



FY12 / 3 Financial Results

Renesas Electronics Corporation

May 9, 2012

Yasushi Akao, President

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Thank you for joining Renesas Electronics' earnings briefing for the fiscal year ended March 2012.

Before we begin, please be sure to review the cautionary statement on page 24.

Executive Summary

I. FY12 / 3 Financial Results

- ❑ Operating loss was larger than expected mainly due to the lower profit caused by production decrease, although FY12 / 3 Q4 sales were in line with our expectations
- ❑ FY12 / 3 full-year sales significantly decreased YoY mainly due to the impact of earthquake and Thailand flood as well as worsened market conditions mainly in Europe and China. Posted operating loss due to lower profit margin caused by sales decline despite implementation of expense reduction measures including streamlining R&D expenses and SG&A*

II. Implementation of Business / Production Structural Measures and Enhancement of Core Competence

- ❑ Currently promoting selection and focus of businesses as well as optimizing production structure
- ❑ Established an unrivaled position in automotive segment leveraging the world's top-ranked MCU as our core competence

*SG&A: Selling, general and administrative expenses

This is an overview of the points we will discuss today.

Operating loss was larger than expected mainly due to the lower profit caused by production decrease, although sales of the fourth quarter of the fiscal year ended March 31, 2012 were in line with our expectations.

Sales of the fiscal year ended March 31, 2012 significantly decreased year on year mainly due to the impact of the earthquake and Thailand flood as well as worsened market conditions mainly in Europe and China. We posted operating loss due to lower profit margin caused by sales decline despite the implementation of expense reduction measures including streamlining R&D expenses and SG&A.

As for business and production structural measures, we are now promoting selection and focus of businesses as well as optimizing production structure at the same time. Furthermore, we have established an unrivaled position in the automotive segment leveraging the world's top-ranked MCU as our core competence.

I. FY12 / 3 Financial Results

Now let us discuss the financial results for the year ended March 31, 2012.

FY12 / 3 Financial Snapshot

- Semiconductor sales decreased by 232.9 B yen YoY due to the impact of earthquake, Thailand flood, and demand decrease from worsened market conditions mainly in Europe and China
- Posted operating loss due to lower profit margin caused by sales decline despite implementation of expense reduction measures including streamlining R&D expenses and SG&A

FY12 / 3					
(B yen)	Q4	QoQ	Full-year	Difference from previous forecasts	YoY
Net Sales	209.7	-13.2	883.1	-1.9	-254.8
Semiconductor Sales	185.8	-12.2	786.0	-2.0	-232.9
Operating Income (Loss)	-23.6	-19.6	-56.8	-8.8	-71.3
Ordinary Income (Loss)	-24.3	-20.7	-61.2	-7.2	-62.2
Net Income (Loss)	-18.2	-15.7	-62.6	-5.6	52.4
1 US\$=	78 yen	1 yen weak	79 yen	—	7 yen strong
1 Euro=	102 yen	3 yen strong	109 yen	—	5 yen strong

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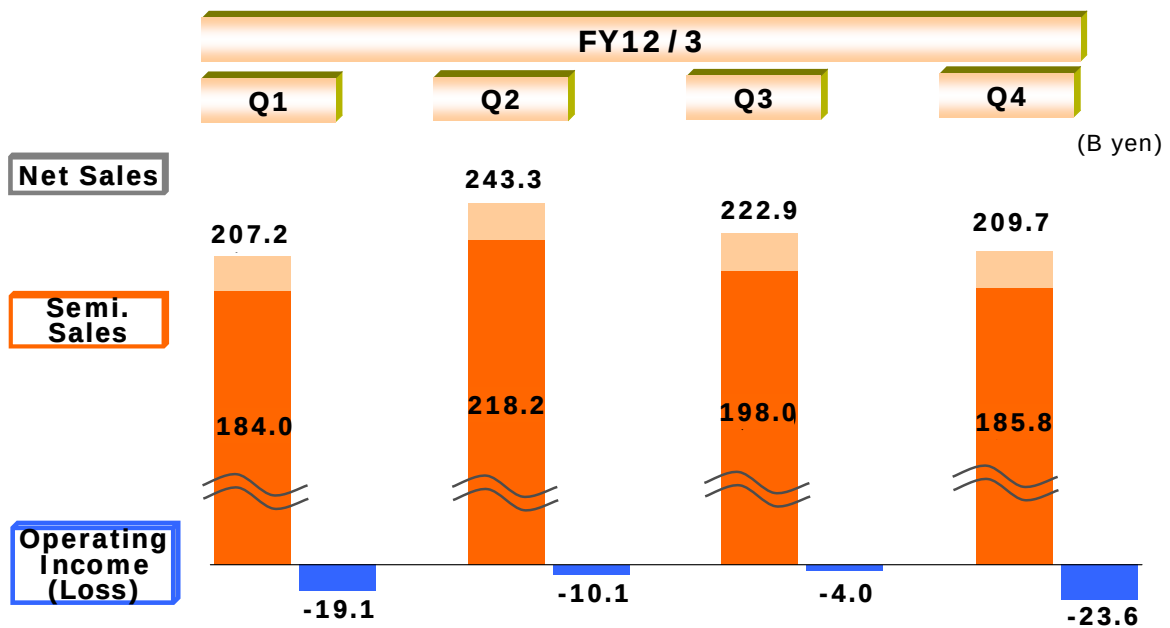
Slide 4 shows the summary of the financial year ended March 31, 2012.

