(Translation)

The following is an English translation of the Notice of the 9th Ordinary General Meeting of Shareholders of Renesas Electronics Corporation to be held on June 28, 2011 (as well as the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements with respect to the 9th Business Period, and report on the results of the audit conducted on such Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors), except for translation of the instructions on voting rights and the access map for the place of the meeting in the Notice. The Company provides this translation for your reference and convenience only.

Renesas Electronics Corporation

Securities Code: 6723
1753, Shimonumabe, Nakahara-ku,
Kawasaki, Kanagawa

Junshi Yamaguchi
Representative Director, Chairman

June 10, 2011

To Our Shareholders:

NOTICE OF THE 9TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The Ninth Ordinary General Meeting of Shareholders (the "General Meeting") of Renesas Electronics Corporation (the "Company") will be held as follows:

1. DATE: June 28, 2011 (Tuesday) at 10:00 A.M. (Japan Standard Time)
2. PLACE: Tamagawa Renaissance City Hall at 1753, Shimonumabe, Nakahara-ku, Kawasaki, Kanagawa, Japan
3. AGENDA OF THE GENERAL MEETING:

MATTERS TO BE REPORTED UPON

Report on the Business Report, Consolidated Financial Statements and Financial Statements, and report on the results of the audit conducted on the Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors with respect to the 9th Business Period from April 1, 2010 to March 31, 2011.

MATTERS TO BE VOTED UPON:

(1) Partial Amendment to the Articles of Incorporation
(2) Election of Ten Directors
(3) Election of One Corporate Auditor

(Translation)

REFERENCE DOCUMENTS FOR THE GENERAL MEETING

Proposal No. 1: Partial Amendment to the Articles of Incorporation

We propose that the current Articles of Incorporation of the Company be amended as follows.

1. Reasons for Proposal

Under the current Articles of Incorporation, the Board of Directors is required to elect a Chairman and a President, and the Chairman shall convene general meetings of shareholders and act as chairman thereat, unless unable to act so.

To construct a management structure that keeps abreast of changes in the business environment, the Company shall make necessary amendments to Articles 15 and 22 of the current Articles of Incorporation allowing a Representative Director previously determined by the Board of Directors to serve as convener and chairman of the general meetings of shareholders.

2. Details of Amendment

Details of amendment are as follows:

(Underlined are the amended parts)

Current Text	Proposed Amendment
Article 1 to Article 14 (Omitted)	Article 1 to Article 14 *[Not amended]*
Article 15. (Convener and Chairman) 1. The Chairman shall convene a general meeting of shareholders and act as chairman thereat. 2. In case where the Chairman is unable to act as convener and chairman, President shall convene a general meeting of shareholders and act as chairman thereat, and in case where the President is unable to act as convener and chairman, other Director, in accordance with an order previously determined by the Board of Directors, shall convene such meeting and act as chairman thereat.	Article 15. (Convener and Chairman) 1. The Representative Director previously determined by the Board of Directors shall convene a general meeting of shareholders and act as chairman thereat. 2. In case where the Representative Director stipulated in the preceding paragraph is unable to act as convener and chairman, other Director, in accordance with an order previously determined by the Board of Directors, shall convene such meeting and act as chairman thereat.
Article 16 to Article 21 (Omitted)	Article 16 to Article 21 *[Not amended]*

(Translation)

Current Text	Proposed Amendment
Article 22. （Representative Director<u>, etc.</u>） 1. The Board of Directors shall elect Representative Director(s) by its resolution. <u>2. The Board of Directors shall elect one Chairman and one President by its resolution.</u>	Article 22. （Representative Director） 1. The Board of Directors shall elect Representative Director(s) by its resolution. *[Deleted]*
Article 23 to Article 37 (Omitted)	Article 23 to Article 37 *[Not amended]*

(Translation)

Proposal No. 2: Election of Ten Directors

Upon the close of the General Meeting, the term of office held by all Directors will expire. We therefore propose that ten Directors be elected.

The candidates are as follows:

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
1	Yasushi Akao (August 7, 1954)	April 1979	Joined Hitachi, Ltd.	2,400
		April 2003	Deputy General Manager, SOC Division, MCU & SOC Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation)	
		April 2004	Managing Officer, and General Manager, Corporate Strategy Planning Division, Renesas Technology Corp.	
		December 2004	Managing Officer, and Deputy Executive General Manager, System Solution Business Group, Renesas Technology Corp.	
		April 2007	Board Director, and Deputy Executive General Manager, MCU Business Group, Renesas Technology Corp.	
		April 2008	Board Director, and Executive General Manager, MCU Business Group, Renesas Technology Corp.	
		April 2009	Representative Director and President, Renesas Technology Corp.	
		April 2010	Representative Director, President, the Company (to the present) (Responsibilities) Management of execution of overall business operations, and hosting of Executive Committee, Corporate Management Meeting and other important meetings	

(Translation)

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
2	Susumu Furukawa (July 12, 1954)	February 1979	Joined ASCII Corporation	0
		May 1986	Left ASCII Corporation President, Microsoft Co., Ltd.	
		November 1991	Chairman and CEO, Microsoft Co., Ltd., and Director, Far East Research and Development, Microsoft Corporation	
		May 2000	Vice President, Consumer Strategy, Microsoft Corporation	
		January 2002	Vice President, Advanced Strategies and Policy, Microsoft Corporation	
		February 2004	Vice President, Advanced Strategies and Policy, Microsoft Corporation, and Executive Officer and Chief Technical Officer, Microsoft Co., Ltd.	
		June 2005	Left Microsoft Corporation and Microsoft Co., Ltd.	
		April 2006	Professor, Research Institute for Digital Media and Content, Keio University	
		April 2008	Professor, Graduate School of Media Design, Keio University (to the present)	
		April 2010	Member of the Board, the Company (to the present) (Important Concurrent Positions) Professor, Graduate School of Media Design, Keio University	

(Translation)

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
3	Noritomo Hashimoto (July 30, 1954)	April 1977	Joined Mitsubishi Electric Corporation	0
		April 2005	General Manager, LCD Division, Mitsubishi Electric Corporation	
		October 2006	General Manager, Semiconductor & Device Division, Mitsubishi Electric Corporation	
		April 2008	General Manager, Corporate Human Resources Division, Mitsubishi Electric Corporation	
		April 2009	Executive Officer, General Affairs, Human Resources and Public Relations, Mitsubishi Electric Corporation Board Director, Renesas Technology Corp. (currently, Renesas Electronics Corporation)	
		June 2009	Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, General Affairs, Human Resources and Public Relations, Mitsubishi Electric Corporation (to the present)	
		April 2010	Member of the Board, the Company (to the present) (Important Concurrent Positions) Director, Executive Officer, Mitsubishi Electric Corporation	

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
4	Takashi Niino (September 8, 1954)	April 1977	Joined NEC Corporation	0
		April 2004	Executive General Manager, 2nd Solutions Sales Operations Unit, NEC Corporation	
		April 2006	Executive General Manager, Financial Solutions Operations Unit, NEC Corporation	
		April 2008	Associate Senior Vice President, and Executive General Manager, Financial Solutions Operations Unit, NEC Corporation	
		April 2010	Senior Vice President, NEC Corporation (to the present)	
		June 2010	Member of the Board, the Company (to the present)	
			(Important Concurrent Positions) Senior Vice President, NEC Corporation	
5	Kazuaki Ogura (November 28, 1949)	April 1974	Joined Mitsubishi Electric Corporation	1,400
		April 2004	General Manager, Planning & Administration Department, Public Utility Systems Group, Mitsubishi Electric Corporation	
		October 2006	Group Senior Vice President, Energy and Industrial Systems Group, Mitsubishi Electric Corporation	
		April 2007	General Manager, Corporate Auditing Division, Mitsubishi Electric Corporation	
		April 2009	General Manager, Audit Committee Office, Mitsubishi Electric Corporation	
		May 2009	General Manager, Associated Companies Division, Mitsubishi Electric Corporation	
		October 2009	General Manager, Merger Preparation Office, Renesas Technology Corp. (currently, Renesas Electronics Corporation)	

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
		April 2010	Executive Vice President and Member of the Board, the Company (to the present) (Responsibilities) Matters relating to Internal Audit Office, Finance & Accounting Division and Order Transaction Control Department	
6	Masaki Kato (March 3, 1951)	April 1974	Joined NEC Corporation	9,500
		November 2002	General Manager, Corporate Sales Planning Division, Sales Operations Unit, NEC Electronics Corporation (currently, Renesas Electronics Corporation)	
		April 2003	Vice President, NEC Plasma Display Corporation (currently, Pioneer Plasma Display Corporation)	
		October 2004	General Manager, Business Management Division, Plasma Display Business Company, Pioneer Corporation	
		September 2006	Left Pioneer Corporation	
		October 2006	Senior Vice President, NEC Electronics Corporation	
		June 2009	Executive Vice President and Member of the Board, NEC Electronics Corporation	
		April 2010	Executive Vice President and Member of the Board, the Company (to the present) (Responsibilities) Management of important matters relating to production and Corporate Planning Division, General Manager, Corporate Export Control Office, and matters relating to Purchasing Division and Information Systems Division	

