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**Renesas Electronics Reports Financial Results
 for the Third Quarter Ended December 31, 2014**

Tokyo, Japan, February 5, 2015 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the nine months ended December 31, 2014.

Summary of Consolidated Financial Results

	Three months ended December 31, 2014		Nine months ended December 31, 2014	
	Billion Yen	% of Net Sales	Billion Yen	% of Net Sales
Net sales	191.9	100.0	608.9	100.0
Sales from semiconductors	177.4		578.2	
Sales from others	14.5		30.7	
Operating income (loss)	29.5	15.3	80.0	13.1
Ordinary income (loss)	33.2	17.3	82.3	13.5
Net income (loss)	38.2	19.9	73.3	12.0
Capital expenditures	7.2		22.1	
Depreciation and others	17.1		50.0	
R&D expenses	19.9		70.2	
	Yen		Yen	
Exchange rate (USD)	110		105	
Exchange rate (Euro)	140		140	

	As of December 31, 2014
	Billion Yen
Total assets	854.6
Net assets	285.9
Equity Capital	283.5
Equity ratio (%)	33.2
Interest-bearing debt	262.1

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

Note 2: Capital expenditures refer to the amount of order placed for property, plant and equipment (manufacturing equipment).

Note 3: 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 Third Quarter Ended December 31, 2014

English translation from the original Japanese-language document

February 5, 2015

Company name : **Renesas Electronics Corporation**
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section
 Code number : 6723
 URL : <http://www.renesas.com>
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 Filing date of Shihanki Hokokusho (scheduled) : February 5, 2015

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2014

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	%
Nine months ended December 31, 2014	608,864	(3.7)	79,986	57.9	82,283	90.3	73,320	620.9
Nine months ended December 31, 2013	632,508	5.3	50,667	---	43,244	---	10,171	---

Reference: Comprehensive income for the nine months ended December 31, 2014: 96,543 million yen (250.6%)
 Comprehensive income for the nine months ended December 31, 2013: 27,539 million yen (---%)

	Net income (loss) per share basic	Net income (loss) per share diluted
	Yen	Yen
Nine months ended December 31, 2014	43.98	---
Nine months ended December 31, 2013	12.11	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 31, 2014	854,596	285,937	33.2
March 31, 2014	786,002	227,314	27.3

Reference: Equity as of December 31, 2014: 283,475 million yen
 Equity as of March 31, 2014: 214,601 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, 2014	---	0.00	---	0.00	0.00
Year ending March 31, 2015	---	0.00	---		
Year ending March 31, 2015 (forecast)				0.00	0.00

Note: Change in forecast of cash dividends since the most recently announced forecast: Yes
For details, please refer to Appendix 1.4., "Forecasts of Cash Dividends" on page 6.

3. Forecast of consolidated results for the year ending March 31, 2015

(% 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
Year ending March 31, 2015	786,000	(5.6)	98,000	44.9	98,000	67.2	74,000	---	44.39

Note: Change in forecast of consolidated results since the most recently announced forecast: Yes
For details, please refer to Appendix 1.3., "Consolidated Forecasts" on page 6

4. Others

4.1 Changes in significant subsidiaries for the nine months ended December 31, 2014
(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

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

- Changes in accounting policies with revision of accounting standard: Yes
- Changes in accounting policies except for 4.3.1: No
- Changes in accounting estimates: No
- Corrections of prior period errors: No

4.4 Number of shares issued and outstanding (common stock)

- Number of shares issued and outstanding (including treasury stock)

As of December 31, 2014: 1,667,124,490 shares

As of March 31, 2014: 1,667,124,490 shares

- Number of treasury stock

As of December 31, 2014: 2,548 shares

As of March 31, 2014: 2,548 shares

- Average number of shares issued and outstanding

For the nine months ended December 31, 2014: 1,667,121,942 shares

For the nine months ended December 31, 2013: 839,849,215 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. The review procedures for the quarterly financial report have been completed by the time of issuance of this report.

