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**Renesas Electronics Reports Financial Results
 for the Third Quarter Ended September 30, 2017**

Tokyo, Japan, November 2, 2017 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the nine months ended September 30, 2017.

Summary of Consolidated Financial Results

	Three months ended September 30, 2017		Nine months ended September 30, 2017	
	Billion Yen	% of Net Sales	Billion Yen	% of Net Sales
Net sales	195.5	100.0	570.1	100.0
Sales from semiconductors	192.3		557.9	
Sales from others	3.2		12.1	
Operating income	24.9	12.7	56.3	9.9
Ordinary income	24.4	12.5	54.5	9.6
Net income attributable to shareholders of parent company	22.3	11.4	58.3	10.2
Capital expenditures (Note 3)	10.0		65.1	
Depreciation and others (Note 4)	29.3		78.3	
R&D expenses	31.4		92.1	
	Yen		Yen	
Exchange rate (USD)	111		112	
Exchange rate (EUR)	130		125	

	As of September 30, 2017
	Billion Yen
Total assets	1,020.6
Net assets	479.4
Equity Capital	476.2
Equity ratio (%)	46.7
Interest-bearing debt	232.1

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

Note 2: Consolidated financial results for the nine months ended September 30, 2017 have not been reviewed by the auditors. The figures are subject to change based on subsequent events or the auditors' review.

Note 3: Capital expenditures refer to the amount of capital for property, plant and equipment (manufacturing equipment) and intangible assets based on the amount of investment decisions made during the period

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

Note 5: The allocation of the acquisition costs for the business combinations with Intersil Corporation, which Renesas Electronics Group acquired on February 24, 2017, has been revised at the end of the nine months ended September 30, 2017. The revised allocation of the acquisition costs are reflected in the Quarterly Consolidated Financial Statements of the nine months ended September 30, 2017.

Consolidated Financial Results for the Third Quarter Ended September 30, 2017

English translation from the original Japanese-language document



November 2, 2017

Company name : **Renesas Electronics Corporation**
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section
 Code number : 6723
 URL : <https://www.renesas.com>
 Representative : Bunsei Kure, Representative Director,
 President and CEO
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 Filing date of Shihanki Hokokusho (scheduled) : November 7, 2017

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended September 30, 2017

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	%
Nine months ended September 30, 2017	570,058	---	56,259	---	54,500	---	58,267	---
Nine months ended December 31, 2016	---	---	---	---	---	---	---	---

Reference:

Comprehensive income for the nine months ended September 30, 2017: 56,050 million yen (---%)
 Comprehensive income for the nine months ended December 31, 2016: --- million yen (---%)

	Net income per share basic	Net income per share diluted
	Yen	Yen
Nine months ended September 30, 2017	34.95	34.94
Nine months ended December 31, 2016	---	---

Renesas Electronics Group implemented a change of the fiscal term in which the fiscal year-end changed from March 31 to December 31, starting from the fiscal year 2016. Accordingly, the consolidated results (cumulative total) for the nine months ended December 31, 2016 and the percent of change from the corresponding period of the previous year are not indicated, since the financial results for nine months ended December 31, 2016 have not been prepared.

[Reference]

The following adjusted changes [%] are comparisons of consolidated results for the nine months ended September 30, 2017 with consolidated results of the corresponding period of the fiscal year ended December 31, 2016 that has been adjusted to a 12-month period (January 1, 2016 to December 31, 2016).

Note that the consolidated results of the corresponding period of the fiscal year ended December 31, 2016 have not been audited. (All numbers are in millions of yen)

Consolidated results for the nine months ended September 30, 2017:

<u>Net sales</u>	<u>Operating income</u>	<u>Ordinary income</u>	<u>Net income attributable to shareholders of parent company</u>
570,058	56,259	54,500	58,267
+20.7%	+15.2%	+36.0%	+96.3%

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
September 30, 2017	1,020,648	479,362	46.7
December 31, 2016	823,054	422,393	51.0

Reference: Equity as of September 30, 2017: 476,167 million yen
Equity as of December 31, 2016: 420,162 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
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2016	---	0.00	---	0.00	0.00
Year ending December 31, 2017	---	0.00	---		
Year ending December 31, 2017 (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 December 31, 2017

(% 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 December 31, 2017	771,000	---	71,000	---	69,000	---	71,000	---	42.59

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

Renesas Electronics Group implemented a change of the fiscal term in which the fiscal year-end changed from March 31 to December 31, starting from the fiscal year 2016. Accordingly, the percent of change from the corresponding period of the previous year is not indicated, since the current fiscal year (January 1, 2017 to December 31, 2017) and the previous fiscal year (April 1, 2016 to December 31, 2016) cover different periods.