(Translation)

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
7	Yoichi Yano (November 20, 1954)	April 1980	Joined NEC Corporation	4,800
		November 2002	General Manager, 4th System LSI Division, 2nd Business Development Operations Unit, NEC Electronics Corporation (currently, Renesas Electronics Corporation)	
		November 2004	Vice President, 4th Systems Operations Unit, NEC Electronics Corporation	
		September 2006	Senior Vice President, and Vice President, 4th Systems Operations Unit, NEC Electronics Corporation	
		May 2007	Executive Vice President, and Vice President, Microcomputer Operations Unit, NEC Electronics Corporation	
		June 2007	Executive Vice President and Member of the Board, and Vice President, Microcomputer Operations Unit, NEC Electronics Corporation	
		April 2008	Dismissal of Vice President, Microcomputer Operations Unit, NEC Electronics Corporation	
		April 2010	Executive Vice President and Member of the Board, the Company (to the present)	
			(Responsibilities) Vice President, Technology Development Unit, and matters relating to Intellectual Property Division and Quality Assurance Division	

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
8	Shozo Iwakuma (August 19, 1955)	April 1980 April 2003 April 2005 April 2007 April 2009 April 2010	Joined Hitachi, Ltd. Department Manager, Human Resources Department, Human Resources & General Affairs Division, Renesas Technology Corp. (currently, Renesas Electronics Corporation) General Manager, Human Resources & General Affairs Division, Renesas Technology Corp. Managing Officer, and General Manager, Human Resources & General Affairs Division, Renesas Technology Corp. Board Director, and General Manager, Human Resources & General Affairs Division, Renesas Technology Corp. Senior Vice President and Member of the Board, the Company (to the present) (Responsibilities) Matters relating to Legal & Compliance Division and Human Resources & General Affairs Division	1,300

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
* 9	Masahiro Yamamura (July 24, 1951)	April, 1974	Joined Hitachi, Ltd.	0
		April, 2003	Managing Officer, and Executive General Manager, Memory Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation)	
		April, 2004	Managing Officer, and Executive General Manager, Memory Business Group, Renesas Technology Corp.	
		July, 2006	Managing Officer, Renesas Technology Corp. Chairman and CEO, Renesas Technology (Shanghai) Co., Ltd. (currently, Renesas Electronics (Shanghai) Co., Ltd.)	
		October, 2008	Senior Vice President, Hitachi Global Storage Technologies, Inc.	
		January, 2009	President, Hitachi Global Storage Technologies Japan, Ltd.	
		April, 2010	Chairman of the Board, Hitachi Global Storage Technologies Netherlands B.V. (currently, Viviti Technologies Ltd.) (to the present) Director of the Board, Hitachi Global Storage Technologies Japan, Ltd. (to the present)	
		March, 2011	General Manager, Semiconductor Business Division, Hitachi, Ltd. (to the present)	
			(Important Concurrent Positions) General Manager, Semiconductor Business Division, Hitachi, Ltd., Chairman of the Board, Viviti Technologies Ltd.	

(Translation)

No.	Name (Date of Birth)	Brief Employment History, Position, Responsibility and Important Concurrent Positions		Number of the Company's Shares Held
* 10	Shigeo Mizugaki (August 13, 1954)	April 1980	Joined Mitsubishi Electric Corporation	600
		April 2003	Department Manager, SOC Design Department 3, SOC Division, MCU & SOC Business Unit, Renesas Technology Corp. (currently, Renesas Electronics Corporation)	
		July 2003	Department Manager, MCU Design Department 1, MCU Division, MCU & SOC Business Unit, Renesas Technology Corp.	
		April 2007	General Manager, MCU Business Unit 1, MCU Business Group, Renesas Technology Corp.	
		April 2008	Managing Officer, Deputy Executive General Manager, MCU Business Group, and General Manager, MCU Business Unit 1, Renesas Technology Corp.	
		April 2009	Board Director, and Executive General Manager, MCU Business Group, Renesas Technology Corp.	
		April 2010	Senior Vice President, and Vice President, MCU Business Unit, the Company	
		April 2011	Senior Vice President, the Company (to the present) (Responsibilities) Management of important matters relating to MCU Business Unit	

(Note) 1. Asterisk denotes a new candidate for Director.

2. Mr. Noritomo Hashimoto concurrently serves as a Director, Executive Officer of Mitsubishi Electric Corporation, with which the Company engages in transactions relating to development and sales of system LSI, etc.

3. Mr. Masahiro Yamamura concurrently serves as a Chairman of the Board of Viviti Technologies Ltd., and the Company engages in transactions relating to sales of semiconductor products, etc. with Hitachi Global Storage Technologies Japan, Ltd., a subsidiary of Viviti Technologies Ltd.

4. Except for the notes 2 and 3 above, none of the candidates have a special conflict of interest with the Company.
5. Mr. Noritomo Hashimoto is currently and has been involved in the execution of business of Mitsubishi Electric Corporation during the past 5 years. His position and responsibilities are described in the 'Brief Employment History, Position, Responsibility and Important Concurrent Positions.' section above. Mr. Noritomo Hashimoto has received a salary, etc. as an employee of Mitsubishi Electric Corporation during the past 2 years. Mitsubishi Electric Corporation is a "Special Related Party" as defined in Item 19, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act.
6. Mr. Takashi Niino is currently and has been involved in the execution of business of NEC Corporation during the past 5 years. His position and responsibilities are described in the 'Brief Employment History, Position, Responsibility and Important Concurrent Positions.' section above. Mr. Takashi Niino has received a salary, etc. as an employee of NEC Corporation during the past 2 years. NEC Corporation is a "Special Related Party" as defined in Item 19, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act.
7. Messrs. Susumu Furukawa, Noritomo Hashimoto and Takashi Niino are candidates for outside Directors. The Company has filed Mr. Susumu Furukawa as an independent Director under the rules of Tokyo Stock Exchange, Inc.
   (i) The Company selected Mr. Susumu Furukawa as a candidate for outside Director with the expectation that he would oversee and check the overall management of the Company from a global perspective by leveraging his extensive experience at Microsoft Corporation and its subsidiary, Microsoft Co., Ltd., and his extensive knowledge, experience and deep insight, etc. gained from his career as Professor of Graduate School of Keio University, etc.

   Mr. Susumu Furukawa currently serves as an outside Director of the Company, and the term of office of Mr. Susumu Furukawa as an outside Director of the Company will be 1 year and 3 months at the close of the General Meeting.
   (ii) Mr. Noritomo Hashimoto currently serves as a Director, Executive Officer of Mitsubishi Electric Corporation, and Mr. Takashi Niino currently serves as a Senior Vice President of NEC Corporation. The Company selected these candidates for outside Directors with expectation that they would oversee and check the overall management of the Company by leveraging their extensive knowledge, experience and deep insight gained from their many-years careers as an executive member or officer. Messrs. Noritomo Hashimoto and Takashi Niino currently serve as outside Directors of the Company, and the term of office of Mr. Noritomo Hashimoto as an outside Director of the Company will be 1 year and 3 months and of Mr. Takashi Niino as an outside Director of the Company will be 1 year at the close of the General Meeting.
8. The Company has already entered into liability limitation agreements with Messrs. Susumu

Furukawa, Noritomo Hashimoto and Takashi Niino, limiting their liabilities as defined in Paragraph 1, Article 423 of the Companies Act to the higher of either (i) 10,000,000 yen or (ii) the minimum liability amount stipulated in the applicable laws and regulations, and if their reappointments are approved, the Company will renew such liability limitation agreements with them.

9. Mr. Takashi Niino will take office as Executive Vice President and Member of the Board of NEC Corporation on June 22, 2011.

Proposal No. 3: Election of One Corporate Auditor

Upon the close of the General Meeting, Mr. Michiharu Nakamura will resign from his office as Corporate Auditor. We therefore propose that one Corporate Auditor be elected. The consent of the Board of Corporate Auditors for this Proposal has been obtained. The candidate is as follows:

Name (Date of Birth)	Brief Employment History, Position, and Important Concurrent Positions		Number of the Company's Shares Held
Toyoaki Nakamura (August 3, 1952)	April 1975	Joined Hitachi, Ltd.	0
	January 2006	General Manager, Finance Department-1, Hitachi, Ltd.	
	April 2007	Representative Executive Officer, and Senior Vice President and Executive Officer, Hitachi, Ltd.	
	June 2007	Director, Representative Executive Officer, and Senior Vice President and Executive Officer, Hitachi, Ltd. Corporate Auditor, Renesas Technology Corp. (currently, Renesas Electronics Corporation).	
	June 2008	Resigned as Corporate Auditor, Renesas Technology Corp.	
	June 2009	Representative Executive Officer, and Senior Vice President and Executive Officer, Hitachi, Ltd. (to the present)	
	April 2010	Member of the Board, the Company (to the present) (Important Concurrent Positions) Representative Executive Officer, and Senior Vice President and Executive Officer, Hitachi, Ltd.	

