FY17/12 Q2 PRESENTATION

RENESAS ELECTRONICS CORPORATION
JULY 28, 2017

BIG IDEAS
FOR EVERY SPACE

GROWTH AND EARNINGS TARGETS TO MAXIMIZE SHAREHOLDER VALUE

Long-Term Financial Targets*1

Top-line growth

2x SAM*2 Growth Rate

Margin Improvements

GM *3 : **44%***5 → **50%**

OM *4 : **12%***5 → Over **20%**

Clear Path for Gross Margin Expansion

Top-line Growth
(Including cost reduction)

Better Product Mix

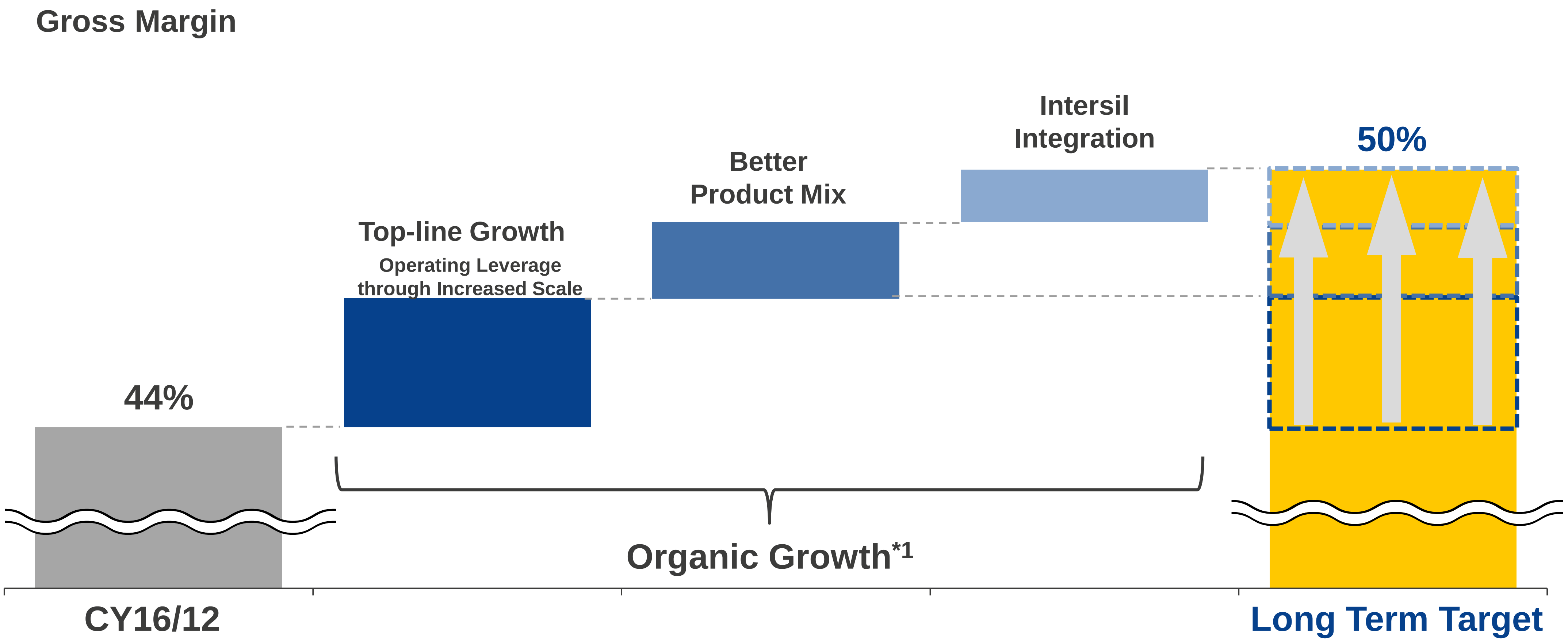
Intersil Integration

+

Further Acquisitions

*1: Long-term targets reflect non-GAAP adjustments to exclude amortization of goodwill and intangible assets, noncash expenses such as stock compensation expenses and one-time expenses. *2: Served Available Market comprised of total semiconductor market excluding DRAM, flash memory, microprocessors and non-optical sensors *3: Gross Margin *4: Operating Margin *5: Calculated on a calendar-year basis (Jan-Dec 2016) by adding FY2016/3 Q4 (3 months) and FY2016/12 (9 months) results based on Non-GAAP basis.

CLEAR PATH TO GROSS MARGIN IMPROVEMENT



*1: Including Intersil acquisition

Organic | Inorganic

COMBINATION OF ORGANIC AND INORGANIC GROWTH

	Automotive	Industrial	Broad-Based
MCUs	RENESAS RH850 Intensive R&D		Inorganic + Organic Approaches RENESAS synergy™
SoCs	Renesas R-Car Strategic Partnerships and Alliances Renesas R-IN		
Analog & Mixed Signal	Strategic Investment including Further Acquisitions		intersil (Acquired for $ 3.2B in Feb 2017)
Power Discrete	Selective Investment		

NON-GAAP BASIS INFORMATION

The figures in this section are mainly based on Non-GAAP (Generally Accepted Accounting Principles) stated on a financial reporting basis and are provided as additional information.

The Group Implemented a change in fiscal term starting from FY16/12 in which the fiscal year-end changed from March 31 to December 31.
In this presentation, FY17/12 Q2 (Apr-Jun 2017) results are compared with FY16/12 Q1 (Apr-Jun 2016) as an YoY comparison.

The Group reports its consolidated forecast on a quarterly basis (cumulative quarter total) as a substitute for a yearly forecast.

FY17/12 Q2 FINANCIAL SNAPSHOT (NON-GAAP BASIS*1)

YoY and QoQ results as well as the changes from May 12 FCT of the Net Sales and Semi Sales are rounded off to one decimal place.

