who also act as Directors) shall make quick decisions for the business operation by transferring their authorities to the relevant division managers or other employees. The Corporate Officers, the relevant division managers, and other employees shall execute their authority properly and efficiently in accordance with the Company's own fundamental rules of decision-making and authorization procedures.
- The Corporate Officers (including Corporate Officers who also act as Directors) shall execute their duties quickly and efficiently in accordance with office routine regulations determined by the Meeting of the Board of Directors, and shall periodically confirm the status of execution of management plans and the budget determined at a Meeting of the Board of Directors.

(v) Structures for ensuring appropriate operation of Corporate Group

- The Directors shall have the responsible divisions oversee the routine management of the Company's subsidiaries in accordance with the 'Renesas Electronics CSR Charter', the 'Renesas Electronics Group Code of Conduct' and the Company's own fundamental rules of management of affiliated companies, and shall have the Corporate Auditors instruct and support the subsidiaries for establishing compliance system and other systems to ensure their appropriate operations through hearings of their business reports and investigations of their operations and finances.
- The Directors shall perform evaluation, maintenance and improvement of Renesas Electronics Group's Internal Control Systems over financial reporting in accordance with the applicable laws of Japan and other countries, including, but not limited to, the Financial Instruments and Exchange Act.
- The Directors shall have Internal Audit Office audit the Company's subsidiaries, and shall have principal subsidiaries allocate internal auditing staff or divisions and

cooperate with the Internal Audit Office and the subsidiaries' own Corporate Auditors to ensure appropriate operations of Renesas Electronics Group.

(vi) Matters relating to employees assigned to assist Corporate Auditors and independence of such employees from Directors

The Directors shall establish the Corporate Auditors Office composed of specialized staff for the purpose of assisting the Corporate Auditors' audit activities. Any evaluation, personnel transfer, reprimand and the like of such specialized staff shall require prior consultation with the full-time Corporate Auditors, and such staff shall not be directed or supervised by the Directors for duties to assist the Corporate Auditors.

(vii) Structures for Directors' and employees' reporting to Corporate Auditors; and structures relating to other reporting to Corporate Auditors

The Directors and employees shall, upon requests from the Corporate Auditors, report to the Corporate Auditors on matters such as the execution of their duties.

(viii) Other structures for ensuring effective auditing by Corporate Auditors

- The Corporate Auditors shall attend Meetings of the Board of Directors, and may attend important meetings of the Company as they deem necessary. Furthermore, the Directors shall guarantee the right of Corporate Auditors to access important corporate information.
- The Corporate Auditors shall hold Meetings of Board of Corporate Auditor in principle at least once a month, and shall exchange information and deliberate on the status of audits and related matters. The Corporate Auditors also shall receive regular reports from accounting auditors on their audit activities, and shall exchange opinions on them.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2012)

(In millions of yen)

| Assets | | Liabilities and net assets | |
|---|----------------|---|------------------|
| Accounts | Amount | Accounts | Amount |
| Current assets | 409,690 | Liabilities | |
| Cash and deposits | 111,981 | Current liabilities | 462,054 |
| Notes and accounts receivable-trade | 102,556 | Notes and accounts payable-trade | 148,747 |
| Short-term investment securities | 20,250 | Short-term borrowings | 168,963 |
| Merchandise and finished goods | 58,189 | Current portion of long-term borrowings | 33,549 |
| Work in process | 79,155 | Current portion of lease obligations | 8,256 |
| Raw materials and supplies | 14,454 | Accounts payable-other | 43,036 |
| Deferred tax assets | 2,173 | Accrued expenses | 46,418 |
| Accounts receivable-other | 17,405 | Accrued income taxes | 5,322 |
| Other current assets | 3,707 | Provision for product warranties | 385 |
| Allowance for doubtful accounts | (180) | Provision for business structure improvement | 781 |
| Long-term assets | 448,514 | Provision for contingent loss | 92 |
| Property, plant and equipment | 307,199 | Provision for loss on disaster | 1,051 |
| Buildings and structures | 115,949 | Asset retirement obligations | 25 |
| Machinery and equipment | 108,419 | Other current liabilities | 5,429 |
| Vehicles, tools, furniture and fixtures | 32,423 | Long-term liabilities | 169,650 |
| Land | 36,210 | Long-term borrowings | 32,580 |
| Construction in progress | 14,198 | Lease obligations | 14,988 |
| Intangible assets | 75,881 | Deferred tax liabilities | 11,492 |
| Software | 28,626 | Accrued retirement benefits | 82,128 |
| Goodwill | 2,228 | Provision for contingent loss | 1,148 |
| Other intangible assets | 45,027 | Asset retirement obligations | 4,644 |
| Investments and other assets | 65,434 | Other liabilities | 22,670 |
| Investment securities | 7,801 | Total liabilities | 631,704 |
| Deferred tax assets | 2,373 | Net assets | |
| Long-term prepaid expenses | 38,228 | Shareholders' equity | 243,423 |
| Other assets | 17,494 | Common stock | 153,255 |
| Allowance for doubtful accounts | (462) | Capital surplus | 450,413 |
| | | Retained earnings | (360,234) |
| | | Treasury stock | (11) |
| | | Accumulated other comprehensive income | (25,465) |
| | | Unrealized gains (losses) on securities | 221 |
| | | Foreign currency translation adjustments | (25,686) |
| | | Share subscription rights | 26 |
| | | Minority interests | 8,516 |
| | | Total net assets | 226,500 |
| Total assets | 858,204 | Total liabilities and net assets | 858,204 |

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

(For the Year Ended March 31, 2012)