Semiconductor sales decreased by 232.9 billion yen year on year, down to 786 billion yen due to the impact of the earthquake and Thailand flood as well as demand decrease from worsened market conditions in Europe and China.

We posted operating loss due to lower profit margin caused by sales decline despite the implementation of expense reduction measures including streamlining R&D expenses and SG&A.

FY12 / 3 Quarterly Financial Results

- Although operating income (loss) improved quarterly from Q1 to Q3, it worsened in Q4 mainly due to production decrease



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This slide shows the trend of quarterly financial results.

Although operating loss improved quarterly from the first quarter to the third quarter, it worsened in the fourth quarter due to production decrease.

FY12 / 3 Semiconductor Sales by Business (1)

- Q4 Analog & Power sales recovered by 8.6% from the previous quarter when they dropped significantly. Q4 MCU maintained steady sales for automotive; however, SoC sales did not bottom out yet. This resulted in a decrease by 6.1% QoQ in Q4 semiconductor sales
- Full-year semiconductor sales significantly decreased YoY although MCU sales for automotive segment recovered to the same level as in the previous year along with production increase of Japanese automakers

FY12 / 3				
(B yen)	Q4	QoQ (%)	Full-year	YoY (%)
Semiconductor Sales (Total)	185.8	-6.1 %	786.0	-22.9 %
MCU	83.0	-6.3 %	336.3	-12.4 %
Analog & Power	59.2	+8.6 %	243.8	-22.9 %
SoC	42.8	-19.9 %	201.2	-35.5 %
Other Semiconductors	0.9		4.8	

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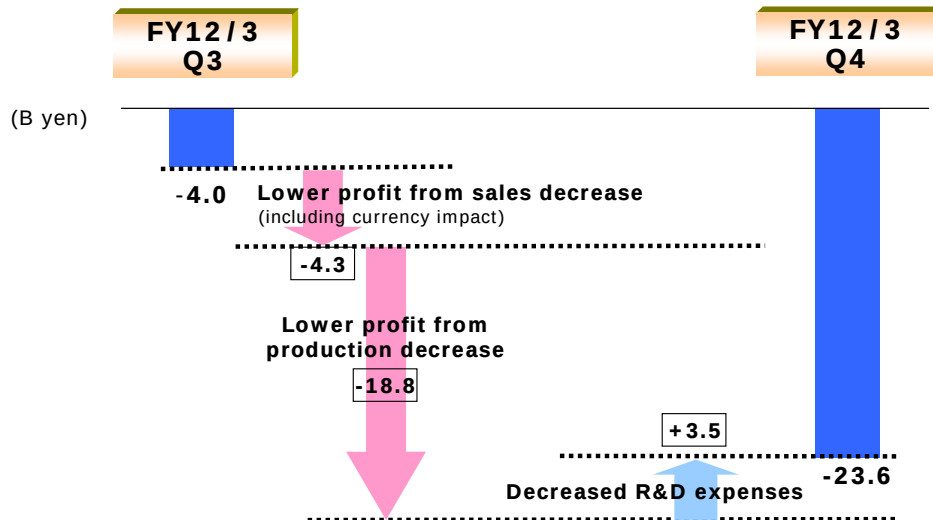
Next, we will explain the breakdown of semiconductor sales by business unit in the fourth quarter and the fiscal year ended March 31, 2012.

In the fourth quarter, Analog & Power sales recovered by 8.6% from the previous quarter when they dropped significantly. MCU maintained steady sales for automotive; however, SoC sales did not bottom out yet. This resulted in a decrease by 6.1% quarter on quarter in the fourth quarter.

Full-year semiconductor sales significantly decreased year on year due to the impact of the earthquake, Thailand flood, and demand decrease from worsened market conditions mainly in Europe and China although MCU sales for automotive segment recovered to the level as in the previous year along with production increase of Japanese automakers.

FY12 / 3 Q4 Operating Income (Loss) QoQ

- Operating income (loss) worsened by 19.6 B yen due to lower profit from sales and production decrease



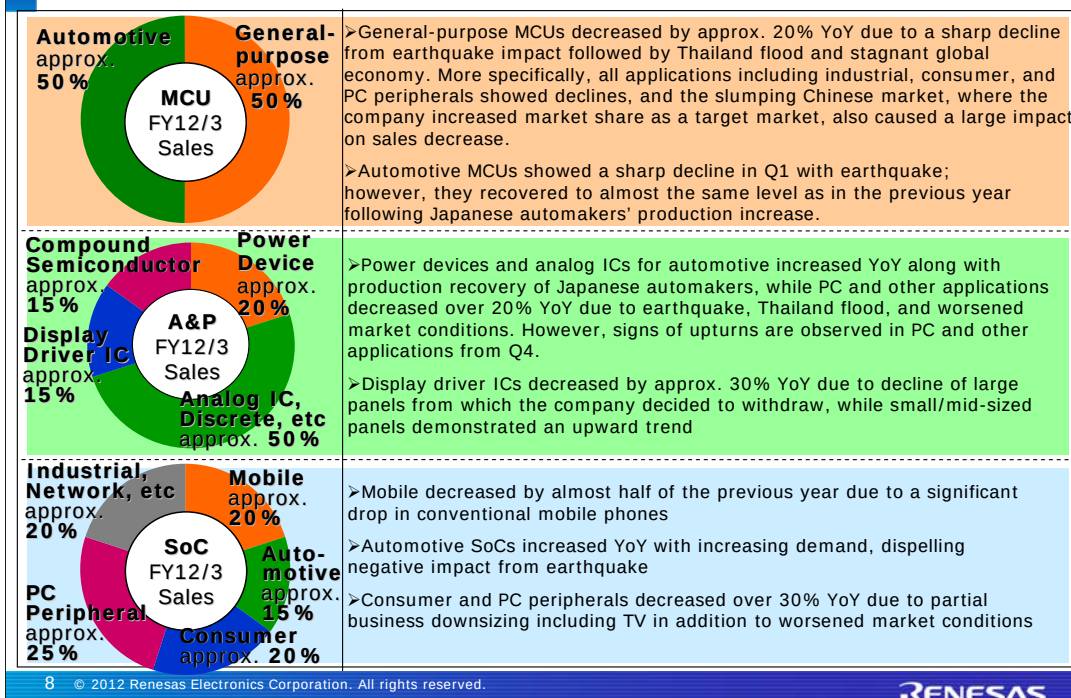
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Slide 7 shows the increase and decrease of operating income and loss from the third quarter to the fourth quarter.

