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**Renesas Electronics Reports Financial Results
for the Second Quarter Ended September 30, 2016**

Tokyo, Japan, November 2, 2016 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the six months ended September 30, 2016.

Summary of Consolidated Financial Results

	Three months ended September 30, 2016		Six months ended September 30, 2016	
	Billion Yen	% of Net Sales	Billion Yen	% of Net Sales
Net sales	152.6	100.0	304.6	100.0
Sales from semiconductors	148.3		295.8	
Sales from others	4.4		8.8	
Operating income	14.6	9.5	33.1	10.9
Ordinary income	12.6	8.2	28.8	9.5
Net income attributable to shareholders of parent company	9.4	6.2	19.4	6.4
Capital expenditures (Note 4)	29.7		48.7	
Depreciation and others	14.9		29.4	
R&D expenses	25.5		49.9	
Exchange rate (USD)	Yen 104		Yen 107	
Exchange rate (Euro)	116		120	

	As of September 30, 2016
	Billion Yen
Total assets	758.2
Net assets	382.0
Equity Capital	380.0
Equity ratio (%)	50.1
Interest-bearing debt	157.9

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

Note 2: Consolidated financial results for the three months ended September 30, 2016 have not been reviewed by the auditors. The figures are subject to change based on subsequent events or the auditors' review.

Note 3: At the 14th Ordinary General Shareholders' Meeting held on June 28, 2016, a partial amendment to the Articles of Incorporation was approved and Renesas Electronics Group implemented a change of the fiscal term in which the fiscal year-end will change from March 31 to December 31 starting from the fiscal year 2016. The current fiscal year (fiscal year ending December 31, 2016) in which the transition to the new accounting period is to take place, will comprise the financial results for the nine months from April 1, 2016, to December 31, 2016.

Note 4: Capital expenditures refer to the amount of order placed for property, plant and equipment (manufacturing equipment) and intangible assets.

Note 5: 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 Second Quarter Ended September 30, 2016

English translation from the original Japanese-language document



November 2, 2016

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>
 Representative : Bunsei Kure, Representative Director, President and CEO
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 Filing date of Shihanki Hokokusho (scheduled) : November 8, 2016

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2016

1.1 Consolidated financial results (% of change from corresponding period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2016	304,604	(15.6)	33,113	(47.5)	28,836	(57.0)	19,394	(66.2)
Six months ended September 30, 2015	360,701	(13.5)	63,093	24.9	67,121	36.7	57,409	63.5

Reference: Comprehensive income for the six months ended September 30, 2016: 232 million yen (-99.5%)
 Comprehensive income for the six months ended September 30, 2015: 48,514 million yen (4.0%)

	Net income per share basic	Net income per share diluted
	Yen	Yen
Six months ended September 30, 2016	11.63	11.63
Six months ended September 30, 2015	34.44	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
September 30, 2016	758,181	381,973	50.1
March 31, 2016	849,376	381,739	44.7

Reference: Equity as of September 30, 2016: 379,981 million yen
 Equity as of March 31, 2016: 379,479 million yen

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
Year ended March 31, 2016	Yen ---	Yen 0.00	Yen ---	Yen 0.00	Yen 0.00
Year ending December 31, 2016	---	0.00			
Year ending December 31, 2016 (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 nine months ending December 31, 2016

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Nine months ending December 31, 2016	466,000	---	54,000	---	49,000	---	37,000	---	22.19

Note: Change in forecast of consolidated results since the most recently announced forecast: Yes

At the 14th Ordinary General Shareholders' Meeting held on June 28, 2016, a partial amendment to the Articles of Incorporation was approved and Renesas Electronics Group implemented a change of the fiscal term in which the fiscal year-end will change from March 31 to December 31 starting from the fiscal year 2016. With some exceptions, the same changes have been made to the Group's subsidiaries. The current fiscal year (fiscal year ending December 31, 2016) in which the transition to the new accounting period is to take place, will comprise the financial results for the nine months from April 1, 2016, to December 31, 2016. For details, please refer to Appendix 1.3., "Consolidated Forecasts" on page 6.

