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**Renesas Electronics Reports Financial Results
 for the First Quarter Ended June 30, 2012**

Tokyo, Japan, August 2, 2012 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the three months ended June 30, 2012.

Summary of Consolidated Financial Results

	Three months ended June 30, 2012	
	Billion Yen	% of Net Sales
Net sales	186.6	100.0
Sales from semiconductors	168.2	
Sales from others	18.4	
Operating income (loss)	(17.6)	(9.4)
Ordinary income (loss)	(17.6)	(9.4)
Net income (loss)	(20.8)	(11.1)
Capital expenditures	5.2	
Depreciation and others	26.5	
R&D expenses	41.2	
	Yen	
Exchange rate (USD)	81	
Exchange rate (Euro)	106	

	As of June 30, 2012	
	Billion Yen	
Total assets	785.7	
Net assets	200.3	
Equity ratio (%)	24.4	
Interest-bearing debt	246.5	

Note 1: All figures are rounded to the nearest 100 million yen.

Note 2: Consolidated financial results for the three months ended June 30, 2012 have not been reviewed by the auditors. The figures are subject to change based on subsequent events or the auditors' review. Renesas Electronics Corporation will promptly notify the correction by issuing a press release.

Note 3: Capital expenditures refer to the amount of order placed for property, plant and equipment (manufacturing equipment).

Note 4: Depreciation and others includes depreciation and amortization of intangible assets and amortization of long-term prepaid expenses in quarterly consolidated statements of cash flows.



Consolidated Financial Results for the First Quarter Ended June 30, 2012

English translation from the original Japanese-language document

August 2, 2012

Company name : **Renesas Electronics Corporation**
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section
 Code number : 6723
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 Filing date of Shihanki Hokokusho (scheduled) : August 9, 2012

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2012

1.1 Consolidated financial results

(% of change from corresponding period of the previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2012	186,612	(10.0)	(17,603)	---	(17,609)	---	(20,757)	---
Three months ended June 30, 2011	207,234	(29.0)	(19,099)	---	(20,269)	---	(33,218)	---

Reference: Comprehensive income for the three months ended June 30, 2012: (26,234) million yen
 Comprehensive income for the three months ended June 30, 2011: (35,238) million yen

	Net income (loss) per share basic	Net income (loss) per share diluted
	Yen	Yen
Three months ended June 30, 2012	(49.76)	---
Three months ended June 30, 2011	(79.64)	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
June 30, 2012	785,689	200,261	24.4
March 31, 2012	858,204	226,500	25.4

Reference: Equity as of June 30, 2012: 191,343 million yen
 Equity as of March 31, 2011: 217,958 million yen

Note: Equity is equal to "Net assets" excluding "Share subscription rights" and "Minority interests"

2. Cash dividends

	Cash dividends per share				
	At the end of first quarter	At the end of second quarter	At the end of third quarter	At the end of year	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2012	---	0.00	---	0.00	0.00
Year ending March 31, 2013	---				
Year ending March 31, 2013 (forecast)		0.00	---	0.00	0.00

Note: Change in forecast of cash dividends since the most recently announced forecast: Yes
Please refer to Appendix 1.4., "Forecasts of Cash Dividends" on page 7.

3. Forecast of consolidated results for the year ending March 31, 2013

(% of change from corresponding period of the previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)		Net income (loss) per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen	%
Six months ending September 30, 2012	406,000	(9.9)	(25,500)	--	(29,500)	--	(102,500)	--	(245.73)	--
Year ending March 31, 2013	868,000	(1.7)	21,000	--	10,000	--	(150,000)	--	(359.61)	--

Note: Change in forecast of consolidated results since the most recently announced forecast: Yes
Please refer to Appendix 1.3., "Consolidated Forecasts" on page 5.

4. Others

4.1 Changes in significant subsidiaries for the three months ended June 30, 2012

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

4.2 Adoption of special accounting policies for quarterly financial statements: Yes

(Note) For details, please refer to page 8.

4.3 Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior Period Errors

1. Changes in accounting policies with revision of accounting standard: No
2. Changes in accounting policies except for 4.3.1: No
3. Changes in accounting estimates: No
4. Corrections of prior period errors: No

4.4 Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)

As of June 30, 2012: 417,124,490 shares

As of March 31, 2012: 417,124,490 shares

2. Number of treasury stock

As of June 30, 2012: 2,548 shares

As of March 31, 2012: 2,548 shares

3. Average number of shares issued and outstanding

For the three months ended June 30, 2012: 417,121,942 shares

For the three months ended June 30, 2011: 417,121,942 shares

(Note) Information regarding the implementation of quarterly review procedures
These quarterly financial results are not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. These are under the review procedures for the quarterly financial report at the time of issuance of this report.