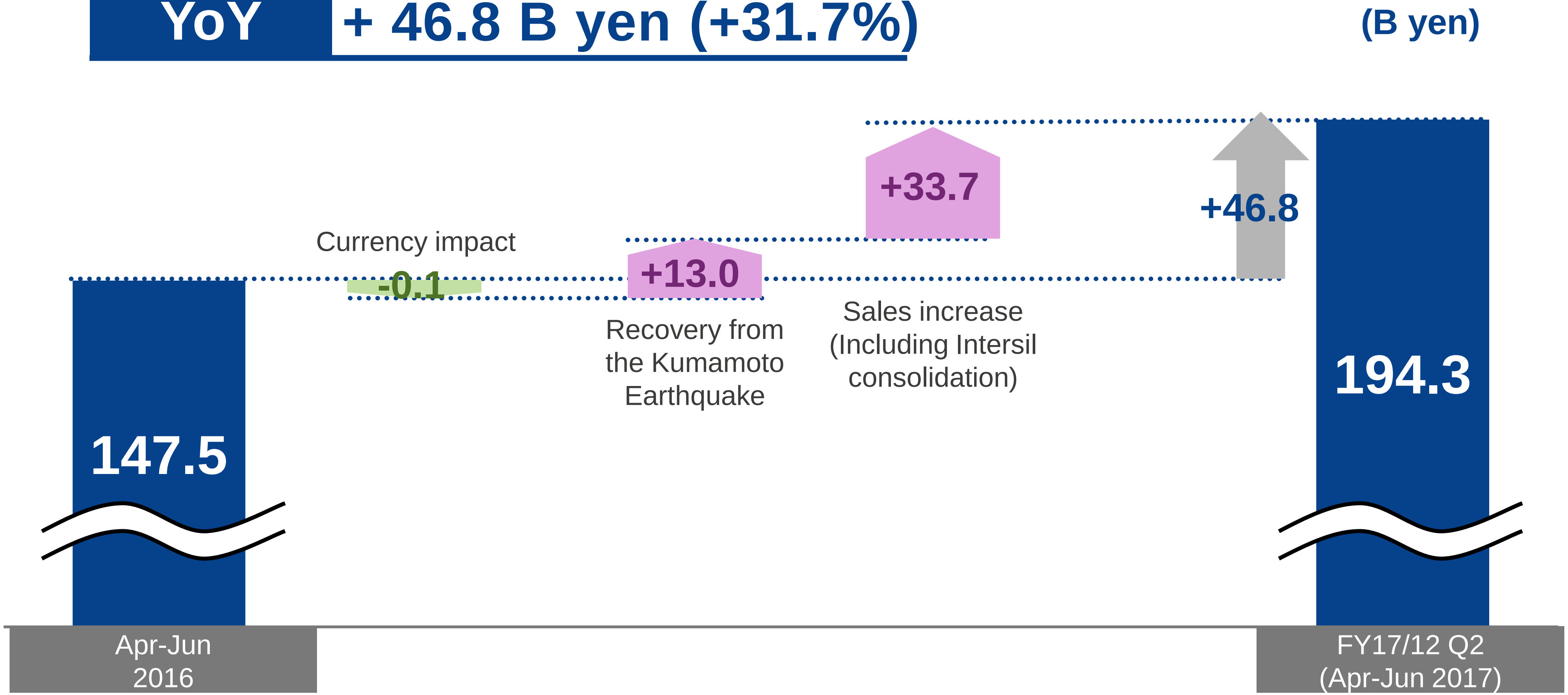
(B yen)	CY16		CY17 (FY17/12)							
	Apr-Jun	1H (Jan-Jun)	Jan-Mar (Q1)	Apr-Jun (Q2) Forecast	Apr-Jun (Q2) Actual	YoY	QoQ	Change from May 12 FCT	1H Actual	YoY
Net Sales	152.0	319.8	177.6	192.1	198.1	+30.4%	+11.5%	+3.2%	375.8	+17.5%
Semi Sales	147.5	310.7	172.6	188.7	194.3	+31.7%	+12.6%	+3.0%	366.9	+18.1%
Gross Margin	44.3%	43.1%	45.5%	43.9%	45.7%	+1.4pts	+0.2pts	+1.8pts	45.6%	+2.4pts
Operating Income (Margin)	20.9 (13.7%)	38.7 (12.1%)	29.1 (16.4%)	22.5 (11.7%)	29.0 (14.6%)	+8.2 (+0.9pts)	-0.1 (-1.7pts)	+6.5 (+2.9pts)	58.1 (15.5%)	+19.4 (+3.4pts)
Net Income Attributable to Shareholders of Parent Company	12.3	24.7	23.6	29.5	37.3	+25.0	+13.7	+7.8	60.9	+36.2
EBITDA*2	35.4	68.7	46.2	40.4	47.3	+11.9	+1.1	+6.9	93.5	+24.8
1 US$=	111 yen	115 yen	114 yen	108 yen	111 yen	-	3 yen appreciation	3 yen depreciation	112 yen	2 yen appreciation
1 Euro=	124 yen	127 yen	121 yen	115 yen	122 yen	2 yen appreciation	1 yen depreciation	7 yen depreciation	122 yen	5 yen appreciation

*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q2 was 0 yen in operating income.)
*2 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