[Reference]

The following adjusted changes [%] are comparisons of forecast of consolidated results for the year ending December 31, 2017 with consolidated results of the corresponding period of the fiscal year ended December 31, 2016 that has been adjusted to a 12-month period (January 1, 2016 to December 31, 2016).

Note that the consolidated results for the fiscal year ended December 31, 2016 adjusted for a 12-month period (January 1, 2016 to December 31, 2016) have not been audited. (All numbers are in millions of yen)

Forecast of consolidated results for the year ending December 31, 2017 (All numbers are in millions of yen):

<u>Net sales</u>	<u>Operating income</u>	<u>Ordinary income</u>	<u>Net income attributable to shareholders of parent company</u>
771,000	71,000	69,000	71,000
+20.7%	+0.8%	+12.7%	+30.5%

4. Others

4.1 Changes in significant subsidiaries for the nine-month period ended September 30, 2017
(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 16.

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, 2017: 1,667,184,490 shares

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

2. Number of treasury stock

As of September 30, 2017: 2,581 shares

As of December 31, 2016: 2,581 shares

3. Average number of shares issued and outstanding

For the nine-month period ended September 30, 2017: 1,667,161,689 shares

For the nine-month period ended December 31, 2016: -- shares

The Group implemented a change of the fiscal term in which the fiscal year-end changed from March 31 to December 31, starting from the fiscal year 2016. Accordingly, the average number of shares for the nine-month period ended December 31, 2016 (quarterly cumulative total) is not indicated, since the financial results for nine months ended December 31, 2016 have not been prepared.

(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, 2017. The Group plans to post the materials which are provided at the meeting, on the Group's website on that day.

The allocation of the acquisition costs for the business combinations with Intersil Corporation, which the Group acquired on February 24, 2017, has been revised at the end of the nine months ended September 30, 2017. The revised allocation of the acquisition costs are reflected in the Quarterly Consolidated Financial Statements of the nine months ended September 30, 2017. For details, please refer to Appendix 3.4, "Notes to Quarterly Consolidated Financial Statements (Business Combinations)" on page 16.

[APPENDIX]

1	Third Quarter Consolidated Financial Results	2
1.1	Analysis of Business Results	2
1.2	Consolidated Financial Condition	4
1.3	Consolidated Forecasts	5
1.4	Forecasts of Cash Dividends	6
2	Others	7
2.1	Changes in Significant Consolidated Subsidiaries	7
3	Quarterly Consolidated Financial Statements	8
3.1	Quarterly Consolidated Balance Sheets	8
3.2	Quarterly Consolidated Statements of Operations and Comprehensive Income	10
3.3	Quarterly Consolidated Statements of Cash Flows	14
3.4	Notes to Quarterly Consolidated Financial Statements	16
	(Quarterly Consolidated Statements of Operations)	16
	(Notes on Assumption for Going Concern)	16
	(Notes on Significant Changes in the Amount of Shareholders' Equity)	16
	(Adoption of Special Accounting Methods for Quarterly Consolidated Financial Statements)	16
	(Business Combinations)	16
	(Additional Information)	17

1. Third Quarter Consolidated Financial Results

1.1 Analysis of Business Results

The Group implemented a change of the fiscal term in which the fiscal year-end changed from March 31 to December 31, starting from the fiscal year 2016. As a result, the previous consolidated fiscal year, in which the change in fiscal year-end took place, comprised the nine months from April 1, 2016 to December 31, 2016, and the consolidated results listed below are compared with the corresponding period of the previous year (January 1, 2016 to September 30, 2016).

The allocation of the acquisition costs for business combinations has been revised at the end of the nine months ended September 30, 2017. The revised allocation of the acquisition costs are reflected in the Quarterly Consolidated Financial Statements of the nine months ended September 30, 2017. For details, please refer to Appendix 3 "Quarterly Consolidated Financial Statements and Main Notes, 3.4. Notes to Quarterly Consolidated Financial Statements (Business Combinations)".

