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**Renesas Electronics Reports Financial Results
for the Third Quarter Ended December 31, 2011**

Tokyo, Japan, January 31, 2012 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the three months and nine months ended December 31, 2011.

Summary of Consolidated Financial Results

	Three months ended December 31, 2011		Nine months ended December 31, 2011	
	Billion Yen	% of Net Sale	Billion Yen	% of Net Sale
Net sales	222.9	100.0	673.4	100.0
Sales from semiconductors	198.0		600.2	
Sales from others	24.9		73.2	
Operating income (loss)	(4.0)	(1.8)	(33.2)	(4.9)
Ordinary income (loss)	(3.6)	(1.6)	(36.9)	(5.5)
Net income (loss)	(2.4)	(1.1)	(44.4)	(6.6)
Capital expenditures	6.2		31.2	
Depreciation and others	27.7		83.3	
R&D expenses	46.4		139.9	
Exchange rate (USD)	Yen 77		Yen 79	
Exchange rate (Euro)	105		112	

	As of December 31, 2011	
	Billion Yen	
Total assets	901.7	
Net assets	236.3	
Equity Capital	228.4	
Equity ratio (%)	25.3	
Interest-bearing debt	263.3	

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

Note 2: Consolidated financial results for the three months and the nine months ended December 31, 2011 have not been reviewed by the auditors. The figures are subject to change based on subsequent events or the auditors' review. Renesas Electronics Corporation will promptly notify the correction by issuing a press release.

Note 3: Capital expenditures refer to the amount of order placed for property, plant and equipment (manufacturing equipment).

Note 4: Depreciation and others includes depreciation and amortization expenses and amortization of long-term prepaid expenses in quarterly consolidated statements of cash flows.



Consolidated Financial Results for the Third Quarter Ended December 31, 2011

English translation from the original Japanese-language document

January 31, 2012

Company name : **Renesas Electronics Corporation**
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section
 Code number : 6723
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 Filing date of Shihanki Hokokusho (scheduled) : February 10, 2012

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2011

1.1 Consolidated operating 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, 2011	673,431	(21.9)	(33,170)	---	(36,949)	---	(44,420)	---
Nine months ended December 31, 2010	862,633	---	4,137	---	(6,745)	---	(58,819)	---

Reference: Comprehensive income for the nine months ended December 31, 2011:

(54,735) million yen

Comprehensive income for the nine months ended December 31, 2010:

(70,037) million yen

	Net income (loss) per share basic	Net income (loss) per share diluted
	Yen	Yen
Nine months ended December 31, 2011	(106.49)	---
Nine months ended December 31, 2010	(141.01)	---

1.2 Consolidated financial condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 31, 2011	901,682	236,281	25.3
March 31, 2011	1,145,048	291,058	24.8

Reference: Equity as of December 31, 2011:

228,365 million yen

Equity as of March 31, 2011:

283,757 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, 2011	---	0.00	---	0.00	0.00
Year ending March 31, 2012	---	0.00	---		
Year ending March 31, 2012 (forecast)				0.00	0.00

Note: Change in forecast of cash dividends since the most recently announced forecast: No

3. Forecast of consolidated results for the year ending March 31, 2012

(% 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, 2012	885,000	(22.2)	(48,000)	--	(54,000)	--	(57,000)	--	(136.65)	--

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

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, 2011

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

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 December 31, 2011: 417,124,490 shares

As of March 31, 2011: 417,124,490 shares

2. Number of treasury stock

As of December 31, 2011: 2,548 shares

As of March 31, 2011: 2,548 shares

3. Average number of shares issued and outstanding

For the nine months ended December 31, 2011: 417,121,942 shares

For the nine months ended December 31, 2010: 417,121,942 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. These are under the review procedures for the quarterly financial report at the time of issuance of this report.

Cautionary Statement

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 differ materially from such forward-looking statements due to changes in several important factors.