(In millions of yen)

| Accounts | Amount |
|--|----------------|
| Net sales | 883,112 |
| Cost of sales | 607,334 |
| Gross profit | 275,778 |
| Selling, general and administrative expenses | 332,528 |
| Operating loss | 56,750 |
| Non-operating income | 6,976 |
| Interest income | 604 |
| Dividends income | 77 |
| Equity in earnings of affiliates | 65 |
| Reversal of provision for business structure improvement | 1,157 |
| Insurance income | 1,143 |
| Compensation for damage received | 834 |
| Other non-operating income | 3,096 |
| Non-operating expenses | 11,454 |
| Interest expenses | 3,876 |
| Foreign exchange losses | 849 |
| Loss on disposal of long-term assets | 1,791 |
| Retirement benefit expenses | 2,386 |
| Other non-operating expenses | 2,552 |
| Ordinary loss | 61,228 |
| Special income | 21,342 |
| Gain on transfer of business | 4,984 |
| Reversal of provision for loss on disaster | 13,533 |
| Other special income | 2,825 |
| Special loss | 19,714 |
| Impairment loss | 2,594 |
| Loss on disaster | 12,760 |
| Business structure improvement expenses | 2,976 |
| Other special loss | 1,384 |
| Loss before income taxes and minority interests | 59,600 |
| Income taxes-current | 5,487 |
| Income taxes-deferred | (3,796) |
| Loss before minority interests | 61,291 |
| Minority interests in income of consolidated subsidiaries | 1,309 |
| Net loss | 62,600 |

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the Year Ended March 31, 2012)

(In millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total Shareholders' equity |
| Balance at beginning of the period | 153,255 | 450,413 | (297,634) | (11) | 306,023 |
| Changes during the period | | | | | |
| Net loss | | | (62,600) | | (62,600) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during the period | | | (62,600) | | (62,600) |
| Balance at end of the period | 153,255 | 450,413 | (360,234) | (11) | 243,423 |

| | Accumulated other comprehensive income | | | Share subscription rights | Minority interests | Total net assets |
|--|---|--|--|---------------------------|--------------------|------------------|
| | Unrealized gains (losses) on securities | Foreign currency translation adjustments | Total accumulated other comprehensive income | | | |
| Balance at beginning of the period | (259) | (22,007) | (22,266) | 48 | 7,253 | 291,058 |
| Changes during the period | | | | | | |
| Net loss | | | | | | (62,600) |
| Net changes in items other than shareholders' equity | 480 | (3,679) | (3,199) | (22) | 1,263 | (1,958) |
| Total changes during the period | 480 | (3,679) | (3,199) | (22) | 1,263 | (64,558) |
| Balance at end of the period | 221 | (25,686) | (25,465) | 26 | 8,516 | 226,500 |

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Basis of Consolidated Financial Statements

1. Scope of Consolidation

All subsidiaries are consolidated.

The number of consolidated companies of Renesas Electronics Corporation Group (“the Group”): 57

The name of major subsidiaries:

Regarding major subsidiaries’ names, please refer to “(7).Principal Subsidiaries (as of March 31, 2012)” in Business Report.

The number of subsidiaries increased by foundation : 2

Renesas Electronics Brasil-Servicos Ltda. and 1 company.

The number of subsidiaries decreased by liquidation and stock sales: 2

Nippon Denshi Light Co., Ltd. and 1 company

The number of subsidiaries decreased by merger: 1

Renesas System Solutions Korea Co., Ltd.

2. Application of Equity Method

(1) The number of affiliated companies and the name of major affiliated companies, accounted for by the equity method

The number of affiliated companies: 4

The name of major affiliated companies accounted for by the equity method:

Renesas Easton Co., Ltd., Hitachi ULSI Systems Co., Ltd., Renacentis IT Services Co., Ltd. and 1 company.

The number of subsidiaries decreased by liquidation and stock sales: 2

Xi'an RealMicro System Technology Co., Ltd., Retronix Technologies Inc.

(2) The name of affiliated companies not accounted for by the equity method: Semiconductor Technology Academic Research Center (STARC).

The equity method is not applied to Semiconductor Technology Academic Research Center (STARC) because net income and retained earnings (both amounts equivalent to what is accounted for by the equity method) have little impact on the consolidated financial statements of the Company on an individual basis, nor have any material impact on them on an aggregate basis.

(3) Significant items to be noted in the procedure for applying the equity method:

Of the affiliated companies accounted for by the equity method, if the closing date differs from that of the consolidated financial statements, the financial statements prepared by the provisional closing of accounts regarding the consolidated closing date of March 31, 2012 as the closing date are used.

3. Significant Accounting Policies

(1) Valuation methods for significant assets

1) Securities

Other securities:

Marketable securities:

Marketable securities classified as other securities are valued at the fair value at the fiscal year-end, with unrealized gains and losses included in a component of net assets. The cost of securities sold is determined based on the moving-average method.

Non-marketable securities:

Non-marketable securities classified as other securities are carried at cost or amortized cost determined by the moving-average method.

2) Derivatives
Derivative financial instruments are stated at fair value.

3) Inventories
Inventories are stated at the lower of cost or market. The costs are stated as follows:
Merchandise and finished goods:
 Custom-made products:
 Specific identification method
 Mass products:
 Average method
Work in process:
 Custom-made products:
 Specific identification method
 Mass products:
 Average method
Raw materials and supplies:
 Average method

(2) Depreciation method for significant long-term assets

1) Property, plant and equipment other than leased assets
 Depreciated principally by the straight-line method

2) Intangible assets other than leased assets
 Amortized by the straight-line method

3) Leased assets
Leased assets under finance leases under which the ownership of the assets is transferred to the lessee
 Amortized in the same way as self-owned long-term assets

Leased assets under finance leases other than those under which ownership of the assets is transferred to the lessee
 Amortized by the straight-line method over the lease term, assuming no residual value. The finance leases other than those under which ownership of the assets transferred to the lessee contracted before March 31, 2008 are accounted for as operating lease transactions.

4) Long-term prepaid expenses
 Amortized by the straight-line method

(3) Basis of significant reserves

1) Allowance for doubtful accounts
 Allowance for doubtful accounts is provided based on past experience for normal receivables and on an individual estimate of the collectability of receivables from companies in financial difficulty.

2) Accrued retirement benefits
Accrued retirement benefits or prepaid pension cost are recorded for employees' pension and severance payments based on the projected benefit obligation and the fair value of plan assets as of the fiscal year-end.

The transitional obligation is amortized on a straight-line basis mainly over 15 years.

Actuarial gains and losses are amortized on a straight-line basis over the employees' estimated average remaining service periods (mainly over 15 years), starting in the following year after its occurrence.

Prior service costs are amortized on a straight-line basis over the employees' estimated average remaining service periods (mainly over 14 years).

3) Provision for products warranties

The Group accrues product warranty liabilities for estimated future warranty costs using the individual estimates for the specific matters as well as historical ratio of warranty costs to net sales.