1.1.1 Summary of Consolidated Financial Results for the Nine-Month Period Ended September 30, 2017

	Nine-month period ended September 30, 2016	Nine-month period ended September 30, 2017	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	472.4	570.1	97.7	20.7%
Sales from semiconductors	459.1	557.9	98.9	21.5%
Sales from others	13.3	12.1	(1.2)	(9.0%)
Operating income	48.8	56.3	7.4	15.2%
Ordinary income	40.1	54.5	14.4	36.0%
Net income attributable to shareholders of parent company	29.7	58.3	28.6	96.3%
	Yen	Yen		
Exchange rate (USD)	111	112	-	-
Exchange rate (EUR)	123	125	-	-

[Net sales]

Consolidated net sales for the nine-month period ended September 30, 2017 were 570.1 billion yen, a 20.7% increase year on year. Consolidated sales increased mainly due to dissipation of the impact from the Kumamoto earthquake that occurred in the same period a year ago, in addition to sales of Intersil Corporation that started to be recorded as part of the Group's consolidated sales following the completion of the acquisition in February 2017.

[Operating income]

Operating income for the nine-month period ended September 30, 2017 was 56.3 billion yen, a 7.4 billion yen increase year on year. This was mainly due to an increase in net sales.

[Ordinary income]

Ordinary income for the nine-month period ended September 30, 2017 was 54.5 billion yen, a 14.4 billion yen increase year on year. This was mainly due to an improvement in non-operating income including the foreign exchange gains, in addition to an increase in operating income.

[Net income attributable to shareholders of parent company]

Net income attributable to shareholders of parent company for the nine-month period ended September 30, 2017 was 58.3 billion yen, a 28.6 billion yen increase year on year. This was mainly due to the recording of insurance income as special income, in addition to an increase in ordinary income.

1.1.2 Summary of Consolidated Financial Results Three-Month Period Ended September 30, 2017

	Three-month period ended September 30, 2016	Three-month period ended September 30, 2017	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	152.6	195.5	42.9	28.1%
Sales from semiconductors	148.3	192.3	44.0	29.6%
Sales from others	4.3	3.2	(1.1)	(25.2%)
Operating income	14.6	24.9	10.3	70.8%
Ordinary income	12.6	24.4	11.9	94.3%
Net income attributable to shareholders of parent company	9.4	22.3	12.9	137.1%
	Yen	Yen		
Exchange rate (USD)	104	111	-	-
Exchange rate (EUR)	116	130	-	-

[Net sales]

Consolidated net sales for the three-month period ended September 30, 2017 were 195.5 billion yen, a 28.1% increase year on year. This increase was caused by an increase in sales from semiconductors, which is the core business of the Group.

[Sales from Semiconductors]

Sales from semiconductors for the three-month period ended September 30, 2017 were 192.3 billion yen, a 29.6% increase year on year.

Following the completion of the acquisition of Intersil Corporation in February 2017, the Company integrated Intersil Corporation into its operations and reformed its business organization into three business units. To align with this change, the Company redefined its semiconductor sales breakdown to: "Automotive," "Industrial" and "Broad-based," the three application categories that constitute the main businesses of the Group, and "Other semiconductors," that constitute the businesses that do not belong to the above three application categories. The sales breakdown is as follows:

Automotive Business: 100.6 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 mainly supplies microcontrollers (MCUs), system-on-chips (SoCs), analog semiconductor devices and power semiconductor devices in each of these categories.

Sales of Automotive business for the three-month period ended September 30, 2017 were 100.6 billion yen, an increase of 19.5% year on year. This is due to increases in sales in both the "Automotive control" and "Automotive information" categories.

Industrial Business: 53.5 billion yen

The Industrial business includes the product categories "Smart factory", "Smart home" and "Smart infrastructure" which support the smart society. The Group mainly supplies MCUs and SoCs in each of these categories.

Sales of Industrial business for the three-month period ended September 30, 2017 were 53.5 billion yen, an increase of 18.5% year on year. This was mainly due to an increase in sales in all three categories, "Smart factory", "Smart home" and "Smart infrastructure", driven by strong demand for industrial equipment, including FA (Factory Automation), and air conditioners in China.

Broad-Based Business: 37.4 billion yen

The Broad-based business targets a wide variety of end-market solutions. In this business, the Group mainly supplies "General-purpose MCUs" and "General-purpose analog semiconductor devices".

Sales of Broad-based business for the three-month period ended September 30, 2017 were 37.4 billion yen, an increase of 102.3% year on year. This increase was mainly due to an increase in sales in the "General-purpose analog semiconductor devices" category following the Intersil acquisition, despite the decreased sales in the "General-purpose MCUs" category.