Cautionary Statement

The statements with respect to the financial outlook of Renesas Electronics Corporation (hereafter “the Company”) and its consolidated subsidiaries (hereafter “the Group”) 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.

The Group will hold a quarterly earnings conference for institutional investors and analysts on February 5, 2015. The Group plans to post the materials which are provided at the meeting, on the Group’s website on that day.

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1. Third Quarter Consolidated Financial Results

1.1 Consolidated Business Results

1.1.1 Summary of Consolidated Financial Results Nine Months Ended December 31, 2014

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	632.5	608.9	(23.6)	(3.7)
Sales from semiconductors	605.0	578.2	(26.8)	(4.4)
Sales from others	27.5	30.7	3.1	11.4
Operating income (loss)	50.7	80.0	29.3	57.9
Ordinary income (loss)	43.2	82.3	39.0	90.3
Net income (loss)	10.2	73.3	63.1	620.9
	Yen	Yen		
Exchange rate (USD)	98	105	-	-
Exchange rate (EUR)	130	140	-	-

[Net sales]

Consolidated net sales for the nine months ended December 31, 2014 were 608.9 billion yen, a 3.7% decrease year on year. This was mainly due to a decrease in sales from semiconductors, including those for mobile handsets and consumer electronics devices, resulting from the selection and concentration of businesses, despite the steady sales of automotive and industrial semiconductors and improved exchange rate.

Sales from semiconductors for the nine months ended December 31, 2014 were 578.2 billion yen, a 4.4% decrease year on year.

[Operating income (loss)]

Operating income for the nine months ended December 31, 2014 was 80.0 billion yen, 29.3 billion yen improvement year on year. This was mainly owing to: continued strong growth of the sales of automotive and industrial semiconductors; improved exchange rate; and improved earnings structure, including the improvement of gross profit ratio, through implementation of the structural reform measures, despite the decrease in sales from semiconductors, including those for mobile handsets and consumer electronics devices, resulting from the selection and concentration of businesses.

[Ordinary income (loss)]

Ordinary income for the nine months ended December 31, 2014 was 82.3 billion yen, mainly due to non-operating income of 2.3 billion yen from recording non-operating income of 7.1 billion yen including foreign exchange gains, etc.

[Net income (loss)]

Net income for the nine months ended December 31, 2014 was 73.3 billion yen, 63.1 billion yen improvement year on year. This was mainly due to improved operating income and ordinary income in addition to decreased special loss year on year, especially from the business structure improvement expenses, as well as recording of special income from business transfer.

**1.1.2 Summary of Consolidated Financial Results
Three Months Ended December 31, 2014**

	Three months ended December 31, 2013	Three months ended December 31, 2014	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	215.6	191.9	(23.7)	(11.0)
Sales from semiconductors	207.6	177.4	(30.2)	(14.6)
Sales from others	8.0	14.5	6.5	81.5
Operating income (loss)	30.0	29.5	(0.5)	(1.7)
Ordinary income (loss)	29.3	33.2	3.9	13.1
Net income (loss)	23.0	38.2	15.2	66.2
	Yen	Yen		
Exchange rate (USD)	99	110	-	-
Exchange rate (EUR)	134	140	-	-

[Net sales]

Consolidated net sales for the three months ended December 31, 2014 were 191.9 billion yen, a decrease by 11.0% year on year. This decrease was caused by a decrease in sales from semiconductors, which is the core business of the Group.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended December 31, 2014 were 177.4 billion yen, a 14.6% decrease year on year.

The sales breakdown for “Automotive” and “General purpose,” the two application categories that constitute the main business of the Group, and for “Other semiconductors” not belonging to the above two application categories, is as follows:

Automotive Business: 82.1 billion yen

The automotive business includes the product categories “Automotive control,” comprising semiconductor devices for controlling automobile engines and bodies, and “Automotive information,” comprising semiconductor devices used in automotive information systems such as navigation systems. The Group supplies microcontrollers, analog & power semiconductor devices, and system-on-chip (SoC) products in each of these categories.