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1. Third Quarter Consolidated Financial Results

1.1 Consolidated Operating Results

1.1.1 Summary of Consolidated Operating Results Nine Months Ended December 31, 2011

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	862.6	673.4	(189.2)	(21.9)
Sales from semiconductors	769.4	600.2	(169.2)	(22.0)
Sales from others	93.2	73.2	(20.0)	(21.5)
Operating income (loss)	4.1	(33.2)	(37.3)	-
Ordinary income (loss)	(6.7)	(36.9)	(30.2)	-
Net income (loss)	(58.8)	(44.4)	14.4	-
	Yen	Yen		
Exchange rate (USD)	88	79	-	-
Exchange rate (EUR)	115	112	-	-

[Net sales]

Consolidated net sales for the nine months ended December 31, 2011 were 673.4 billion yen, a decrease by 21.9% year on year. In addition to weak market demand along with global economy downturn, production reduction at Renesas Electronics Group ("the Group") factories due to the Great East Japan Earthquake ("the earthquake") and demand decrease affected by Thailand's flood, and moreover, stronger yen compared to the nine months ended December 31, 2010 were the major reasons for the sales decrease. Sales from semiconductors for the nine months ended December 31, 2011 were 600.2 billion yen, a decrease by 22.0% year on year.

[Operating income (loss)]

Operating loss for the nine months ended December 31, 2011 was 33.2 billion yen, 37.3 billion yen worse year on year. This drop is mainly owing to a decrease in sales despite of holding down selling, general and administrative expenses by streamlining R&D operations.

[Ordinary income (loss)]

Ordinary loss for the nine months ended December 31, 2011 was 36.9 billion yen, due to 3.8 billion yen non-operating loss after recording 8.2 billion yen non-operating expenses including interest expenses.

[Net income (loss)]

Net loss for the nine months ended December 31, 2011 was 44.4 billion yen. This was mainly due to recording 17.8 billion yen special loss including a loss on disaster.

1.1.2 Summary of Consolidated Operating Results Three Months Ended December 31, 2011

	Three months ended December 31, 2010	Three months ended December 31, 2011	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	275.2	222.9	(52.3)	(19.0)
Sales from semiconductors	244.4	198.0	(46.4)	(19.0)
Sales from others	30.7	24.9	(5.9)	(19.1)
Operating income (loss)	3.4	(4.0)	(7.4)	-
Ordinary income (loss)	1.1	(3.6)	(4.7)	-
Net income (loss)	(17.6)	(2.4)	15.2	-
	Yen	Yen		
Exchange rate (USD)	83	77	-	-
Exchange rate (EUR)	112	105	-	-

During the three months ended December 31, 2011, the world economy became more sluggish. While financial crisis in Euro zone has intensified and begun to have a negative impact to global economy, growth of emerging countries mainly in Asia which underpinned global economic growth so far slowed down, especially, trend of China's growth deceleration associated with monetary tightening policy continued. Moreover, in addition to the slowdown of emerging countries' growth, Thailand's flood also affected global economy. Japanese economy also became more sluggish day by day, due to the stagnant global economy and the continuously strong yen appreciated to 70 yen level against the dollar.

Under these economic circumstances, as for the semiconductor market in which the Group operates as a core business, demand recovery was seen in automotive sector especially for Japanese automakers owing to the production restoration from the earthquake. However, overall semiconductor demand showed a weak trend due to the stagnant global economy as well as the impact of Thailand's flood. In particular, semiconductor demand for PC and PC peripherals and consumer electronics substantially decreased.

[Net sales]

Consolidated net sales for the three months ended December 31, 2011 were 222.9 billion yen, a decrease by 19.0% year on year. This decrease was mainly caused by a weak demand influenced by worsened market conditions mainly in Europe and China and the impact of Thailand's flood, and moreover, the stronger yen.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended December 31, 2011 were 198.0 billion yen, 19.0% decrease year on year.

The business segment of the Group comprises three product groups; "MCUs", "Analog & Power Devices" and "SoC (System on Chip) solutions", and "the other semiconductors" that fit to neither of above three product categories. Sales of respective product groups are as follows:

MCUs: 88.6 billion yen

MCUs mainly include microcontrollers for automotive, industrial systems, microcontrollers used in digital home appliances, white goods, and consumer electronics including game consoles, and microcontrollers for PC and PC peripherals such as hard disc drives.

Sales of MCUs for the three months ended December 31, 2011 were 88.6 billion yen, 5.6% decrease year on year. This drop was mainly due to a decline in sales of microcontrollers for PC and PC peripherals,

and consumer electronics, despite an increase in sales of microcontroller for automotive.

Analog and Power Devices: 54.5 billion yen

Analog and power devices consist mainly of power MOSFETs, mixed signal ICs, IGBTs (Insulated Gate Bipolar Transistors), diodes, small signal transistors, display driver ICs, compound semiconductor devices such as optical and microwave devices, employed in automobiles, industrial systems, PC and PC peripherals and consumer electronics.