(Note) 1. Mr. Toyoaki Nakamura is a new candidate for a Corporate Auditor.

2. Mr. Toyoaki Nakamura concurrently serves as a Representative Executive Officer, and Senior Vice President and Executive Officer of Hitachi, Ltd., with which the Company engages in transactions relating to development and sales of system LSI, etc.

3. Mr. Toyoaki Nakamura currently serves as a Director of the Company. However, upon the close of the General Meeting, he will retire from his position as a Director.

Business Report

(For the Period from April 1, 2010 to March 31, 2011 (the “Period”))

1. Overview of Operations of the Group

(1) Business Progress and Results of the Group

(i) Overview

Despite the weakening of the economic stimulus measures implemented by governments worldwide and the slowdown in the euro-zone economy, the world economy during the Period remained firm overall, supported by the US monetary easing measures and economic growth in China and other emerging countries. In contrast, despite the signs of a recovery in Japan at the beginning of the Period, the economy in Japan has been slowing since the middle of the Period, affected by concerns over companies’ deteriorating business performance due to the stronger yen and termination of the government’s stimulus measures for increased consumption. Furthermore, the Great East Japan Earthquake, which occurred on March 11, 2011, has already begun to affect the Japanese economy, and both economic forecasts and indicators showed deterioration.

Amidst this economic condition, the semiconductor market in which Renesas Electronics Group (“the Group”) operates saw increase in demand due to customers’ production hike and inventory accumulation during the first half of the Period, and supply of certain semiconductor products, especially for digital home appliances, PCs and automobiles, became tight. During the second half of the Period, demand for semiconductors for automobiles and home appliances in the domestic market fell mainly due to the termination of the government’s “eco-car” subsidies and “eco-point” system for home appliances. However, due to strong demand for overall electronic devices in China and other emerging countries, demand for semiconductors in overseas market continued to show steady growth for popularly-priced products.

Amidst this business condition, former NEC Electronics Corporation merged with former Renesas Technology Corp. on April 1, 2010, and started business operation as Renesas Electronics Corporation. The Group is aiming to become a strong global semiconductor company which continuously grows, with its creative power and everlasting technology innovation by focusing on three main product groups, MCUs, Analog and Power Devices, and SoC (System-on-Chip) Solutions.

The Group formulated “100-day project” during the Period to attain following management targets; "expanding business and strengthening product competitiveness", "improving cost competitiveness", and "expanding overseas businesses"; and has strongly implemented various measures to attain its target of achieving an operating profit in consolidated financial results in the first fiscal year following the merger.

(a) Firstly, in relation to “expanding business and strengthening product competitiveness”, the Group has positioned areas such as living and social environment, entertainment and advanced information communication as the principal business of the Group; and enhanced an optimization of product portfolio and a realignment of resources.

① In MCU business, the Group has formed a marketing team for each product application area to enable rapid new product development planning in addition to striving to improve development efficiency by integration of manufacturing processes, CPU cores, peripheral IPs, etc. In November 2010, the technologies of two leading products in the 8-bit and 16-bit MCU markets, the “78k (78K0, 78K0R)” and “R8C”, were integrated to develop the new “RL78” MCU family that achieves lower power consumption and high performance. The Group started gradual shipment of samples of this family from January 2011.

② In Analog and Power Devices business, the Group took advantage of its know-how and experience acquired from MCU products to expand sales, and executed the policy to enhance kit solutions and product lineups centering on power supply and automotive areas. In March 2011, the Group completed the development of a schottky barrier diode (Note 2) using silicon carbide (Note 1) which is attracting attention as a next-generation power semiconductor material for high-output electronic devices for use in areas such as solar power generation, servers and personal computers, communication base stations or air conditioners.

③ In SoC Solutions business, the Group acquired the wireless modem business from Nokia Corporation (“Nokia”) of Finland in November 2010, and in December of the same year, the Group spun off its mobile multimedia business including this wireless modem business as Renesas Mobile Corporation as a driver for growth in the Group. In February 2011, the first product that represents a integration of existing Group technologies together with the latest modem technologies acquired from Nokia was developed as a triple mode modem platform ”SP2531” supporting communication standards for mobile handsets such as LTE (Note 3), HSPA+ (Note 4), and GSM (Note 5).

(b) In relation to “improving cost competitiveness”, the Group has conducted cost reduction and efficiency improvement throughout the management in order to respond to the changes in market structure including the development of a global economy and the expansion of markets in newly developing countries, and to realize the synergy effects of the merger at an early stage.

Firstly, with respect to design, the Group has integrated product roadmaps after examining and comparing overlapping technologies and products, and the Group has introduced a common development platform for MCUs and SoCs to thereby increase the efficiency of product development.

With respect to production, the Group has pressed ahead with the re-organization of production sites and the creation of a fab network (a system enabling production of the same product at more than one production site) including the use of foundries (specialist companies for commissioned production) in order to improve the production efficiency and strengthen our response to market fluctuations. In July of 2010, the Group decided to completely entrust the mass production of advanced process products of 28 nanometers or smaller to foundries, and in October of the same year, the Group started compatible mass production between the factories of the two former companies. In March 2011, it was agreed to transfer the Roseville factory of Renesas Electronics America to Telefunken of Germany.

Furthermore, in relation to sales, selection and consolidation of domestic and foreign sales offices within the Group was implemented in addition to an adjustment and reevaluation of product distribution through sales agents and distributors within Japan for the purpose of improving sales efficiency and strengthening sales power by expansion of scope and concentration.

In addition, the Group decided to create a new foreign procurement department in China in January 2011 that commenced business in April 2011 for the purpose of decreasing materials procurement costs and strengthening support to Group’s foreign production subsidiaries intended to increase production capacities and accelerate the globalization of materials procurement.

(c) In relation to “expanding overseas businesses”, the Group has created a business unit dedicated to MCU in China in October 2010, allowing timely decision making under local leadership regarding marketing, development and production design, in order to enhance and accelerate profit stability and business expansion in new emerging markets, in particular in China.

In November 2010 and January 2011, Renesas Electronics Singapore opened an Australian branch in Melbourne, Australia and a Bangalore branch in Bangalore, India in order to strengthen our sales network to expand overseas business.

Furthermore, in order to strengthen our direct engagement with foreign markets, the Group has decided to create a new marketing unit that integrates marketing functions of both the MCUs and Analog and Power Devices businesses in February 2011, and the unit started operations in April 2011. In this manner, the Group will be able to gain an accurate understanding of the need of local customers, provide optimal kit solutions, and develop an optimal sales strategy for each region with local leadership.

The effect of the Great East Japan Earthquake caused an unexpected suspension of production in five front-end factories (semiconductor wafer processing) and three back-end factories (semiconductor assembly and inspection processing) within the Group. However, thanks to the considerable support from many related parties outside the Group and the restoration activities undertaken by the entire Group working as a single team, all factories that were damaged, with the exception of the Naka factory that suffered the most serious damage, have returned to normal production operations. The Naka factory is scheduled to re-commence partial production operations in June 2011. The Group is currently investigating various approaches such as using inventory of finished products, completing production of semi-finished products, shifting production to other factories within the Group, commissioning production to foundries and proposing substitute products, and is trying to ensure stable supply of products in order to minimize the effect on our customers. The Group is also making all possible efforts to restore the entire production system.

(Note)
1. Silicon carbide (SiC) is a material that exhibits superior thermal conductivity, permissible operation temperature, radiation exposure and high dielectric breakdown field strength in comparison to silicon (Si), and is expected to reduce loss of power semiconductors.
2. This is characterized by high switching operation and low forward voltage in comparison to a general diode as it uses a diode that include a barrier (schottky barrier) produced by contact between a metal and the semiconductor.
3. Abbreviated name for Long Term Evolution, it is a high-speed data communication standard for mobile phone also called 3.9G.
4. Abbreviated name for High Speed Packet Access Plus, it is a standard that increased the speed of W-CDMA data transfer, which is a communication standard for third-generation (3G) mobile phones.
5. Abbreviated name for Global System for Mobile Communications, it is a common communication standard for second generation (2G) mobile phones which has been adopted in Europe.

(ii) Summary of Consolidated Financial Results

Consolidated net sales for the Period were 1,137.9 billion yen, an increase by 7.1% year on year. This increase was due to the recovery of the semiconductor market, especially demand growth in emerging countries.

Sales from semiconductors for the Period improved by 8.1% year on year to 1,018.9 billion yen.

Each sales figure of “MCUs”, “Analog & Power Devices” and “SoC Solutions”, the main business of the Group, and the “Other Semiconductors” that fit to neither of above three product categories was as follows:

MCUs mainly include automotive microcontrollers, microcontrollers for 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 Period were 384.1 billion yen, an increase from the corresponding period of the previous year. This was mainly due to increases in sales of microcontrollers for automobiles, industrial systems and consumer electronics.