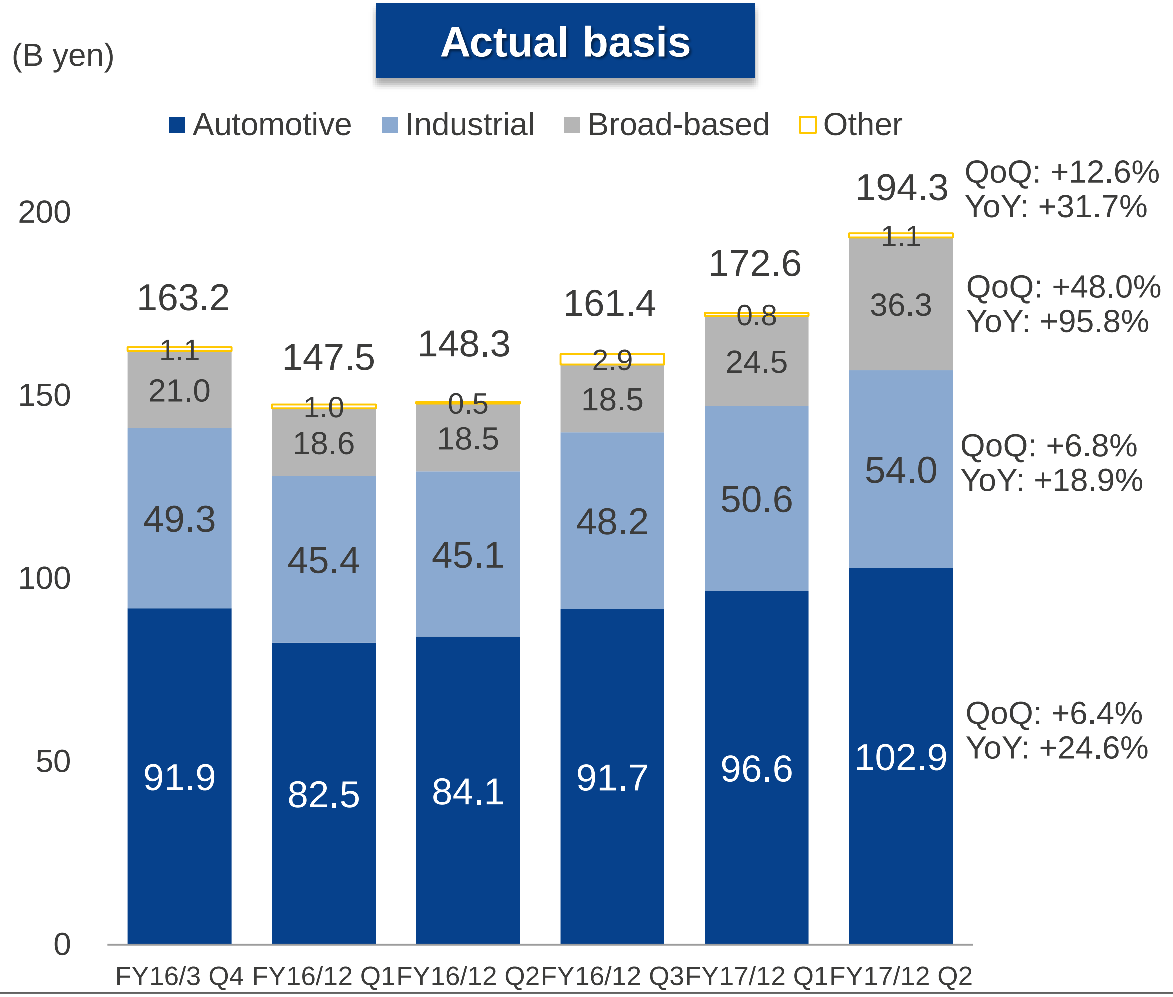
BIG IDEAS FOR EVERY SPACE RENESAS

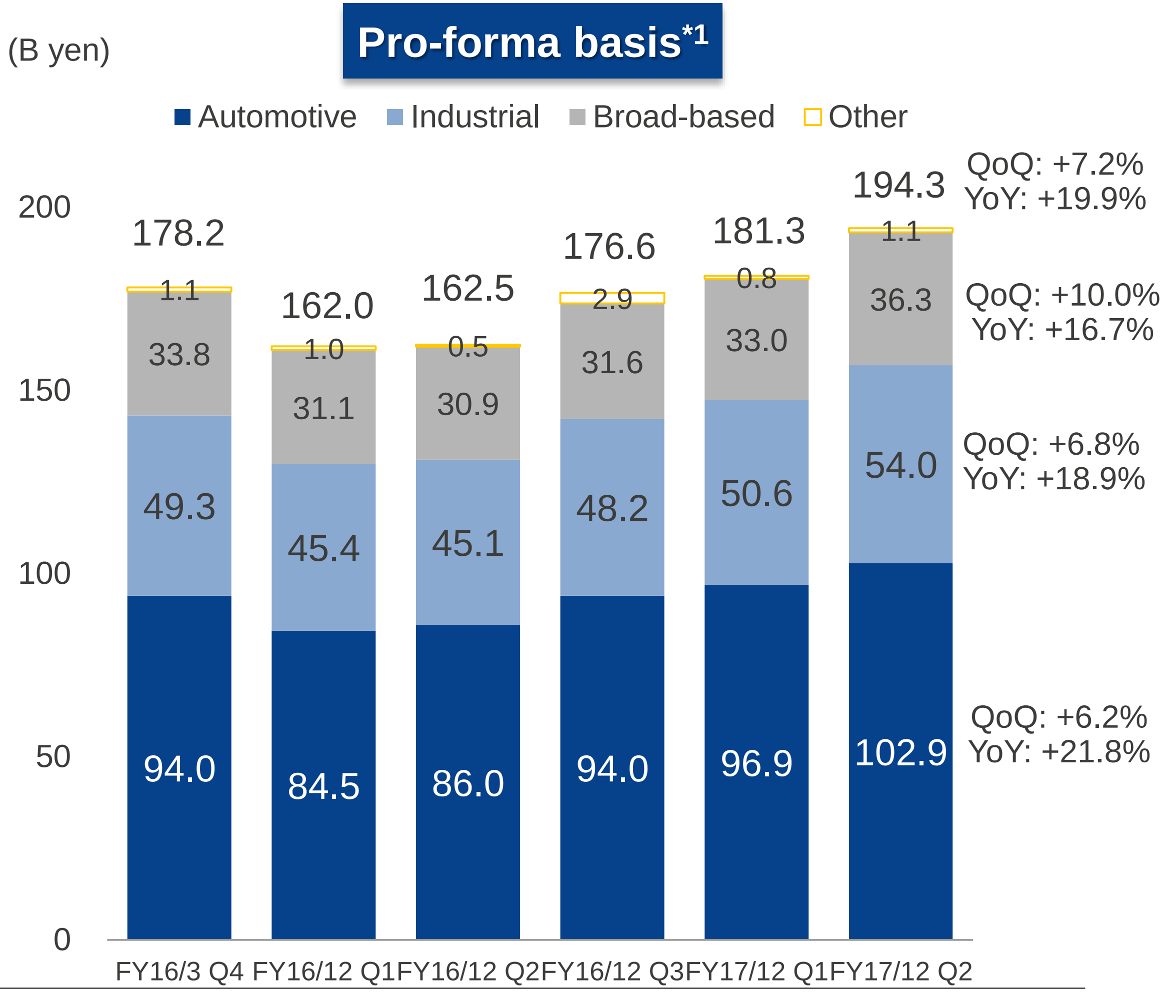
FY17/12 Q2 SEMICONDUCTOR SALES

YoY + 46.8 B yen (+31.7%)



QUARTERLY SEMICONDUCTOR SALES TRENDS

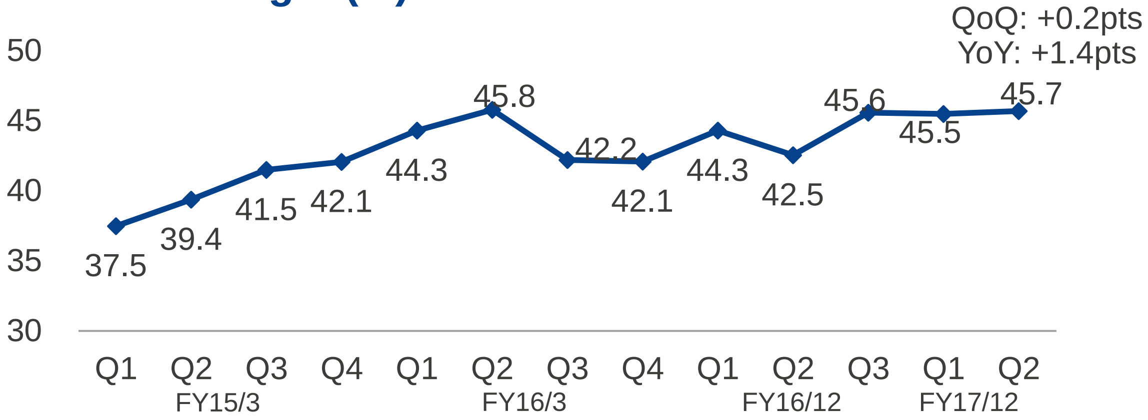




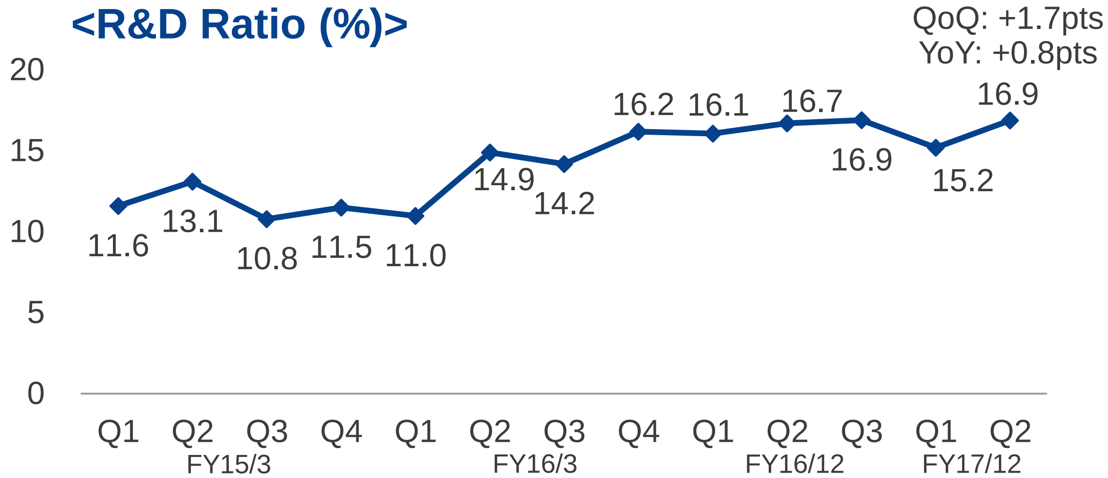
*1 Pro-forma basis: Renesas Net Sales including Intersil's historical revenue prior to the close of the acquisition.

GROSS MARGIN, OPERATING MARGIN AND OPEX TRAJECTORY
(NON-GAAP BASIS*1)