Third-quarter sales for the Automotive business were 82.1 billion yen, an increase of 3.0 % year on year. Sales increased in both the “Automotive control” and “Automotive information” categories.

General-Purpose Business: 94.0 billion yen

The general-purpose business includes the product categories “Industrial/Home electronics,” comprising semiconductor devices for industrial equipment, white goods, etc., “OA/ICT,” comprising semiconductor devices for office automation (OA) equipment such as copy machines and information and communication technology (ICT) equipment such as network infrastructure, and “General-purpose,” comprising general-purpose semiconductor devices for other applications. The Group supplies microcontrollers, analog & power semiconductor devices, and SoC products in each of these categories.

Third-quarter sales for the General-purpose business were 94.0 billion yen, a decrease of 25.6% year on year. This was mainly due to the Group’s promotion of selection and concentration of businesses which led to

decreased sales in the “OA/ICT” and “General-Purpose” categories, despite the increased sales in the “Industrial/Home electronics”. In particular, sales in the “General-Purpose” category decreased year on year as a result of transferring all of the shares in Renesas SP Drivers Inc., a consolidated subsidiary of the Group and supplier of small- and medium-sized display driver ICs, to Synaptics Holding GmbH as of October 1, 2014.

Other Semiconductors: 1.2 billion yen

Sales of Other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended December 31, 2014 were 1.2 billion yen, a 21.0% decrease 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 December 31, 2014 were 14.5 billion yen, an 81.5% increase year on year. This increase was mainly due to sales of the former Renesas SP Drivers products supplied by commissioning that continued even after the transfer of all of the shares in Renesas SP Drivers on October 1, 2014, until the supply system was organized at Synaptics Holding GmbH on October 31, 2014.

[Operating income (loss)]

Operating income for the three months ended December 31, 2014 was 29.5 billion yen, a 0.5 billion yen decrease year on year. Despite a decrease in sales from semiconductors, including those for mobile handsets and consumer electronics devices, resulting from the selection and concentration of businesses, operating profit was almost in line with the third quarter ended December 31, 2013, due to the improved earnings structure, including the improvement of gross profit ratio, through improved exchange rate and implementation of the structural reform measures.

[Ordinary income (loss)]

Ordinary income for the three months ended December 31, 2014 was 33.2 billion yen, mainly due to non-operating income of 3.7 billion yen from recording non-operating income of 5.2 billion yen including foreign exchange gains, etc., despite a recording of non-operating expenses of 1.5 billion yen, including interest expenses, etc.

[Net income (loss)]

Net income for the three months ended December 31, 2014 was 38.2 billion yen, a 15.2 billion yen improvement year on year. This was mainly due to decreased special loss year on year, especially from the business structure improvement expenses, and recording of special income from business transfer.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	September 30, 2014	December 31, 2014	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	836.8	854.6	17.8
Net assets	248.6	285.9	37.3
Equity	233.6	283.5	49.9
Equity ratio (%)	27.9	33.2	5.3
Interest-bearing debt	268.9	262.1	(6.8)
Debt / Equity ratio	1.15	0.93	(0.22)

Total assets at December 31, 2014 were 854.6 billion yen, a 17.8 billion yen increase from September 30, 2014. This was primarily due to improved free cash flows with only a small amount of additional cash outgo from structural reform measures which resulted in increase in cash and deposits in the three months ended December 31, 2014. Net assets were 285.9 billion yen, a 37.3 billion yen increase from September 30, 2014. This was mainly due to recording of net income of 38.2 billion yen, in the three months ended December 31, 2014.

Equity increased by 49.9 billion yen from September 30, 2014 and the equity ratio was 33.2%. Interest-bearing debt decreased by 6.8 billion yen from September 30, 2014. Consequently, the debt to equity ratio dropped to 0.93.

