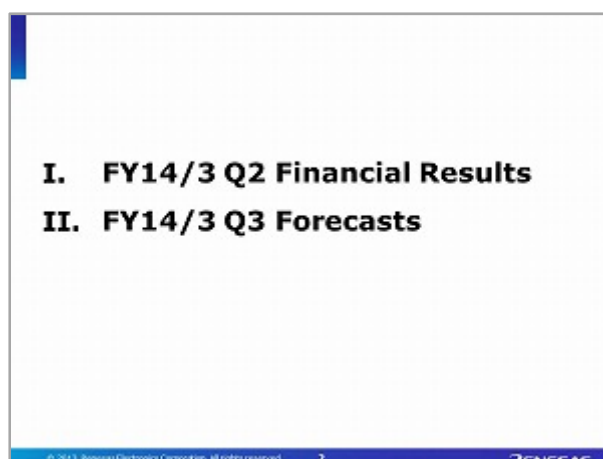




Thank you for joining Renesas Electronics' earnings briefing for the second quarter of the fiscal year ended September 30, 2013.



Today I will explain the financial results of the second quarter of the fiscal year ended September 30, 2013 and the forecasts of the third quarter.

Executive Summary

I . FY14/3 Q2 Financial Results

- Semiconductor sales were 207.7 billion yen, 9.6% increase QoQ, mainly due to a seasonal sales peak that recur in Q2 from year to year
- Secured operating profit by three quarters in a row with 10.9 billion yen operating income, an increase by 1.1 billion yen QoQ, mainly due to the effects of structural reform measures

II . FY14/3 Q3 Forecasts

- Semiconductor sales are expected to be 190 billion yen, a decrease by 8.5% QoQ
- Despite the decreased profit from sales decline, Renesas expects to achieve operating profit in the amount of 16 billion yen, an increase by 5.1 billion yen QoQ, mainly due to the effects of structural reform measures
- Expect to achieve quarterly net profit of 24 billion yen mainly due to increased operating profit and recording of special income from gain on transfer of mobile business

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Slide 3 shows our executive summary.

The first item is the financial results.

Semiconductor sales were 207.7 B yen, an increase by 9.6% QoQ, mainly due to a seasonal sales peak that recur in Q2 from year to year.

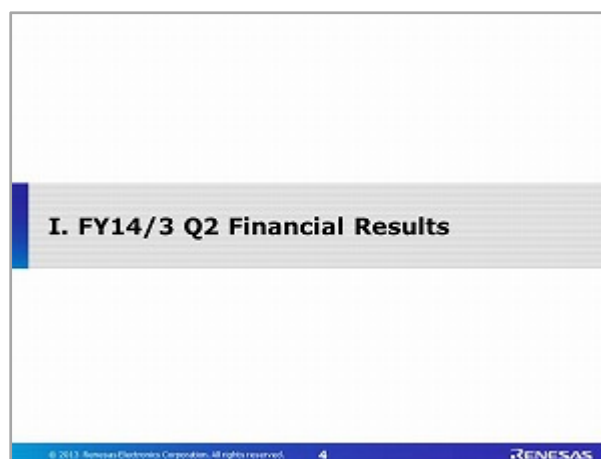
We secured operating profit by three quarters in a row with 10.9 B yen operating income, an increase by 1.1 B yen QoQ, mainly due to the effects of structural reform measures.

The second item is the financial forecasts for the second quarter.

Semiconductor sales are expected to be 190 B yen, a decrease by 8.5% QoQ.

Despite the decreased profit from sales decline, Renesas expects to achieve operating profit in the amount of 16 B yen, an increase by 5.1 B yen QoQ, mainly due to the effects of structural reform measures.

We expect to achieve quarterly net profit of 24 B yen mainly due to increased operating profit and recording of special income from gain on transfer of mobile business.