Other Semiconductors: 0.8 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-month period ended September 30, 2017 were 3.2 billion yen, a 25.2% decrease year on year.

[Operating income]

Operating income for the three-month period ended September 30, 2017 was 24.9 billion yen, a 10.3 billion yen increase year on year. This was mainly due to an increase in net sales despite the reduction from recording of amortization of goodwill.

[Ordinary income]

Ordinary income for the three-month period ended September 30, 2017 was 24.4 billion yen, a 11.9 billion yen increase year on year. This was mainly due to an improvement in non-operating income including foreign exchange gains, in addition to an increase in operating income.

[Net income attributable to shareholders of parent company]

Net income attributable to shareholders of parent company for the three-month period ended September 30, 2017 was 22.3 billion yen, a 12.9 billion yen increase year on year. This was mainly due to an improvement in special income, in addition to an increase in ordinary income.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	June 30, 2017	September 30, 2017	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	1,015.6	1,020.6	5.0
Net assets	451.4	479.4	28.0
Equity	448.7	476.2	27.5
Equity ratio (%)	44.2	46.7	2.5
Interest-bearing debt	249.8	232.1	(17.7)
Debt / Equity ratio	0.56	0.49	(0.07)

Total assets at September 30, 2017 were 1,020.6 billion yen, a 5.0 billion yen increase from June 30, 2017. This was mainly due to short-term investment securities, merchandise and finished goods, and work in process, despite a decrease in cash and deposits resulting from repayment of debts. Net assets were 479.4 billion yen, a 28.0 billion yen increase from June 30, 2017. This was mainly due to recording of net income attributable to shareholders of parent company in the amount of 22.3 billion yen.

Equity increased by 27.5 billion yen from June 30, 2017 and the equity ratio was 46.7%. Interest-bearing debt decreased by 17.7 billion yen from June 30, 2017. Consequently, the debt to equity ratio decreased to 0.49.

1.2.2 Cash Flows

	Three-month period ended September 30, 2016	Three-month period ended September 30, 2017
	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	32.6	44.0
Net cash provided by (used in) investing activities	(16.8)	(26.2)
Free cash flows	15.8	17.8
Net cash provided by (used in) financing activities	(84.2)	(21.0)
Cash and cash equivalents at the beginning of period	397.3	126.6
Cash and cash equivalents at the end of period	326.2	124.4

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

Net cash provided by operating activities for the three-month period ended September 30, 2017 was 44.0 billion yen. This was mainly due to recording of income before income taxes in the amount of 24.7 billion yen and an adjustment of non-expenditure items within these income before income taxes including depreciation and amortization, etc.

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

Net cash used in investing activities for the three-month period ended September 30, 2017 was 26.2 billion yen, mainly due to the purchase of property, plant and equipment.

The foregoing resulted in positive free cash flows of 17.8 billion yen for the three-month period ended September 30, 2017.

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

Net cash used in financing activities for the three-month period ended September 30, 2017 was 21.0 billion yen.

1.3 Consolidated Forecasts

The Group implemented a change of the fiscal term in which the fiscal year-end changed from March 31 to December 31, starting from the fiscal year 2016. Accordingly, the percent of change from the corresponding period of the previous year is not indicated, since the current fiscal year (January 1, 2017 to December 31, 2017) and the previous fiscal year (April 1, 2016 to December 31, 2016) cover different periods.

The Group reports its consolidated forecasts on a quarterly basis (cumulative quarters) 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, 2017)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconduct ors	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parent Company
Previous forecasts	---	---	---	---	---
Revised forecasts (November 2, 2017)	771,000	755,500	71,000	69,000	71,000
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference: Results for the year ended December 31, 2016	638,823	620,433	70,436	61,227	54,411

The figures of the consolidated forecasts for the year ending December 31, 2017 above are sum of the results of the nine-month period ended September 30, 2017 and the forecasts of the three months ending December 31, 2017. The consolidated forecasts for the fiscal year ending December 31, 2017 are calculated at the rate of 111 yen per USD and 125 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

For the year ending December 31, 2017, while the Group expects to post net income (net income attributable to shareholders of parent company), the Group regrettably suspended year-end dividend payment for this period.