Operating income and loss worsened by 19.6 billion yen quarter on quarter to 23.6 billion yen due to lower profit from sales and production decrease despite implementation of expense reduction measures including streamlining R&D expenses.

FY12 / 3 Semiconductor Sales by Business (2)



Slide 8 shows details on the full-year sales of each business unit per application segment.

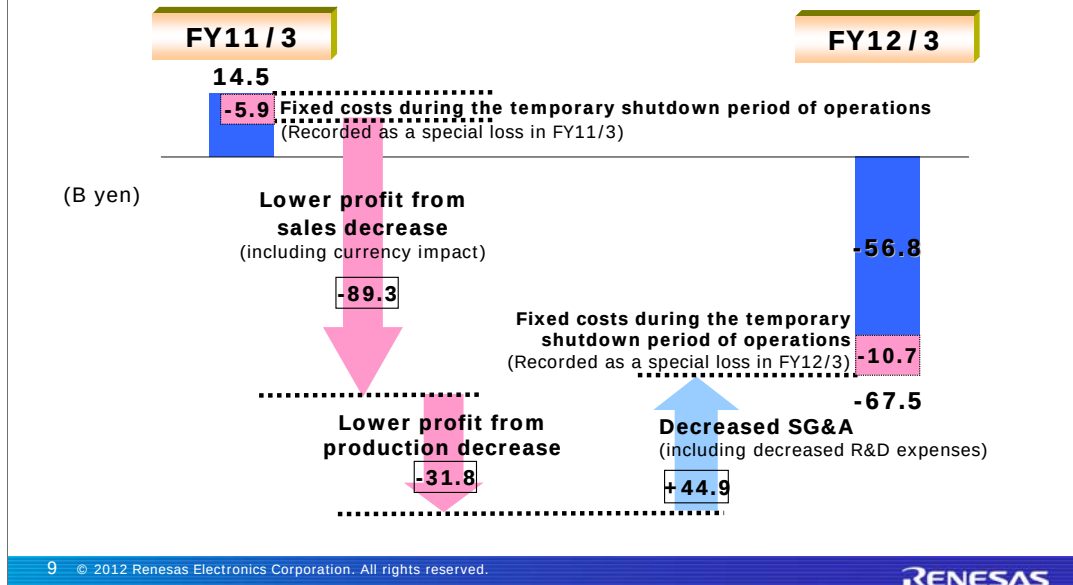
As for MCUs, general-purpose MCUs decreased sales by approx. 20% year on year due to a sharp sales decline from the earthquake impact. In addition, Thailand flood and stagnant global economy further decreased the sales. On the other hand, Automotive MCUs showed a sharp decline in the first quarter sales with the earthquake impact; however, they recovered to almost the same level as in the previous year sales following Japanese automakers' production increase.

As for Analog & Power semiconductors, sales for automotive increased year on year along with the production recovery of Japanese automakers. Sales for PC and other applications decreased over 20% year on year due to the impact of the earthquake and others. However, there were some signs of upturns observed in PC and other applications from the fourth quarter.

As for SoCs, sales for mobile decreased by almost half of the previous year due to a significant drop in sales for conventional mobile phones. Automotive SoCs increased sales year on year with increasing demand which dispelled negative impacts from the earthquake. Sales for consumer and PC peripherals decreased over 30% year on year due to partial business downsizing including TV in addition to worsened market conditions.

FY12 / 3 Operating Income (Loss) YoY

- Posted operating loss due to lower profit margin caused by sales and production decrease despite decreased SG&A including streamlining R&D expenses