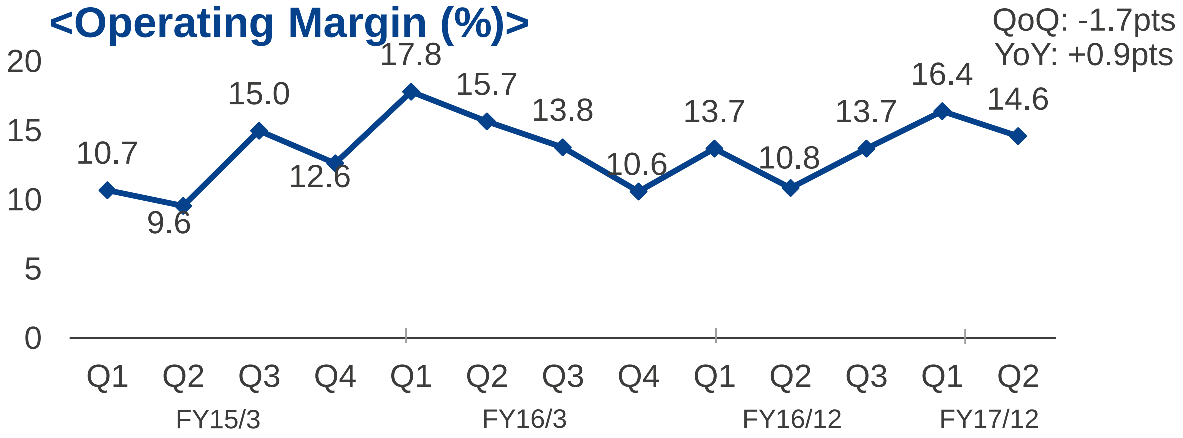
<Gross Margin (%)>



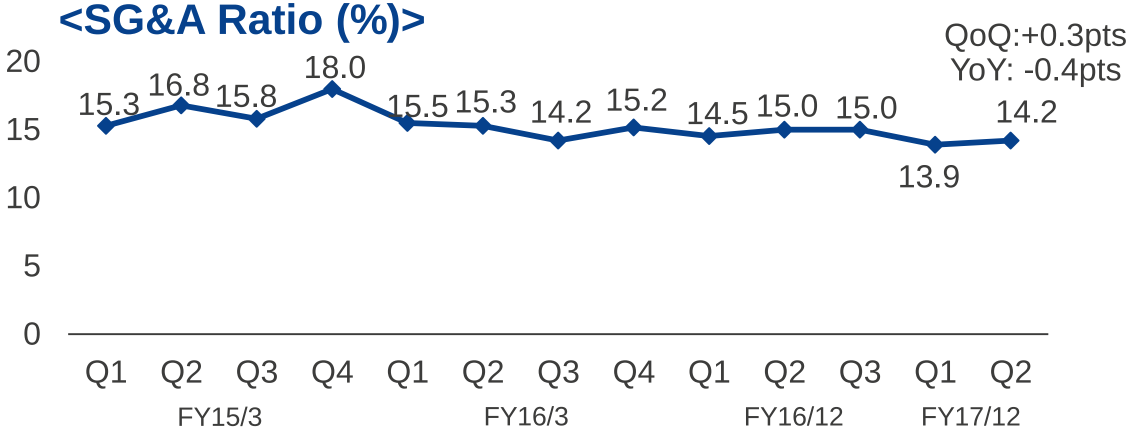
<R&D Ratio (%)>



<Operating Margin (%)>



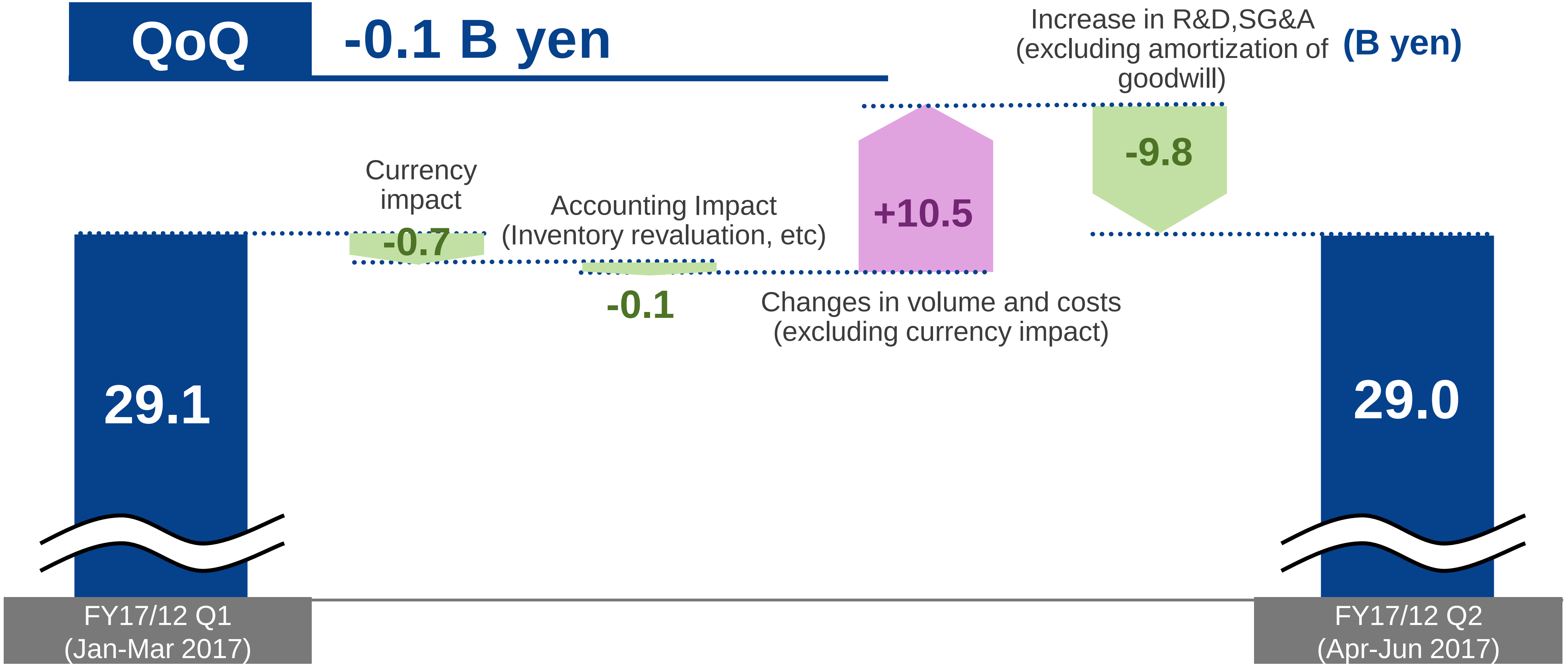
<SG&A Ratio (%)>



*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q2 was 0 yen in operating income.)