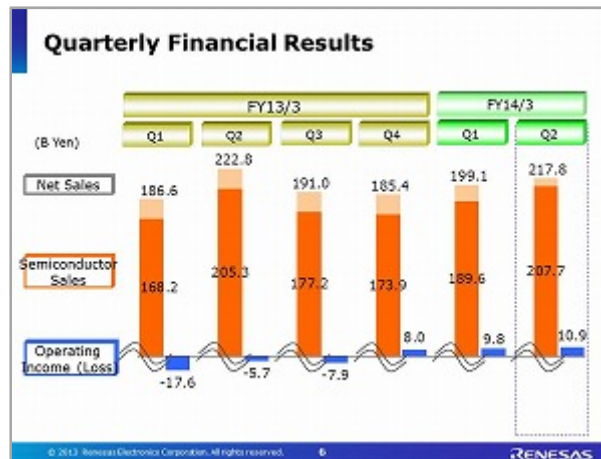
Now let us explain on financial results for the second quarter of the fiscal year ended March 31, 2014 in detail.

FY14/3 Q2 Financial Results					
(B Yen)	FY13/3	FY14/3			
	Q2	Q1	Q2	QoQ	Difference from Aug. 2, 2013
Net Sales	222.8	199.1	217.8	+18.8 (+9.4%)	+6.9 (+3.5%)
Semiconductor Sales	205.3	189.6	207.7	+18.1 (+9.6%)	+7.3 (+3.7%)
Operating Income (Loss)	-5.7	9.8	10.9	+1.1	+6.7
Ordinary Income (Loss)	-6.8	8.5	5.4	+3.2	+5.4
Net Income (Loss)	-94.3	-4.0	-8.8	-4.8	+27.2
(Ref.) Special Income (Loss)	-85.9	-5.7	-11.2	-2.5	+20.8
1US\$=	79 yen	98 yen	98 yen	±0 yen	±0 yen
1 Euro=	95 yen	127yen	130 yen	3 yen weak	1 yen weak
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Slide 5 shows the summary of the financial results of the second quarter.

Semiconductor sales were 207.7 B yen, an increase by 9.6% QoQ, mainly attributable to a seasonal sales peak that recurs in Q2 from year to year.

Operating income was 10.9 B yen, 1.1 B yen higher QoQ, mainly due to increased profit from a sales increase.



This slide shows the trend of quarterly financial results.

Semiconductor sales increased by 9.6% QoQ and 1.2% YoY.

We secured operating profit by three quarters in a row, mainly attributable to structural reform measures implemented in the past.

FY14/3 Q2 Semiconductor Sales by Product Categories (1)					
(B Yen)	FY13/3	FY14/3			
	Q2	Q1	Q2	YoY	QoQ
Semiconductor Sales (Total)	205.3	189.6	207.7	+2.4 (+1.2%)	+18.1 (+9.6%)
MCU	80.9	85.6	88.9	+7.9 (+9.8%)	+3.2 (+3.8%)
Analog & Power	68.1	65.3	72.3	+4.3 (+6.3%)	+7.0 (+10.8%)
SoC	55.0	36.8	45.3	-9.7 (-17.6%)	+8.5 (+23.0%)
Other Semiconductors	1.3	1.8	1.2	-0.1 (-17.6%)	-0.6 (-50.0%)

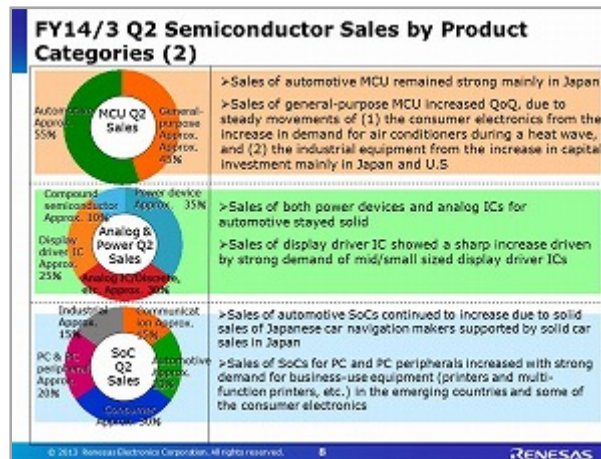
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This slide shows the breakdown of semiconductor sales by product categories.

Sales of MCU, A&P and SoC all increased QoQ.