Cautionary Statement

The statements with respect to the financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to changes in several important factors.

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1. First Quarter Consolidated Financial Results

1.1 Consolidated Operating Results

1.1.1 Summary of Consolidated Operating Results Three Months Ended June 30, 2012

	Three months ended June 30, 2011	Three months ended June 30, 2012	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	207.2	186.6	(20.6)	(10.0)
Sales from semiconductors	184.0	168.2	(15.8)	(8.6)
Sales from others	23.2	18.4	(4.8)	(20.7)
Operating income (loss)	(19.1)	(17.6)	1.5	-
Ordinary income (loss)	(20.3)	(17.6)	2.7	-
Net income (loss)	(33.2)	(20.8)	12.5	-
	Yen	Yen		
Exchange rate (USD)	82	81	-	-
Exchange rate (EUR)	117	106	-	-

Despite the world economy showed gradual improvement including signs of recovery in the U.S. housing market and steady demand in domestic markets of emerging countries mainly in Southeast Asia, the facts such as recording the worst unemployment rate in Euro-zone and negative growth of European auto sales from the preceding quarter with prolonged slowdown in consumer spending made it clear that the European economy got worse triggered by the European debt crisis. In addition, the Chinese economy remained sluggish from the second half of the fiscal year ended March 31, 2012. As a whole, a sense of the economic stagnation continued globally. Whereas in Japan, while moderate demand recovery trend was seen driven by the restoration from the Great East Japan Earthquake and the effects of policy including government subsidies for eco-friendly car purchase, the recovery remained weak with protracted slowdown of the global economy, especially in Europe and China where Japan continued decline its exports.

Under these economic circumstances, as for the semiconductor market in which the Renesas Electronics Group ("the Group") operates as a core business, steady demand kept in automotive semiconductors centering around Japanese automakers, in addition to demand increase in part of mobile devices and PC peripherals. However, the overall semiconductor demand recovery remained modest due to ongoing cautious stances of electric and industrial equipment makers for their production and procurement affected by the stagnated global economy.

[Net sales]

Consolidated net sales for the three months ended June 30, 2012 were 186.6 billion yen, a decrease by 10.0% year on year. This decrease was mainly caused by a weak demand influenced by continued market slowdown centering on Europe and China along with the stronger Yen against Euro compared to the three months ended June 30, 2011.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended June 30, 2012 were 168.2 billion yen, 8.6% decrease year on year.

The business segment of the Group comprises three product groups; "MCUs", "Analog & Power

Devices” and “SoC (System on Chip) solutions”, and “the other semiconductors” that fit to neither of above three product categories. Sales of respective product groups are as follows:

MCUs: 75.4 billion yen

MCUs mainly include automotive microcontrollers, microcontrollers for 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 three months ended June 30, 2012 were 75.4 billion yen, 2.3% decrease year on year. This drop was mainly due to a decline in sales of microcontrollers for industrial systems and consumer electronics, despite an increase in sales of automotive microcontrollers.

Analog and Power Devices: 54.7 billion yen

Analog and power devices consist mainly of 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 three months ended June 30, 2012 were 54.7 billion yen, 13.0% decrease year on year, mainly owing to a decrease in the sales of display driver ICs for PC/LCD TVs, analog IC and discrete for consumer electronics.

SoC solutions: 34.4 billion yen

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 three months ended June 30, 2012 were 34.4 billion yen, 17.7% decrease year on year. This decrease was mainly due to a decline in the semiconductor sales for consumer electronics and mobile handsets.

Other Semiconductors: 3.7 billion yen

Sales of other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended June 30, 2012 were 3.7 billion yen, 70.0% increase year on year.

[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 three months ended June 30, 2012 were 18.4 billion yen, 20.7% decrease year on year.

[Operating income (loss)]

Operating loss for the three months ended June 30, 2012 was 17.6 billion yen, 1.5 billion yen improvement

year on year, mainly owing to reducing selling, general and administrative expenses despite of a sales decrease.