Sales of analog and power devices for the three months ended December 31, 2011 were 54.5 billion yen, 25.3% decrease year on year, owing to a decrease in the sales of display driver ICs for PC/LCD TVs, analog IC and discrete for consumer electronics.

SoC solutions: 53.4 billion yen

SoC solutions mainly include semiconductors for mobile handsets, ICs for network equipment, semiconductors for industrial systems, semiconductors for PC and PC peripherals including hard disc drives and USB devices, semiconductors for consumer electronics such as digital home appliances and game consoles, and semiconductors used in automobiles including car navigation systems.

Sales of SoC solutions for the three months ended December 31, 2011 were 53.4 billion yen, 29.8% decrease year on year. This decrease was mainly due to a decline in the semiconductor sales for consumer electronics and mobile handsets.

Other Semiconductors: 1.4 billion yen

Sales of other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended December 31, 2011 were 1.4 billion yen, 5.8% decrease year on year.

[Sales from others]

Sales from others for the three months ended December 31, 2011 were 24.9 billion yen, 19.1% decrease year on year.

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.

[Operating income (loss)]

Operating loss for the three months ended December 31, 2011 was 4.0 billion yen, 7.4 billion yen worse year on year, mainly owing to a decrease in sales despite of holding down selling, general and administrative expenses.

[Ordinary income (loss)]

Ordinary loss for the three months ended December 31, 2011 was 3.6 billion yen, due to 0.4 billion yen non-operating profit after recording 3.2 billion yen non-operating income.

[Net income (loss)]

Net loss for the three months ended December 31, 2011 was 2.4 billion yen, due to recording 1.2 billion yen

profit as a net of 1.4 billion yen special income and 0.2 billion yen special loss.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	September 30, 2011	December 31, 2011	Increase (Decrease)
	Billion yen	Billion yen	Billion yen
Total assets	917.7	901.7	(16.0)
Net assets	237.9	236.3	(1.6)
Equity	230.2	228.4	(1.8)
Equity ratio (%)	25.1	25.3	0.2
Interest-bearing debt	265.6	263.3	(2.3)
Debt / Equity ratio	1.15	1.15	-

Total assets at December 31, 2011 were 901.7 billion yen, 16.0 billion yen decrease from September 30, 2011, mainly due to the decrease in trade accounts receivable as well as property, plant and equipment. Net assets were 236.3 billion yen, 1.6 billion yen decrease from September 30, 2011, due to posting quarterly net loss for the three months ended December 31, 2011.

Equity decreased by 1.8 billion yen from September 30, 2011 and equity ratio was 25.3%. Interest-bearing debt decreased by 2.3 billion yen from September 30, 2011. Consequently, debt to equity ratio was 1.15 times.

1.2.2 Cash Flows

	Three Months ended December 31, 2010	Three Months ended December 31, 2011
	Billion yen	Billion yen
Net cash provided by (used in) operating activities	53.9	18.0
Net cash provided by (used in) investing activities	(39.0)	(15.2)
Free cash flows	15.0	2.9
Net cash provided by (used in) financing activities	(10.2)	(4.0)
Cash and cash equivalents at the beginning of period	331.8	158.3
Cash and cash equivalents at the end of period	334.3	157.8

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

Net cash provided by operating activities for the three months ended December 31, 2011 was 18.0 billion yen, mainly owing to recording depreciation and amortization as well as decrease in the amount of trade accounts receivable, even though quarterly net loss before income taxes were recorded.

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

Net cash used in investing activities for the three months ended December 31, 2011 was 15.2 billion yen, mainly arising from the purchase of property, plant and equipment in the amount of 18.7 billion yen.

The foregoing resulted in positive free cash flows of 2.9 billion yen for the three months ended December 31, 2011.

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

Net cash used in financing activities for the three months ended December 31, 2011 was 4.0 billion yen.

Consequently, cash and cash equivalents decreased by 0.5 billion yen and its balance at the end of the period were 157.8 billion yen.

1.3 Consolidated Forecasts

As for the sales forecasts for the fiscal year ending March 31, 2012: net sales are expected to be 885.0 billion yen, 83.0 billion yen down from the previous forecast (announced on October 31, 2011); sales from semiconductors are expected to be 788.0 billion yen, 83.0 billion yen down from the previous forecast. Owing to semiconductor market downturn affected by stagnant global economy and the impact of Thailand's flood as well as continuous trend of yen appreciation, sales from semiconductors for the three months ended December 31, 2011 were below the Group's expectation. Moreover, the Group expects sales from semiconductors for the three months ending March 31, 2012 also to fall below its expectation due to continuous trend of market slowdown. For these reasons, the Group has made a downward revision to its forecasts for both net sales and sales from semiconductors. The Group expects the sales from three product areas; MCUs, analog and power devices and SoC solutions; to be lower than previous forecast respectively.