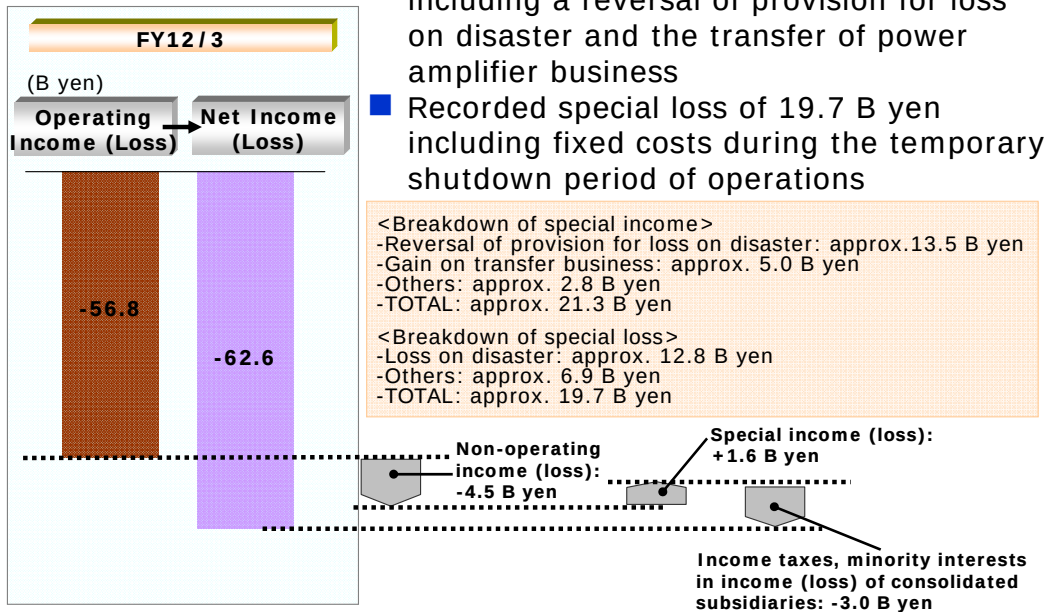


Slide 9 shows the increase and decrease of operating income and loss from the fiscal year ended March 31, 2011 to the fiscal year ended March 31, 2012.

In the past two years, we posted fixed costs during the temporary shutdown period of operations as special loss, and therefore, we added those figures into each operating income and loss for the purpose of fair comparison.

Lower profit margin caused by sales and production decrease from the impact of the earthquake and Thailand flood resulted in approximately 120 billion yen, however, we improved approximately 45 billion yen by reducing SG&A including streamlining R&D expenses. As a result, operating loss of the fiscal year ended March 2012 was 56.8 billion yen.

Factors Affecting FY12 / 3 Net Income (Loss)



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Slide 10 shows the factors affecting net loss in the fiscal year ended March 31, 2012.

As the breakdown of special income and loss shows, we recorded special income of 21.3 billion yen including a reversal of provision for loss on disaster and the transfer of power amplifier business. We also recorded special loss of 19.7 billion yen including fixed costs during the temporary shutdown period of operations.

FY12 / 3 Balance Sheets

(B yen)	As of Apr. 1, 2011	As of Dec. 31, 2011	As of Mar. 31, 2012
Total Assets	1,145.0	901.7	858.2
Cash and Cash Equivalents	337.3	157.8	131.9
Inventories	123.4	157.7	151.8
Liabilities	854.0	665.4	631.7
Interest-Bearing Debt	378.2	263.3	258.3
Shareholders' Equity	306.0	261.6	243.4
Net Assets	291.1	236.3	226.5
D / E Ratio (Gross)	1.33	1.15	1.19
D / E Ratio (Net)	0.14	0.46	0.58
Equity Ratio	24.8 %	25.3 %	25.4 %

Note)

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

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Slide 11 shows the status of the company's balance sheets.

Cash and cash equivalents decreased by 26 billion yen quarter on quarter to 131.9 billion yen.

FY12 / 3 Cash Flows

- Posted negative free cash flows of 64.8 B yen in FY12/3 full-year due to a record of net loss before income taxes and the purchase of property, plant and equipment, etc

	FY12 / 3				
(B yen)	Q1	Q2	Q3	Q4	Full-year
Cash Flows from Operating Activities	-29.2	8.0	18.0	-6.6	-9.7
Cash Flows from Investing Activities	-14.8	-17.8	-15.2	-7.3	-55.1
Free Cash Flows	-44.0	-9.7	2.9	-14.0	-64.8

Slide 12 shows the status of cash flows.

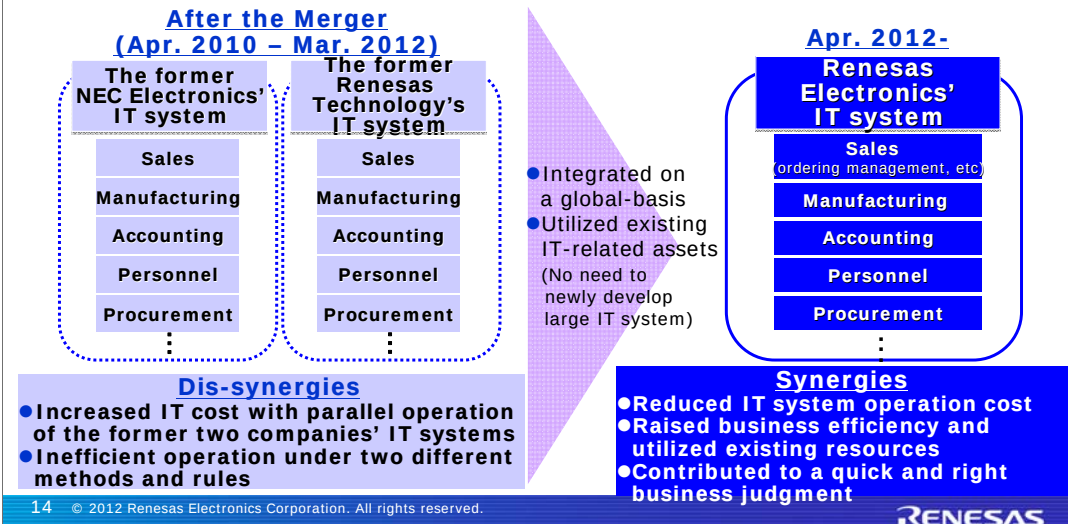
The full-year free cash flows were negative 64.8 billion yen due to recording net loss before income taxes and the purchase of property, plant and equipment and so on.