[Reference]

The following adjusted change [%] for the forecasts for the year ending December 31, 2016 represents percentage change from the corresponding period in the prior year for the nine - month period from April 1, 2015 to December 31, 2015. (All numbers are in millions of yen)

<u>Net sales</u>	<u>Operating income</u>	<u>Ordinary income</u>
466,000	54,000	49,000
-11.3%	-38.7%	-46.1%

Net income attributable to shareholders of parent company
37,000
-51.3%

4. Others

4.1 Changes in significant subsidiaries for the six months ended September 30, 2016

(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

(Note) For details, please refer to page 7.

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

(Note) For details, please refer to page 7.

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

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

4.4 Number of shares issued and outstanding (common stock)

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

As of September 30, 2016: 1,667,124,490 shares

As of March 31, 2016: 1,667,124,490 shares

2. Number of treasury stock

As of September 30, 2016: 2,581 shares

As of March 31, 2016: 2,581 shares

3. Average number of shares issued and outstanding

For the six months ended September 30, 2016: 1,667,121,909 shares

For the six months ended September 30, 2015: 1,667,121,939 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 are underway 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 November 2, 2016. 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. Second Quarter Consolidated Financial Results

1.1 Consolidated Business Results

1.1.1 Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016

	Six months ended September 30, 2015	Six months ended September 30, 2016	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	360.7	304.6	(56.1)	(15.6%)
Sales from semiconductors	351.5	295.8	(55.7)	(15.8%)
Sales from others	9.2	8.8	(0.4)	(4.4%)
Operating income	63.1	33.1	(30.0)	(47.5%)
Ordinary income	67.1	28.8	(38.3)	(57.0%)
Net income attributable to shareholders of parent company	57.4	19.4	(38.0)	(66.2%)
	Yen	Yen	---	---
Exchange rate (USD)	122	107	---	---
Exchange rate (EUR)	134	120		

[Net sales]

Consolidated net sales for the six months ended September 30, 2016 were 304.6 billion yen, a 15.6% decrease year on year. This was mainly due to the continuing strong yen and the withdrawal from non-focus products centering on the General-Purpose business that the Group is promoting, in addition to the temporary shutdown of the Group's part of the production lines that was damaged by the 2016 Kumamoto Earthquake.

Sales from semiconductors for the six months ended September 30, 2016 were 295.8 billion yen, a 15.8% decrease year on year.

[Operating income]

Operating income for the six months ended September 30, 2016 was 33.1 billion yen, 30.0 billion yen decrease year on year. This was mainly due to the opportunity loss incurred by the temporary shutdown of the Group's part of the production lines caused by the damages from the 2016 Kumamoto Earthquake and the deteriorating exchange rate.

[Ordinary income]

Ordinary income for the six months ended September 30, 2016 was 28.8 billion yen, 38.3 billion yen decrease year on year. This was mainly due to non-operating loss of 4.3 billion yen from recording non-operating expenses of 5.2 billion yen, including foreign exchange losses and interest expenses. Furthermore, foreign exchange gains for the six months ended September 30, 2016 were 2.6 billion yen. The exchange gains are the result of foreign exchange valuation of cash and deposits, account receivable, and account payable in foreign currency at the end of three months ended September 30, 2016, and the difference between the exchange rates as of the recording and settlement time of the sales and purchase.

[Net income attributable to shareholders of parent company]

Net income attributable to shareholders of parent company for the six months ended September 30, 2016 was 19.4 billion yen, 38.0 billion yen decrease year on year. This was mainly due to a decrease in operating income a decrease in sales and a deteriorating exchange rate.

1.1.2 Summary of Consolidated Financial Results Three Months Ended September 30, 2016

	Three months ended September 30, 2015	Three months ended September 30, 2016	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	181.4	152.6	(28.8)	(15.9)
Sales from semiconductors	177.0	148.3	(28.7)	(16.2)
Sales from others	4.4	4.4	(0.1)	(1.4)
Operating income	30.7	14.6	(16.2)	(52.6%)
Ordinary income	33.8	12.6	(21.2)	(62.7%)
Net income attributable to shareholders of parent company	27.5	9.4	(18.1)	(65.8%)
	Yen	Yen		
Exchange rate (USD)	123	104	---	---
Exchange rate (EUR)	137	116	---	---

[Net sales]

Consolidated net sales for the three months ended September 30, 2016 were 152.6 billion yen, a decrease by 15.9% 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 September 30, 2016 were 148.3 billion yen, a 16.2% 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: 75.6 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.