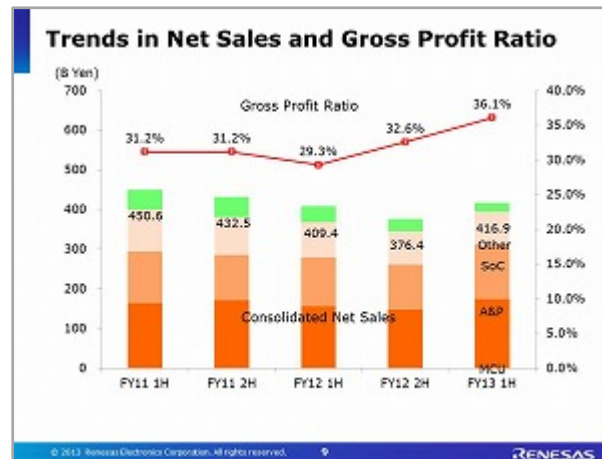


This slide shows the breakdown of semiconductor sales by product categories and application segments.

Sales of automotive MCU remained strong mainly in Japan for Japanese manufacturers. Sales of general-purpose MCU increased QoQ, due to steady movements of the consumer electronics from the increase in demand for air conditioners during a heat wave, and the industrial equipment from the increase in capital investment mainly in Japan and U.S.

Sales of both power devices and analog ICs for automotive stayed solid. Sales of display driver IC showed a sharp increase driven by strong demand of mid/small sized display driver ICs.

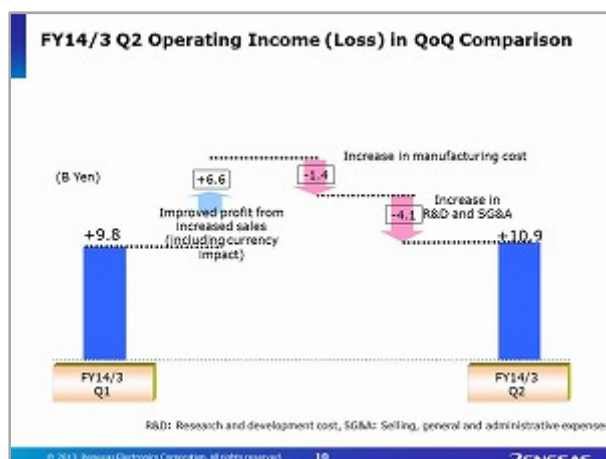
Sales of automotive SoCs continued to increase due to solid sales of Japanese car navigation makers supported by solid car sales in Japan. Also sales of SoCs for PC and PC peripherals increased with strong demand for business-use equipment (printers and multi-function printers, etc.) in the emerging countries and some of the consumer electronics.



This slide shows the trends in net sales and GP ratio.

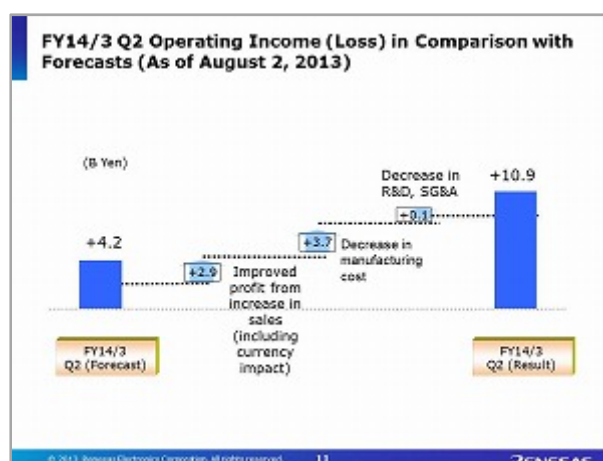
Despite the slight decline in sales, GP showed a sign of improvement mainly attributable to effects of fixed-cost reduction measure.

Especially during first half of this fiscal year, GP ratio improved drastically. The upward momentum began at the second half when the effect of the fixed-cost reduction resulting from the early retirement program implemented last year. Weakened yen also contributed to the improvement of GP ratio.



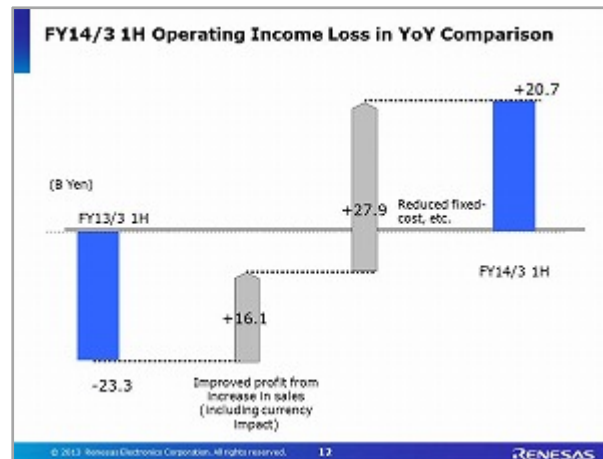
This slide shows the operating income in QoQ comparison.