[Ordinary income (loss)]

Ordinary loss for the three months ended June 30, 2012 was 17.6 billion yen, due to recording 2.5 billion yen each for non-operating income including insurance income and for non-operating expenses including interest expenses.

[Net income (loss)]

Net loss for the three months ended June 30, 2012 was 20.8 billion yen.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	March 31, 2012	June 30, 2012	Increase (Decrease)
	Billion yen	Billion yen	Billion yen
Total assets	858.2	785.7	(72.5)
Net assets	226.5	200.3	(26.2)
Equity	218.0	191.3	(26.6)
Equity ratio (%)	25.4	24.4	(1.0)
Interest-bearing debt	258.3	246.5	(11.9)
Debt / Equity ratio	1.19	1.29	0.10

Total assets at June 30, 2012 were 785.7 billion yen, 72.5 billion yen decrease from March 31, 2012, due to the decrease in the amount of cash and cash equivalents and the decrease of accounts receivable associated with sales decrease. Net assets were 200.3 billion yen, 26.2 billion yen decrease from March 31, 2012. This was due to posting quarterly net loss of 20.8 billion yen for the three months ended June 30, 2012.

Mainly due to posting quarterly net loss, equity decreased by 26.6 billion yen from March 31, 2011 and equity ratio was 24.4%. Interest-bearing debt decreased by 11.9 billion yen from March 31, 2012. Consequently, debt to equity ratio was 1.29 times.

1.2.2 Cash Flows

	Three Months ended June 30, 2011	Three Months ended June 30, 2012
	Billion yen	Billion yen
Net cash provided by (used in) operating activities	(29.2)	(18.1)
Net cash provided by (used in) investing activities	(14.8)	(10.7)
Free cash flows	(44.0)	(28.7)
Net cash provided by (used in) financing activities	(115.1)	(13.7)
Cash and cash equivalents at the beginning of period	337.3	131.9
Cash and cash equivalents at the end of period	177.0	87.0

(Net cash provided by (used in) operating activities)

Net cash used in operating activities for the three months ended June 30, 2012 was 18.1 billion yen. Despite of recording 23.6 billion yen depreciation and amortization, this was more than offset by recording 19.7 billion yen net loss before income taxes and increase of inventories.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities for the three months ended June 30, 2012 was 10.7 billion yen, mainly owing to the purchase of property, plant and equipment in the amount of 10.8 billion yen.

The foregoing resulted in negative free cash flows of 28.7 billion yen for the three months ended June 30, 2012.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities for the three months ended June 30, 2012 was 13.7 billion yen.

Consequently, cash and cash equivalents at the end of the period were 87.0 billion yen, 44.9 billion yen decrease from the start of the period.

1.3 Consolidated Forecasts

The Group was unable to report the forecasts for the fiscal year ending March 31, 2013 at the timing of the announcement of financial results for the fiscal year ended March 31, 2012. The Group officially announced the forecasts as follows today (August 2, 2012).

1.3.1 Consolidated Forecasts for the six months ending September 30, 2012

As for the forecasts for the six months ending September 30, 2012: consolidated net sales are expected to be 406.0 billion yen and sales from semiconductors are expected to account 377.0 billion yen. Operating loss and ordinary loss is expected to be 25.5 billion yen and 29.5 billion yen respectively, and net loss is expected to amount 102.5 billion yen.

Sales from semiconductors for the three months ended June 30, 2012 decreased by 8.6% year on year as explained in 1.1.1 Summary of Consolidated Operating Results in this report. Although the Group expects recovery in sales on and after the second quarter of the fiscal year ending March 31, 2013, sales from semiconductors for the six months ending September 30, 2012 are expected to be 6.3% decrease year on year, and operating loss is expected to be 25.5 billion yen, 3.7 billion yen improvement year on year.

1.3.2 Consolidated Forecasts for the fiscal year ending March 31, 2013

As for the forecasts for the fiscal year ending March 31, 2013: net sales are expected to be 868.0 billion yen and sales from semiconductors are expected to be 811.0 billion yen. Operating income is expected to be 21.0 billion yen, ordinary income is expected to be 10.0 billion yen and net loss is expected to be 150.0 billion yen.

Sales from semiconductors for the fiscal year ending March 31, 2013 are expected to increase by 25.0 billion yen year on year owing to demand increase followed by gradual recovery of the semiconductor market as well as sales increase with large-scale custom projects expected from the second quarter of the fiscal year ending March 31, 2013 despite its sales for the first half of the fiscal year ending March 31, 2013 are expected to decrease year on year as mentioned above.