Second-quarter sales for the Automotive business were 75.6 billion yen, a decrease of 8.3% year on year. Sales decreased in both the “Automotive control” and “Automotive information” categories.

General-Purpose Business: 72.2 billion yen

The general-purpose business includes the product categories “Industrial,” comprising semiconductor devices for industrial equipment, “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 other general-purpose semiconductor devices (including devices for home electronics). The Group supplies microcontrollers, analog & power semiconductor devices, and SoC products in each of these categories.

Sales of General-purpose business for the three months ended September 30, 2016 were 72.2 billion yen, a decrease of 22.9% year on year. This was mainly due to a decrease in sales from “Industrial”, “OA/ICT” and “General-Purpose” categories resulting from the Group’s ongoing efforts to withdraw from non-focus products, etc. as part of its promotion of selection and concentration of businesses.

Other Semiconductors: 0.5 billion yen

Sales of Other semiconductors include production by commissioning and royalties.

[Sales from others]

Sales from others include development and production by commissioning conducted at the Group’s design and manufacturing subsidiaries.

Sales from others for the three months ended September 30, 2016 were 4.4 billion yen and remained flat year on year.

[Operating income]

Operating income for the three months ended September 30, 2016 was 14.6 billion yen, a 16.2 billion yen decrease year on year. This was mainly due to the opportunity loss incurred by the temporary shutdown of the Group’s part of the production lines caused by the damages from the 2016 Kumamoto Earthquake and the deteriorating exchange rate.

[Ordinary income]

Ordinary income for the three months ended September 30, 2016 was 12.6 billion yen, a 21.2 billion yen decrease year on year. This was mainly due to non-operating loss of 2.0 billion yen from recording non-operating expenses of 2.5 billion yen, including foreign exchange losses and interest expenses. Furthermore, foreign exchange gains for the three months ended September 30, 2016 were 0.9 billion yen. The exchange gains are the result of foreign exchange valuation of cash and deposits, account receivable, and account payable in foreign currency at the end of three months ended September 30, 2016, and the difference between the exchange rates as of the recording and settlement time of the sales and purchase.

[Net income attributable to shareholders of parent company]

Net income attributable to shareholders of parent company for the three months ended September 30, 2016 was 9.4 billion yen, an 18.1 billion yen decrease year on year. This was mainly due to a decrease in operating income a decrease in sales and a deteriorating exchange rate.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	June 30, 2016	September 30, 2016	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	823.2	758.2	(65.0)
Net assets	375.5	382.0	6.5
Equity	373.5	380.0	6.5
Equity ratio (%)	45.4	50.1	4.7
Interest-bearing debt	237.9	157.9	(79.9)
Debt / Equity ratio	0.64	0.42	(0.22)

Total assets at September 30, 2016 were 758.2 billion yen, a 65.0 billion yen decrease from June 30, 2016.

This was mainly due to a decrease in cash and deposits as result from repayment of debts in the three months ended September 30, 2016. Net assets were 382.0 billion yen, a 6.5 billion yen increase from June 30, 2016. This was mainly due to recording of net income attributable to shareholders of parent company in the amount of 9.4 billion yen despite worsening of foreign currency translation adjustment.

Equity increased by 6.5 billion yen from June 30, 2016 and the equity ratio was 50.1%. Interest-bearing debt decreased by 79.9 billion yen from June 30, 2016. Consequently, the debt to equity ratio became 0.42.

1.2.2 Cash Flows

	Three months ended September 30, 2015	Three months ended September 30, 2016
	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	45.1	32.6
Net cash provided by (used in) investing activities	(12.0)	(16.8)
Free cash flows	33.1	15.8
Net cash provided by (used in) financing activities	(8.8)	(84.2)
Cash and cash equivalents at the beginning of period	368.7	397.3
Cash and cash equivalents at the end of period	388.1	326.2

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

Net cash provided by operating activities for the three months ended September 30, 2016 was 32.6 billion yen. This was mainly due to a recording of income before income taxes in the amount of 10.7 billion yen and adjustment of non-expenditure items including depreciation and amortization, etc. within these income before taxes.