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 Period improved from the previous year in the corresponding period to 316.2 billion yen. This was due to an increase in the sales of power MOSFETs for automobiles and PC power supplies despite a decrease in the sales of display driver ICs for PCs and LCD TVs.

SoC Solutions mainly include semiconductors for mobile handsets, semiconductors 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 Period decreased from the previous year in the corresponding period to 311.7 billion yen. This drop was due to decline in the sales of semiconductors for PC peripherals and baseband LSIs for mobile handsets despite a sales increase of semiconductors for industrial systems and LSIs for camera-equipped mobile phones.

Sales of Other Semiconductors include production by commissioning and royalties. Sales of Other Semiconductors for the Period were 6.9 billion yen.

Sales from Others include non-semiconductor products sold on a resale basis by the Group's sales subsidiaries, and development and production by commissioning conducted at the Group's design and manufacturing subsidiaries. Sales from Others for the Period were 119.0 billion yen.

Consolidated operating income for the Period improved by 127.8 billion yen year on year to 14.5 billion yen. This improvement was owing to increased sales, decrease in depreciation cost through suppressing capital investments, streamlining R&D cost through redefining of product portfolio following the merger. As a result of these efforts, the Group attained its target of achieving an operating profit in the first fiscal year following the merger.

Consolidated ordinary income for the Period was 1.0 billion yen, due to non-operating loss of 13.5 billion yen from recording foreign exchange losses and interest expenses.

Consolidated net loss for the Period was 115.0 billion yen. This loss was due to recording special loss of 111.8 billion yen. The special loss was comprised of impairment loss on fixed-assets of 36.1 billion yen, business structure improvement expenses of 30.6 billion yen, and also loss on disaster of 49.5 billion yen from the Great East Japan Earthquake, though the loss was partially compensated with insurance income receivable. The loss on disaster includes repair expenses and disposal loss of fixed-assets.

(Note) Increase (decrease) from the year ended March 31, 2010 above is a reference purpose only, and financial results for the year ended March 31, 2010 are simple sum of respective results of the former NEC Electronics Corporation and the former Renesas Technology Corp. The amount of net sales and sales from semiconductors of former Renesas Technology Corp. are reclassified to be consistent with the labeling of former NEC Electronics Corporation. These figures, etc. were not reviewed by the Independent Auditors.

In relation to a year-end dividend to our shareholders, truly to our regret, we decided to omit, prudently taking into consideration the overall conditions of the business results for the Period. The Company will continue to strive as a whole for the stabilization of business results and an improvement in profitability in order to be able to pay dividends for the coming years. In this regard, we deeply appreciate our shareholders for their understanding and continuing support.

(iii) Organization Restructuring, etc.

The transfer of businesses related to wireless modem from Nokia of Finland to the Company became effective on November 30, 2010. As of December 1, 2010, Renesas Mobile Corporation, a subsidiary of the Company, through an absorption-type split, succeeded from the Company the necessary assets, liabilities and the rights and obligations under the contracts to run the Company's mobile multimedia business, including the above mentioned wireless modem business.

(2) Research and Development by the Group

(i) Completion of Development of Triple-Mode Modem Platform "SP2531" Supporting a Wide Range of Communication Standards

The Group has completed the development of the triple-mode modem platform "SP2531" for mobile handsets supporting various communication standards. The modem technology that was acquired from Nokia as stated in "1-(1)-(iii) Organization Restructuring, etc." above has a record of connection results in more than 200 countries worldwide, and has been a long-term leader regarding performance in the mobile industry. This product has been developed using the triple-mode modem chip (baseband processor) based on this technology, in addition to the Group's existing RF transceiver IC, power amps, power supply IC and related software.

This product uses an LTE standard which is the latest communication standard, and realizes high-speed data transfer that represents the highest industry speed of downlink at 100Mbps and uplink at 50Mbps. Furthermore, in addition to LTE, application is possible to a wide range of existing communication standards including HSPA+ and GSM. Combination with RF transceiver ICs optimal for each modem will enable compatibility with the different communication standards and frequencies that exist in countries around the world. This product which includes a wireless communication function will be provided to the mobile convergence market that, in addition to mobile phones, is formed by various mobile handsets such as data communication cards, car navigation and net books. This product is expected to contribute to the development of cloud computing which is supported by such mobile handsets.

(ii) Development of On-Chip Technologies for Antennas to Realize Non-Contact Extremely Short-Distance Communication

The Company has developed technologies that enable the downsizing of antennas to a size of several square millimeters, which is 1/100 a conventional size, in relation to non-contact communication for wireless communication at extremely short distances of several centimeters. They have made possible the formation of a single chip combining the antenna and a transmission-reception circuit.

Non-contact communication at extremely short distances is already used for non-contact IC cards in credit cards and is expected to find application in various connector fields still under development including data transfer between digital cameras and personal computers, and data transfer between multilayered chips. However, the generation of noise in relation to small-scale antenna and the size of the antenna have been issues to be addressed.

This newly developed technology employs a wireless communication method through which data signals and synchronization signals are sent simultaneously from the transmission side. It is characterized by high noise resistance in comparison to conventional methods in which the synchronous signal is generated separately by the reception circuit and the transmission circuit. As a result, noise generation can be suppressed while decreasing the size of the antenna.

The Group has confirmed 15 Mbps non-contact data reception and transmission which rivals high-vision transmission speeds of terrestrial digital broadcasting by making a transceiver LSI prototype that included an antenna using this technology. The application of this technology to connector fields will enable downsizing of devices such as mobile handsets, but will also enable improvement to the design flexibility of devices in addition to connection stability.

(3) Capital Expenditures of the Group

During the Period, the Group invested a total of 43.5 billion yen in capital expenditures mainly aiming to expand facilities for using 200mm wafers, and other production facilities of back-end process mainly at overseas sites.

(4) Financing Activities of the Group

The Company newly issued shares to NEC Corporation, Hitachi Ltd. and Mitsubishi Electric Corporation by way of third party allotment as of April 1, 2010, and raised 134.6 billion yen for R&D investment to develop competitive products in global markets, investment to expand overseas sales, reform of business structure and repayment of interest-bearing debt.

(5) Issues to be Addressed by the Group

The Group has strongly implemented management strategies and various measures during the Period to attain following management targets; "expanding business and strengthening product competitiveness", "improving cost competitiveness", and "expanding overseas businesses". However, the Great East Japan Earthquake has strongly affected operation of its business. Given this circumstance, the Group is putting all possible efforts into “rapid recovery from the earthquake and maximizing product supply to customers”. At the same time, the Group will expedite its efforts of “reforming its business structure to achieve stable and profitable management base”.

(i) Rapid Recovery from the Earthquake and Maximizing Product Supply to Customers

The Group production site damaged seriously by the Great East Japan Earthquake was the Naka factory, which is one of its major front-end processing sites. As a result of all-out efforts by the whole Group to restore this factory, the Group expects to restart part of its manufacturing at the Naka factory from June 2011, which is earlier than the Group’s original schedule. The Group will continue to put the greatest efforts possible into achieving a complete recovery.

Also, as a response to the earthquake related problem of possible power shortages anticipated within the areas covered by the Tokyo Electric Power Company and Tohoku Electric Power Company, the Group will be making use of privately-owned electrical power facilities to secure stable operation at each of factories as well as be implementing energy conservation efforts at its offices and sites.

With regard to the supply chain, the Group is working to assure stable procurement through multiple routes or to acquire alternative suppliers for production materials that have become hard to acquire as their suppliers suffered damages and spare parts for maintenance, many of which are custom-ordered and require longer manufacturing times.

In addition to these efforts, the Group is putting all possible efforts into quickly launching alternate products and increasing the production capacity by utilizing the Group’s other factories and foundries to ensure stable product supply to its customers. Also, to hold the effects on the Group’s sales and earnings to an absolute minimum, not only will the Group quickly restore its production and supply systems, but also it will continue its work from before the merger to improve productivity, radically reduce capital investments, further streamline the R&D cost, and, as an emergency measure, reduce all costs, including manufacturing-related fixed costs, to prepare for the cost required for recovery and the capital investments expected in the future.

(ii) Reforming its Business Structure to Achieve Stable and Profitable Management Base

The Group's approach during the Period has been expanding its businesses and strengthening product competitiveness based on three main product groups, MCUs, Analog and Power Devices, and SoC Solutions as well as to strive for thoroughgoing increases in efficiency and cost reduction across all management areas. The Group will take advantage of its experience to recover from the Great East Japan Earthquake not only to redouble its efforts to focus on profitable business, but also to build a solid business structure that does not depend solely on the expansion of sales scale.

In the MCU business, the Group will accelerate its growth centered on the overseas market, including those in emerging countries, to grow its industry leading worldwide share of roughly 30 percent even further. In the Analog and Power Device business, the Group will aim for even further growth by taking full advantage of synergy with the MCU business, and strengthen this area as its main business focused on power semiconductors and mixed-signal ICs that can remain profitable even in adverse market conditions. In the SoC Solutions business, the Group will move forward even more strongly with market selection and concentration in strategic areas, product groups and market that deserve attention, and aim at assuring profitability and growth in those priority areas.