II. Implementation of Business/Production Structural Measures and Enhancement of Core Competence

In the next section, we will explain the status of our business and production structural measures as well as enhancement of core competence.

Third Year Since the Merger -Start of Newly Integrated IT System

- Completed integration of corporate-wide systems including sales, manufacturing, accounting, and personnel as the final phase of business integration
- Started new IT system from April, integrating existing IT systems
- Enabled cost-effective operations by expedited integration



This year will be the third year since we started our business as Renesas Electronics in April 2010. As the final phase of the business integration, we completed integration of corporate-wide systems including sales, manufacturing, accounting, and personnel. Following those integration, we also integrated existing IT systems and started operation of the new IT system from this April. With the new IT system integrated earlier, we are striving to conduct cost-effective operations.

Implementation of Business/Production Structural Measures

- Promoting selection and focus of businesses as well as optimizing production structure

	Business/Production Structural Measures Announced or Conducted during FY12/3
Business	• Transferred power amplifier business to Murata Manufacturing (Completed in Mar. 2012) • Withdraw from large-sized display driver IC business (Ceased new product development in Mar. 2012) • Shrink SoC products for short life-cycle consumer products
Production (Front-end)	• Transferred Roseville 8-inch line^{*1} to Telefunken (Completed in May 2011) • Scaled down Kofu 6-inch line^{*2} (Completed in Sep. 2011) • Scaled down Takasaki 5-inch line^{*3} (Completed in Dec. 2011) • Closed Shiga 5-inch line^{*4} (Completed in Mar. 2012) • Transfer Tsugaru 6-inch line^{*5} to Fuji Electric (Scheduled in Jul. 2012)
Production (Back-end)	• Sold land of closed Fukuoka factory^{*6} (Completed in Sep. 2011) • Transferred Nagano factory^{*7} producing power amplifiers to Murata Manufacturing (Completed in Mar. 2012) • Closed Oume factory^{*8} (Completed in Mar. 2012)

^{*1} Renesas Electronics America, Roseville Factory (California, U.S.)

^{*2} Renesas Electronics, Kofu Factory (Kai, Yamanashi)

^{*3} Renesas Electronics, Takasaki Factory (Takasaki, Gunma)

^{*4} Renesas Kansai Semiconductor, Shiga Factory (Otsu, Shiga)

^{*5} Renesas Northern Japan Semiconductor, Tsugaru Factory (Goshogawara, Aomori)

^{*6} Renesas Semiconductor Kyushu Yamaguchi, Fukuoka Factory (Yanagawa, Fukuoka)

^{*7} Renesas Eastern Japan Semiconductor, Nagano Device Division (Komoro, Nagano)

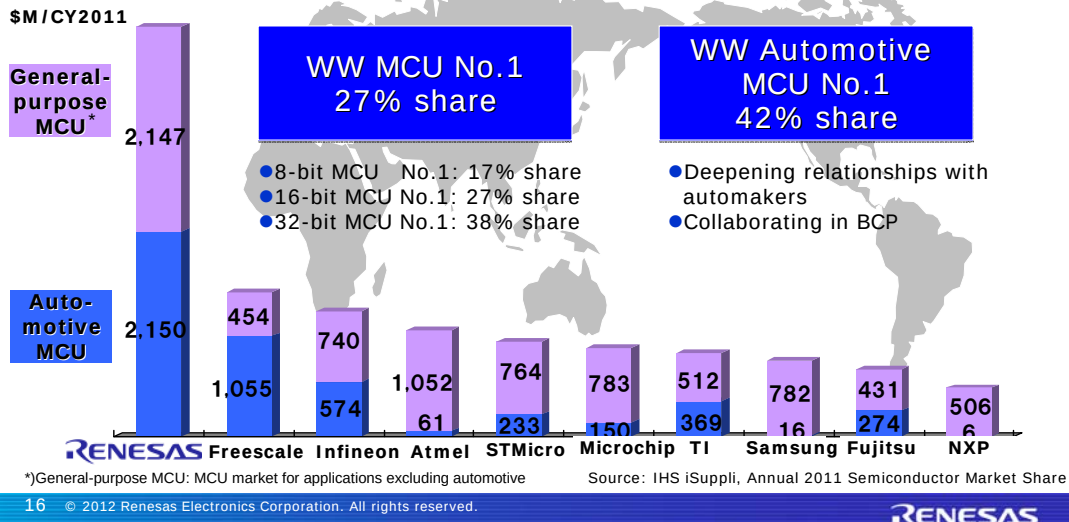
^{*8} Renesas Eastern Japan Semiconductor, Tokyo Device Division (Oume, Tokyo)

Next, we will explain the status of business and production structural measures.

This chart shows the list of business and production structural measures announced or conducted during the fiscal year ended March 31, 2012. We are promoting selection and focus of businesses including the transfer of power amplifier business to Murata Manufacturing and the withdrawal from large-sized display driver IC business. Also, we are optimizing production structure including the transfer of Roseville 8-inch line.