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

Net cash used in investing activities for the three months ended September 30, 2016 was 16.8 billion yen, mainly due to the purchase of property, plant and equipment.

The foregoing resulted in positive free cash flows of 15.8 billion yen for the three months ended September 30, 2016.

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

Net cash used in financing activities for the three months ended September 30, 2016 was 84.2 billion yen. This was mainly due to a 79.9 billion yen decrease in interest-bearing debt caused by repayment of the loan for the existing agreements with the main financing banks, as well as the new long-term loan concluded with

the main financing banks to secure long-term working capital, etc.

1.3 Consolidated Forecasts

At the 14th Ordinary General Shareholders' Meeting held on June 28, 2016, a partial amendment to the Articles of Incorporation was approved and Renesas Electronics Group implemented a change of the fiscal term in which the fiscal year-end will change from March 31 to December 31 starting from the fiscal year 2016. The current fiscal year (fiscal year ending December 31, 2016) in which the transition to the new accounting period is to take place, will comprise the financial results for the nine months from April 1, 2016 to December 31, 2016.

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 December 31, 2016 (April 1, 2016 – December 31, 2016))

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parent Company
Previous forecasts (July 31, 2016)	---	---	---	---	---
Revised forecasts (October 30, 2016)	466,000	453,000	54,000	49,000	37,000
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference: Results for the nine months ended December 31, 2015 (April 1, 2015 – December 31, 2015)	525,497	512,406	88,057	90,859	76,000

The consolidated forecasts for the year ending December 31, 2016 are calculated at the rate of 104 yen per USD and 118 yen per Euro.

The statements with respect to the financial outlook of the Group are forward-looking statements involving risks and uncertainties. The Company cautions 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

While the Group expects to post net income (net income attributable to shareholders of parent company) for the year ending December 31, 2016, the Group regrettably suspended year-end dividend payment for this period in order to build a solid profitable financial base that can stably record net income moving forward.

(For the year ending December 31, 2016)

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

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

From the first quarter beginning in April 1, 2016, due to the reorganization of the manufacturing sites within the Group as of June 1, 2016, Renesas Semiconductor Singapore Pte. Ltd. was excluded from the Group by means of the merger.

Renesas Semiconductor Singapore Pte. Ltd. was a significant consolidated subsidiary.

From the second quarter beginning in July 1, 2016, a subsidiary has been established due to acquisition of Intersil Corporation (hereafter "Intersil") and it is included in the scope of consolidation.

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 second quarter of the fiscal year ending December 31, 2016 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including the second 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)

None

2.4 Additional Information

2.4.1 Adoption of Revised Implementation Guidance on Recoverability of Deferred Tax Assets

From the first quarter beginning on April 1, 2016, the Group has adopted “Revised Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No.26, issued on March 28, 2016).

2.4.2 Regarding Acquisition of Stock of Intersil

The Company resolved at the Meeting of Board of Directors to reach an agreement with Intersil, whereby Intersil will become a wholly-owned subsidiary of the Company, and concluded merger agreements for the purpose of implementing the acquisition on September 13, 2016.

(1) Purpose of the Acquisition

The Company has carried out structural reforms aimed at building a corporation capable of maintaining stable and sustainable profitability during the volatile fluctuations of the semiconductor market. Having successfully attained a measure of financial stability through these efforts, the company is embarking on a new growth strategy to ensure its ability to thrive in the global market. The decision to acquire Intersil was made in order to accelerate the realization of this growth strategy.

Intersil is a global enterprise engaged in the development, production, and sale of, and provision of services related to, analog semiconductor products such as power management ICs and high-precision analog devices for markets that place a particularly high priority on reliability and performance, such as the industrial, infrastructure, automotive, aerospace and other fields. Intersil has annual sales of approximately US\$520 million (approximately 52.0 billion yen at an exchange rate of 100 yen to the dollar, FY2015).