The Group will divert its retained earnings for strategic investment opportunities that will enable the Group to respond to rapid environmental changes to thrive in the global marketplace, and will aim to increase shareholder profit by improving corporate value. Based on a long-term standpoint, the Group aims to realize stable and sustained growth in profits to allow dividends to be reinstated.

(For the year ending December 31, 2017)

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

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

During the first quarter, 25 subsidiaries have been newly included in the Group due to the acquisition or establishment and 1 subsidiary has been excluded from the Group.

During the second quarter, a subsidiary has been excluded from the Group due to the completion of transfer.

From the third quarter, Renesas System Design Co., Ltd. has been excluded from the Group due to the extinction by merger.

The main new consolidated subsidiaries are as follows

Intersil Corporation

Intersil International Operations Sdn. Bhd.

Intersil Communications LLC

Intersil Luxembourg S.a.r.l

Furthermore, Intersil International Operations Sdn. Bhd. and Intersil Luxembourg S.a.r.l are specified subsidiaries.

3. Quarterly Consolidated Financial Statements and Main Notes

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of December 31, 2016)	Current Fiscal Year (As of September 30, 2017)
Assets		
Current assets		
Cash and deposits	354,569	112,894
Notes and accounts receivable-trade	80,480	92,703
Short-term investment securities	-	11,977
Merchandise and finished goods	34,432	44,630
Work in process	55,754	67,644
Raw materials and supplies	7,110	8,309
Accounts receivable-other	12,721	11,884
Other current assets	13,504	17,249
Allowance for doubtful accounts	(71)	(73)
Total current assets	558,499	367,217
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	59,892	63,334
Machinery and equipment, net	85,995	124,040
Vehicles, tools, furniture and fixtures, net	18,960	26,181
Land	22,456	21,716
Construction in progress	14,202	12,369
Total property, plant and equipment	201,505	247,640
Intangible assets		
Goodwill	-	178,868
Software	13,882	17,954
Developed technology	6,626	121,870
Other intangible assets	8,045	26,272
Total intangible assets	28,553	344,964
Investments and other assets		
Investment securities	6,098	8,302
Long-term prepaid expenses	21,971	44,795
Other assets	6,787	7,730
Allowance for doubtful accounts	(359)	-
Total investments and other assets	34,497	60,827
Total long-term assets	264,555	653,431
Total assets	823,054	1,020,648

	Prior Fiscal Year (As of December 31, 2016)	Current Fiscal Year (As of September 30, 2017)
Liabilities		
Current liabilities		
Electronically recorded obligations	11,138	15,449
Notes and accounts payable-trade	74,750	78,050
Short-term borrowings	-	35,000
Current portion of long-term borrowings	-	12,875
Current portion of lease obligations	4,481	113
Accounts payable-other	44,652	44,620
Accrued expenses	32,473	29,933
Accrued income taxes	2,309	5,026
Provision for product warranties	287	147
Provision for business structure improvement	2,002	2,504
Provision for contingent loss	220	9,397
Provision for loss on disaster	708	9
Provision for sales rebates	-	1,572
Asset retirement obligations	22	107
Other current liabilities	12,546	19,353
Total current liabilities	185,588	254,155
Long-term liabilities		
Long-term borrowings	152,568	183,896
Lease obligations	269	174
Provision for business structure improvement	89	208
Net defined benefit liability	39,571	35,025
Asset retirement obligations	2,645	2,541
Other liabilities	19,931	65,287
Total long-term liabilities	215,073	287,131
Total liabilities	400,661	541,286
Net assets		
Shareholders' equity		
Common stock	10,000	10,018
Capital surplus	191,919	191,937
Retained earnings	206,345	264,612
Treasury stock	(11)	(11)
Total shareholders' equity	408,253	466,556
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	474	649
Deferred gains or losses on hedges	9,012	-
Foreign currency translation adjustments	(3,221)	3,680
Remeasurements of defined benefit plans	5,644	5,282
Total accumulated other comprehensive income	11,909	9,611
Subscription rights to shares	23	907
Non-controlling interests	2,208	2,288
Total net assets	422,393	479,362
Total liabilities and net assets	823,054	1,020,648

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(Nine-month period ended September 30, 2017)

(In millions of yen)