As for the sales of respective product groups, sales of MCUs are expected to increase by around 5%

year on year due to steady demand expected to continue in automotive microcontrollers through the period together with prospective sales increase in general-purpose microcontrollers associated with market recovery from the first half to the second half of the fiscal year ending March 31, 2013. Meanwhile, sales of analog and power devices and SoC solutions will be affected by sales decrease in non-core businesses as a result of selection and focus of businesses. However, sales increase of display driver ICs for small and mid-size panels are expected in analog and power devices while sales increase by large-scale custom projects for consumer electronic are also expected in SoC solutions. Accordingly, sales of analog and power devices and SoC solutions are both expected to remain on the same level year on year.

Operating income (loss) for the first half of the fiscal year ending March 31, 2013 is expected to be losses, whereas it is expected to turn into positive 46.5 billion yen for the second half of the fiscal year ending March 31, 2013 and also positive 21.0 billion yen for the full year associated with semiconductor sales recovery in addition to further expense reduction measures including reducing personal expenses mainly due to implementing of the early retirement incentive program.

Ordinary income (loss) for the fiscal year ending March 31, 2013 is expected to be positive 10.0 billion yen despite recording of non-operating expenses such as interest expenses.

For the fiscal year ending March 31, 2013, net loss is expected to be 150.0 billion yen due to special loss from implementing the early retirement program in the first half of the period as well as recording special loss in the second half associated with business and production structural measures.

The consolidated financial forecasts for the fiscal year ending March 31, 2013 are based on the rate of 78 yen per USD, and 100 yen per Euro.

(For the six months ending September 30, 2012)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous forecasts (May 9, 2012)	---	---	---	---	---
Revised forecasts (August 2, 2012)	406,000	377,000	(25,500)	(29,500)	(102,500)
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference : Results for the six months ended September 30, 2011	450,576	402,213	(29,203)	(33,335)	(42,011)

(For the year ending March 31, 2013)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous forecasts (May 9, 2012)	---	---	---	---	---
Revised forecasts (August 2, 2012)	868,000	811,000	21,000	10,000	(150,000)
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference : Results for the year ended March 31, 2012	883,112	768,033	(56,750)	(61,228)	(62,600)

The statements with respect to the financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may vary materially from such forward-looking statements due to several

important factors.

1.4 Forecasts of Cash Dividends

For the year ending March 31, 2013, the Company expects to post net losses. Therefore the company intends to forgo interim and year-end dividend payments but will work toward improved results that will allow dividends to be reinstated at the earliest possible date.

(For the year ending March 31, 2013)

Interim Dividend	Year-End Dividend	Annual Dividend
0 Yen	0 Yen	0 Yen

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

None

2.2 Adoption of Special Accounting Methods for Quarterly Consolidated Financial Statements

(Calculation of tax expenses)

Tax expenses are calculated by multiplying income before income taxes for the first quarter of the fiscal year ending March 31, 2013 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including the first quarter, while applying tax effect accounting.

2.3 Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior Period Errors

None

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2012)	Current First Quarter (As of June 30, 2012)
Assets		
Current assets		
Cash and deposits	111,981	81,034
Notes and accounts receivable-trade	102,556	88,370
Short-term investment securities	20,250	6,250
Merchandise and finished goods	58,189	64,083
Work in process	79,155	85,552
Raw materials and supplies	14,454	14,120
Accounts receivable-other	17,405	9,928
Other current assets	5,880	6,748
Allowance for doubtful accounts	(180)	(152)
Total current assets	409,690	355,933
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	115,949	113,868
Machinery and equipment, net	108,419	102,768
Vehicles, tools, furniture and fixtures, net	32,423	33,295
Land	36,210	36,210
Construction in progress	14,198	8,722
Total property, plant and equipment	307,199	294,863
Intangible assets		
Goodwill	2,228	2,164
Software	28,626	25,887
Other intangible assets	45,027	43,207
Total intangible assets	75,881	71,258
Investments and other assets		
Investment securities	7,801	7,682
Long-term prepaid expenses	38,228	36,340
Other assets	19,867	20,026
Allowance for doubtful accounts	(462)	(413)
Total investments and other assets	65,434	63,635
Total long-term assets	448,514	429,756
Total assets	858,204	785,689