1.2.2 Cash Flows

	Three Months ended December 31, 2013	Three Months ended December 31, 2014
	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	33.9	41.0
Net cash provided by (used in) investing activities	(3.4)	7.2
Free cash flows	30.5	48.2
Net cash provided by (used in) financing activities	(10.4)	(9.5)
Cash and cash equivalents at the beginning of period	239.3	288.2
Cash and cash equivalents at the end of period	266.0	335.8

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

Net cash provided by operating activities for the three months ended December 31, 2014 was 41.0 billion yen. This was mainly due to recording of income before income taxes in the amount of 43.3 billion yen; adjustment of non-expenditure items including depreciation and amortization, etc., and decrease in accounts payable-other and accrued expenses.

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

Net cash used in investing activities for the three months ended December 31, 2014 was 7.2 billion yen, mainly due to payments for purchases of property, plant and equipment in the amount of 6.3 billion yen and 15.0 billion yen proceeds from transfer of business.

The foregoing resulted in positive free cash flows of 48.2 billion yen for the three months ended December 31, 2014.

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

Net cash used in financing activities for the three months ended December 31, 2014 was 9.5 billion yen.

1.3 Consolidated Forecasts

The Group reports its consolidated forecasts on a quarterly basis because of the difficulty of forecasting full-year results with high accuracy due to the short-term volatility of the semiconductor market.

(For the year ending March 31, 2015)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous forecasts (October 29, 2014)	---	---	---	---	---
Revised forecasts (February 5, 2015)	786,000	748,000	98,000	98,000	74,000
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference : Results for the year ended March 31, 2014	833,011	796,790	67,635	58,625	(5,291)

The figures of the consolidated forecasts for the year ending March 31, 2015 above are sum of the results of the nine months ended December 31, 2014 and the forecasts of the three months ending March 31, 2015. The consolidated forecasts for the fiscal year ending March 31, 2015 are calculated at the rate of 108 yen per USD and 140yen per Euro.

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 forecasts of cash dividends for the fiscal year ending March 31, 2015, while the Group expects to record a consolidated net income for the year ending March 31, 2015, it expects that the Group will not be able to recover from its cumulative loss due to its heavy cumulative loss at the end of the fiscal year ended March 31, 2014. Therefore the Group intends to forgo 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, 2015)

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

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

Due to the restructuring of wholly owned subsidiaries of the Company: Renesas Semiconductor Manufacturing Co., Ltd.(Engaged in the semiconductor front-end production business) and Renesas Semiconductor Package & Test Solutions Co., Ltd.(Engaged in the semiconductor back-end production business), Renesas Yamagata Semiconductor Co., Ltd. and other eight companies are excluded from the Group by means of absorption-type merger in the first quarter of the fiscal year ending March 31, 2015. Through sale of common stocks or absorption-type merger, Renesas SP Drivers and other two companies were also excluded from the Group's consolidated companies.

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 third quarter of the fiscal year ending March 31, 2015 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including the third quarter, while applying tax effect accounting.

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

(Changes in accounting principles)

From the first quarter of the fiscal year ending March 31, 2015, the Group has adopted the provisions set forth in Clause 35 of the "Accounting Standard for Retirement Benefits" and in Clause 67 of the "Guidance on Accounting Standard for Retirement Benefits" for "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012). As a result of this adoption, the calculation method of retirement benefit obligations and current service costs has been reviewed, and the method of attributing expected benefit to periods has been changed from mainly a point-based or straight-line method to a benefit formula basis. Furthermore, the calculation method of the discount rate has also been changed.

The adoption of the accounting standards is subject to the transition treatment set forth in Clause 37 of the "Accounting Standard for Retirement Benefits", and effects of the change in the accounting standard for the calculation method of retirement benefit obligations and current service costs are adjusted on the "Retained earnings" of the net asset section.

Consequently, the beginning balance of the "Net defined benefit liability" for the nine months ended December 31, 2014 was increased by 25,275 million yen, while that of the "Retained earning" was decreased by 25,074 million yen. Furthermore, the impact on operating income, ordinary income and Income before income taxes and minority interests for the nine months ended December 31, 2014 is negligible.