4) Provision for loss on guarantees

Provision for loss on guarantees is made for the amount of the estimated future losses related to debt guarantees, which the Group is taken into account for the deterioration of financial conditions.

5) Provision for business structure improvement

Provision for business structure improvement is made for the amount of the estimated losses to be incurred in connection with business structure reconstructions and consolidation.

6) Provision for contingent loss

In relation to matters such as legal proceedings and litigations, a provision for the amount of expected losses and expenses is made when they are reasonably estimated considering individual risks associated with each contingency.

7) Provision for loss on disaster

Provision for loss on disaster is made for the amount of estimated losses to be incurred in connection with removal or restoration cost for the assets suffered by the Great East Japan Earthquake.

(4) Foreign currency translation

Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Japanese yen at the applicable rates of exchange prevailing at the fiscal year-end, and differences arising from the translation are included in the statement of operations. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the applicable year-end rates of exchange, and all revenue and expense accounts are translated at the average rates of exchange prevailing during the period. Differences arising from the translation are presented as foreign currency translation adjustments and minority interests in net assets.

(5) Amortization method and term for goodwill

Goodwill is amortized by the straight-line method for over reasonable periods not exceeding 20 years.

(6) Accounting for consumption tax

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(7) Adoption of consolidated taxation system

The Company and the subsidiaries in Japan adopt the consolidated taxation system.

Notes to Consolidated Balance Sheet

1. Accumulated Depreciation of Property, Plant and Equipment: 946,777 million yen

2. Accumulated Impairment Loss of Property, Plant and Equipment:

Accumulated impairment loss was included in accumulated depreciation of property, plant and equipment.

3. Contingent Liabilities:

Residual value guarantees under operating lease transactions: 4,023 million yen

Guarantees for employees' housing loan: 1,024 million yen

Other guarantees: 533 million yen

Other Contingent Liabilities:

The Group's subsidiary in the U.S. had been named in Canada as one of the defendants in multiple civil lawsuits related to possible violations of competition law involving DRAM brought by purchasers of such products. In addition, the U.S. subsidiary is currently in the process of settlement negotiations with certain customers separated from a class action lawsuit brought by those who directly purchased DRAM in the U.S. from the subsidiary, and already settled with the subsidiary.

The Group has been named in Canada as one of the defendants in multiple civil lawsuits related to possible violations of competition law involving SRAM brought by purchasers of such products.

The Group has been named in the U.S. and other countries as one of the defendants in multiple civil lawsuits related to possible violations of antitrust law/competition law involving flash memory brought by purchasers of such products.

The Group's subsidiaries in the U.S., Europe and South Korea are the subject of investigations each by the U.S. Department of Justice, the Competition Bureau of Canada, the European Commission, and the Korea Fair Trade Commission in connection with possible violations of antitrust law/competition law in related to thin-film transistor liquid crystal display (TFT-LCD). Among those, the European Commission imposed fine to multiple LCD panel manufacturers in December 2010. However, the subsidiary of the Group has not been treated as a subject in the procedures. The Group's subsidiary in the U.S. has been named in the U.S. as one of the defendants in multiple civil lawsuits related to possible violations of antitrust law involving TFT-LCD brought by purchasers of such products.

The Group is the subject of an investigation by the European Commission regarding possible violations of competition law in relation to smartcard chip.

In the aforementioned legal proceedings, the Group has recorded estimated losses in the amount of 832 million yen in the provision for contingent losses. However the estimated losses could fluctuate depending on its future development.

Notes to Consolidated Statement of Changes in Net Assets

1. Type and Number of Outstanding Shares as of March 31, 2012

| | |
|--------------|--------------------|
| Common Stock | 417,124,490 shares |
|--------------|--------------------|

2. Dividends

There were no applicable items during the fiscal year ended March 31, 2012.

Notes to Financial Instruments

1. Conditions of Financial Instruments

(1) Policies for Financial Instruments

Regarding fund operation, the Group uses only short-term deposits and financial assets which are relatively safe. Regarding financing, the Group uses mainly borrowings from banks and corporate bonds. The Group utilizes derivative financial instruments to manage fluctuations in foreign currency exchange rates and interest payments. The Group's policies prohibit holding or issuing derivative financial instruments for trading purposes.

(2) Contents and Risks of Financial Instruments and Risk Management

Notes and accounts receivable-trade and accounts receivable-other are exposed to credit risks. Conforming to internal rules for management of account receivable, the Group regularly monitors major customers' credit and manages due dates of collection and balances by each customer.

The management policies regarding short-term and long-term investment securities are as follows; regarding short-term investment securities, the Group deals with banks with high credibility. Long-term investment securities, which the Group has relations with on business, are exposed to risks of marketable fluctuations. By regularly monitoring the fair value of the securities, financial conditions of the issuing companies and considering the relationships on business, the Group reevaluates the merit of holding the securities.

The maturities of notes and accounts payable-trade, accounts payable-other and accrued income taxes are within one year.

Most of short-term borrowings are for operation activities. Most of long-term borrowings and lease obligations from finance lease transactions are utilized for capital investments. Their repayment terms are within 7 years after the fiscal year-end.

The Group enters into forward exchange contracts to hedge the risks from exchange rate fluctuations of account receivables and account payables denominated in foreign currencies and interest rate swaps to hedge the risks from interest fluctuations of borrowings.

The Group's policies for managing derivatives are as follows; the Group conforms to internal rules for the management of derivatives and transacts only with major financial institutions to reduce credit risks.

Because accounts payable and borrowings are exposed to liquidity risks, the headquarters and each subsidiary manage them by making financial plan and have short-term commitment lines respectively.