Despite the increase in manufacturing cost from reduced inventory, operating profit of 10.9 B yen was achieved, a 1.1 B yen improvement QoQ, mainly due to increased profit from increase in sales.



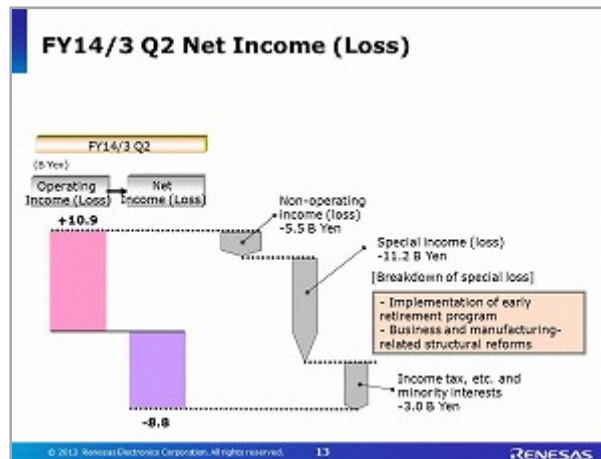
This slide shows the operating income of the second quarter in comparison with forecasts as of August 2.

Operating income is expected to improve by 6.7 B yen from the previous forecast, mainly due to improved profit from increase in sales, decrease in manufacturing cost, and reduction of end-of-period cost.



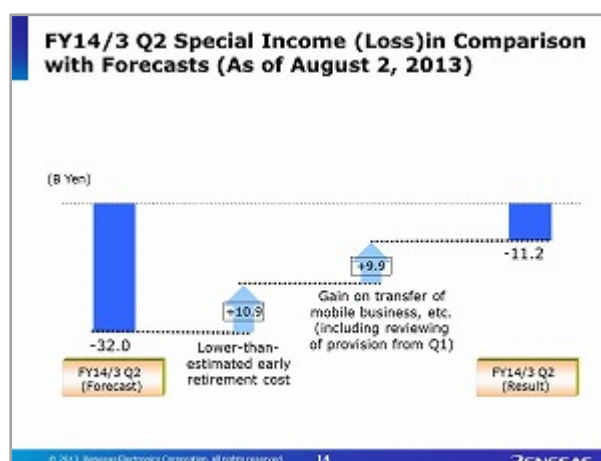
This slide shows the operation income and loss of the first half in YoY comparison.

Our profitability is steadily improving through fixed-cost reduction from structural reforms.



This slide shows the net loss of the second quarter with a breakdown from the operating income.

The net loss of the second quarter was 8.8 B yen, mainly due to recording of special loss from implementation of early retirement program and business and manufacturing-related structural reforms.



This slide shows the special loss of the second quarter in comparison with forecasts as of August 2.

Special loss in the second quarter was 11.2 B yen, improved by 20.8 B yen from the August 2 forecast, mainly due to lower-than-estimated early retirement cost and special income from gain on transfer of mobile business, etc.

Balance Sheets			
(B Yen)			
	As of Mar. 31, 2013	As of Jun. 30, 2013	As of Sep. 30, 2013
Total Assets	669.1	668.4	796.2
Cash and Cash Equivalents	77.7	95.8	239.3
Inventories	151.3	143.7	136.7
Liabilities	591.2	588.1	574.4
Interest-Bearing Debt	306.4	299.4	287.4
Shareholders' Equity	75.8	71.9	213.0
Net Assets	77.9	80.3	221.8
D/E Ratio (Gross)	4.59	4.41	1.38
D/E Ratio (Net)	3.43	3.00	0.23
Equity Ratio	10.0%	10.2%	26.2%

Note 1: Cash and Cash Equivalents: Cash and deposits, Short-term investment securities
 Note 2: Inventories: Merchandise and finished goods, Work in process, Raw materials and supplies
 Note 3: Interest-bearing debt: Short-term borrowings, Current portion of long-term borrowings, Current portion of lease obligations,
 borrow with share subscription rights, Long-term borrowings
 Note 4: Equity: Shareholders' equity, Retained Earnings, Reserves, Minority interests
 Note 5: D/E ratio (gross): Interest-bearing debt / Equity
 Note 6: D/E ratio (net): Interest-bearing debt / Net Assets
 Note 7: Equity Ratio: Equity / Total Assets

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This slide shows the balance sheets.