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2014)	Current Third Quarter (As of December 31, 2014)
Assets		
Current assets		
Cash and deposits	267,302	336,471
Notes and accounts receivable-trade	82,531	92,161
Merchandise and finished goods	47,332	37,799
Work in process	70,185	64,825
Raw materials and supplies	8,538	6,918
Accounts receivable-other	20,071	15,098
Other current assets	8,049	12,997
Allowance for doubtful accounts	(101)	(117)
Total current assets	503,907	566,152
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	83,643	81,005
Machinery and equipment, net	59,564	57,679
Vehicles, tools, furniture and fixtures, net	18,949	17,837
Land	31,197	30,099
Construction in progress	10,901	8,282
Total property, plant and equipment	204,254	194,902
Intangible assets		
Software	11,722	10,171
Other intangible assets	23,155	19,906
Total intangible assets	34,877	30,077
Investments and other assets		
Investment securities	8,587	9,431
Long-term prepaid expenses	21,633	36,603
Other assets	12,745	17,432
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	42,964	63,465
Total long-term assets	282,095	288,444
Total assets	786,002	854,596

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2014)	Current Third Quarter (As of December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	91,374	86,910
Short-term borrowings	2,000	-
Current portion of long-term borrowings	3,366	7,200
Current portion of lease obligations	2,458	1,134
Accounts payable-other	41,238	44,968
Accrued expenses	41,663	27,939
Accrued income taxes	8,631	6,237
Provision for product warranties	605	445
Provision for business structure improvement	5,142	8,862
Provision for contingent loss	993	346
Asset retirement obligations	22	22
Other current liabilities	3,524	10,792
Total current liabilities	201,016	194,855
Long-term liabilities		
Long-term borrowings	256,625	248,114
Lease obligations	6,453	5,632
Provision for business structure improvement	4,956	5,027
Net defined benefit liability	57,874	72,414
Asset retirement obligations	4,102	4,946
Other liabilities	27,662	37,671
Total long-term liabilities	357,672	373,804
Total liabilities	558,688	568,659
Net assets		
Shareholders' equity		
Common stock	228,255	228,255
Capital surplus	525,413	525,413
Retained earnings	(533,106)	(484,860)
Treasury stock	(11)	(11)
Total shareholders' equity	220,551	268,797
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	572	637
Foreign currency translation adjustments	(347)	18,384
Remeasurements of defined benefit plans	(6,175)	(4,343)
Total accumulated other comprehensive income	(5,950)	14,678
Minority interests	12,713	2,462
Total net assets	227,314	285,937
Total liabilities and net assets	786,002	854,596

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(The nine months ended December 31, 2013 and 2014)

(In millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	632,508	608,864
Cost of sales	397,959	368,165
Gross profit	234,549	240,699
Selling, general and administrative expenses	183,882	160,713
Operating income (loss)	50,667	79,986
Non-operating income		
Interest income	335	663
Dividends income	50	120
Equity in earnings of affiliates	114	184
Foreign exchange gains	2,338	5,072
Other non-operating income	856	1,078
Total non-operating income	3,693	7,117
Non-operating expenses		
Interest expenses	3,691	2,398
Retirement benefit expenses	1,423	1,165
Share issuance cost	2,354	-
Other non-operating expenses	3,648	1,257
Total non-operating expenses	11,116	4,820
Ordinary income (loss)	43,244	82,283
Special income		
Gain on sales of property, plant and equipment	312	987
Gain on transfer of business	*1 15,508	*1 19,754
Gain on sales of investment securities	79	142
Gain on forgiveness of debt	*2 7,636	-
Gain on extinguishment of debt	-	*3 1,694
Total special income	23,535	22,577
Special loss		
Loss on sales of property, plant and equipment	29	131
Impairment loss	1,685	600
Loss on disaster	1,321	-
Loss on valuation of investment securities	10	-
Business structure improvement expenses	*4 38,266	*4 17,531
Compensation for damage	17	-
Provision for contingent loss	1,253	262
Loss on liquidation of subsidiaries and affiliates	35	498
Loss on transfer of business	1,598	-
Total special losses	44,214	19,022
Income (loss) before income taxes and minority interests	22,565	85,838
Income taxes	8,728	10,029
Income (loss) before minority interests	13,837	75,809
Minority interests in income (loss) of consolidated subsidiaries	3,666	2,489
Net income (loss)	10,171	73,320