Enhancement of Core Competence -MCU: Firmly Maintain the World's No.1

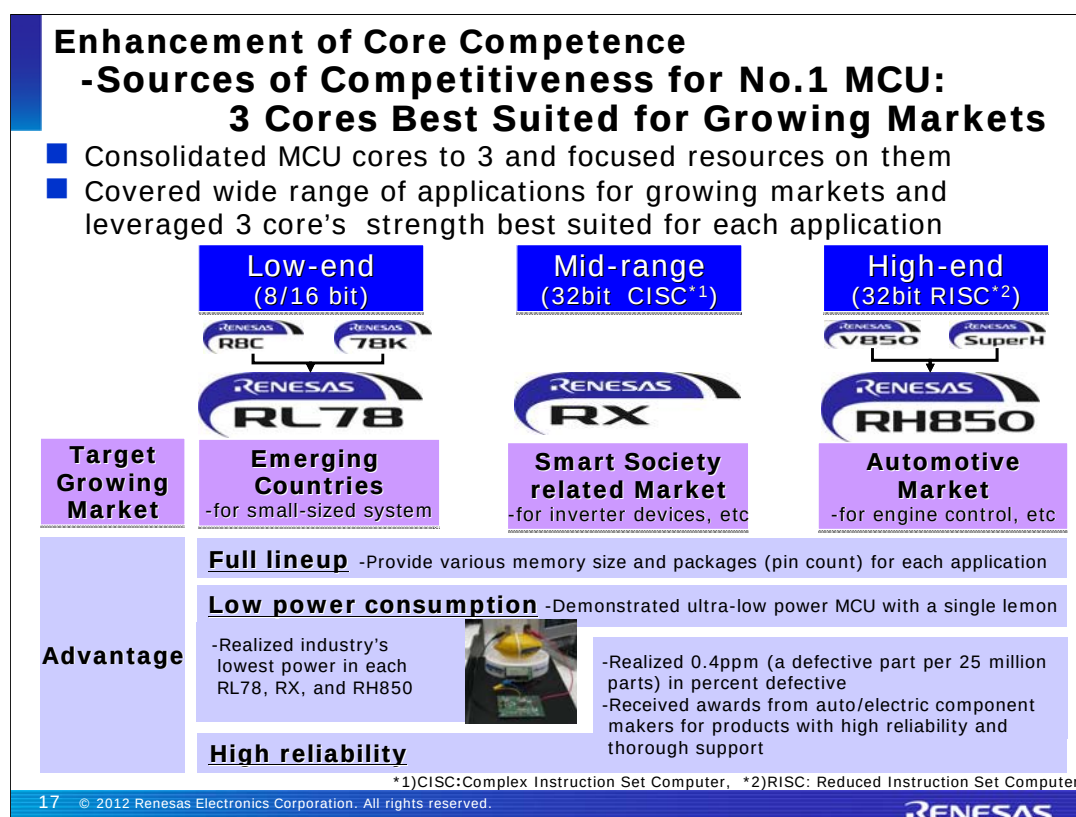
- Firmly maintained the world's No.1 MCU market share of 27% in CY2011
- Dominant position in automotive MCU unchanged, maintaining the world's No.1 share as well as strengthening relationships with automakers through restoration from earthquake



Along with structural measures, we are continuously enhancing our own core competence.

Especially for MCU which we are proud of holding the world's No.1 market share, we are striving to keep the top position. According to iSuppli's survey, we could keep the world's No.1 position of 27% market share in 2011 in spite of inconvenience to customers by short supply due to the damages to our factories from the earthquake last year.

Furthermore, we will further strengthen existing relationships with automakers through enhancing BCP formulated based on lessons learned after the earthquake. After the earthquake, we are also building stronger relationships with global automakers in the market of which we had lower market share than that in Japan. We are targeting to increase market share in automotive MCU for Japanese market as well as non-Japanese market.



We believe sources of competitiveness for the world's No.1 MCU are our three cores best suited for growing markets and flash memory embedded in MCUs.

As for MCU cores, we had five cores two years ago when we started Renesas Electronics. However, we have consolidated them to three cores, RL78 for low-end, RX for mid-range, and RH850 for high-end, in order to focus development and sales resources. These three cores have common advantages, full lineup, low power consumption, and high reliability. We covered wide range of applications in growing markets, for example, RL78 mainly for emerging countries, RX mainly for Smart Society-related market, and RH850 mainly for automotive to show advantages best suited for each application.

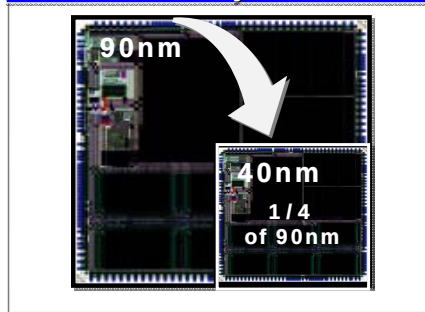
Enhancement of Core Competence

-RH850:

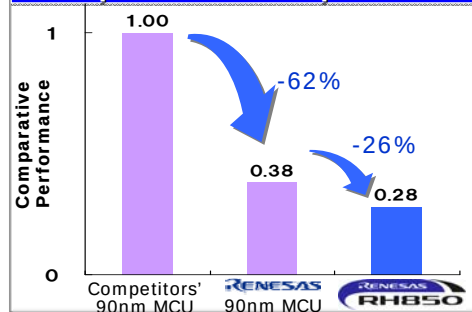
World's First 40nm MCU Unrivaled in Automotive

- Lead the world by developing flash MCU with cutting-edge 40nm process
- Embed flash memory using originally developed "MONOS*" - type memory cell to realize high reliability, high speed, low power consumption, in addition to storing high-capacity program

The world's smallest memory cell



The world's lowest power consumption



Will apply to automotive requiring high reliability, high speed and low power consumption.