2. Fair Value of Financial Instruments

The fair values of financial instruments in consolidated balance sheets as of March 31, 2012 were presented below, and the table doesn't include the financial instruments which are extremely difficult for the Group to estimate their fair values. (Note 2)

(In millions of yen)

| | Amounts on consolidated balance sheet(*) | Fair value (*) | Difference |
|---|--|----------------|------------|
| (1)Cash and deposits | 111,981 | 111,981 | - |
| (2)Notes and accounts receivable-trade | 102,556 | 102,556 | - |
| (3)Accounts receivable-other | 17,405 | 17,405 | - |
| (4)Short-term, long-term investment securities | | | |
| Stocks of affiliates | 4,735 | 1,925 | (2,810) |
| Other securities | 23,000 | 23,000 | - |
| (5)Notes and accounts payable-trade | (148,747) | (148,747) | - |
| (6)Short-term borrowings | (168,963) | (168,963) | - |
| (7)Accounts payable-other | (43,036) | (43,036) | - |
| (8)Accrued income taxes | (5,322) | (5,322) | - |
| (9)Long-term borrowings (including current portion) | (66,129) | (64,674) | 1,455 |
| (10)Lease obligations (including current portion) | (23,244) | (22,850) | 394 |
| (11)Derivative transactions | (1,619) | (1,619) | - |

(*) Liabilities (credit balances) are shown in parentheses.

Assets and liabilities arising from derivatives transactions are presented on a net basis. If the net balance of derivatives is in credit, it is shown in parenthesis.

Note 1. Calculation method for fair value of financial instruments and summary of securities and derivative transactions

- (1) Cash and deposits, (2) Notes and accounts receivable-trade and (3) Accounts receivable-other
These were measured at its book values because these were settled in short-term and these fair values were nearly equal to their book values.
- (4) Short-term and long-term investment securities
The fair value of shares was based on market price. The fair value of bond securities was measured at its book value because it was settled in short-term and its fair value was nearly equal to its book value. The fair value of mutual fund was measured at the price presented by financial institutions.
- (5) Notes and accounts payable-trade, (6) Short-term borrowings, (7) Accounts payable-other and, (8) Accrued income taxes
Their fair values were measured at its book values because these were settled in short-term and these fair values were nearly equal to its book value.
- (9) Long-term borrowings and (10) Lease obligations
The fair values of long-term borrowings and lease obligations were estimated by discounting the future cash flows which includes both principals and interests. The discounts rates were considered both maturities and credit risks.
- (11) Derivative transactions
 1. Derivatives without hedge accounting
Derivative transactions without hedge accounting were forward exchange contracts and interest rate swaps. The fair value of forward exchange contracts were measured at the forward rate such as foreign exchange rate. The fair value of interest rate swaps were measured at the price presented by financial institutions.
 2. Derivatives with hedge accounting
None

Note 2. Unlisted shares (316 million yen booked on consolidated balance sheet), which didn't have market prices and were unable to estimate the future cash flows, weren't included in "(4) Short-term and long-term investment securities" since they were extremely difficult to estimate fair value.

Per Share Information

1. Net assets per share: 522.53 yen
2. Net loss per share : 150.08 yen

Other Notes

1. Loss on disaster

The loss on disaster was related to the Great East Japan Earthquake.

The components of loss on disaster were as follows:

| | (In millions of yen) |
|---|----------------------|
| Fixed costs during the temporary shutdown of operations | 10,711 |
| Loss on disposal of inventories | 620 |
| Loss on disposal of long-term assets | 590 |
| Repair cost of long-term assets | 177 |
| Loss on cancellation of lease contracts | 101 |
| Other | 561 |
| Total | 12,760 |

2. Effect of Changes in Effective Statutory Tax Rates

On December 2, 2011, the “Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No.114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No.117 of 2011) were promulgated. As a result of this revision, the effective statutory tax rates applied for the calculations of deferred tax assets and liabilities were changed from 40.5% to 38.01% for temporary differences expected to be reversed in the periods from April 1, 2012 to March 31, 2015 and 35.64% for temporary differences expected to be reversed after April 1, 2015.

Consequently, “Income taxes” and “Deferred tax liabilities” for the fiscal year ended March 31, 2012 were decreased by 1,021 million yen, respectively.

Business Combinations

For the year ended March 31, 2012

Business divestiture

(Business Transfer of Semiconductor Wafer Fabrication Facility in Renesas Electronics America Inc.)

1. Outline of the business divestiture

(1) Name of the transferee

Telefunken Semiconductors International LLC and Timberpine Holdings LLC

(2) Nature of the divested businesses

Wafer fabrication facility in Renesas Electronics America Inc (REA), a wholly owned subsidiary of Renesas.

(3) Main reasons for the divestiture

Renesas Electronics had been considering and implementing various measures to improve manufacturing efficiency by promoting larger wafers, finer process node, and production concentration for its own production capacity. In line with these measures, the company decided to sell REA’s facility in Roseville, California, to Telefunken Semiconductors International LLC and Timberpine Holdings LLC, which have been searching for a new manufacturing facility to expand its semiconductor business.

(4) Date of divestiture

May 2, 2011

(5) Overview of transactions including statutory form

Upon the establishment of a wholly owned subsidiary of REA and transfer of wafer fabrication facility and its relevant operation to the subsidiary, REA transferred all of the shares to the transferees.

2. Overview of accounting treatment implemented

(1) Amount of gain on business transfer

There was no discrepancy between consideration transferred and net assets determined by assets and liabilities pertaining to the transferred businesses immediately before the date of divestiture.

(2) Appropriate book value of assets and liabilities pertaining to the transferred businesses

| (In Millions of yen) | |
|--------------------------|--------------|
| Current assets | 2,613 |
| Long-term assets | 2,278 |
| Total assets | 4,891 |
| Current liabilities | 190 |
| Long-term liabilities | — |
| Total liabilities | 190 |

3. Approximate amount of income (loss) pertaining to divested businesses recorded in the consolidated statements of operations during the fiscal year ended March 31, 2012.

| (In Millions of yen) | |
|----------------------|-------|
| Net sales | 1,091 |
| Operating income | 316 |

(Sale of High-Power Amplifier Business)

1. Outline of the business divestiture

(1) Name of the buyer

Murata Manufacturing Co., Ltd.

(2) Nature of the divested businesses

High-power amplifier (HPA) business and the business operation of its manufacturing site, the Nagano Device Division (Komoro, Nagano) of Renesas Eastern Japan Semiconductor, Inc. (Renesas Eastern Japan Semiconductor).

(3) Main reasons for the divestiture

With the growing demand for smartphones all over the world and the expansion of the low-end models in the developing countries, the market of mobile phones, which is the major user of power amplifiers, is experiencing a growing trend toward one-stop module and platform solutions that integrate basic communication functions in a device. In particular, the demand is growing for modules that incorporate HPAs with radio frequency (RF) components, such as filters and switches.