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2012)	Current First Quarter (As of June 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	148,747	132,309
Short-term borrowings	168,963	162,641
Current portion of long-term borrowings	33,549	32,931
Current portion of lease obligations	8,256	7,950
Accounts payable-other	43,036	42,518
Accrued expenses	46,418	32,978
Accrued income taxes	5,322	3,629
Provision for product warranties	385	384
Provision for business structure improvement	781	324
Provision for contingent loss	92	89
Provision for loss on disaster	1,051	376
Asset retirement obligations	25	29
Other current liabilities	5,429	9,008
Total current liabilities	462,054	425,166
Long-term liabilities		
Long-term borrowings	32,580	30,304
Lease obligations	14,988	12,628
Accrued retirement benefits	82,128	81,741
Provision for contingent loss	1,148	358
Asset retirement obligations	4,644	4,615
Other liabilities	34,162	30,616
Total long-term liabilities	169,650	160,262
Total liabilities	631,704	585,428
Net assets		
Shareholders' equity		
Common stock	153,255	153,255
Capital surplus	450,413	450,413
Retained earnings	(360,234)	(380,991)
Treasury stock	(11)	(11)
Total shareholders' equity	243,423	222,666
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	221	(36)
Foreign currency translation adjustments	(25,686)	(31,287)
Total accumulated other comprehensive income	(25,465)	(31,323)
Share subscription rights	26	21
Minority interests	8,516	8,897
Total net assets	226,500	200,261
Total liabilities and net assets	858,204	785,689

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(The three-month period ended June 30, 2011 and 2012)

(In millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Net sales	207,234	186,612
Cost of sales	142,050	129,672
Gross profit	65,184	56,940
Selling, general and administrative expenses	84,283	74,543
Operating income (loss)	(19,099)	(17,603)
Non-operating income		
Interest income	167	68
Dividends income	18	7
Equity in earnings of affiliates	56	—
Foreign exchange gains	342	163
Insurance income	22	1,002
Reversal of provision for contingent loss	—	759
Other non-operating income	413	498
Total non-operating income	1,018	2,497
Non-operating expenses		
Interest expenses	997	970
Equity in losses of affiliates	—	21
Loss on disposal of long-term assets	185	177
Retirement benefit expenses	595	596
Other non-operating expenses	411	739
Total non-operating expenses	2,188	2,503
Ordinary income (loss)	(20,269)	(17,609)
Special income		
Gain on sales of property, plant and equipment	226	200
Gain on transfer of business	123	—
Gain on sales of investment securities	8	126
Total special income	357	326
Special loss		
Loss on sales of property, plant and equipment	11	4
Impairment loss	8	1
Loss on disaster	11,857	—
Loss on valuation of investment securities	6	10
Business structure improvement expenses	—	2,401
Loss on sales of investment securities	—	1
Total special losses	11,882	2,417
Income (loss) before income taxes and minority interests	(31,794)	(19,700)
Income taxes	1,124	787
Income (loss) before minority interests	(32,918)	(20,487)
Minority interests in income (loss) of consolidated subsidiaries	300	270
Net income (loss)	(33,218)	(20,757)

Quarterly Consolidated Statements of Comprehensive Income

(The three-month period ended June 30, 2011 and 2012)

(In millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Income (loss) before minority interests	(32,918)	(20,487)
Other comprehensive income		
Unrealized gains (losses) on securities	(183)	(243)
Foreign currency translation adjustments	(2,128)	(5,490)
Share of other comprehensive income of affiliates accounted for by the equity method	(9)	(14)
Total other comprehensive income	(2,320)	(5,747)
Comprehensive income	(35,238)	(26,234)
Comprehensive income attributable to:		
Shareholders of parent company	(35,625)	(26,615)
Minority interests	387	381