Quarterly Consolidated Statements of Comprehensive Income
(The nine months ended December 31, 2013 and 2014)

(In millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income (loss) before minority interests	13,837	75,809
Other comprehensive income		
Unrealized gains (losses) on securities	265	12
Foreign currency translation adjustments	13,402	18,837
Remeasurements of defined benefit plans, net of tax	-	1,835
Share of other comprehensive income of affiliates accounted for by the equity method	35	50
Total other comprehensive income	13,702	20,734
Comprehensive income	27,539	96,543
Comprehensive income attributable to:		
Shareholders of parent company	23,621	93,948
Minority interests	3,918	2,595

Quarterly Consolidated Statements of Operations
(The three months ended December 31, 2013 and 2014)

(In millions of yen)

	Three months ended December 31, 2013	Three months ended December 31, 2014
Net sales	215,642	191,936
Cost of sales	131,610	113,366
Gross profit	84,032	78,570
Selling, general and administrative expenses	54,053	49,110
Operating income (loss)	29,979	29,460
Non-operating income		
Interest income	158	257
Dividends income	27	97
Equity in earnings of affiliates	36	61
Foreign exchange gains	809	4,317
Other non-operating income	187	490
Total non-operating income	1,217	5,222
Non-operating expenses		
Interest expenses	907	812
Retirement benefit expenses	475	388
Other non-operating expenses	480	293
Total non-operating expenses	1,862	1,493
Ordinary income (loss)	29,334	33,189
Special income		
Gain on sales of property, plant and equipment	63	818
Gain on transfer of business	*1 15,479	*1 19,754
Gain on sales of investment securities	6	35
Total special income	15,548	20,607
Special loss		
Loss on sales of property, plant and equipment	4	16
Impairment loss	124	104
Loss on disaster	1,321	-
Business structure improvement expenses	*4 14,417	*4 9,826
Provision for contingent loss	400	22
Loss on liquidation of subsidiaries and affiliates	35	498
Loss on transfer of business	58	-
Total special losses	16,359	10,466
Income (loss) before income taxes and minority interests	28,523	43,330
Income taxes	3,251	5,056
Income (loss) before minority interests	25,272	38,274
Minority interests in income (loss) of consolidated subsidiaries	2,291	72
Net income (loss)	22,981	38,202

Quarterly Consolidated Statements of Comprehensive Income

(The three months ended December 31, 2013 and 2014)

(In millions of yen)

	Three months ended December 31, 2013	Three months ended December 31, 2014
Income (loss) before minority interests	25,272	38,274
Other comprehensive income		
Unrealized gains (losses) on securities	183	10
Foreign currency translation adjustments	8,221	10,885
Remeasurements of defined benefit plans, net of tax	–	695
Share of other comprehensive income of affiliates accounted for by the equity method	–	18
Total other comprehensive income	8,404	11,608
Comprehensive income	33,676	49,882
Comprehensive income attributable to:		
Shareholders of parent company	31,699	49,883
Minority interests	1,977	(1)