Renesas has been mainly supplying power amplifier modules to mobile handset makers. However, in light of these changing business conditions, the company considered the needs to study and implement measures to quickly respond to the demand for a one-stop module that incorporates a front-end module (FEM) to further strengthen the HPA business structure.

After full consideration, Renesas decided to sell the HPA business and the related operation of its manufacturing site.

(4) Date of divestiture

March 1, 2012

(5) Overview of transactions including statutory form

Renesas established a wholly owned subsidiary, Renesas Komoro Semiconductor, Inc. (Renesas Komoro Semiconductor), and as of March 1, 2012, transferred rights and obligations pertaining to its HPA business and the manufacturing operations including the land, building, and other assets relevant to the HPA business to Renesas Komoro Semiconductor. Renesas Eastern Japan Semiconductor also transferred rights and obligations pertaining to the business operation of the Nagano Device Division and its relevant operation to Renesas Komoro Semiconductor.

As of the same date as above, Renesas transferred HPA business and the shares of common stock for Renesas Komoro Semiconductor to Murata Manufacturing by the means of business transfer with cash consideration as well as stock transfer.

2. Overview of accounting treatment implemented

(1) Amount of gain on transfer of business

Difference between consideration transferred and net assets determined by assets and liabilities pertaining to the transferred businesses immediately before the date of divestiture were recognized as gain on transfer of business.

| (In Millions of yen) | |
|------------------------------|-------|
| Gain on transfer of business | 4,861 |

(2) Appropriate book value of assets and liabilities pertaining to the transferred businesses

| (In Millions of yen) | |
|--------------------------|-------|
| Current assets | 1,258 |
| Long-term assets | 5,767 |
| Total assets | 7,025 |
| Current liabilities | 370 |
| Long-term liabilities | 1,062 |
| Total liabilities | 1,432 |

3. Approximate amount of income (loss) pertaining to divested businesses recorded in the consolidated statements of operations during the fiscal year ended March 31, 2012.

| (In Millions of yen) | |
|----------------------|--------|
| Net sales | 22,772 |
| Operating loss | 5,552 |

BALANCE SHEET
(on a non-consolidated basis)
(As of March 31, 2012)

(In millions of yen)

| Assets | | Liabilities and net assets | |
|---|----------------|---|------------------|
| Accounts | Amount | Accounts | Amount |
| Current assets | 409,509 | Liabilities | |
| Cash and deposits | 75,538 | Current liabilities | 477,554 |
| Accounts receivable-trade | 78,201 | Notes payable-trade | 2,534 |
| Short-term investment securities | 20,250 | Accounts payable-trade | 161,642 |
| Finished goods | 38,733 | Short-term borrowings | 154,000 |
| Work in process | 41,094 | Current portion of long-term borrowings | 27,273 |
| Raw materials and supplies | 10,109 | Current portion of lease obligations | 6,272 |
| Prepaid expenses | 1,329 | Accounts payable-other | 31,384 |
| Short-term loans receivable | 99,884 | Accrued expenses | 21,511 |
| Accounts receivable-other | 43,889 | Accrued income taxes | 567 |
| Other current assets | 526 | Advances received | 128 |
| Allowance for doubtful accounts | (44) | Deposits received | 68,779 |
| Long-term assets | 368,455 | Provision for product warranties | 385 |
| Property, plant and equipment | 125,411 | Provision for business structure improvement | 293 |
| Buildings and structures | 47,083 | Provision for contingent loss | 92 |
| Machinery and equipment | 37,993 | Provision for loss on disaster | 1,051 |
| Vehicles, tools, furniture and fixtures | 15,278 | Current portion of asset retirement obligations | 3 |
| Land | 20,268 | Other current liabilities | 1,640 |
| Construction in progress | 4,789 | Long-term liabilities | 91,415 |
| Intangible assets | 49,973 | Long-term borrowings | 17,433 |
| Software | 22,027 | Lease obligations | 11,831 |
| Developed technology | 16,530 | Deferred tax liabilities | 7,182 |
| Other intangible assets | 11,415 | Accrued retirement benefits | 32,254 |
| Investments and other assets | 193,071 | Asset retirement obligations | 2,354 |
| Investment securities | 634 | Long-term accounts payable-other | 19,901 |
| Stocks of subsidiaries and affiliates | 151,656 | Other liabilities | 460 |
| Long-term prepaid expenses | 37,761 | Total liabilities | 568,969 |
| Other assets | 3,022 | Net assets | |
| Allowance for doubtful accounts | (1) | Shareholders' equity | 208,876 |
| | | Common stock | 153,255 |
| | | Capital surplus | 465,555 |
| | | Capital legal reserve | 88,789 |
| | | Other capital surplus | 376,766 |
| | | Retained earnings | (409,923) |
| | | Other retained earnings | (409,923) |
| | | Retained earnings brought forward | (409,923) |
| | | Treasury stock | (11) |
| | | Valuation and translation adjustments | 93 |
| | | Unrealized gains (losses) on securities | 93 |
| | | Share subscription rights | 26 |
| | | Total net assets | 208,994 |
| Total assets | 777,964 | Total liabilities and net assets | 777,964 |

See accompanying notes to non-consolidated financial statements.

STATEMENT OF OPERATIONS
(on a non-consolidated basis)
(For the Year Ended March 31, 2012)

(In millions of yen)

| Accounts | Amount |
|--|----------------|
| Net sales | 733,890 |
| Cost of sales | 573,797 |
| Gross profit | 160,093 |
| Selling, general and administrative expenses | 239,772 |
| Operating loss | 79,678 |
| Non-operating income | 31,271 |
| Interest income | 1,290 |
| Interest on securities | 79 |
| Dividends income | 24,532 |
| Other non-operating income | 5,370 |
| Non-operating expenses | 7,778 |
| Interest expenses | 3,423 |
| Retirement benefit expenses | 940 |
| Loss on disposal of long-term assets | 851 |
| Other non-operating expenses | 2,564 |
| Ordinary loss | 56,186 |
| Special income | 20,845 |
| Reversal of provision for loss on disaster | 13,494 |
| Gain on transfer of business | 4,804 |
| Other special income | 2,548 |
| Special loss | 14,162 |
| Loss on disaster | 10,253 |
| Business Structure improvement expenses | 2,266 |
| Other special loss | 1,643 |
| Loss before income taxes | 49,503 |
| Income taxes-current | (1,088) |
| Income taxes-deferred | (2,078) |
| Net loss | 46,337 |

See accompanying notes to non-consolidated financial statements.