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(31,794)	(19,700)
Depreciation and amortization	24,973	23,573
Amortization of long-term prepaid expenses	2,719	2,929
Impairment loss	8	1
Increase (decrease) in accrued retirement benefits	(991)	173
Increase (decrease) in provision for loss on disaster	(13,057)	(9)
Interest and dividends income	(185)	(75)
Insurance income	(22)	(1,002)
Interest expenses	997	970
Equity in (earnings) losses of affiliates	(56)	21
Loss (gain) on sales and valuation of investment securities	(2)	(115)
Loss (gain) on sales of property, plant and equipment	(215)	(196)
Loss on disposal of long-term assets	185	177
Business structure improvement expenses	—	1,952
Loss (gain) on transfer of business	(123)	—
Decrease (increase) in notes and accounts receivable-trade	33,489	11,220
Decrease (increase) in inventories	(13,808)	(13,755)
Decrease (increase) in accounts receivable-other	4,666	3,696
Increase (decrease) in notes and accounts payable-trade	2,846	(13,240)
Increase (decrease) in accounts payable-other and accrued expenses	(19,422)	(12,377)
Other cash provided by (used in) operating activities, net	(2,018)	4,380
Subtotal	(11,810)	(11,377)
Interest and dividends received	235	147
Proceeds from insurance income	6,000	1,002
Interest paid	(941)	(994)
Income taxes paid	(827)	(2,677)
Payments for extra retirement benefits	(20,297)	(981)
Payments for loss on disaster	(1,535)	(3,206)
Net cash provided by (used in) operating activities	(29,175)	(18,086)

(In millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(30,137)	(10,810)
Proceeds from sales of property, plant and equipment	17,011	305
Purchase of intangible assets	(3,387)	(1,867)
Purchase of long-term prepaid expenses	(483)	(657)
Purchase of investment securities	(26)	(405)
Proceeds from sales of investment securities	132	200
Proceeds from transfer of business	2,032	2,598
Other cash provided by (used in) investing activities, net	55	(19)
Net cash provided by (used in) investing activities	(14,803)	(10,655)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(1,000)	(6,250)
Proceeds from long-term borrowings	2,932	—
Repayments of long-term borrowings	(1,457)	(2,894)
Redemption of bonds with share subscription rights	(110,000)	—
Repayments of finance lease obligations	(2,492)	(2,730)
Repayments of installment payables	(3,045)	(1,832)
Net cash provided by (used in) financing activities	(115,062)	(13,706)
Effect of exchange rate change on cash and cash equivalents	(1,268)	(2,486)
Net increase (decrease) in cash and cash equivalents	(160,308)	(44,933)
Cash and cash equivalents at the beginning of the period	337,289	131,946
Cash and cash equivalents at the end of the period	176,981	87,013

3.4 Notes on Assumption for Going Concern

None

3.5 Notes on Significant Changes in the Amount of Shareholders' Equity

None

3.6 Significant Subsequent Events

(Execution of early retirement incentive program)

Renesas Electronics Corporation ("Renesas") resolved a proposal to the labor union to implement an early retirement incentive program at an extraordinary board meeting held on July 3, 2012.

(1) Reason for the execution

Renesas has been aiming for the stable growth as achieving a double-digit operating profit since the merger in April, 2010. However, the sales figure drastically declined in fiscal year 2011 as a result of the Great East Japan earthquake, flooding in Thailand, as well as sluggish world economy, and Renesas is in urgent need of business recovery.

In these circumstances, Renesas proposed execution of the early retirement incentive program to the labor union to further strengthen its financial foundation and achieve stable and profitable management base.

(2) Outline of the early retirement incentive program

1. Eligibility: Employees of Renesas and its domestic subsidiaries
2. Number of Applicants eligible for the program: No upper limitations are set for the applications.
3. Application Period: From September 18, 2012 to September 26, 2012
4. Retirement Date: October 31, 2012
5. Benefits: Renesas will offer special incentives in addition to their retirement payment to employees voluntarily taking early retirement. In addition, outplacement support will be provided through an outside agency for those who request it.

(3) Impacts on the financial results

At the moment, it is very difficult to reasonably estimate the impacts of the early retirement incentive program as we have not set an upper limitation of applications for the early retirement incentive program and not started the application process yet.

Forward-Looking Statements

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to several important factors including, but not limited to, general economic conditions in our markets, which are primarily Japan, North America, Asia, and Europe; demand for, and competitive pricing pressure on, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

About Renesas Electronics Corporation

Renesas Electronics Corporation (TSE: 6723), the world’s number one supplier of microcontrollers, is a premiere supplier of advanced semiconductor solutions including microcontrollers, SoC solutions and a broad-range of analog and power devices. Business operations began as Renesas Electronics Corporation in April 2010 through the integration of NEC Electronics Corporation (TSE:6723) and Renesas Technology Corp., with operations spanning research, development, design and manufacturing for a wide range of applications. Headquartered in Japan, Renesas Electronics Corporation has subsidiaries in 17 countries worldwide. More information can be found at www.renesas.com.

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