The company has maintained a top global position over many years in the automotive semiconductor field, where further growth is anticipated in areas such as autonomous driving systems and electric or hybrid vehicles. Now, as the pillars of its growth strategy, the company is accelerating its focus in the automotive field, as well as the industrial field (where new initiatives are advancing in areas such as Industry 4.0), the infrastructure field, and the rapidly growing IoT field.

The acquisition of Intersil is expected to (1) bolster the lineup of power management–related analog devices, key devices essential to future growth in our strategic focus domains, (2) enhance the ability to deliver to customers solutions such as kits combining the company's microcontrollers (MCUs) and high-precision analog products from Intersil, (3) expand sales and design-ins outside of Japan, and (4) strengthen global management capabilities by welcoming Intersil's management team with broad management expertise to the company Group. The acquisition is therefore seen as an effective measure to enhance the company's competitiveness in fields where the company is focusing its efforts to boost sales and profits, and strengthen the company's position as a global leader.

(2) Overview of Intersil (Surviving Company)

- | | |
|---------------------------|--|
| 1) Name | Intersil Corporation |
| 2) Address | 1001 Murphy Ranch Road, Milpitas, CA 95035 |
| 3) Type of business | Manufacturer of high performance analog integrated circuits. |
| 4) Amount of Capital, etc | 1,560,661 thousand US\$ (FY2015) |
| 5) Established | August, 1999 |

(3) Acquisition Method

The company will establish for the purpose of the acquisition a wholly-owned subsidiary (hereafter “acquisition subsidiary”) in Delaware, United States that will then merge with Intersil. The surviving company following the merger will be Intersil. Cash will be issued for Intersil’s shares as consideration for the merger, and the shares of the acquisition subsidiary owned by the company will be converted into outstanding shares in the surviving company, making the surviving company a whollyowned subsidiary of the company.

Number of Shares to Be Acquired, Acquisition Price, and Share Ownership Before and After Acquisition are follows.

- | | | |
|------------------------------------|--------------------|---|
| 1) Shares owned before transfer | 0 share | (Ownership percentage: 0.0%) |
| 2) Number of shares to be acquired | 143,050,746 shares | (Percentage of outstanding shares: 100.0%) |
| 3) Acquisition price | US\$3,219 million | (approximately ¥321.9 billion at an exchange rate of 100 yen to the dollar) |
| 4) Shares owned after transfer | 100 shares | (Ownership percentage: 100.0%) |

(Note) Based on the number of shares on a fully-diluted basis as of September 13, 2016

(reflecting dilutions, etc., that occurred following the stock-related compensation from the said acquisition.)

Above figures have been rounded off to the closest whole number.

(4) Schedule

- | | |
|---|---|
| 1) The company Board approval | September 13, 2016 |
| 2) Intersil Board approval | September 13, 2016 |
| 3) Conclusion of merger agreement | September 13, 2016 |
| 4) Intersil General Shareholders approval of the merger agreement | From October to December |
| 5) Effective date of merger | Within first half of the fiscal year ending December 31, 2017 |

(Note) The conclusion of the transaction is subject to regulatory approvals and other customary closing conditions in the U.S and other countries, etc.

(5) Financing

Current cash reserves are expected to be sufficient to cover the purchase price.

2.4.3 Financing Arrangements

The company repaid the loan of the existing agreements and newly concluded 150,000 million yen long-term loan(five-year loan term) and 50,000 million yen commitment line agreement with the main financing banks to fund long-term operation on September 28,2016, and the company and the banks implemented the long-term loan of the agreement on September 30,2016.

Accordingly, some assets are pledged as collateral.

In addition, the company concluded 50,000 million yen long-term loan agreement with the main financing banks to accelerate the realization of growth strategy.