Our balance sheets showed significant improvement due to completion of the payment for the issue of new shares through third-party allotment in the amount of 150 B yen.

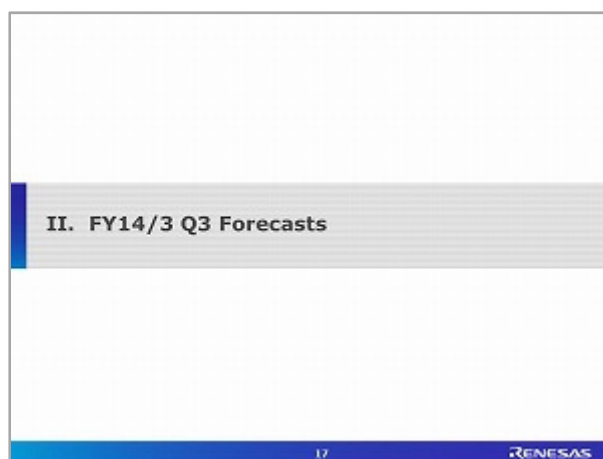
Cash Flow						
(B Yen)	FY13/3				FY14/3	
	Q1	Q2	Q3	Q4	Q1	Q2
Cash Flows from Operating Activities	-18.1	4.6	-47.5	6.9	28.4	9.0
Cash Flows from Investing Activities	-10.7	-9.8	-6.1	-16.6	-2.5	-6.5
Free Cash Flows	-28.7	-5.2	-53.6	-9.7	25.9	2.5

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Next slide shows the cash flows.

Free cash flows secured positive from operating activities by three quarters in a row despite cost of the early retirement program implemented in October 2012 was charged to the earnings in Q2.

We expect additional cost of the early retirement program implemented in September 2013 to be charged to the earnings in Q3. We will continue to promote structural reform measures to enable free cash flow to remain positive.



Next, we will explain the third quarter financial forecasts.

FY14/3 Q3 Consolidated Financial Forecasts						
(B Yen)	FY13/3	FY14/3				
	Q3 (Actual)	Q2 (Actual)	Q3 (Forecast)	YoY	QoQ	Q3 (Accumulative)
Net Sales	191.0	217.8	197.0	+6.0	-20.8	613.9
Semiconductor Sales	177.2	207.7	190.0	+12.8	-17.7	587.3
Operating Income (Loss)	-7.9	10.9	16.0	+23.9	+5.1	36.7
Ordinary Income (Loss)	-11.1	5.4	13.0	+24.1	+7.6	26.9
Net Income (Loss)	-46.6	-8.8	24.0	+70.6	+32.8	11.2
(Net) Special Income (Loss)	-32.8	-11.2	14.5	+47.3	+25.7	-8.4
1 US\$=	78 yen	95 yen	97 yen	18 yen weak	1 yen strong	98 yen
1 Euro=	202 yen	130 yen	130 yen	28 yen weak	8.8 yen	128 yen

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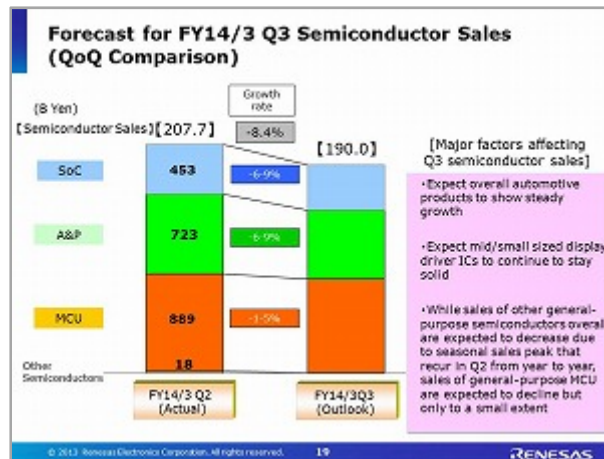
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This slide shows the summary of consolidated financial forecasts for the third quarter.