STATEMENT OF CHANGES IN NET ASSETS

(on a non-consolidated basis)

(For the Year Ended March 31, 2012)

(In millions of yen)

| | Shareholders' equity | | | | | Total Shareholders' equity |
|--|----------------------|-----------------------|-----------------------|--|----------------|----------------------------|
| | Common stock | Capital surplus | | Retained earnings | Treasury stock | |
| | | Capital legal reserve | Other capital surplus | Other retained earnings Retained earnings brought forward | | |
| Balance at beginning of the period | 153,255 | 88,789 | 376,766 | (363,586) | (11) | 255,213 |
| Changes during the period | | | | | | |
| Net loss | | | | (46,337) | | (46,337) |
| Net changes in items other than shareholders' equity | | | | | | |
| Total changes during the period | - | - | - | (46,337) | - | (46,337) |
| Balance at end of the period | 153,255 | 88,789 | 376,766 | (409,923) | (11) | 208,876 |

| | Valuation and translation adjustments | Share subscription rights | Total net assets |
|--|---|---------------------------|------------------|
| | Unrealized gains (losses) on securities | | |
| Balance at beginning of the period | (423) | 48 | 254,837 |
| Changes during the period | | | |
| Net loss | | | (46,337) |
| Net changes in items other than shareholders' equity | 516 | (22) | 494 |
| Total changes during the period | 516 | (22) | (45,843) |
| Balance at end of the period | 93 | 26 | 208,994 |

See accompanying notes to non-consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS (on a non-consolidated basis)

All figures are rounded to the nearest 1 million yen.

Notes to Significant Accounting Policies

1. Valuation methods for assets

1) Securities

Stocks of subsidiaries and affiliates:

These stocks are carried at cost determined by the moving-average method.

Other securities:

Marketable securities:

Marketable securities classified as other securities are valued at the fair value at the fiscal year-end, with unrealized gains and losses included in a component of net assets. The cost of securities sold is determined based on the moving-average method.

Non-marketable securities:

Non-marketable securities classified as other securities are carried at cost or amortized cost determined by the moving-average method.

2) Derivatives

Derivative financial instruments are stated at fair value.

3) Inventories

Inventories are stated at the lower of cost or market. The costs are stated as follows;

Finished goods:

Custom-made products:

Specific identification method

Mass products:

Average method

Work in process:

Custom-made products:

Specific identification method

Mass products:

Average method

Raw materials and supplies:

Average method as principal method

2. Depreciation method for long-term assets

1) Property, plant and equipment other than leased assets

Depreciated by the straight-line method

2) Intangible assets

Amortized by the straight-line method

3) Leased assets

Leased assets under finance leases under which the ownership of the assets is transferred to the lessee

Amortized in the same way as self-owned long-term assets

Leased assets under finance leases other than those under which ownership of the assets is transferred to the lessee

Amortized by the straight-line method over the lease term, assuming no residual value. The finance leases other than those under which ownership of the assets transferred to the lessee contracted before March 31, 2008 are accounted for as operating lease transactions.

4) Long-term prepaid expenses

Amortized by straight-line method

3. Basis of reserves

1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experiences for normal receivables and on an individual estimate of the collectability of receivables from companies in financial difficulty.

2) Accrued retirement benefits (Prepaid pension cost)

Accrued retirement benefits or prepaid pension cost are recorded for employees' pension and severance payments based on the projected benefit obligation and the estimated fair value of plan assets as of the fiscal year-end.

The amount of transitional obligation succeeded from NEC Corporation is amortized on a straight-line method, proportionally allocated over the year ended March 31, 2014.

Prior service costs are amortized on a straight-line basis over the employees' estimated average remaining service periods.

Actuarial gains and losses are amortized on a straight-line basis over the employees' estimated average remaining service periods. The amortization starts from the following year of the gains and losses recognized.

3) Provision for products warranties

The Company accrues product warranty liabilities for estimated future warranty costs using the individual estimates for the specific matters or historical ratio of warranty costs to net sales.

4) Provision for loss on guarantees

Provision for loss on guarantees is made for the amount of the estimated future losses related to debt guarantees, which the Company is taken into account for the deterioration of financial conditions.

5) Provision for business structure improvement

Provision for business structure improvement is made for the amount of the estimated losses to be incurred in connection with business structure reconstructions and consolidation.

6) Provision for contingent loss

In relation to matters such as legal proceedings and litigations, a provision for the amount of expected losses and expenses is made when they are reasonably estimated considering individual risks associated with each contingency.

7) Provision for loss on disaster

Provision for loss on disaster is made for the amount of estimated losses to be incurred in connection with removal or restoration cost for the assets suffered by the Great East Japan Earthquake.

4. Accounting for consumption tax

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

5. Adoption of consolidated taxation system

The Company adopts the consolidated taxation system.

Notes to Changes in Presentations

(Balance Sheet – on a non-consolidated basis)

In the previous fiscal year, goods purchased from subsidiaries were classified into "raw materials and supplies", whereas they were classified into "work in process" in the current fiscal year. This change would contribute to show our production system properly because we revised our production system in order to produce our products at multiple factories based on a business continuity plan (BCP) after the Great East Japan Earthquake.

In the previous fiscal year, an amount of goods purchased from subsidiaries which was classified into "raw materials and supplies" was 11,904 million yen.