As for the earnings forecast for the fiscal year ending March, 2012, despite the Group's efforts on holding down costs including personnel expenses, further streamlining R&D expenses and improving production efficiency, lower profit is expected along with decrease in sales from semiconductors. Therefore, the Group has revised the earnings forecasts as follow: operating loss is expected to be 48.0 billion yen, 20.0 billion yen down from the previous forecast; ordinary loss is expected to be 54.0 billion yen, 17.0 billion yen down from the previous forecast; net loss is expected to be 57.0 billion yen, 17.0 billion yen down from the previous forecast.

The consolidated financial forecasts for the fiscal year ending March 31, 2012 are based on the rate of 78 yen (unchanged from the previous forecasts) per USD and 100 yen (changed from 105 yen as of previous forecasts) per Euro.

(For the year ending March 31, 2012)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous forecasts (October 31, 2011)	968,000	871,000	(28,000)	(37,000)	(40,000)
Revised forecasts (January 31, 2012)	885,000	788,000	(48,000)	(54,000)	(57,000)
Increase (decrease)	(83,000)	(83,000)	(20,000)	(17,000)	(17,000)
Percent change	(8.6)	(9.5)	---	---	---
Reference : Results for the year ended March 31, 2011	1,137,898	1,018,865	14,524	1,033	(115,023)

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.

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

None

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, 2012 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including this third quarter, while applying tax effect accounting.

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

None

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2011)	Current Third Quarter (As of December 31, 2011)
Assets		
Current assets		
Cash and deposits	170,691	116,482
Notes and accounts receivable-trade	137,346	103,782
Short-term investment securities	166,998	41,550
Merchandise and finished goods	45,800	60,396
Work in process	61,193	81,856
Raw materials and supplies	16,378	15,470
Accounts receivable-other	37,966	16,869
Other	5,528	8,134
Allowance for doubtful accounts	(237)	(224)
Total current assets	641,663	444,315
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	119,608	113,640
Machinery and equipment, net	135,706	116,634
Vehicles, tools, furniture and fixtures, net	34,152	31,925
Land	35,887	35,161
Construction in progress	20,947	16,939
Total property, plant and equipment	346,300	314,299
Intangible assets		
Goodwill	2,485	2,293
Software	28,742	29,341
Other	52,003	46,640
Total intangible assets	83,230	78,274
Investments and other assets		
Investment securities	10,635	7,739
Long-term prepaid expenses	43,096	38,561
Other	20,124	18,494
Total investments and other assets	73,855	64,794
Total long-term assets	503,385	457,367
Total assets	1,145,048	901,682

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2011)	Current Third Quarter (As of December 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	144,944	169,887
Current portion of bonds with share subscription rights	110,000	—
Short-term borrowings	143,467	165,100
Current portion of long-term borrowings	44,321	43,349
Current portion of lease obligations	8,176	7,732
Accounts payable-other	78,250	44,223
Accrued expenses	55,538	41,106
Accrued income taxes	3,962	4,685
Provision for product warranties	590	423
Provision for loss on guarantees	456	—
Provision for business structure improvement	2,239	1,666
Provision for contingent loss	399	300
Provision for loss on disaster	46,042	6,322
Asset retirement obligations	404	3
Other	6,474	8,332
Total current liabilities	645,262	493,128
Long-term liabilities		
Long-term borrowings	58,192	38,630
Lease obligations	14,073	8,514
Accrued retirement benefits	84,831	83,401
Provision for contingent loss	1,163	1,061
Asset retirement obligations	5,426	5,485
Other	45,043	35,182
Total long-term liabilities	208,728	172,273
Total liabilities	853,990	665,401
Net assets		
Shareholders' equity		
Common stock	153,255	153,255
Capital surplus	450,413	450,413
Retained earnings	(297,634)	(342,054)
Treasury stock	(11)	(11)
Total shareholders' equity	306,023	261,603
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	(259)	(164)
Foreign currency translation adjustments	(22,007)	(33,074)
Total accumulated other comprehensive income	(22,266)	(33,238)
Share subscription rights	48	26
Minority interests	7,253	7,890
Total net assets	291,058	236,281
Total liabilities and net assets	1,145,048	901,682