Semiconductor sales is expected to be 190 B yen, a decrease by 8.5% QoQ in line with the seasonal cycle that has a peak in second quarter.

Despite the decrease in profit from sales decline, we aim to post 16 B yen operating profit, a 5.1 B yen increase QoQ, mainly from the effects of structural reforms.

We expect to achieve quarterly net profit of 24 B yen is expected to achieve quarterly mainly due to increased operating profit and recording of special income from gain on transfer of mobile business.

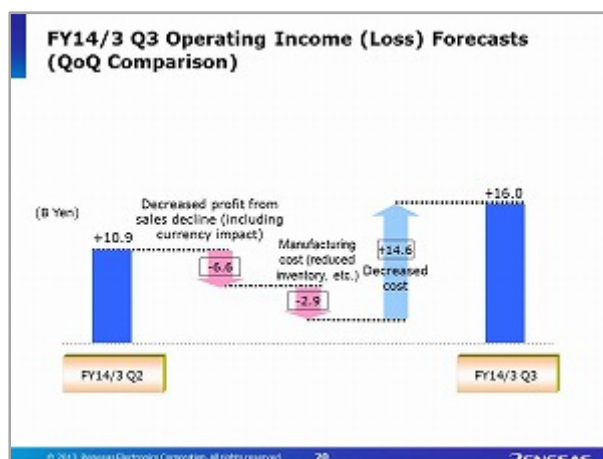


This slide shows the sales forecast by product categories.

We expect overall automotive products to show steady growth.

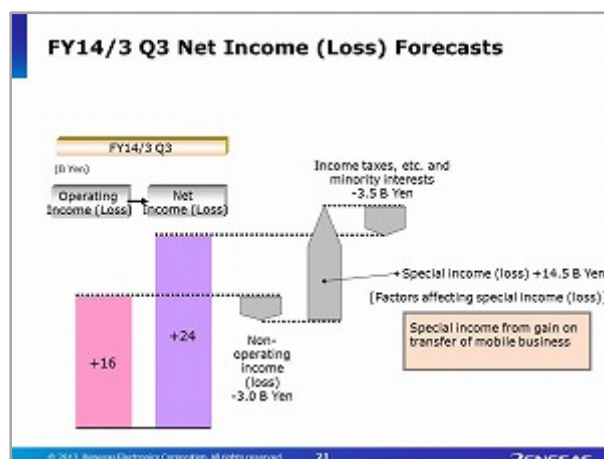
Also we expect mid/small sized display driver ICs to continue to stay solid.

While sales of other general-purpose semiconductors overall are expected to decrease due to seasonal sales peak that recur in Q2 from year to year, sales of general-purpose MCU are expected to decline but only to a small extent.



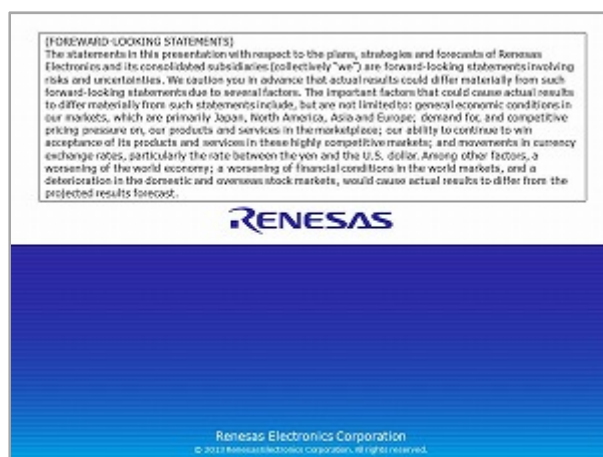
This slide shows operating income forecasts in QoQ Comparison.

Despite the decrease in profit due to lower sales, we still expect to achieve operating profit of 16 B yen, 5.1 B yen higher QoQ, with the effects of structural reform measures.



The last slide shows the operating income and net loss in the third quarter.

We expect to achieve quarterly net profit of 24 B yen mainly due to recording of special income from gain on transfer of mobile business.



Thank you very much for your continued support of Renesas Electronics. This concluded our presentation today.