Finally, the Group is performing a thorough review and improvement of our BCP (business continuity plan) based on experiences through this earthquake. Based on this, the Group is paying its all efforts into building business structure which can promptly restart product supply to customers and minimize negative impacts on the financial results of the Group even in an emergency. After the earthquake, the Group succeeded in quickly shifting production to the Groups’ other factories and foundries by utilizing its ongoing “fab-network” manufacturing structure. The Group is enhancing its “fab-network” approach to expand production sites, product category and its production capacity applicable for “fab-network”.

(6) Changes in the Results of Financial Position and Profit and Loss (Consolidated)

(In billions of yen except per share figures)

Business Period / Indices	5th Business Period 4/1/06-3/31/07 (U.S. GAAP)	6th Business Period 4/1/07-3/31/08 (U.S. GAAP)	7th Business Period 4/1/08-3/31/09 (Japanese GAAP)	8th Business Period 4/1/09-3/31/10 (Japanese GAAP)	9th Business Period (the "Period") 4/1/10-3/31/11 (Japanese GAAP)
Net sales	692.3	687.7	550.7	471.0	1,137.9
Operating income (loss)	(28.6)	5.1	(66.4)	(49.2)	14.5
Ordinary income (loss)	-	-	(76.2)	(54.4)	1.0
Net income (loss) before income taxes	(35.4)	(3.3)	(91.5)	(52.8)	(110.8)
Net income (loss)	(41.5)	(16.0)	(85.1)	(56.4)	(115.0)
Net income (loss) per share (yen)	(336.04)	(129.52)	(688.77)	(456.95)	(275.75)
Total assets	695.9	616.3	488.2	459.9	1145.0
Net assets	265.1	227.1	194.7	136.3	291.1

(Note)
1. Since the third quarter of the eighth period (from October 1 2009 to December 31, 2009), the Company has changed its preparation standards for Financial Statements from accounting principles generally accepted in the United States of America (U.S. GAAP) to accounting principles generally accepted in Japan (Japanese GAAP). Consequently, the figures stated for the eighth period and the ninth period (the Period) are based on Japanese GAAP, and therefore for the purposes of easy comparison, the seventh period has also been stated using figures prepared on the basis of Japanese GAAP. For periods including and prior to the sixth period, figures based on Japanese GAAP have not been prepared and previous years are stated using figures based on U.S. GAAP.
2. "Net income (loss) per share" is calculated based on the average number of shares outstanding during each business period.
3. Major factor of large fluctuation in profit and loss during the ninth period is the merger of former NEC Electronics Corporation and former Renesas Technology Corp. on April 1, 2010 as described in "I-(1)-(i) Overview" above.

(7) Principal Parent Company and Subsidiaries (as of March 31, 2011)

(i) Relationship with Parent Company

The Company does not have a parent company.

(ii) Principal Subsidiaries

Name of Subsidiaries		Capital (Millions of yen)	Investment Ratio (%)	Main Business	Location
Japan	Renesas Electronics Sales Co., Ltd.	2,500	100	Sale of semiconductors in Japan	Chiyoda-ku, Tokyo
	Renesas Northern Japan Semiconductor, Inc.	2,550	100	Manufacture (front-end and back-end process) of semiconductors	Kameda-gun, Hokkaido
	Renesas Yamagata Semiconductor Co., Ltd.	1,000	100	Manufacture (front-end process) of semiconductors	Tsuruoka-shi, Yamagata
	Renesas Eastern Japan Semiconductor, Inc.	2,060	100	Manufacture (back-end process) of semiconductors	Chuo-ku, Tokyo
	Renesas Kansai Semiconductor Co., Ltd.	1,000	100	Manufacture (front-end and back-end process) of semiconductors	Otsu-shi, Shiga
	Renesas Semiconductor Kyushu Yamaguchi Co., Ltd.	1,000	100	Manufacture (front-end and back-end process) of semiconductors	Kumamoto-shi, Kumamoto
	Renesas Kyushu Semiconductor Corp.	500	100	Manufacture (back-end process) of semiconductors	Kikuchi-gun, Kumamoto
	Renesas Mobile Corporation	5,000	100	Marketing, design and development of semiconductors	Chiyoda-ku, Tokyo
Overseas	Renesas Electronics America Inc.	(1,000USD) 380,800	100	Manufacture (front-end process) of semiconductors, and sale, design and development of semiconductors in the U.S.A.	California, U.S.A
	Renesas Electronics Europe GmbH	(1,000Euro) 14,000	*100	Sale, design and development of semiconductors in Europe	Dusseldorf, Germany

Name of Subsidiaries		Capital (Millions of yen)	Investment Ratio (%)	Main Business	Location
	Renesas Electronics Hong Kong Limited	(1,000HKD) 15,000	100	Sale of semiconductors in Hong Kong	Hong Kong, China
	Renesas Electronics Taiwan Co., Ltd.	(1,000NTD) 170,800	100	Sale of semiconductors in Taiwan	Taipei, Taiwan
	Renesas Electronics Singapore Pte. Ltd.	(1,000USD) 32,287	*100	Sale of semiconductors in ASEAN, India, Oceania and Middle East	Singapore

(Note)
1. There are a total of 58 consolidated subsidiaries as of March 31, 2011, consisting of 23 domestic companies and 35 overseas companies, including the principal subsidiaries set forth above.
2. Asterisks denote the figures which include the indirect ownership.
3. Renesas Mobile Corporation succeeded mobile multimedia business of the Company by way of company split and commenced its operation in December 2010 following the acquisition of wireless modem business of Nokia as described in "I-(1)-(iii) Organization Restructuring, etc." above.
4. Following the merger described in "I-(1)-(i) Overview" above, name of subsidiaries were changed.

(8) Main Business of the Group (as of March 31, 2011)

The Group conducts, as a pure semiconductor manufacturer, design, development, manufacture, sale and provision of services of semiconductors. The Group's main business is as follows:

	Major Products
MCU Business	Microcontroller
Analog and Power Device Business	Power MOSFET, Mixed Signal IC, IGBT, Diode, Small Signal Transistor, Display Driver IC, Compound Semiconductor Device
SoC Solution Business	ASIC, ASSP

(9) Principal Offices and Plants of the Group (as of March 31, 2011)

(i) The Company

Registered Head Office	Kawasaki-shi, Kanagawa
Headquarters	Chiyoda-ku, Tokyo
Manufacturing Base	Naka Site (Hitachinaka-shi, Ibaraki)
	Takasaki Site (Takasaki-shi, Gunma)
	Kofu Site (Kai-shi, Yamanashi)
	Saijo Site (Saijo-shi, Kochi)
	Kochi Site (Konan-shi, Kochi)
Research and Development Base	Tamagawa/Sagamihara Site (Kawasaki-shi, Kanagawa/ Sagamihara-shi, Kanagawa)
	Musashi Site (Kodaira-shi, Tokyo)
	Kitaitami Site (Itami-shi, Hyogo)
	Takasaki Site (Takasaki-shi, Gunma)

(ii) Subsidiaries

Principal subsidiaries and their locations are described in "I-(7)-(ii) Principal Subsidiaries" above.

(10) Employees of the Group (as of March 31, 2011)

Number of Employees	Increase from March 31, 2010
46,630	24,559

(Note)
1. The above figure is the number of permanent employees (including employees temporarily transferred from outside Group to the Group, and excluding employees temporarily transferred from the Group to outside Group), and the number of temporary employees is excluded.
2. The number of employees increased by 24,559 to 46,630 during the Period, including the increase of employees due to the merger described in "I-(1)-(i) Overview" above.

(11) Major Borrowings of the Group (as of March 31, 2011)

Lenders	Balance of Borrowings (Millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	36,974
Mizuho Corporate Bank, Ltd.	32,500
The Sumitomo Trust and Banking Co., Ltd.	23,116
Mitsubishi UFJ Trust and Banking Corporation	22,000

2. Outline of the Company

(1) Shares of the Company (as of March 31, 2011)

(i) Total Number of Authorized Shares 800,000,000 shares

(Note) For the merger as described in "I-(1)-(i) Overview" above, the Company, pursuant to the approval at the Extraordinary General Meeting of Shareholders held on February 24, 2010, amended its Articles of Incorporation and changed its total number of authorized shares to 800,000,000 shares.

(ii) Total Number of Shares Issued 417,121,942 shares
(excluding 2,548 of Company's own shares)

(Note) In accordance with the merger as described in "I-(1)-(i) Overview" above, the Company, on April 1, 2010, newly issued 146,841,500 shares to Hitachi, Ltd. and Mitsubishi Electric Corporation which were shareholders of former Renesas Technology Corp.; and further, newly issued a total of 146,782,990 shares to NEC Corporation, Hitachi, Ltd. and Mitsubishi Electric Corporation by way of third party allotment as described in "I-(4) Financing Activities of the Group".