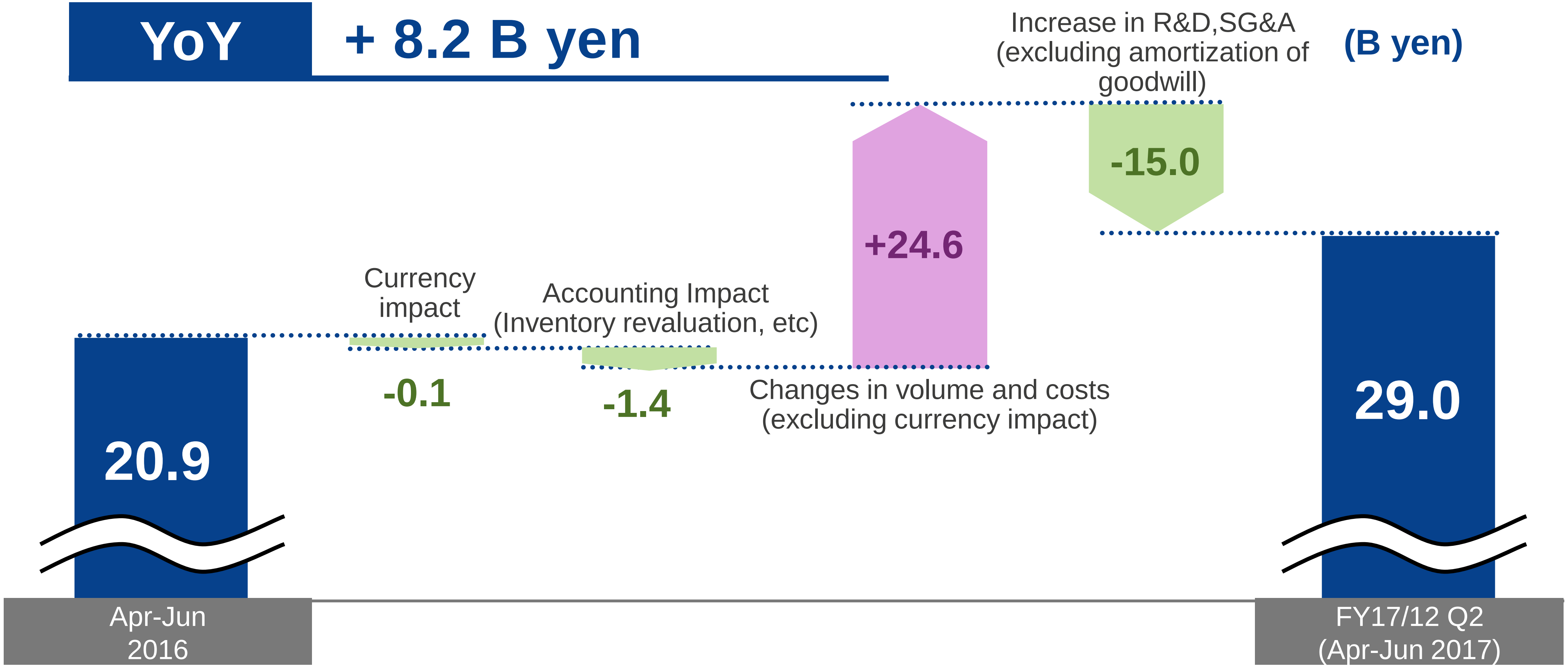
FY17/12 Q2 OPERATING INCOME

QoQ **-0.1 B yen**



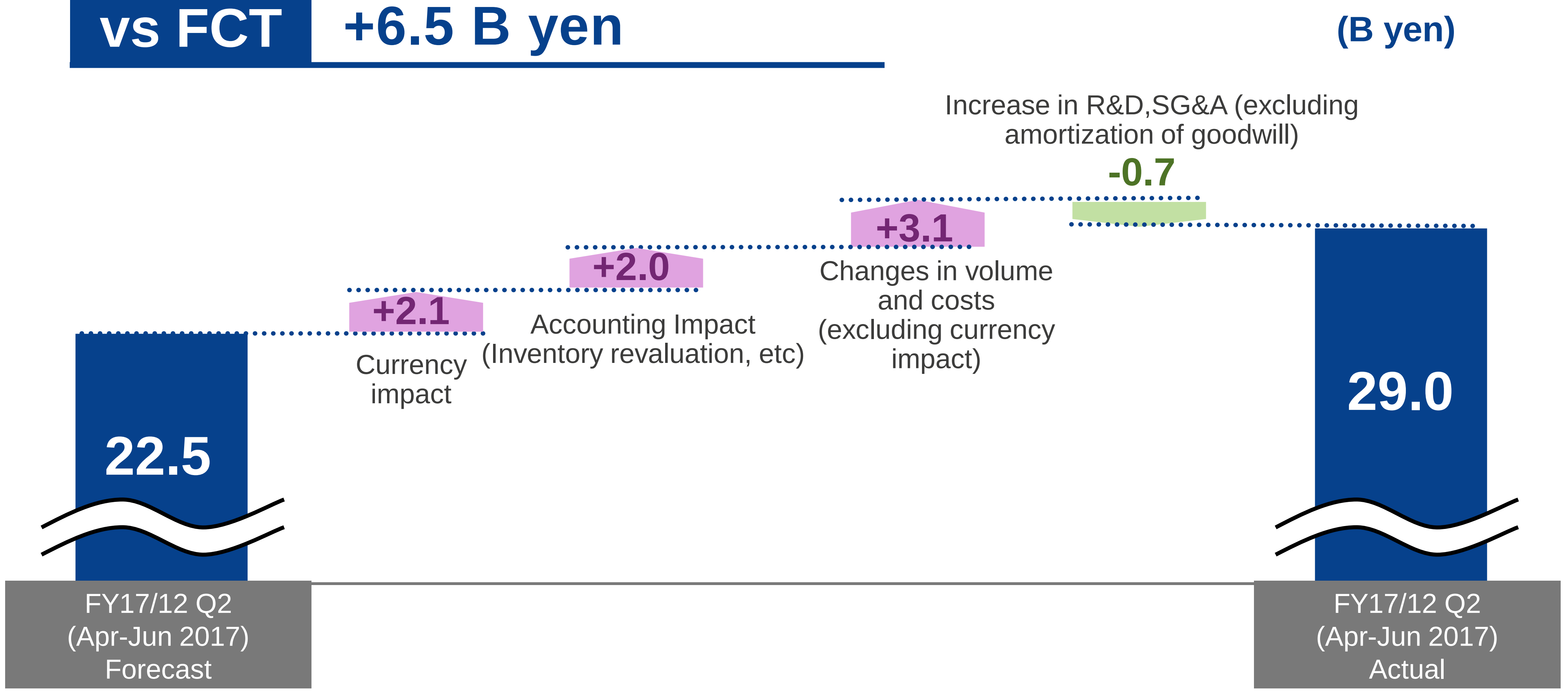
FY17/12 Q2 OPERATING INCOME

YoY + 8.2 B yen



FY17/12 Q2 OPERATING INCOME

vs FCT **+6.5 B yen**

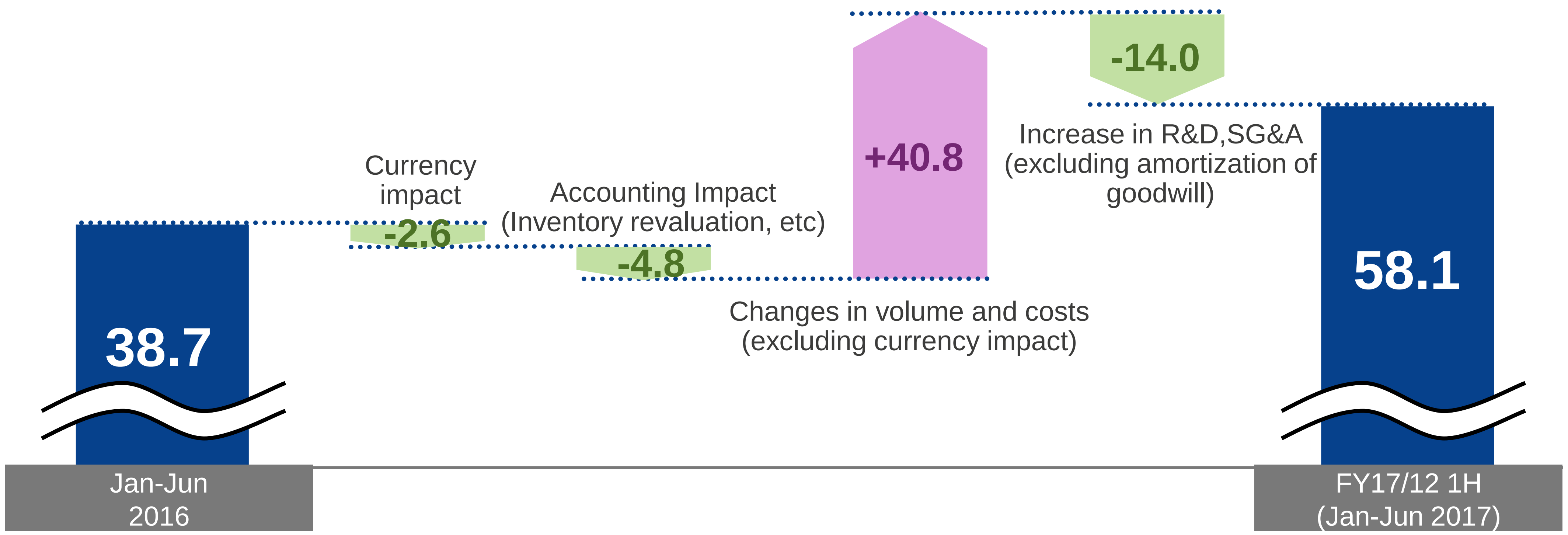


  BIG IDEAS FOR EVERY SPACE

Non-GAAP

FY17/12 1H OPERATING INCOME

YoY + 19.4 B yen



FY17/12 Q3 FINANCIAL FORECASTS (NON-GAAP BASIS*1)

YoY and QoQ results of the Net Sales and Semiconductor Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)					
	July-Sep	9 months (Jan-Sep)	Q2 (Apr-Jun)	Q3 Forecast (July-Sep)	YoY	QoQ	9 months Forecast (Jan-Sep)	YoY
Net Sales	152.6	472.4	198.1	195.2	+27.9%	-1.5%	571.0	+20.9%
Semiconductor Sales	148.3	459.0	194.3	191.9	+29.4%	-1.2%	558.8	+21.7%
Gross Margin	42.5%	42.9%	45.7%	45.5%	+2.9pts	-0.2pts	45.6%	+2.6pts
Operating Income (Margin)	16.6 (10.8%)	55.2 (11.7%)	29.0 (14.6%)	30.5 (15.6%)	+14.0 (+4.8pts)	+1.5 (+1.0pts)	88.6 (15.5%)	+33.4 (+3.8pts)
Net Income Attributable to Shareholders of Parent Company	11.4	36.1	37.3	25.6	+14.2	-11.7	86.5	+50.4
EBITDA*2	31.5	100.2	47.3	49.5	+18.0	+2.2	143.0	+42.8
1 US$=	104 yen	111 yen	111 yen	110 yen	6 yen depreciation	1 yen appreciation	112 yen	1 yen depreciation
1 Euro=	116 yen	123 yen	122 yen	125 yen	9 yen depreciation	3 yen depreciation	123 yen	-