	Nine-month period ended September 30, 2017
Net sales	570,058
Cost of sales	317,683
Gross profit	252,375
Selling, general and administrative expenses	196,116
Operating income	56,259
Non-operating income	
Interest income	392
Dividends income	28
Equity in earnings of affiliates	66
Reversal of provision for business structure improvement	302
Reversal of allowance for doubtful accounts	341
Other non-operating income	517
Total non-operating income	1,646
Non-operating expenses	
Interest expenses	1,505
Foreign exchange losses	754
Other non-operating expenses	1,146
Total non-operating expenses	3,405
Ordinary income	54,500
Special income	
Gain on sales of property, plant and equipment	531
Gain on sales of investment securities	138
Reversal of provision for contingent loss	6
Gain on transfer of business	3,847
Insurance income	*1 10,422
Total special income	14,944
Special loss	
Loss on sales of property, plant and equipment	118
Impairment loss	185
Business structure improvement expenses	*2 3,980
Loss on sales of investment securities	1
Provision for contingent loss	451
Total special loss	4,735
Income before income taxes	64,709
Income taxes	6,402
Net income	58,307
Net income attributable to non-controlling interests	40
Net income attributable to shareholders of parent company	58,267

Quarterly Consolidated Statements of Comprehensive Income

(Nine-month period ended September 30, 2017)

(In millions of yen)

	Nine-month period ended September 30, 2017
Net income	58,307
Other comprehensive income	
Unrealized gains (losses) on securities	130
Deferred gains (losses) on hedges	(9,012)
Foreign currency translation adjustments	6,961
Remeasurements of defined benefit plans, net of tax	(377)
Share of other comprehensive income of affiliates accounted for by the equity method	41
Total other comprehensive income	(2,257)
Comprehensive income	56,050
Comprehensive income attributable to:	
Shareholders of parent company	55,969
Non-controlling interests	81

Quarterly Consolidated Statements of Operations
(Three-month period ended September 30, 2017)

	(In millions of yen)
	Three-month period ended September 30, 2017
Net sales	195,505
Cost of sales	102,600
Gross profit	92,905
Selling, general and administrative expenses	68,045
Operating income	24,860
Non-operating income	
Interest income	63
Dividends income	13
Equity in earnings of affiliates	20
Foreign exchange gains	278
Other non-operating income	117
Total non-operating income	491
Non-operating expenses	
Interest expenses	555
Other non-operating expenses	357
Total non-operating expenses	912
Ordinary income	24,439
Special income	
Gain on sales of property, plant and equipment	278
Gain on sales of investment securities	74
Reversal of provision for contingent loss	11
Total special income	363
Special loss	
Loss on sales of property, plant and equipment	53
Impairment loss	1
Business structure improvement expenses	97
Total special loss	151
Income before income taxes	24,651
Income taxes	2,314
Net income	22,337
Net income attributable to non-controlling interests	10
Net income attributable to shareholders of parent company	22,327

Quarterly Consolidated Statements of Comprehensive Income
(Three-month period ended September 30, 2017)

(In millions of yen)

	Three-month period ended September 30, 2017
Net income	22,337
Other comprehensive income	
Unrealized gains (losses) on securities	8
Foreign currency translation adjustments	5,513
Remeasurements of defined benefit plans, net of tax	(317)
Share of other comprehensive income of affiliates accounted for by the equity method	20
Total other comprehensive income	5,224
Comprehensive income	27,561
Comprehensive income attributable to:	
Shareholders of parent company	27,500
Non-controlling interests	61

3.3 Quarterly Consolidated Statements of Cash Flows

(Nine-month period ended September 30, 2017)

	(In millions of yen)
	Nine-month period ended September 30, 2017
Net cash provided by (used in) operating activities	
Income before income taxes	64,709
Depreciation and amortization	55,274
Amortization of long-term prepaid expenses	10,797
Impairment loss	185
Amortization of goodwill	12,245
Increase (decrease) in net defined benefit liability	(6,352)
Increase (decrease) in provision for business structure improvement	733
Interest and dividends income	(420)
Insurance income	(10,521)
Interest expenses	1,505
Equity in (earnings) losses of affiliates	(66)
Loss (gain) on sales of property, plant and equipment	(413)
Business structure improvement expenses	1,751
Loss (gain) on transfer of business	(3,847)
Decrease (increase) in notes and accounts receivable-trade	(4,088)
Decrease (increase) in inventories	(5,065)
Decrease (increase) in accounts receivable-other	2,780
Increase (decrease) in notes and accounts payable-trade	4,583
Increase (decrease) in accounts payable-other and accrued expenses	(21,894)
Other cash provided by (used in) operating activities, net	6,710
Subtotal	108,606
Interest and dividends received	475
Proceeds from insurance income	11,521
Interest paid	(1,416)
Income taxes paid	(3,633)
Payments for loss on disaster	(2,314)
Net cash provided by (used in) operating activities	113,239
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	(86,701)
Proceeds from sales of property, plant and equipment	891
Purchase of intangible assets	(7,186)
Purchase of long-term prepaid expenses	(2,924)
Purchase of investment securities	(154)
Proceeds from sales of investment securities	707
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(311,428)
Proceeds from transfer of business	4,940
Other cash provided by (used in) investing activities, net	222
Net cash provided by (used in) investing activities	(401,633)