(iii) Number of Shareholders 16,624

(iv) Major Shareholders (top ten)

Name of Shareholders	Number of Shares Held (shares)	Percentage of Shares Held (%)
Hitachi, Ltd.	127,725,748	30.62
Mitsubishi Electric Corporation	104,502,885	25.05
Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd. / NEC Corporation pension and severance payments Trust Account)	78,200,000	18.75
NEC Corporation	69,695,857	16.71
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02	4,022,684	0.96
STATE STREET BANK AND TRUST COMPANY	3,654,400	0.88

RBC DEXIA INVESTOR SERVICES TRUST, LONDON-CLIENTS ACCOUNT	3,555,090	0.85
GOLDMAN, SACHS & CO. REG	1,572,113	0.38
DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	1,439,033	0.34
Renesas Electronics Employee Stock Plan	1,147,500	0.28

(Note) 1. Percentage of shares held is calculated excluding 2,548 of Company's own shares.
2. Percentage of shares held is calculated by rounding off to two decimal places.
3. 78,200,000 shares (percentage of shares held: 18.75%) owned by Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd./NEC Corporation pension and severance payments Trust Account) were shares that were contributed by NEC Corporation as severance indemnities trusts. The voting rights of such shares will be exercised at the instruction of NEC Corporation. Therefore, NEC Corporation holds 35.46% of voting rights.

(2) Stock Acquisition Rights, etc. of the Company

(i) Stock Acquisition Rights Issued to the Directors and Corporate Auditors of the Company as a Compensation for their Duties (as of March 31, 2011)

(a) Stock Acquisition Rights Pursuant to the Provisions of Articles 236, 238 and 239 of the Companies Act.

	Number of Stock Acquisition Rights Issued	Class and Number of Shares to be Issued	Issue Price of Stock Acquisition Right	Amount to be paid upon Exercise of Stock Acquisition Rights	Exercisable Period
4th Stock Acquisition Rights (Resolved at the 4th General Meeting of Shareholders and the Meeting of the Board of Directors held on June/27/06)	70	7,000 shares of common stock (100 shares per 1 stock acquisition right)	No charge	3,927 yen per share	July/13/08 - July/12/12

(b) Stock Acquisition Rights Held by the Directors and Corporate Auditors of the Company

Title	Number of Stock Acquisition Rights Issued	Number of Directors
Directors (excluding outside Directors)	70	2

(Note) No outside Director or outside Corporate Auditor hold the Stock Acquisition Rights.

(ii) Other Important Matters Concerning the Stock Acquisition Rights (as of March 31, 2011)

Stock Acquisition Rights Attached to the Bonds with Stock Acquisition Rights Issued Pursuant to the Provision of Article 341-2 of the former Commercial Code of Japan

	Number of Stock Acquisition Rights Issued	Class and Number of Shares for which Stock Acquisition Rights were Issued	Issue Price of Stock Acquisition Rights
Zero Coupon Unsecured Euro Yen Convertible Bonds due 2011 (Resolved at the Meeting of the Board of Directors held on 5/10/04)	11,000	11,166,400 shares of common stock	No charge

(3) Directors and Corporate Auditors of the Company

(i) Name etc. of Directors and Corporate Auditors of the Company (as of March 31, 2011)

Name	Position at the Company	Responsibility and Important Concurrent Positions
Junshi Yamaguchi	*Representative Director, Chairman	Chairman of General Meeting of Shareholders and Meeting of Board of Directors
Yasushi Akao	*Representative Director, President	Management of execution of overall business operations, and hosting of Executive Committee, Corporate Management Meeting and other important meetings
Kazuaki Ogura	*Executive Vice President and Member of the Board	Matters relating to Internal Audit Office, Finance & Accounting Division and Order Transaction Control Department

Masaki Kato	*Executive Vice President and Member of the Board	Management of important matters relating to production and Corporate Planning Division, General Manager, Corporate Export Control Office, and matters relating to Purchasing Division and Information Systems Division
Yoichi Yano	*Executive Vice President and Member of the Board	Vice President, Technology Development Unit, and matters relating to Intellectual Property Division and Quality Assurance Division
Shozo Iwakuma	*Senior Vice President and Member of the Board	Matters relating to Legal & Compliance Division and Human Resources & General Affairs Division
Susumu Furukawa	Member of the Board	Professor, Graduate School of Media Design, Keio University
Toyoaki Nakamura	Member of the Board	Representative Executive Officer, and Senior Vice President and Executive Officer, Hitachi, Ltd.
Noritomo Hashimoto	Member of the Board	Director, Executive Officer, Mitsubishi Electric Corporation
Takashi Niino	Member of the Board	Senior Vice President, NEC Corporation
Hajime Matsukura	Member of the Board	General Manager, Corporate Planning Division, NEC Corporation
Hiroki Kawamura	Corporate Auditor (Full time)	
Junichiro Nishi	Corporate Auditor (Full time)	
Michiharu Nakamura	Corporate Auditor	Director, Hitachi, Ltd.
Yoichiro Yamakawa	Corporate Auditor	Partner, Attorney-at-Law, Koga & Partners Statutory Auditor, Nisshin Steel Co., Ltd. Statutory Auditor, Daio Paper Corporation
Yoshinobu Shimizu	Corporate Auditor	Statutory Auditor, Mitsubishi UFJ Trust and Banking Corporation

(Note) 1. Messrs. Susumu Furukawa, Toyoaki Nakamura, Noritomo Hashimoto, Takashi Niino and Hajime Matsukura are outside Directors, as stipulated in Item 15, Article 2 of the Companies Act.

2. Messrs. Hiroki Kawamura, Yoichiro Yamakawa and Yoshinobu Shimizu are outside Corporate Auditors, as stipulated in Item 16, Article 2 of the Companies Act.

3. The Company has notified Tokyo Stock Exchange, Inc. of Messrs. Susumu Furukawa, Yoichiro Yamakawa and Yoshinobu Shimizu as independent Director/Corporate Auditor under the rules of Tokyo Stock Exchange, Inc. who will have no conflict of interests with

the Company's general shareholders.

4. Mr. Hiroki Kawamura was involved in accounting operations at NEC Corporation and its affiliated company for many years, and Mr. Junichiro Nishi was involved in accounting operation at Mitsubishi Corporation, former Renesas Technology Corp. and its affiliated company; and thus they have considerable knowledge of finance and accounting. Mr. Yoshinobu Shimizu is a Certified Public Accountant.
5. The Directors and Corporate Auditors were changed during the Period as follows:
   i) At the 8th Ordinary General Meeting of Shareholders held on June 25, 2010, Mr. Takashi Niino was newly elected and took office as Director and Messrs. Michiharu Nakamura, Yoichiro Yamakawa and Yoshinobu Shimizu were newly elected and took office as Corporate Auditors.
   ii) Upon the close of the 8th Ordinary General Meeting of Shareholders held on June 25, 2010, Mr. Nobuhiro Endo has retired from his position as a Director and Mr. Yasuyuki Shibata has retired from his position as a Corporate Auditor due to expiration of each term of office as Director or Corporate Auditor.

6. Mr. Toyoaki Nakamura serves as Representative Executive Officer, and Senior Vice President and Executive Officer of Hitachi, Ltd., Mr. Noritomo Hashimoto serves as Director, Executive Officer of Mitsubishi Electric Corporation, Mr. Takashi Niino serves as Senior Vice President of NEC Corporation and Mr. Hajime Matsukura serves as General Manager, Corporate Planning Division of NEC Corporation. The Company engages in transactions relating to development and sales of system LSI, etc. with Hitachi, Ltd., Mitsubishi Electric Corporation and NEC Corporation respectively.
7. Mr. Yoshinobu Shimizu serves as outside Statutory Auditor of Mitsubishi UFJ Trust and Banking Corporation. The Company has a business relating to loans, etc. with Mitsubishi UFJ Trust and Banking Corporation.
8. Asterisks denote the Directors who have been acting as Corporate Officers. The names of other Corporate Officers (who are not also Directors) as of April 1, 2011 are as follows:
   Shunsuke Hosomi, Yoshirou Miyaji, Kazumi Yamada, Shigeo Mizugaki,
   Tetsuya Tsurumaru, Shinichi Iwamoto, Hideaki Chaki, Hideo Tsujioka,
   Tetsuro Kitano, Toshihide Tsuboi

(ii) Remuneration, etc. for Directors and Corporate Auditors

	Number / Total Amount Paid
Directors	12 persons / 161 million yen (including 6 outside Directors / 18 million yen)
Corporate Auditors	7 persons / 57 million yen (including 4 outside Corporate Auditors / 35 million yen)
Total	19 persons / 218 million yen (including 10 outside Directors and Corporate Auditors / 53 million yen)

(Note)
1. As of March 31, 2011, there were eleven (11) Directors (including five (5) outside Directors) and five (5) Corporate Auditors (including three (3) outside Corporate Auditors). The number of Directors and Corporate Auditors above includes one (1) Director (outside Director) and two (2) Corporate Auditors (including one (1) outside Corporate Auditor) who retired upon the close of the 8th Ordinary General Meeting of Shareholders held on June 25, 2010.
2. The amount of Directors' remuneration does not include the amount paid as salary for employees to those Directors who are also employees.
3. No bonuses were paid to the Directors and Corporate Auditors. No stock options were given to the Directors and Corporate Auditors.
4. The Company abolished retirement allowance system for Directors and Corporate Auditors at the 4th Ordinary General Meeting of Shareholders held on June 27, 2006; and will pay a reasonable retirement allowance to Directors and Corporate Auditors who had been in office since the conclusion of the 4th Ordinary General Meeting of Shareholders held on June 27, 2006 in recognition of their services to the Company during their term as Director or Corporate Auditor (until the abolishment of the retirement allowance system on the same day) at the time of retirement of each such Director and Corporate Auditor. Based on this, in addition to the amount of remuneration stated above, the Company

allocated expected amount of 2 million yen for one (1) Director, and paid 6 million yen as retirement allowance to two (2) Corporate Auditors who retired during this Period.