Currently expanding customers' adoptions

(Scheduled to ship sample products in 1H of FY13/3 and to conduct mass production at multiple fabs)



*)MONOS: Metal-Oxide-Nitride-Oxide-Silicon

Regarding high-end RH850 which we explained in the previous slide, we applied 40nm process in MCUs for the first time in the world. We believe this technology will enable us to strengthen our unrivaled position in automotive MCUs.

We regard another source of our competitiveness for MCU is flash memory based on the originally developed "MONOS" structure. By using 40nm process, we realized the world's smallest memory cell, which is one fourth the size of current cell using 90nm process. Furthermore, we will realize high reliability, high speed. Low power consumption, in addition to storing high-capacity program.

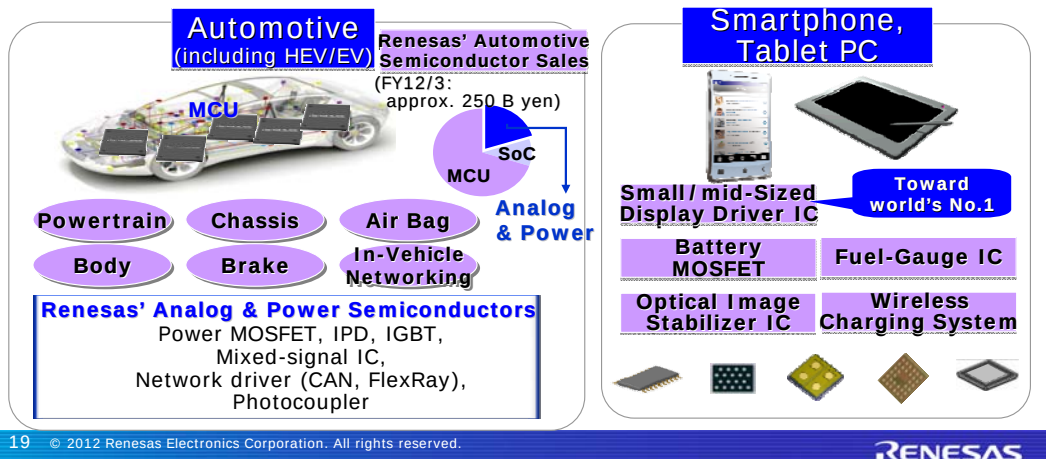
We will apply RH850 to automotive requiring more reliable, higher speed, and lower power products. Customers' adoptions are expanding currently, and the sample shipment is expected in the first half of this fiscal year. We plan to conduct the mass production at multiple fabs.

Enhancement of Core Competence

-Analog & Power:

Focus on Growing Markets including Automotive

- Maximize Analog & Power sales by combining with the world's No.1 MCUs and leveraging expanded business opportunities in automotive
- Focus development resources on increasing power device lineups, targeting to develop 1,000 products from low-voltage to high-voltage in 3 years (Completed Development of 650 products)
- Capture and stimulate demand of smartphones and tablet PCs in growing markets



As for Analog & Power semiconductors, we are focusing on the growing markets including automotive in an effort to follow the strong position in automotive MCU.

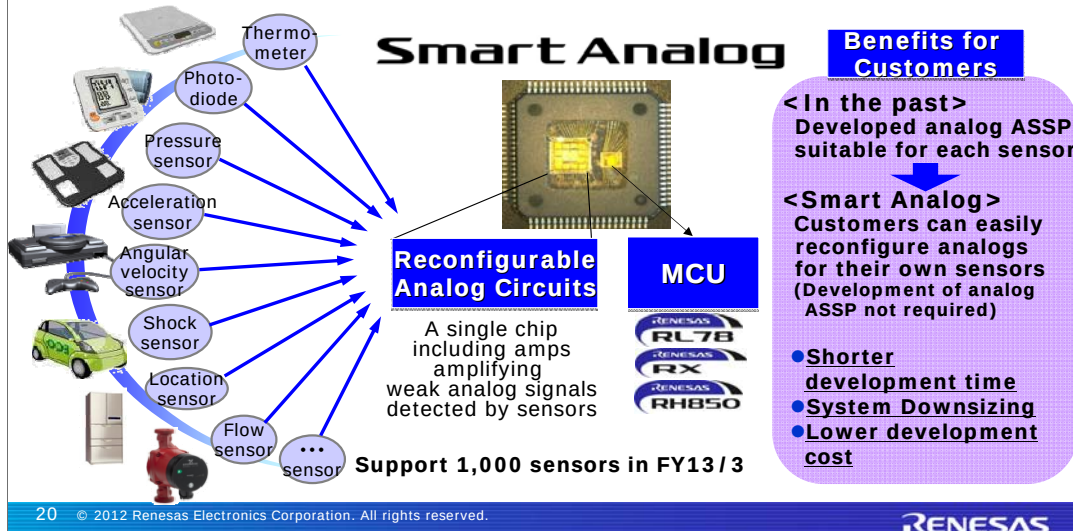
Currently, MCU occupies approximately 70% of our total automotive semiconductor sales and Analog & Power accounts for about 20%. As this shows, Analog & Power sales are relatively small compared to MCU, but we will strive to maximize Analog & Power sales by combining Analog & Power with the world's No.1 MCUs as kit solutions, expanding business opportunities in the automotive segment.

Especially for power devices, we are now focusing development resources on increasing power device lineups, targeting to develop 1,000 products from low-voltage to high-voltage in 3 years for wide range of applications including automotive.