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	22,565	85,838
Depreciation and amortization	48,367	41,239
Amortization of long-term prepaid expenses	8,514	8,722
Impairment loss	1,685	600
Increase (decrease) in accrued retirement benefits	(7,497)	–
Increase (decrease) in net defined benefit liability	–	(11,415)
Increase (decrease) in provision for business structure improvement	8,655	5,236
Increase (decrease) in provision for contingent loss	–	268
Interest and dividends income	(385)	(783)
Insurance income	(59)	(217)
Interest expenses	3,691	2,398
Equity in (earnings) losses of affiliates	(114)	(184)
Loss (gain) on sales and valuation of investment securities	(69)	(142)
Loss (gain) on liquidation of subsidiaries and affiliates	35	498
Loss (gain) on sales of property, plant and equipment	(283)	(856)
Share issuance cost	2,354	–
Gain on forgiveness of debt	(7,636)	–
Business structure improvement expenses	24,621	7,693
Loss (gain) on transfer of business	(13,910)	(19,754)
Decrease (increase) in notes and accounts receivable-trade	1,355	(5,560)
Decrease (increase) in inventories	21,860	18,950
Decrease (increase) in accounts receivable-other	728	10,936
Increase (decrease) in notes and accounts payable-trade	(1,839)	(15,820)
Increase (decrease) in accounts payable-other and accrued expenses	10,365	(12,476)
Other cash provided by (used in) operating activities, net	4,813	(4,456)
Subtotal	127,816	110,715
Interest and dividends received	419	826
Proceeds from insurance income	90	217
Interest paid	(3,722)	(2,392)
Income taxes (paid) refund	(8,247)	(5,219)
Payments for extra retirement benefits	(44,588)	(11,432)
Settlement package paid	(405)	(166)
Net cash provided by (used in) operating activities	71,363	92,549

(In millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(19,471)	(25,761)
Proceeds from sales of property, plant and equipment	503	1,832
Purchase of intangible assets	(3,107)	(4,686)
Purchase of long-term prepaid expenses	(1,986)	(2,702)
Purchase of investment securities	(405)	(536)
Proceeds from sales of investment securities	601	612
Purchase of investments in subsidiaries	-	(3,200)
Proceeds from transfer of business	19,967	14,992
Payments for transfer of business	(7,953)	(448)
Collection of loans receivable	350	700
Other cash provided by (used in) investing activities, net	(944)	634
Net cash provided by (used in) investing activities	(12,445)	(18,563)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	500	(2,000)
Proceeds from long-term borrowings	221,789	3,000
Repayment of long-term borrowings	(235,119)	(7,677)
Proceeds from issuance of common shares	147,646	-
Repayments of finance lease obligations	(5,505)	(2,180)
Repayments of installment payables	(8,617)	(9,029)
Other, Net cash provided by (used in) financing activities net	(472)	-
Net cash provided by (used in) financing activities	120,222	(17,886)
Effect of exchange rate change on cash and cash equivalents	9,153	13,824
Net increase (decrease) in cash and cash equivalents	188,293	69,924
Cash and cash equivalents at the beginning of the period	77,731	265,897
Cash and cash equivalents at the end of the period	266,024	335,821

3.4 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

*1 Gain on transfer of business

For the nine months ended December 31, 2013

Mainly due to the transfer of subsidiaries' shares and certain assets related to the LTE Modem technology to Broadcom Corporation.

For the nine months ended December 31, 2014

Due to the transfer of a subsidiary's shares to Synaptics Holding GmbH.

*2 Gain on forgiveness of debt

Due to the receipt of planned financial assistance in the form of a partial debt waiver from some of its major shareholders.

*3 Gain on extinguishment of debt

Due to the extinguishment of the performance obligation for the accrued liabilities recognized in the past fiscal years.

*4 Business structure improvement expenses

The Group has reformed businesses and structures of the production along with the streamlining of employees to strengthen its financial basis, and those related expenses are shown as business structure improvement expenses.

The details of business structure improvement expenses for the consolidated statements of operations for the nine months ended December 31, 2013 and 2014 were as follows:

(In millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Personnel expenses including the special incentive of early retirement program	21,843	13,707
Impairment loss	11,679	999
Other (*)	4,744	2,825
Total	38,266	17,531

(*) The main item of "Other" for the nine months ended December 31, 2013 is equipment transfer-related losses for a consolidated subsidiary.