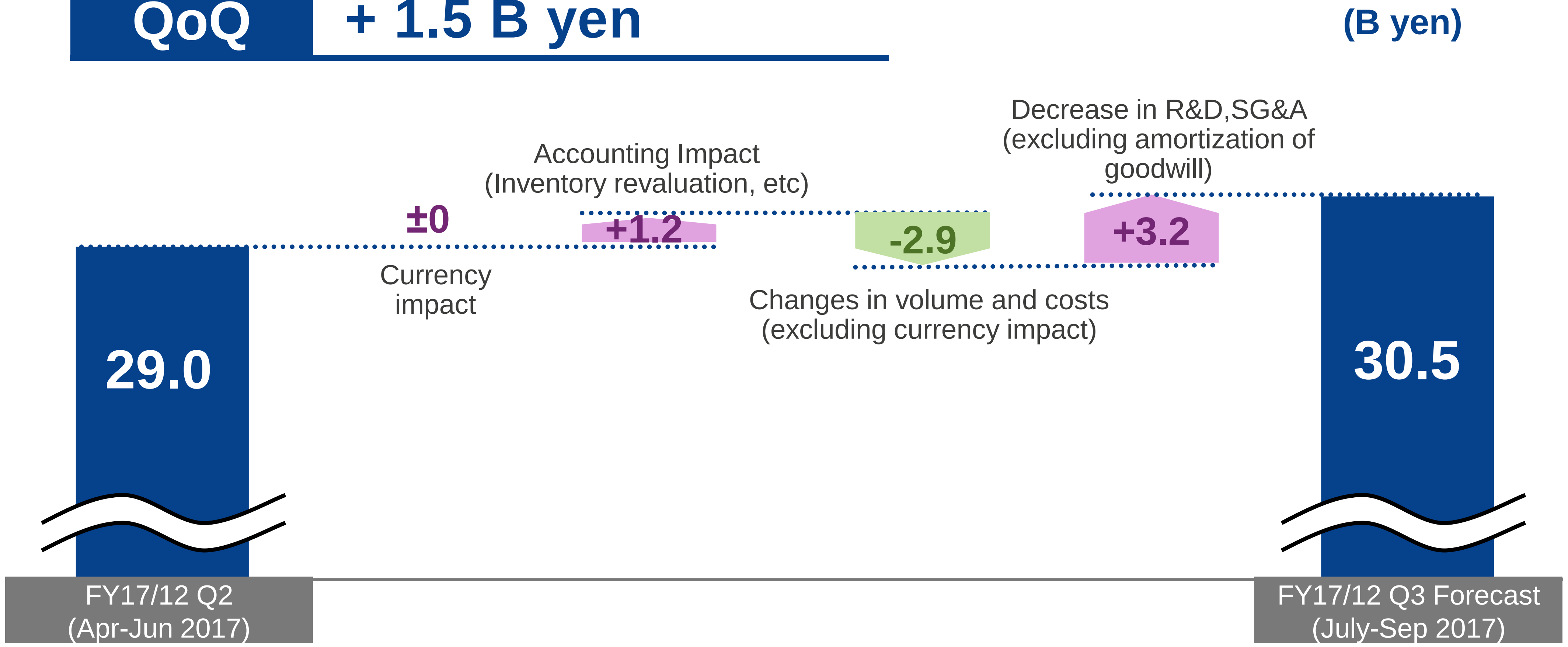
*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q3 is expected to be 0 yen in operating income.)

*2 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

Non-GAAP

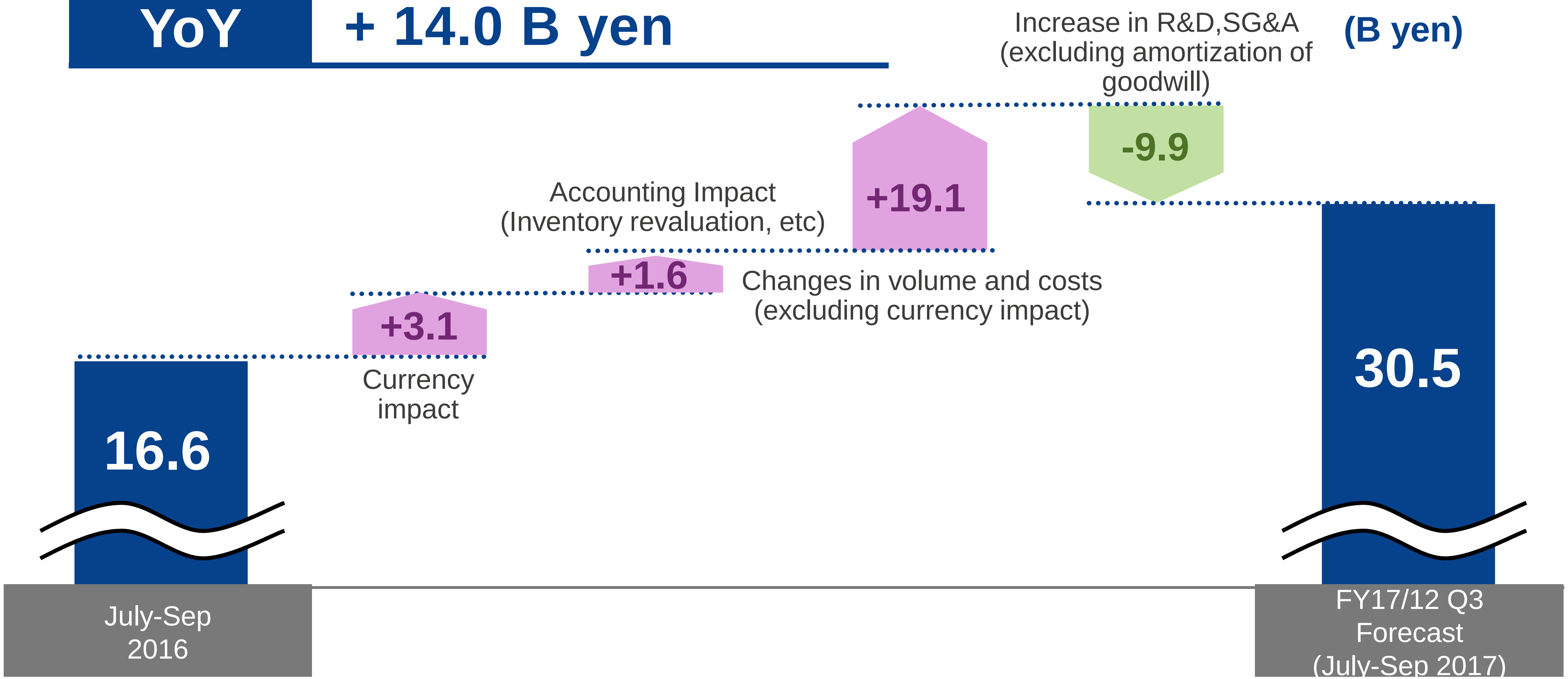
FY17/12 Q3 OPERATING INCOME FORECAST

QoQ **+ 1.5 B yen**



FY17/12 Q3 OPERATING INCOME FORECAST

YoY + 14.0 B yen



GAAP BASIS INFORMATION

The figures in this section are mainly based on GAAP (Generally Accepted Accounting Principles) stated on a financial reporting basis and are provided as additional information.