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(The nine-month period ended December 31, 2010 and 2011)

(In millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net sales	862,633	673,431
Cost of sales	564,263	453,611
Gross profit	298,370	219,820
Selling, general and administrative expenses	294,233	252,990
Operating income (loss)	4,137	(33,170)
Non-operating income		
Interest income	415	497
Dividends income	81	75
Equity in earnings of affiliates	231	3
Reversal of provision for business structure improvement	—	1,157
Other	1,891	2,643
Total non-operating income	2,618	4,375
Non-operating expenses		
Interest expenses	2,820	2,979
Foreign exchange losses	5,145	102
Loss on disposal of long-term assets	1,658	1,310
Retirement benefit expenses	1,787	1,787
Other	2,090	1,976
Total non-operating expenses	13,500	8,154
Ordinary income (loss)	(6,745)	(36,949)
Special income		
Gain on sales of property, plant and equipment	622	387
Gain on negative goodwill	2,159	—
Reversal of provision for contingent loss	1,774	—
Gain on transfer of business	1,192	123
Gain on sales of investment securities	227	125
Reversal of provision for loss on disaster	—	11,145
Compensation income	—	1,152
Gain on liquidation of subsidiaries and affiliates	—	343
Gain on sales of subsidiaries and affiliates' stocks	—	11
Total special income	5,974	13,286
Special loss		
Loss on sales of property, plant and equipment	377	29
Impairment loss	35,554	2,396
Loss on disaster	—	12,735
Business structure improvement expenses	17,058	1,901
Effect of adoption of accounting standard for asset retirement obligations	1,488	—
Loss on valuation of investment securities	119	668
Loss on sales of investment securities	—	98
Loss on liquidation of subsidiaries and affiliates	—	3
Total special losses	54,596	17,830
Income (loss) before income taxes and minority interests	(55,367)	(41,493)
Income taxes	1,738	2,020
Income (loss) before minority interests	(57,105)	(43,513)
Minority interests in income (loss) of consolidated subsidiaries	1,714	907
Net income (loss)	(58,819)	(44,420)

Quarterly Consolidated Statements of Comprehensive Income
(The nine-month period ended December 31, 2010 and 2011)

(In millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Income (loss) before minority interests	(57,105)	(43,513)
Other comprehensive income		
Unrealized gains (losses) on securities	(369)	115
Foreign currency translation adjustments	(12,539)	(11,325)
Share of other comprehensive income of affiliates accounted for by the equity method	(24)	(12)
Total other comprehensive income	(12,932)	(11,222)
Comprehensive income	(70,037)	(54,735)
Comprehensive income attributable to		
shareholders of parent company	(71,375)	(55,392)
minority interests	1,338	657

Quarterly Consolidated Statements of Operations

(The three-month period ended December 31, 2010 and 2011)

(In millions of yen)

	Three months ended December 31, 2010	Three months ended December 31, 2011
Net sales	275,165	222,855
Cost of sales	175,167	143,811
Gross profit	99,998	79,044
Selling, general and administrative expenses	96,590	83,011
Operating income (loss)	3,408	(3,967)
Non-operating income		
Interest income	127	124
Dividends income	49	47
Equity in earnings of affiliates	105	—
Reversal of provision for business structure improvement	—	1,157
Other	807	1,850
Total non-operating income	1,088	3,178
Non-operating expenses		
Interest expenses	913	961
Equity in losses of affiliates	—	84
Foreign exchange losses	1,089	202
Loss on disposal of long-term assets	335	260
Retirement benefit expenses	596	596
Other	506	722
Total non-operating expenses	3,439	2,825
Ordinary income (loss)	1,057	(3,614)
Special income		
Gain on sales of property, plant and equipment	95	100
Gain on sales of investment securities	72	116
Compensation income	—	1,152
Total special income	167	1,368
Special loss		
Loss on sales of property, plant and equipment	219	5
Impairment loss	210	4
Loss on disaster	—	10
Business structure improvement expenses	16,528	97
Loss on valuation of investment securities	—	5
Loss on sales of investment securities	—	81
Total special losses	16,957	202
Income (loss) before income taxes and minority interests	(15,733)	(2,448)
Income taxes	1,149	(401)
Income (loss) before minority interests	(16,882)	(2,047)
Minority interests in income (loss) of consolidated subsidiaries	696	362
Net income (loss)	(17,578)	(2,409)