Notes to Balance Sheet

| | |
|--|---------------------|
| 1. Accumulated Depreciation of Property, Plant and Equipment: | 103,187 million yen |
| 2. Accumulated Impairment Loss of Property, Plant and Equipment: | |
| Accumulated impairment loss was included in accumulated depreciation of property, plant and equipment. | |
| 3. Contingent Liabilities: | |
| Liabilities for Guarantees | |
| Loan to affiliated companies | 28,347 million yen |
| Guarantees for employees' housing loan | 696 million yen |
| Residual value guarantees under operating lease transactions | 2,435 million yen |
| 4. Monetary Receivables from and Payables to Affiliated Companies: | |
| Short-term receivable | 203,269 million yen |
| Short-term payable | 148,470 million yen |
| 5. Monetary Receivables from and Payables to Member of Directors and Corporate Auditors: | |
| Monetary Payables | 34 million yen |

Notes to Statement of Operations

1. Transactions with Affiliated Companies:

| | |
|---------------------------------------|---------------------|
| Amounts of operating transactions | |
| Net sales | 529,645 million yen |
| Purchases | 678,328 million yen |
| Amounts of non-operating transactions | 10,053 million yen |

2. Loss on Disaster:

Details of loss on disaster incurred by the Great East Japan Earthquake were as follows

| | |
|---|----------------------|
| | (In millions of yen) |
| Fixed costs during the temporary shutdown of operations | 9,010 |
| Loss on disposal of long-term assets | 397 |
| Other | 846 |
| <hr/> Total | <hr/> 10,253 |

Notes to Statement of Changes in Net Assets

| | |
|--|--------------|
| Type and Number of Treasury Stock as of March 31, 2012 | |
| Common Stock | 2,548 shares |

Notes to Tax-Effect Accounting

Significant components of deferred tax assets were operating loss carry forwards, loss on valuation of stocks of subsidiaries and affiliates, surplus of accrued retirement benefits, excess amount of depreciable limit and others. The amounts of valuation allowance for deferred tax assets was 339,655 million yen.

Significant components of deferred tax liabilities were valuation difference on acceptance of assets and liabilities by merger, gain on contribution of securities to retirement benefit trust and others.

On December 2, 2011, the "Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No.114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No.117 of 2011) were promulgated. As a result of this revision, the effective statutory tax rates applied for the calculations of deferred tax assets and liabilities were changed from 40.5% to 38.01% for temporary differences expected to be reversed in the periods from April 1, 2012 to March 31, 2015 and 35.64% for temporary differences expected to be reversed after April 1, 2015. Consequently, "Income taxes" and "Deferred tax liabilities" for the fiscal year ended March 31, 2012 were decreased by 978 million yen, respectively.

Notes to Long-Term Assets Used under Leases

In addition to long-term assets on the balance sheet, parts of office equipment and production equipment were used under finance leases other than those under which ownership of the assets transferred to the lessee at the end of lease term.

Notes to Transaction with Related Parties

1. Subsidiaries, affiliates and others:

(In millions of yen)

| Attribute | Company name | Ratio of Share-Holding (Owned) | Relation with related parties | Contents of transaction | Amounts of transaction (*3)(*4) | Account | Balance at March 31, 2012 |
|------------|--|--------------------------------|--|--------------------------|---------------------------------|-----------------------------|---------------------------|
| Subsidiary | Renesas Electronics Sales Co., Ltd. | (Own) Direct 100.0 % | Seles of our products | Seles of products(*1) | 170,826 | Accounts receivable-trade | 10,701 |
| | | | | Money deposited (*2) | - | Deposits received | 12,928 |
| Subsidiary | Renesas Yamagata Semiconductor Co., Ltd. | (Own) Direct 100.0 % | Purchases of parts of our products | Loan(*2) | 50,000 | Short-term loans receivable | 32,590 |
| Subsidiary | Renesas Mobile Corporation | (Own) Direct 100.0 % | Design and development of parts of our products | Loan(*2) | 19,000 | Short-term loans receivable | 17,596 |
| Subsidiary | Renesas Kansai Semiconductor Co., Ltd. | (Own) Direct 100.0 % | Purchases of parts of our products | Loan(*2) | 20,000 | Short-term loans receivable | 9,168 |
| Subsidiary | Renesas Semiconductor Kyushu Yamaguchi Co., Ltd. | (Own) Direct 100.0 % | Purchases of parts of our products | Purchase of products(*1) | 91,047 | Accounts payable-trade | 7,636 |
| | | | | Loan(*2) | 45,000 | Sort-term loans receivable | 22,977 |
| | | | | Guarantee | 13,864 | - | - |
| Subsidiary | Renesas Kyushu Semiconductor Corp. | (Own) Direct 100.0 % | Purchases of parts of our products | Loan(*2) | 15,000 | Short-term loans receivable | 7,970 |
| Subsidiary | Renesas Electronics America Inc. | (Own) Direct 100.0 % | Seles of our products | Seles of products(*1) | 40,243 | Accounts receivable-trade | 9,052 |
| | | | | Loan(*2) | 218,500 | Short-term loans receivable | 9,416 |
| Subsidiary | Renesas Electronics Europe GmbH | (Own) Direct 100.0 % | Seles of our products, Consignment of design and development | Seles of products(*1) | 52,568 | Accounts receivable-trade | 8,222 |
| Subsidiary | Renesas Electronics Hong Kong Limited | (Own) Direct 100.0 % | Seles of our products | Seles of products(*1) | 73,707 | Accounts receivable-trade | 12,189 |
| Subsidiary | Renesas Semiconductor Singapore Pte. Ltd. | (Own) Direct 100.0 % | Purchases of parts of our products | Money deposited (*2) | - | Deposits received | 8,722 |

2. Fellow subsidiary and others:

| Attribute | Company name | Ratio of Share-Holding (Owned) | Relation with related parties | Contents of transaction | Amounts of transaction (*3) | Account | Balance at March 31, 2012 |
|--|-----------------------------|--------------------------------|--------------------------------|---------------------------|-----------------------------|------------------------|---------------------------|
| Subsidiary of other affiliated company | Hitachi Capital Corporation | None | Assignment of claims Factoring | Assignment of claims (*5) | 11,806 | - | - |
| | | | | Factoring (*6) | 28,979 | Accounts payable-trade | 9,696 |
| | | | | | | Accounts payable-other | 1,842 |

Terms and conditions of transactions and polices on deciding terms and conditions

(*1) Price and other transaction conditions were determined under price negotiation.

(*2) Rate for loan to subsidiaries and money deposited from subsidiaries was determined by considering the market rate.

Unit for short-term loans of Renesas Electronics America Inc. was in thousands of US dollars.

(*3) Consumption tax and other taxes were not included in the amounts of transaction. Consumption tax and other taxes were included in the balances.