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2016)	Current Second Quarter (As of September 30, 2016)
Assets		
Current assets		
Cash and deposits	398,673	326,447
Notes and accounts receivable-trade	81,866	71,329
Merchandise and finished goods	39,028	31,387
Work in process	62,950	53,525
Raw materials and supplies	6,376	7,158
Accounts receivable-other	16,155	11,734
Other current assets	6,884	10,115
Allowance for doubtful accounts	(89)	(72)
Total current assets	611,843	511,623
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	64,617	61,093
Machinery and equipment, net	57,903	68,768
Vehicles, tools, furniture and fixtures, net	16,703	17,110
Land	22,516	22,512
Construction in progress	11,307	14,084
Total property, plant and equipment	173,046	183,513
Intangible assets		
Software	10,111	12,446
Other intangible assets	14,987	15,167
Total intangible assets	25,098	27,613
Investments and other assets		
Investment securities	6,196	5,772
Long-term prepaid expenses	27,209	23,132
Other assets	5,987	6,531
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	39,389	35,432
Total long-term assets	237,533	246,558
Total assets	849,376	758,181

	Prior Fiscal Year (As of March 31, 2016)	Current Second Quarter (As of September 30, 2016)
Liabilities		
Current liabilities		
Electronically recorded obligations	9,246	9,694
Notes and accounts payable-trade	76,882	69,725
Current portion of long-term borrowings	25,000	-
Current portion of lease obligations	5,229	4,734
Accounts payable-other	33,161	39,283
Accrued expenses	31,246	28,218
Accrued income taxes	5,041	3,610
Provision for product warranties	376	367
Provision for business structure improvement	4,273	2,918
Provision for contingent loss	271	887
Provision for loss on disaster	-	955
Asset retirement obligations	116	19
Other current liabilities	7,690	9,578
Total current liabilities	198,531	169,988
Long-term liabilities		
Long-term borrowings	213,806	152,897
Lease obligations	307	301
Provision for business structure improvement	110	84
Net defined benefit liability	31,850	32,169
Asset retirement obligations	2,744	2,644
Other liabilities	20,289	18,125
Total long-term liabilities	269,106	206,220
Total liabilities	467,637	376,208
Net assets		
Shareholders' equity		
Common stock	10,000	10,000
Capital surplus	191,919	191,919
Retained earnings	162,226	181,620
Treasury stock	(11)	(11)
Total shareholders' equity	364,134	383,528
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	316	438
Foreign currency translation adjustments	(201)	(18,841)
Remeasurements of defined benefit plans	15,230	14,856
Total accumulated other comprehensive income	15,345	(3,547)
Share subscription rights	-	9
Non-controlling interests	2,260	1,983
Total net assets	381,739	381,973
Total liabilities and net assets	849,376	758,181

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(The six months ended September 30, 2015 and 2016)

(In millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	360,701	304,604
Cost of sales	195,405	176,608
Gross profit	165,296	127,996
Selling, general and administrative expenses	102,203	94,883
Operating income	63,093	33,113
Non-operating income		
Interest income	369	286
Dividends income	20	13
Equity in earnings of affiliates	9	4
Foreign exchange gains	4,595	-
Settlement received	-	200
Other non-operating income	1,584	444
Total non-operating income	6,577	947
Non-operating expenses		
Interest expenses	1,462	1,226
Foreign exchange losses	-	2,553
Other non-operating expenses	1,087	1,445
Total non-operating expenses	2,549	5,224
Ordinary income	67,121	28,836
Special income		
Gain on sales of property, plant and equipment	453	1,910
Gain on transfer of business	251	-
Gain on sales of investment securities	60	41
Gain on liquidation of subsidiaries and affiliates	-	63
Reversal of provision for contingent loss	-	9
Total special income	764	2,023
Special loss		
Loss on sales of property, plant and equipment	34	28
Impairment loss	74	64
Loss on disaster	-	*1 7,720
Business structure improvement expenses	*2 5,413	*2 967
Loss on sales of investment securities	138	71
Loss on sales of subsidiaries and affiliates' stocks	-	170
Provision for contingent loss	62	500
Total special loss	5,721	9,520
Income before income taxes	62,164	21,339
Income taxes	4,521	1,876
Net income	57,643	19,463
Net income attributable to non-controlling interests	234	69
Net income attributable to shareholders of parent company	57,409	19,394

Quarterly Consolidated Statements of Comprehensive Income

(The six months ended September 30, 2015 and 2016)