Quarterly Consolidated Statements of Comprehensive Income
(The three-month period ended December 31, 2010 and 2011)

(In millions of yen)

	Three months ended December 31, 2010	Three months ended December 31, 2011
Income (loss) before minority interests	(16,882)	(2,047)
Other comprehensive income		
Unrealized gains (losses) on securities	95	135
Foreign currency translation adjustments	(3,146)	332
Share of other comprehensive income of affiliates accounted for by the equity method	7	(7)
Total other comprehensive income	(3,044)	460
Comprehensive income	(19,926)	(1,587)
Comprehensive income attributable to		
shareholders of parent company	(20,453)	(1,838)
minority interests	527	251

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(55,367)	(41,493)
Depreciation and amortization	82,169	74,864
Amortization of long-term prepaid expenses	8,484	8,472
Impairment loss	35,554	2,396
Gain on negative goodwill	(2,159)	—
Increase (decrease) in accrued retirement benefits	37	(615)
Increase (decrease) in provision for business structure improvement	16,615	(96)
Increase (decrease) in provision for contingent loss	(1,862)	(72)
Increase (decrease) in provision for loss on disaster	—	(26,128)
Interest and dividends income	(496)	(572)
Interest expenses	2,820	2,979
Equity in (earnings) losses of affiliates	(231)	(3)
Loss (gain) on sales and valuation of investment securities	(108)	641
Loss (gain) on liquidation of subsidiaries and affiliates	—	(340)
Loss (gain) on sales of subsidiaries and affiliates' stocks	—	(11)
Loss (gain) on sales of property, plant and equipment	(245)	(358)
Loss on disposal of long-term assets	1,658	1,310
Loss (gain) on transfer of business	(1,192)	(123)
Effect of adoption of accounting standard for asset retirement obligations	1,488	—
Decrease (increase) in notes and accounts receivable-trade	37,303	27,451
Decrease (increase) in inventories	(23,076)	(39,778)
Decrease (increase) in accounts receivable-other	4,410	3,883
Increase (decrease) in notes and accounts payable-trade	(4,883)	26,317
Increase (decrease) in accounts payable-other and accrued expenses	(7,602)	(21,520)
Other, net	6,320	2,270
Subtotal	99,637	19,474
Interest and dividends received	505	628
Proceeds from insurance income	—	16,000
Interest paid	(2,810)	(2,905)
Income taxes paid	(5,688)	(1,377)
Payments for extra retirement benefits	(283)	(20,578)
Payments for loss on litigation and others	(4,446)	—
Payments for loss on disaster	—	(14,321)
Net cash provided by (used in) operating activities	86,915	(3,079)

(In millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(51,915)	(64,632)
Proceeds from sales of property, plant and equipment	1,693	23,560
Purchase of intangible assets	(5,973)	(9,245)
Purchase of long-term prepaid expenses	(1,624)	(2,597)
Purchase of investment securities	(1)	(543)
Proceeds from sales of investment securities	279	1,447
Purchase of investments in subsidiaries	(649)	—
Proceeds from sales of subsidiaries and affiliates' stocks	—	173
Proceeds from liquidation of subsidiaries and affiliates	—	939
Proceeds from transfer of business	3,285	2,982
Payments for transfer of business	(16,729)	—
Other, net	(146)	167
Net cash provided by (used in) investing activities	(71,780)	(47,749)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	25,037	21,750
Proceeds from long-term borrowings	18,000	3,932
Repayment of long-term borrowings	(42,234)	(24,462)
Redemption of bonds with share subscription rights	—	(110,000)
Proceeds from issuance of common stock	134,600	—
Repayments of finance lease obligations	(6,678)	(6,613)
Repayments of installment payables	(4,553)	(6,857)
Other, net	(357)	—
Net cash provided by (used in) financing activities	123,815	(122,250)
Effect of exchange rate change on cash and cash equivalents	(7,810)	(6,441)
Net increase (decrease) in cash and cash equivalents	131,140	(179,519)
Cash and cash equivalents at the beginning of the period	91,234	337,289
Increase in cash and cash equivalents resulting from merger	111,892	—
Cash and cash equivalents at the end of the period	334,266	157,770

3.4 Notes on Assumption for Going Concern

None

3.5 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), 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 20 countries worldwide. More information can be found at www.renesas.com.

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