(In millions of yen)

	Nine-month period ended September 30, 2017
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term borrowings	35,000
Proceeds from long-term borrowings	50,000
Repayments of long-term borrowings	(5,797)
Repayments of finance lease obligations	(327)
Repayments of installment payables	(9,624)
Net cash provided by (used in) financing activities	69,252
Effect of exchange rate change on cash and cash equivalents	(10,730)
Net increase (decrease) in cash and cash equivalents	(229,872)
Cash and cash equivalents at the beginning of the period	354,287
Cash and cash equivalents at the end of the period	124,415

3.4 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

- *1 Insurance income
Due to the receipt of the insurance related to the 2016 Kumamoto Earthquake.
- *2 Business structure improvement expenses
The Group has reformed businesses and structures of the production to strengthen its financial basis, and those related expenses are shown as business structure improvement expenses. The main items of business structure improvement expenses were impairment loss and relocation/disposal expenses associated with fixed assets.

(Notes on Assumption for Going Concern)

None

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

None

(Adoption of Special Accounting Methods for Quarterly Consolidated Financial Statements)

(Calculation of Income Tax Expenses)

Income tax expenses are calculated by multiplying income before income taxes for the third quarter of the fiscal year ending December 31, 2017 by a reasonably estimated effective tax rate expected to be applied against income before income taxes for the fiscal year, including the first and second quarter, while applying tax effect accounting.

(Business Combinations)

Acquisition of Stock of Intersil Corporation

- (1) The amount and detail of significant revision to the initial allocation of the acquisition cost
With regard to the acquisition of Intersil Corporation which took place on February 24, 2017, the acquisition was accounted for using provisional amounts determined based on reasonable information at the time of creation of quarterly consolidated financial statement since the recognition and fair value measurement of the identifiable assets acquired and liabilities assumed at the acquisition date have not been finalized and, therefore, the purchase price allocation was still preliminary. The goodwill was provisionally recognized as the total amount of the excess of the consideration transferred over the net amount of the assets acquired and liabilities assumed.
We revised the initial allocation of the acquisition cost based on reasonable information for the three-month period ended September 30, 2017. The details of the revision and the revised amount of goodwill are as follows.

(In million of yen)

Modified subjects	Adjustments of goodwill
Goodwill (before adjustment)	316,304
Inventories	(10,029)
Property, plant and equipment	(10,225)
Intangible assets	(144,088)
Deferred tax liabilities	36,192
Other	2,823
Total adjustments	(125,327)
Goodwill (after adjustment)	190,977

We continue to use a provisional accounting treatment for some of the acquisition costs because deferred tax liabilities and other are under investigation for the three-month period ended September 30, 2017.

(2) Breakdown and weighted average amortization period of the amount and main asset type allocated as intangible assets other than goodwill.

Type	Amount	Weighted average amortization period
Developed technology	122,803 million of yen	10 years
Customer-related assets	14,408 "	14 years
In-process R&D assets	4,277 "	---
Other	2,600 "	---
Total	144,088 million of yen	---

(Note) We plan to amortize In-process R&D assets over the usable period but it is not indicated in weighted amortization period because this development has not completed for the three-month period ended September 30, 2017.

(Additional information)

(Change in presentation)

Developed technology which was included in "Other" under "Intangible assets" for the fiscal year ended December 31, 2016, is separately presented from the three-month period ended September 30, 2017, because it has become significant in terms of amount. To reflect this change in method of presentation, the amount of 6,626 million yen presented in "Other" in the previous fiscal year is reclassified into "Developed technology".

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. A global leader in microcontrollers, analog, power, and SoC products and integrated platforms, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, Home Electronics, Office Automation and Information Communication Technology applications to help shape a limitless future. Learn more at renesas.com.

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