5. The maximum monthly remuneration for Directors as approved at the General Meeting of Shareholders is 30 million yen. (Approved at the Extraordinary General Meeting of Shareholders held on February 24, 2010.)
6. The maximum monthly remuneration for Corporate Auditors as approved at the General Meeting of Shareholders is 12 million yen. (Approved at the Extraordinary General Meeting of Shareholders held on February 24, 2010.)

(4) Outside Directors and Corporate Auditors of the Company

(i) Important Concurrent Positions of Outside Directors and Outside Corporate Auditors and Relation Between Organizations where Outside Directors or Outside Corporate Auditors hold Important Concurrent Positions and the Company (as of March 31, 2011)

Important Concurrent Positions, and relation between organizations where outside Directors and outside Corporate Auditor hold important concurrent positions and the Company is described in "II-(3)-(i) Name etc. of Directors and Corporate Auditors of the Company" above.

(ii) Principal Activities

Title	Name	Principal Activities
Directors	Susumu Furukawa	Mr. Susumu Furukawa attended 11 of 17 Meetings of Board of Directors during the Period, and made necessary remarks to discussion of proposals based on his wealth of knowledge on technology and market trends mainly in the high-tech field and abundant experience in global corporate management.
	Toyoaki Nakamura	Mr. Toyoaki Nakamura attended 13 of 17 Meetings of Board of Directors during the Period, and made necessary remarks to discussion of proposals based on his wealth of knowledge and experience of business management.
	Noritomo Hashimoto	Mr. Noritomo Hashimoto attended 14 of 17 Meetings of Board of Directors during the Period, and made necessary remarks to discussion of proposals based on his wealth of knowledge and experience of business management.
	Takashi Niino	Mr. Hajime Matsukura attended 10 of 12 Meetings of Board of Directors held after his assumption of office as Director in June 2011, and made necessary remarks to discussion of proposals based on his wealth of knowledge and experience of business management.

	Hajime Matsukura	Mr. Hajime Matsukura attended 14 of 17 Meetings of Board of Directors during the Period, and made necessary remarks to discussion of proposals based on his wealth of knowledge and experience of business management.

Title	Name	Principal Activities
Corporate Auditors	Hiroki Kawamura	(i) Mr. Hiroki Kawamura attended all 17 Meetings of Board of Directors during the Period, and made necessary remarks based on his wealth of knowledge, etc. of business operations and accounting, so that decisions at the Meetings of Board of Directors were fairly and properly made. (ii) Mr. Hiroki Kawamura attended all 15 Meetings of Corporate Auditors during the Period. Further, as a full-time Corporate Auditor, based on his wealth of knowledge of business operations and accounting, Mr. Hiroki Kawamura (a) explained the contents of the discussion at the Executive Committee, etc. regarding the matters to be presented to the Meetings of Board of Directors, (b) reported the audit status and results thereof, and (c) answered the questions to part-time Corporate Auditors.
	Yoichiro Yamakawa	(i) Mr. Yoichiro Yamakawa attended 8 of 12 Meetings of Board of Directors held after his assumption of office as Corporate Auditor in June 2010, and made necessary remarks, mainly from legal point of view as an attorney at law for ensuring procedures in accordance with laws and regulations, so that decisions at the Meetings of Board of Directors were fairly and properly made. (ii) Mr. Yoichiro Yamakawa attended 9 of 11 Meetings of Corporate Auditors held after his assumption of office as Corporate Auditor in June 2010, and made necessary remarks, from fair and independent position and from legal point of view as an attorney at law, for establishing and maintenance of the Company’s compliance system, etc.

	Yoshinobu Shimizu	(i) Mr. Yoshinobu Shimizu attended 9 of 12 Meetings of Board of Directors held after his assumption of office as Corporate Auditor in June 2010, and made necessary remarks on finance and accounting procedures, mainly from accounting point of view as a certified public accountant, so that decisions at the Meetings of Board of Directors were fairly and properly made. (ii) Mr. Yoshinobu Shimizu attended 9 of 11 Meetings of Corporate Auditors held after his assumption of office as Corporate Auditor in June 2010, and made necessary remarks, from fair and independent position and from accounting point of view as a certified public accountant, for ensuring appropriate accounting procedure.

(Note) In addition to the above Meetings of Board of Directors, there were 5 Written Resolutions pursuant to Article 370 of the Companies Act and Article 24 of the Articles of Incorporation of the Company, which shall be deemed that the resolution of Meeting of Board of Directors has been made.

(iii) Outline of Liability Limitation Agreements

The Company has entered into liability limitation agreements with Directors, Messrs. Susumu Furukawa, Toyoaki Nakamura, Noritomo Hashimoto, Takashi Niino and Hajime Matsukura, and Corporate Auditors, Messrs. Yoichiro Yamakawa and Yoshinobu Shimizu respectively, limiting their liabilities as defined in Paragraph 1, Article 423 of the Companies Act to the higher of either 10,000,000 yen or the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act.

(5) Independent Auditors of the Company

(i) Name: Ernst & Young ShinNihon LLC

(ii) Remuneration and Other Amounts to be Paid to the Independent Auditors for the Period:

Classification	Amount (in millions of yen)
(i) The total amount of money and other property benefits to be paid by the Company and its subsidiaries to the Independent Auditors	336
(ii) Remuneration and other amounts to be paid by the Company to the Independent Auditors for the services stipulated in Paragraph 1, Article 2 of the Certified Public Accountants Act.	243

(Note) 1. As there is no explicit distinction in the audit contract (entered into between the Company and the Independent Auditors) between the fees for audits under the Companies Act and the fees for audits based on the Financial Instruments and Exchange Law, and as it is unable to distinguish between these two types of fees, the fees set forth in (ii) above include both of such fees.

2. All five (5) overseas subsidiaries described in "I-(7)-(ii) Principal Subsidiaries" above were audited by other Independent Auditors than the Company's.

(iii) Non-Audit Services Rendered by the Independent Auditor

The Company paid Independent Auditor compensation for drafting documents regarding register of issuance of corporate bonds for securities companies as a service other than those under Paragraph 1, Article 2 of the Certified Public Accountants Act.

(iv) Policy Regarding Decision to Either Dismiss or Not Reappoint the Independent Auditor

The Board of Corporate Auditors, by unanimous consent, will dismiss the Independent Auditor when confirmed that the Independent Auditor falls under any item of Paragraph 1, Article 340 of the Companies Act.

In addition, should anything occur to negatively impact the qualifications or independence of the Independent Auditor, making it unlikely that the Independent Auditor will be able to properly perform an audit, the Director will propose, with the consent of the Board of Corporate Auditors, or as requested by the Board of Corporate Auditors, not to reappoint the Independent Auditor at General Meeting of Shareholders.

(6) Structures for Ensuring Appropriate Execution of Directors' Duties in Conformity with Laws and Regulations and the Articles of Incorporation; and Other Structures to Ensure Appropriate Business Operation

The Meeting of the Board of Directors made the resolution with respect to the basic policies for the establishment of structures set forth in Item 6, Paragraph 4, Article 362 of the Companies Act and Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act ("Internal Control System"). The full text of these basic policies is available from our website (http://japan.renesas.com/internal_control/). Summaries of those are as follows:

(i) Structures for ensuring execution of duties by Directors and employees in conformity with laws and regulations and Articles of Incorporation

- The Directors shall take the lead in complying with the 'Renesas Electronics Group CSR Charter' and the 'Renesas Electronics Group Code of Conduct' that have been adopted for the purpose of establishing corporate ethics and ensuring compliance with laws and regulations, the Articles of Incorporation and internal rules of the Company by Directors and employees. The Directors shall keep the Company and its subsidiaries (collectively, "Renesas Electronics Group") informed of such principles and conduct, and shall have Renesas Electronics Group comply with them.

- The Directors shall stipulate basic matters such as implementation system and educational programs for compliance in the Renesas Electronics Group's own fundamental rules of compliance, shall deliberate and resolve important matters regarding compliance at "Internal Control Promotion Committee", and shall offer training programs and the like for the Renesas Electronics Group to be fully aware of compliance.
- The Directors shall set up 'Renesas Electronics Group Hot Line' as internal contact points for Renesas Electronics Group and its business partners to report violations or possible violations of compliance. Furthermore, the Directors shall keep Renesas Electronics Group and its business partners informed that they assure the anonymity of informants upon requests from informants and informants shall never be adversely affected.
- The Directors shall keep away from any antisocial force, shall work closely with external specialized institutions, and shall act resolutely in an organized manner when contacted by it.