(In millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net income	57,643	19,463
Other comprehensive income		
Unrealized gains (losses) on securities	(143)	118
Foreign currency translation adjustments	(8,871)	(18,979)
Remeasurements of defined benefit plans, net of tax	(82)	(366)
Share of other comprehensive income of affiliates accounted for by the equity method	(33)	(4)
Total other comprehensive income	(9,129)	(19,231)
Comprehensive income	48,514	232
Comprehensive income attributable to:		
Shareholders of parent company	48,707	502
Non-controlling interests	(193)	(270)

Quarterly Consolidated Statements of Operations
(The three months ended September 30, 2015 and 2016)

(In millions of yen)

	Three months ended September 30, 2015	Three months ended September 30, 2016
Net sales	181,399	152,628
Cost of sales	95,944	89,687
Gross profit	85,455	62,941
Selling, general and administrative expenses	54,725	48,383
Operating income	30,730	14,558
Non-operating income		
Interest income	188	161
Dividends income	8	7
Equity in earnings of affiliates	3	17
Foreign exchange gains	3,342	-
Settlement received	-	200
Other non-operating income	1,070	159
Total non-operating income	4,611	544
Non-operating expenses		
Interest expenses	733	589
Foreign exchange losses	-	890
Other non-operating expenses	854	1,044
Total non-operating expenses	1,587	2,523
Ordinary income	33,754	12,579
Special income		
Gain on sales of property, plant and equipment	178	230
Gain on sales of investment securities	13	17
Gain on liquidation of subsidiaries and affiliates	-	63
Reversal of provision for contingent loss	-	9
Total special income	191	319
Special loss		
Loss on sales of property, plant and equipment	5	19
Impairment loss	45	57
Loss on disaster	-	*1 904
Business structure improvement expenses	*2 3,859	*2 495
Loss on sales of investment securities	138	71
Loss on sales of subsidiaries and affiliates' stocks	-	170
Provision for contingent loss	38	496
Total special loss	4,085	2,212
Income before income taxes	29,860	10,686
Income taxes	2,104	1,219
Net income	27,756	9,467
Net income attributable to non-controlling interests	219	51
Net income attributable to shareholders of parent company	27,537	9,416

Quarterly Consolidated Statements of Comprehensive Income

(The three months ended September 30, 2015 and 2016)

(In millions of yen)

	Three months ended September 30, 2015	Three months ended September 30, 2016
Net income	27,756	9,467
Other comprehensive income		
Unrealized gains (losses) on securities	(96)	143
Foreign currency translation adjustments	(12,018)	(2,906)
Remeasurements of defined benefit plans, net of tax	68	(276)
Share of other comprehensive income of affiliates accounted for by the equity method	(40)	40
Total other comprehensive income	(12,086)	(2,999)
Comprehensive income	15,670	6,468
Comprehensive income attributable to:		
Shareholders of parent company	15,882	6,512
Non-controlling interests	(212)	(44)

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net cash provided by (used in) operating activities		
Income before income taxes	62,164	21,339
Depreciation and amortization	24,596	23,040
Amortization of long-term prepaid expenses	6,292	6,399
Impairment loss	74	64
Loss on disaster	-	479
Increase (decrease) in net defined benefit liability	(3,816)	(405)
Increase (decrease) in provision for business structure improvement	(146)	(879)
Increase (decrease) in provision for contingent loss	8	616
Increase (decrease) in provision for loss on disaster	-	955
Interest and dividends income	(389)	(299)
Insurance income	-	(7)
Interest expenses	1,462	1,226
Equity in (earnings) losses of affiliates	(9)	(4)
Loss (gain) on sales and valuation of investment securities	78	30
Loss (gain) on liquidation of subsidiaries and affiliates	-	(63)
Loss (gain) on sales of subsidiaries and affiliates' stocks	-	170
Loss (gain) on sales of property, plant and equipment	(419)	(1,882)
Business structure improvement expenses	1,469	145
Loss (gain) on transfer of business	(251)	-
Decrease (increase) in notes and accounts receivable-trade	4,167	5,267
Decrease (increase) in inventories	(6,077)	13,627
Decrease (increase) in accounts receivable-other	1,783	(39)
Increase (decrease) in notes and accounts payable-trade	738	(6,090)
Increase (decrease) in accounts payable-other and accrued expenses	(6,728)	1,977
Other cash provided by (used in) operating activities, net	(3,601)	(381)
Subtotal	81,395	65,285
Interest and dividends received	460	354
Proceeds from insurance income	-	7
Interest paid	(1,467)	(1,230)
Income taxes paid	(3,372)	(3,283)
Payments for extra retirement benefits	(397)	(533)
Payments for loss on disaster	-	(456)
Net cash provided by (used in) operating activities	76,619	60,124