FORMER GAAP/NON-GAAP RECONCILIATION (UNTIL FY16/12)

(B Yen)	FY15/3				FY16/3				FY16/12		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Semiconductor Sales (GAAP) ①	201.2	199.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Renesas SP Drivers[*1] ②	-17.6	-21.0	-	-	-	-	-	-	-	-	-
Semiconductor Sales (Non-GAAP[*2]) ①+②	183.6	178.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Gross Profit (GAAP) ①	80.5	81.6	78.6	78.1	79.8	85.5	71.8	68.5	65.1	62.9	74.7
Renesas SP Drivers ②	-6.0	-6.4	-	-	-	-	-	-	-	-	-
Inventory Buildup[*3] ③	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Gross Profit (Non-GAAP) ①+②+③	71.9	73.5	76.9	76.7	79.4	83.2	69.5	70.6	67.4	64.9	75.9
Operating Income (GAAP) ①	27.0	23.5	29.5	24.4	32.4	30.7	25.0	15.7	18.6	14.6	21.6
Renesas SP Drivers ②	-3.9	-4.0	-	-	-	-	-	-	-	-	-
Inventory Buildup ④	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Operating Income (Non-GAAP) ①+②+③+④	20.5	17.9	27.8	23.0	32.0	28.4	22.7	17.8	20.9	16.6	22.8
R&D (Renesas SP Drivers)	1.8	1.9	-	-	-	-	-	-	-	-	-
SG&A (Renesas SP Drivers)	0.3	0.5	-	-	-	-	-	-	-	-	-

*1 Renesas SP Drivers: Sales and operating income (loss) of the former Renesas SP Drivers , which was transferred on October 1, 2014

*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q2 was 0 yen in operating income.)

*3 Inventory Buildup: Amount of income (loss) from inventory buildup of the EOL products resulting from realignment of the factories

REVISED GAAP/NON-GAAP RECONCILIATION (FROM FY17/12)

(B Yen)	FY16/12			FY17/12		
	Q1	Q2	Q3	Q1	Q2	Q3 (Forecast)
Net Sales	152.0	152.6	166.4	177.6	198.1	195.2
Gross Profit (GAAP)	65.1	62.9	74.7	80.8	90.5	88.8
Inventory Buildup*1	+2.3	+2.0	+1.2	-	-	-
Stock-Based Compensation (COGS)	-	-	-	+0	+0	+0
Gross Profit (Non-GAAP*2)	67.4	64.9	75.9	80.8	90.5	88.8
Non-GAAP Gross Margin (%)	44.3%	42.5%	45.6%	45.5%	45.7%	45.5%
Operating Income (GAAP)	18.6	14.6	21.6	25.5	18.8	20.7
Inventory Buildup	+2.3	+2.0	+1.2	-	-	-
Stock-Based Compensation (COGS)	-	-	-	+0	+0	+0
Amortization of Goodwill (SG&A)	-	-	-	+2.9	+8.7	+8.8
Costs Related to the Acquisition of Intersil (SG&A)	-	-	-	+0.5	+0.4	+0.1
Costs Related to the Acquisition of Intersil (R&D)	-	-	-	-	-	+0.1
Amortization of Purchased Intangible Assets (SG&A)	-	-	-	+0.1	+0.3	+0.2
Stock-Based Compensation (R&D)	-	-	-	+0	+0.3	+0.1
Stock-Based Compensation (SG&A)	-	-	-	+0.1	+0.4	+0.5
Costs Related to the Offering (SG&A)	-	-	-	-	+0.2	-
Operating Income (Non-GAAP)	20.9	16.6	22.8	29.1	29.0	30.5
Non-GAAP Operating Margin (%)	13.7%	10.8%	13.7%	16.4%	14.6%	15.6%

*1 Inventory Buildup: Amount of income (loss) from inventory buildup of the EOL products resulting from realignment of the factories

*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 was 0 yen in operating income.)

FY17/12 Q2 FINANCIAL SNAPSHOT

YoY and QoQ results as well as the changes from May 12 FCT of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)							
	Apr-Jun	1H (Jan-Jun)	Jan-Mar (Q1)	Apr-Jun (Q2) Forecast	Apr-Jun (Q2) Actual	YoY	QoQ	Change from May 12 FCT	1H Actual	YoY
Net Sales	152.0	319.8	177.6	192.1	198.1	+30.4%	+11.5%	+3.2%	375.8	+17.5%
Semi Sales	147.5	310.7	172.6	188.7	194.3	+31.7%	+12.6%	+3.0%	366.9	+18.1%
Gross Margin	42.8%	41.8%	45.5%	43.9%	45.7%	+2.9pts	+0.2pts	+1.8pts	45.6%	+3.8pts
Operating Income (Margin)	18.6 (12.2%)	34.3 (10.7%)	25.5 (14.3%)	13.0 (6.8%)	18.8 (9.5%)	+0.2 (-2.7pts)	-6.7 (-4.9pts)	+5.8 (+2.7pts)	44.3 (11.8%)	+10.0 (+1.1pts)
Net Income Attributable to Shareholders of Parent Company	10.0	20.3	20.0	20.0	27.1	+17.1	+7.1	+7.0	47.0	+26.8
EBITDA[*1]	33.1	64.3	45.6	40.0	46.0	+12.9	+0.4	+6.0	91.6	+27.3
1 US$=	111 yen	115 yen	114 yen	108 yen	111 yen	-	3 yen appreciation	3 yen depreciation	112 yen	2 yen appreciation
1 Euro=	124 yen	127 yen	121 yen	115 yen	122 yen	2 yen appreciation	1 yen depreciation	7 yen depreciation	122 yen	5 yen appreciation