The details of business structure improvement expenses for the consolidated statements of operations for the three months ended December 31, 2013 and 2014 were as follows:

(In millions of yen)

	Three months ended December 31, 2013	Three months ended December 31, 2014
Personnel expenses including the special incentive of early retirement program	3,912	7,803
Impairment loss	7,918	431
Other	2,587	1,592
Total	14,417	9,826

(Notes on Assumption for Going Concern)

None

(Notes on Significant Changes in the Amount of Shareholders' Equity)

None

(Business Combinations)

Business Divestiture

(Transfer of subsidiary's shares)

1. Outline of the business divestiture

(1) Name of the buyer

Synaptics Holding GmbH (hereafter "Synaptics Holding")

(2) Nature of the divested business

Design, development, sale, and marketing of LCD drivers and controllers for small- and medium-sized LCD panels

(3) Main reasons for the divestiture

As outlined in the Company's press release, "Renesas Electronics Shows Direction of Renesas Group," issued on August 2, 2013, the Company identified fields and regions where growth is expected in the medium to long term and areas where it can outpace the competition, and will focus on three fields where it has strengths and can compete effectively: automotive (automotive control and automotive information), industrial/networking (industrial/home appliance, OA and ICT), and general-purpose products. In parallel, the Company has been carrying out structural reforms aimed at creating an organization that is consistently profitable, even when exposed to risks (natural disasters, market stagnation, etc.).

Renesas SP Drivers (hereafter "RSP") was established in 2008 as a joint venture of display driver IC business, which does not fall under the Company's three focus fields. While its operation is focused on design and development, RSP also offers manufacturing service by outsourcing its production to foundries. RSP has continued to perform well in recent years, buoyed by vigorous demand for smartphones and tablet devices.

Under such circumstances, based on its structural reform policies, the Company has been looking into the possibility of transferring ownership to another company which focuses on display driver IC business and also is expected to proactively invest its management resources into this business.

Having been approached by Synaptics Incorporated (hereafter "Synaptics") with an offer to purchase all of the Company's shares in RSP, the Company evaluated the offer and reached a conclusion to transfer the shares to Synaptics Holding, a wholly-owned subsidiary of Synaptics.

(4) Date of divestiture

October 1, 2014

(5) Overview of transactions including statutory form

The Company had transferred all of the common stocks of RSP with cash consideration.

2. Overview of accounting treatment applied

(1) Amount of gain on transfer of business

The difference between the consideration transferred and the amount corresponding to the shareholders' equity of the transferred business was recognized as gain on transfer of business in the consolidated statement of operations.

	(Millions of yen)
Gain on transfer of business	19,754

Based on the transferred contract, actual amount of gain on business transfer may fluctuate due to the adjustment of consideration transferred.

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

	(Millions of yen)
Current assets	29,155
Long-term assets	14,324
Total assets	43,479
Current liabilities	15,243
Total liabilities	15,243

3. Approximate amount of income (loss) pertaining to divested business recorded in the consolidated statement of operations for the nine months ended December 31, 2014

	(Millions of yen)
Net sales	38,636
Operating income	7,976

(Merger between the Company and its Subsidiary, Renesas Mobile Corporation)

1. Summary of transaction under common control

- (1) Names and businesses of companies involved in business combination

Name of surviving company: Renesas Electronics Corporation

Name of merged company: Renesas Mobile Corporation

Business Operations: Design of SoC devices, etc., for use primarily in mobile phones and car information systems (hereafter "CIS")

- (2) Date of business combination

October 1, 2014

- (3) Legal type of business combination

The absorption-type merger with the Company as the surviving company and RMC as the absorbed company.

- (4) Other matters relating to the outline of the transaction

As an important initiative among the structural reform measures currently being undertaken by the Company, an absorption-type merger will be executed with RMC to expand its CIS business in the automotive field, by concentrating resources involved in that business within the Company and to improve the Company's ability to develop solutions, while boosting the operational efficiency of that business and strengthening the profit structure.

2. Overview of accounting treatment applied

This transfer of business has been accounted for as transactions under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No.21, issued on December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, issued on December 26, 2008).

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 approximately 20 countries worldwide. More information can be found at www.renesas.com.

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