(In millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(20,532)	(24,011)
Proceeds from sales of property, plant and equipment	540	2,921
Purchase of intangible assets	(1,389)	(6,930)
Purchase of long-term prepaid expenses	(1,443)	(1,364)
Purchase of investment securities	(448)	(445)
Proceeds from sales of investment securities	619	428
Proceeds from sales of subsidiaries and affiliates stocks	-	176
Proceeds from transfer of business	252	3,631
Collection of loans receivable	4,550	-
Other cash provided by (used in) investing activities, net	497	121
Net cash provided by (used in) investing activities	(17,354)	(25,473)
Net cash provided by (used in) financing activities		
Proceeds from long-term borrowings	-	148,765
Repayments of long-term borrowings	(4,350)	(235,911)
Repayments of finance lease obligations	(591)	(572)
Repayments of installment payables	(7,560)	(6,432)
Other, net	-	(20)
Net cash provided by (used in) financing activities	(12,501)	(94,170)
Effect of exchange rate change on cash and cash equivalents	(2,402)	(12,688)
Net increase (decrease) in cash and cash equivalents	44,362	(72,207)
Cash and cash equivalents at the beginning of the period	343,722	398,410
Cash and cash equivalents at the end of the period	388,084	326,203

3.4 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

*1 Loss on disaster

The loss on disaster was related to the 2016 Kumamoto Earthquake, and the components of the amount of loss on disaster for the six months ended September 30, 2016 were as follows:

	(In millions of yen)
	Six months ended September 30, 2016
Repair cost of fixed assets	4,175
Fixed costs during the temporary shutdown period of operations	2,114
Loss on disposal of inventories	1,834
Other costs	597
Subtotal	8,720
Accrued insurance income	(1,000)
Total	7,720

The loss on disaster was related to the 2016 Kumamoto Earthquake, and the components of the amount of loss on disaster for the three months ended September 30, 2016 were as follows:

	(In millions of yen)
	Three months ended September 30, 2016
Repair cost of fixed assets	464
Loss on disposal of inventories	131
Other costs	309
Total	904

*2 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 six months ended September 30, 2015 and 2016 were as follows:

	(In millions of yen)	
	Six months ended September 30, 2015	Six months ended September 30, 2016
Personnel expenses including the special incentive of early retirement program	1,059	527
Impairment loss	1,295	-
Other (*)	3,059	440
Total	5,413	967

(*) The main item of "Other" for the six months ended September 30, 2015 are equipment removal related expenses to realignment the manufacturing sites and equipment relocation related expenses etc. to reorganize the design and development operation including its locations.

The details of business structure improvement expenses for the consolidated statements of operations for the three months ended September 30, 2015 and 2016 were as follows:

	(In millions of yen)	
	Three months ended September 30, 2015	Three months ended September 30, 2016
Personnel expenses including the special incentive of early retirement program	593	269
Impairment loss	1,295	-
Other (*)	1,971	226
Total	3,859	495

(*) The main item of "Other" for the three months ended September 30, 2015 is equipment removal related expenses etc.to realignment the manufacturing sites.

(Notes on Assumption for Going Concern)
None

(Notes on Significant Changes in the Amount of Shareholders' Equity)
None

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](#)) delivers trusted embedded design innovation with complete semiconductor solutions that enable billions of connected, intelligent devices to enhance the way people work and live—securely and safely. The number one [global](#) supplier of microcontrollers, and a leader in Analog & Power and SoC products, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, Home Electronics (HE), Office Automation (OA) and Information Communication Technology (ICT) applications to help shape a limitless future. Learn more at [renesas.com](#).

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