Not only for automotive, but also for other growing markets such as smartphones and tablet PCs, we are providing superior products by leveraging our existing strength such as small and mid-sized display driver IC and battery MOSFET. For example, we will achieve the world's No.1 in small and mid-sized display driver IC in which we currently hold the No.2 position by firmly capturing the growing demand of smartphones.

Enhancement of Core Competence -Smart Analog: Combination of MCU and Analog

- Developed “Smart Analog”, combining MCU and reconfigurable analog circuits
- Enabled to support multi-sensors equipped with various devices realizing Smart Society by a single chip, and contribute to customers by shortening development time and downsizing

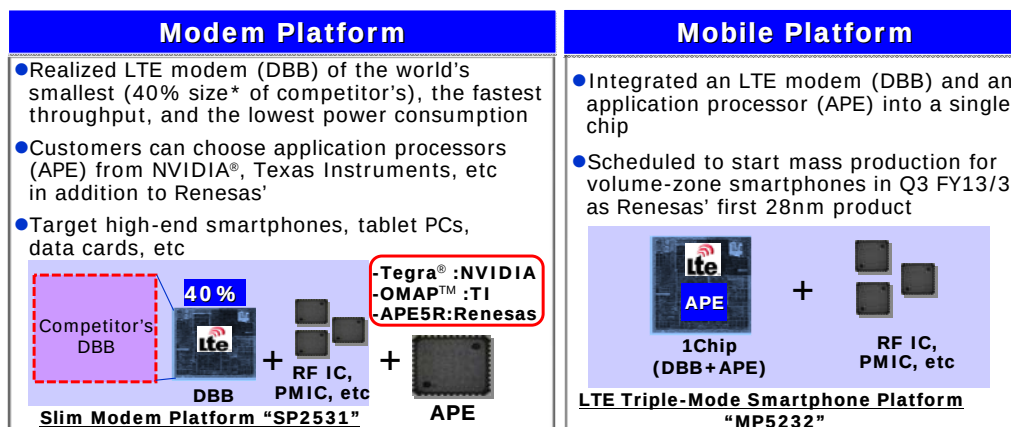


Last year we released new product named “Smart Analog”.

Smart Analog is the product integrating our strong MCU with reconfigurable analog circuits. The product can support multi-sensors equipped with various devices realizing Smart Society by a single chip. Smart Analog also enables customers to shorten development time and to downsize their system. We are developing Smart Analog series in the aim of supporting 1,000 sensors by the end of this fiscal year.

LTE Modem: Challenges toward Further Growth

- Capture smartphone market with a chipset combining the world's smallest/fastest LTE modem and most suitable application processors, or with a single SoC integrating those chips



Expanding platforms to various mobile devices installing communication functions

- Achieved design-ins from 14 companies (incl. 9 non-Japanese companies) so far

*) Compared with competitor's LTE multi-mode modem manufactured in 45nm CMOS process which Renesas applied

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We are continuously enhancing our LTE modem business as challenges toward further growth.

Based on modem technology acquired from Nokia, we realized the world's smallest LTE modem, the size of which is 40% of competitor's, as well as the fastest throughput and the lowest power consumption. We are providing a chipset combining LTE modem and most suitable application processors as a modem platform for applications such as smartphones.

On the other hand, we are providing a single chip integrating LTE modem and an application processor as a mobile platform targeted for volume-zone smartphones. We are planning to start mass production of the single chip products in the third quarter of this fiscal year as our first 28nm products.

We are expanding modem and mobile platforms not only for smartphones but also for various mobile devices installing communication functions. We have increased design-ins to 14 companies so far and are aiming further expansion.

FY13 / 3 Forecasts

- We posted 62.6 billion yen net loss as consolidated net sales dropped significantly by approximately 22% YoY for FY12/3, mainly owing to the impact of earthquake and Thailand flood as well as worsened economic conditions mainly in Europe and China, and continuous trend of strong yen.
- With respect to the recent semiconductor market, overall market is still sluggish and uncertainties remain even though some signs of upturns are seen.
- Under these circumstances, we consider it necessary to more closely examine the trends of semiconductor market conditions for a little while, as well as to take into account the impact of the business portfolio review for generation of stable profits which we have been steadily advancing since the announcement of the business strategy in August 2011.
- Therefore, we do not present the forecast of consolidated results for FY13/3 at this point of time. We will publicly announce the forecast as soon as it becomes ready for disclosure.

Lastly, we decided to postpone an announcement of forecasts for the fiscal year ending March 2013. We will explain the backgrounds.

We posted 62.6 billion yen net loss as consolidated net sales dropped significantly by approximately 22% year on year for the fiscal year ended March 31, 2012, mainly owing to the impact of the earthquake and Thailand flood as well as worsened economic conditions mainly in Europe and China, and continuous trend of strong yen.

With respect to the recent semiconductor market, overall market is still sluggish and uncertainties remain even though some signs of upturns are seen.

Under these circumstances, we consider it necessary to more closely examine the trends of semiconductor market conditions for a little while, as well as to take into account the impact of the business portfolio review for generation of stable profits which we have been steadily advancing since the announcement of the business strategy in August 2011.

Therefore, we do not present the forecast of consolidated results for the year ending March 31, 2013 at this point of time. We will publicly announce the forecast as soon as it becomes ready for disclosure.

(FOREWARD-LOOKING STATEMENTS)

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



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This concludes our presentation today.