*1 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

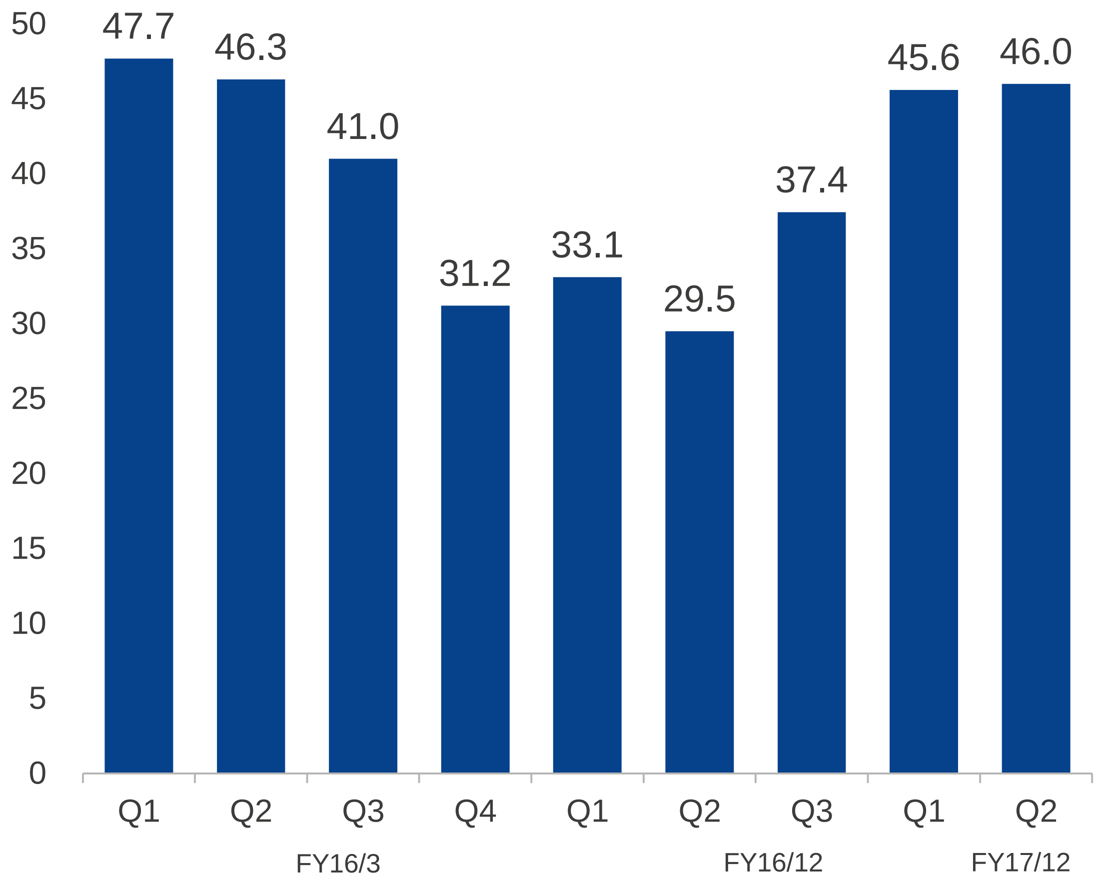
BALANCE SHEETS

(B Yen)	As of Jun. 30, 2016	As of Sep. 30, 2016	As of Dec. 31, 2016	As of Mar. 31, 2017	As of Jun. 30, 2017
Total Assets	823.2	758.2	823.1	966.8	**994.2**
Cash and Cash Equivalents*1	397.3	326.2	354.3	101.0	**126.6**
Inventories	97.0	92.1	97.3	106.4	**109.0**
Liabilities	447.7	376.2	400.7	534.0	**531.7**
Interest-Bearing Debt*2	237.9	157.9	157.3	252.7	**249.8**
Shareholders' Equity*3	374.1	383.5	408.3	428.2	**455.3**
Net Assets	375.5	382.0	422.4	432.8	**462.5**
D/E Ratio (Gross)*4	0.64	0.42	0.37	0.59	**0.54**
D/E Ratio (Net)*5	-0.43	-0.44	-0.47	0.35	**0.27**
Equity Ratio	45.4%	50.1%	51.0%	44.5%	**46.2%**

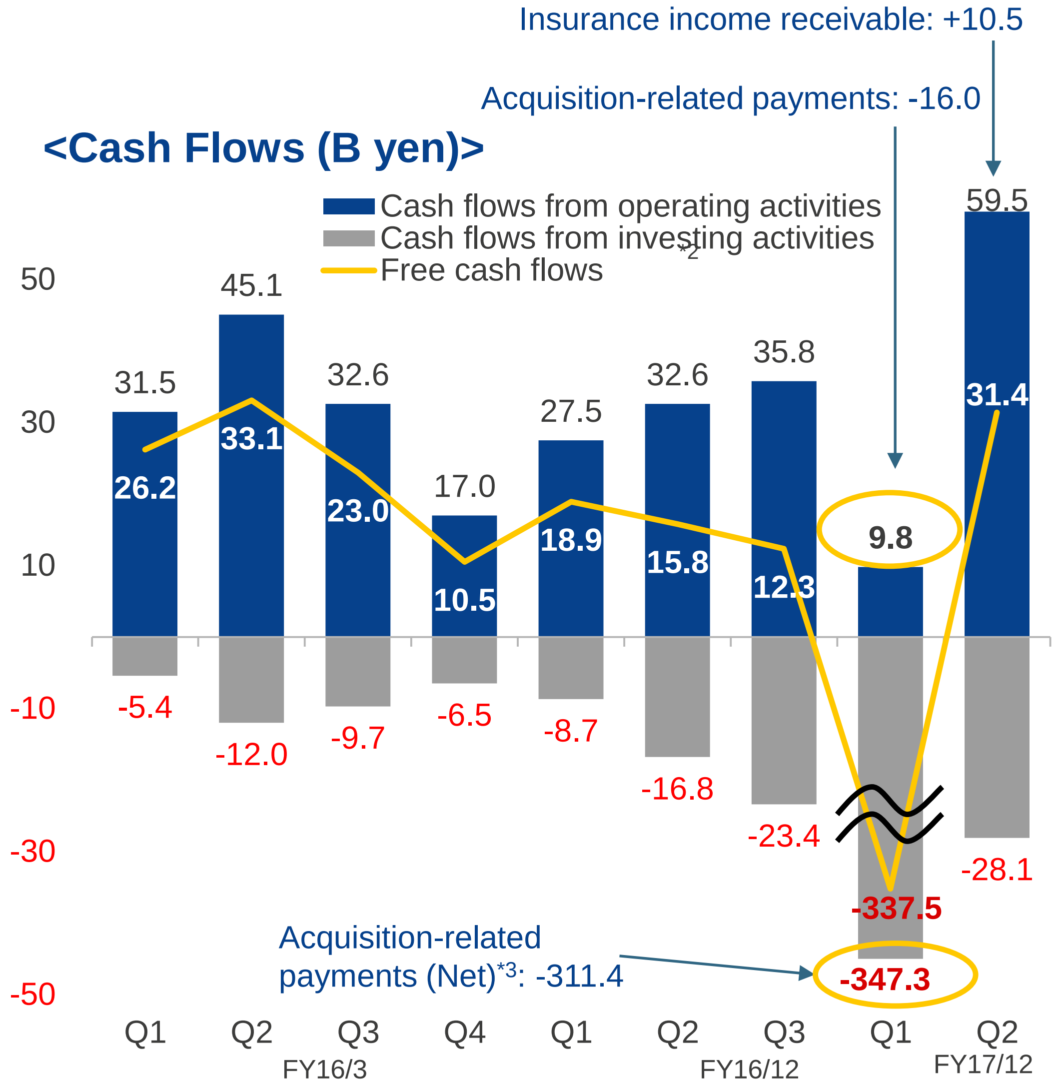
Notes
1. "Cash and Cash Equivalents": Sum of cash and deposits, and short-term investment securities minus the Time deposits with maturities of more than three months, and Securities with maturities of more than three months
2. "Interest-Bearing Debt": Short-term borrowings, Current portion of long-term borrowings, Lease obligations, Long-term borrowings
3. "Equity": Shareholders' Equity, Other Comprehensive Income 4. "D/E Ratio (Gross)": Interest-Bearing Debt / Equity 5. "D/E Ratio (Net)": (Interest-Bearing Debt - Cash and Cash Equivalents) / Equity

EBITDA[*1] AND CASH FLOWS

<EBITDA (B yen)>



<Cash Flows (B yen)>



*1 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

*2 Free cash flows: Cash flows from operating activities + cash flows from investing activities

*3 Acquisition-related payments (Net): Sum of payments for purchase of Intersil shares and Intersil's cash and cash equivalents as of Feb 24, 2017

FY17/12 Q3 FINANCIAL FORECASTS

YoY and QoQ results of the Net Sales and Semiconductor Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)					
	July-Sep	9 months (Jan-Sep)	Q2 (Apr-Jun)	Q3 Forecast (July-Sep)	YoY	QoQ	9 months Forecast (Jan-Sep)	YoY
Net Sales	152.6	472.4	198.1	195.2	+27.9%	-1.5%	571.0	+20.9%
Semiconductor Sales	148.3	459.0	194.3	191.9	+29.4%	-1.2%	558.8	+21.7%
Gross Margin	41.2%	41.6%	45.7%	45.5%	+4.2pts	-0.2pts	45.5%	+3.9pts
Operating Income (Margin)	14.6 (9.5%)	48.8 (10.3%)	18.8 (9.5%)	20.7 (10.6%)	+6.2 (+1.1pts)	+2.0 (+1.1pts)	65.0 (11.4%)	+16.2 (+1.0pts)
Net Income Attributable to Shareholders of Parent Company	9.4	29.7	27.1	16.0	+6.5	-11.1	63.0	+33.3
EBITDA*1	29.5	93.8	46.0	48.8	+19.3	+2.8	140.4	+46.6
1 US$=	104 yen	111 yen	111 yen	110 yen	6 yen depreciation	1 yen appreciation	112 yen	1 yen depreciation
1 Euro=	116 yen	123 yen	122 yen	125 yen	9 yen depreciation	3 yen depreciation	123 yen	-

*1 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

BIG IDEAS FOR EVERY SPACE

(FORWARD-LOOKING STATEMENTS)

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