(*4) "Amounts of transaction" of loan was shown here as loan ceiling.

(*5) Renesas Electronics made a contract for assignment of claims with Hitachi Capital Corporation, and parts of trade receivables were transferred to Hitachi Capital Corporation.

(*6) Renesas Electronics made a contract to settle Accounts payable by factoring with Hitachi Capital Corporation and its customer.

Notes to Per Share Information

1. Net assets per share: 500.98 yen

2. Net loss per share : 111.09 yen

[Translation]

Report of Independent Auditors

May 7, 2012

The Board of Directors
Renesas Electronics Corporation

Ernst & Young ShinNihon LLC

Jun Uemura
Certified Public Accountant
Designated and Engagement Partner

Kazuhiro Ishiguro
Certified Public Accountant
Designated and Engagement Partner

Noriyasu Hanafuji
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Renesas Electronics Corporation (the "Company") applicable to the fiscal year from April 1, 2011 through March 31, 2012.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion independently on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit based on its plan to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditors' Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Renesas Electronics Corporation, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2012 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

[Translation]

Report of Independent Auditors

May 7, 2012

The Board of Directors
Renesas Electronics Corporation

Ernst & Young ShinNihon LLC

Jun Uemura
Certified Public Accountant
Designated and Engagement Partner

Kazuhiro Ishiguro
Certified Public Accountant
Designated and Engagement Partner

Noriyasu Hanafuji
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the balance sheet, the statement of operations, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Renesas Electronics Corporation (the "Company") applicable to the 10th fiscal year from April 1, 2011 through March 31, 2012.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

The Company's management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion independently on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit based on its plan to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditors' Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations applicable to the fiscal year ended March 31, 2012 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Audit Report of Board of Corporate Auditors

Based on audit reports from each Corporate Auditor, and following due discussion at meetings, the Board of Corporate Auditors have prepared this report regarding the execution of the duties of the Board of Directors for the 10th fiscal year from April 1, 2011 through March 31, 2012. The Board reports as follows:

1. Auditing Method Employed by the Corporate Auditors and Board of Corporate Auditors and the Details

The Board of Corporate Auditors established auditing policies and plans and received reports from each Corporate Auditor on the status of the implementation of audits and the results thereof, as well as reports from Directors and the Independent Auditors regarding the status of execution of their duties, and requested explanations as necessary.

On the basis of the Board of Corporate Auditors Rules established by the Board of Corporate Auditors, and in accordance with the auditing policies and plans, each Corporate Auditor sought mutual understanding with Directors and employees in their efforts to collect information and create an environment for audit, attended meetings of the Board of Directors and other important meetings, and received reports from Directors and employees regarding performance of their duties, requested explanations as necessary, and perused important documents regarding decisions and approvals made, and investigated the status of operations and the financial position at the Group's head office and principal offices of business. The Board of Corporate Auditors also carried out an audit and verification of the contents of Board of Director resolutions relating to the establishment of structures as set forth in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act, as structures necessary to ensure that the Board of Directors' performance of its duties is in conformity with applicable laws and regulations and the Group's Articles of Incorporation and to otherwise ensure the appropriateness of the business of a Kabushiki Kaisha, as well as structures established pursuant to such resolutions ("Internal Control System"). Regarding the Internal Control System, the Board of Corporate Auditors received the periodical reports from the Directors and employees about its framework and operation status, requested explanations as necessary and provided opinions. Regarding the Internal Control System for financial reporting, the Board of Corporate Auditors received the reports from the Directors and the Independent Auditors about its assessment and audit and requested explanations as necessary. Regarding the subsidiaries, the Board of Corporate Auditors sought to achieve a mutual understanding and exchange information with directors and corporate auditors of the subsidiaries, and, where necessary, visited the subsidiaries, received business reports from the subsidiaries, and examined their operations and assets. Based on the above methods, the Board of Corporate Auditors evaluated the Business Report and supplementary schedules thereto for the 10th fiscal year ended March 31, 2012.

In addition, the Board of Corporate Auditors audited and verified whether the Independent Auditors maintained their independence and carried out their audits appropriately, received reports from the Independent Auditors regarding the execution of their duties and, where necessary, requested explanations. Also, the Board of Corporate Auditors received notification from the Independent Auditors to the effect that the "structure to ensure that duties are executed appropriately" (the matters listed in Article 131 of the Corporation Accounting Regulations) has been established in accordance with "Quality Control Standards for Auditing" (adopted by the Business Accounting Council on October 28, 2005), etc., and requested explanations as necessary. Based on the above methods, the Board of Corporate Auditors audited the financial statements related to the 10th fiscal year ended March 31, 2012 (the balance sheet, the statement of operations, the statement of changes in net assets and notes to the financial statements) and supplementary schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets and notes to the consolidated financial statements).

2. Results of Audit

(1) Results of the Audit on the Business Report, etc.

1. We found that the Business Report and supplementary schedules accurately reflect the conditions of the Group in accordance with applicable laws and regulations and the Articles of Incorporation.
2. No inappropriate conducts concerning the execution of duties by Directors or material facts in violation of applicable laws and regulations or the Articles of Incorporation were found.
3. We found that the contents of Board of Directors' resolutions concerning the Internal Control System were appropriate. Further, no material defects were found with respect to Director' execution of duties in regards to the Internal Control System.

(2) Results of the Audit on the Consolidated Financial Statements

We found that the methods and the results of the audit conducted by the Independent Auditors, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of the Audit on the Financial Statements and Supplementary Schedules

We found that the methods and the results of the audits conducted by the Independent Auditors, Ernst & Young ShinNihon LLC, are appropriate.

May 8, 2012

Board of Corporate Auditors of Renesas Electronics Corporation

Corporate Auditor (Full-time) Hiroki Kawamura (Seal)

Corporate Auditor (Full-time) Junichiro Nishi (Seal)

Corporate Auditor Yoichiro Yamakawa(Seal)

Corporate Auditor Yoshinobu Shimizu(Seal)

Corporate Auditor Toyoaki Nakamura(Seal)

Note: Messrs. Hiroki Kawamura, Yoichiro Yamakawa and Yoshinobu Shimizu are outside Corporate Auditors stipulated in item 16, Article 2, and paragraph 3, Article 335 of the Companies Act.