(ii) Structures for properly preserving and managing information related to execution of duties by Directors

- The Directors shall properly prepare, preserve and manage minutes of the General Meetings of Shareholders, Meetings of Board of Directors and other documents in accordance with applicable laws and regulations. The Directors shall also properly prepare, preserve and manage other documents, books and records pertaining to the duties of Directors and employees in accordance with the Company's own fundamental rules of document management.

(iii) Rules and other structures regarding risk management for loss

- The Directors shall stipulate basic matters of risk management in the Company's own fundamental rules of risk management, and shall establish a risk management framework in accordance with the rules.
- The Corporate Officers and division managers responsible for classified risk shall strive to minimize loss by developing prevention measures against risk materialization and by developing countermeasures in case of risk materialization.
- The President and the Corporate Officers shall, depending on its importance, establish an appropriate organization chaired by themselves, and shall implement appropriate measures in accordance with the Company's own fundamental rules of risk management when serious risk materializes.

(iv) Structures for ensuring efficient execution of duties by Directors

- The Directors shall hold an ordinary Meeting of the Board of Directors once a month and extraordinary meetings as needed for the sake of quick decision-making.
- The Directors shall adopt a Corporate Officer System, shall make prompt decisions on the important management issues at the Meeting of the Board of Directors, and shall supervise the execution of duties by the Corporate Officers. Furthermore, the important issues for the Company's management shall be discussed at the Executive Committee prior to the Meeting of the Board of Directors in order to enhance the Board's deliberations.
- The Corporate Officers (including Corporate Officers who also act as Directors) shall make quick decisions for the business operation by transferring their authorities to the relevant division managers or other employees. The Corporate Officers, the relevant division managers, and other employees shall execute their authority properly and efficiently in accordance with the Company's own fundamental rules of decision-making and authorization procedures.
- The Corporate Officers (including Corporate Officers who also act as Directors) shall execute their duties quickly and efficiently in accordance with office routine regulations determined by the Meeting of the Board of Directors, and shall periodically confirm the status of execution of management plans and the budget determined at a Meeting of the Board of Directors.

(v) Structures for ensuring appropriate operation of Corporate Group

- The Directors shall have the responsible divisions oversee the routine management of the Company's subsidiaries in accordance with the 'Renesas Electronics CSR Charter', the 'Renesas Electronics Group Code of Conduct' and the Company's own fundamental rules of management of affiliated companies, and shall have the Corporate Auditors instruct and support the subsidiaries for establishing compliance system and other systems to ensure their appropriate operations through hearings of their business reports and investigations of their operations and finances.
- The Directors shall perform evaluation, maintenance and improvement of Renesas Electronics Group's Internal Control Systems over financial reporting in accordance with the applicable laws of Japan and other countries, including, but not limited to, the Financial Instruments and Exchange Act.
- The Directors shall have Internal Audit Office audit the Company's subsidiaries, and shall have principal subsidiaries allocate internal auditing staff or divisions and cooperate with the Internal Audit Office and the subsidiaries' own Corporate Auditors to ensure appropriate operations of Renesas Electronics Group.

(vi) Matters relating to employees assigned to assist Corporate Auditors and independence of such employees from Directors

- The Directors shall establish the Corporate Auditors Office composed of specialized staff for the purpose of assisting the Corporate Auditors’ audit activities. Any evaluation, personnel transfer, reprimand and the like of such specialized staff shall require prior consultation with the full-time Corporate Auditors, and such staff shall not be directed or supervised by the Directors for duties to assist the Corporate Auditors.

(vii) Structures for Directors’ and employees’ reporting to Corporate Auditors; and structures relating to other reporting to Corporate Auditors

- The Directors and employees shall, upon requests from the Corporate Auditors, report to the Corporate Auditors on matters such as the execution of their duties.

(viii) Other structures for ensuring effective auditing by Corporate Auditors

- The Corporate Auditors shall attend Meetings of the Board of Directors, and may attend important meetings of the Company as they deem necessary. Furthermore, the Directors shall guarantee the right of Corporate Auditors to access important corporate information.
- The Corporate Auditors shall hold Meetings of Board of Corporate Auditor in principle at least once a month, and shall exchange information and deliberate on the status of audits and related matters. The Corporate Auditors also shall receive regular reports from accounting auditors on their audit activities, and shall exchange opinions on them.

CONSOLIDATED BALANCE SHEET
(As of March 31, 2011)

(In millions of yen)

Assets		Liabilities and net assets	
Accounts	Amount	Accounts	Amount
Current assets	**641,663**	Liabilities	
Cash and deposits	170,691	**Current liabilities**	**645,262**
Notes and accounts receivable-trade	137,346	Notes and accounts payable-trade	144,944
Short-term investment securities	166,998	Current portion of bonds with share subscription rights	110,000
Merchandise and finished goods	45,800	Short-term borrowings	143,467
Work in process	61,193	Current portion of long-term borrowings	44,321
Raw materials and supplies	16,378	Current portion of lease obligations	8,176
Deferred tax assets	1,289	Accounts payable-other	78,250
Accounts receivable-other	37,966	Accrued expenses	55,538
Other	4,239	Accrued income taxes	3,962
Allowance for doubtful accounts	(237)	Provision for product warranties	590
Long-term assets	**503,385**	Provision for loss on guarantees	456
Property, plant and equipment	**346,300**	Provision for business structure improvement	2,239
Buildings and structures	119,608	Provision for contingent loss	399
Machinery and equipment	135,706	Provision for loss on disaster	46,042
Vehicles, tools, furniture and fixtures	34,152	Current portion of asset retirement obligations	404
Land	35,887	Other	6,474
Construction in progress	20,947	**Long-term liabilities**	**208,728**
Intangible assets	**83,230**	Long-term borrowings	58,192
Software	28,742	Lease obligations	14,073
Goodwill	2,485	Deferred tax liabilities	14,063
Other	52,003	Accrued retirement benefits	84,831
Investments and other assets	**73,855**	Provision for contingent loss	1,163
Investment securities	10,635	Asset retirement obligations	5,426
Deferred tax assets	2,100	Other	30,980
Long-term prepaid expenses	43,096	**Total liabilities**	**853,990**
Other	18,024	Net assets	
		Shareholders' equity	**306,023**
		Common stock	**153,255**
		Capital surplus	**450,413**
		Retained earnings	**(297,634)**
		Treasury stock	**(11)**
		Accumulated other comprehensive income	**(22,266)**
		Unrealized gains (losses) on securities	**(259)**
		Foreign currency translation adjustments	**(22,007)**
		Share subscription rights	**48**
		Minority interests	**7,253**
		Total net assets	**291,058**
Total assets	**1,145,048**	**Total liabilities and net assets**	**1,145,048**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS
(For the Year Ended March 31, 2011)

(In millions of yen)

Accounts	Amount
Net Sales	**1,137,898**
Cost of sales	745,927
Gross profit	**391,971**
Selling, general and administrative expenses	377,447
Operating income	**14,524**
Non-operating income	**3,645**
Interest income	553
Dividends income	83
Equity in earnings of affiliates	759
Other	2,250
Non-operating expenses	**17,136**
Interest expenses	3,777
Foreign exchange losses	5,783
Loss on disposal of long-term assets	2,952
Retirement benefit expenses	2,383
Other	2,241
Ordinary income	**1,033**
Special income	**6,329**
Gain on sales of property, plant and equipment	768
Gain on negative goodwill	2,159
Reversal of provision for contingent loss	1,774
Gain on transfer of business	1,192
Other	436
Special loss	**118,162**
Impairment loss	36,051
Loss on disaster	49,504
Business structure improvement expenses	30,598
Other	2,009
Loss before income taxes and minority interests	**110,800**
Income taxes-current	2,885
Income taxes-deferred	(829)
Loss before minority interests	**112,856**
Minority interests in income of consolidated subsidiaries	2,167
Net loss	**115,023**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(For the Year Ended March 31, 2011)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at March 31, 2010	85,955	242,586	(182,611)	(11)	145,919
Changes during the period					
Issuance of new shares	67,300	67,300			134,600
Increased by merger		140,527			140,527
Net loss			(115,023)		(115,023)
Purchase of treasury stock				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during the period	67,300	207,827	(115,023)	(0)	160,104
Balance at March 31, 2011	153,255	450,413	(297,634)	(11)	306,023

	Accumulated other comprehensive income			Share subscription rights	Minority interests	Total net assets
	Unrealized gains (losses) on securities	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at March 31, 2010	(16)	(13,649)	(13,665)	52	4,032	136,338
Changes during the period						
Issuance of new shares						134,600
Increased by merger						140,527
Net loss						(115,023)
Purchase of treasury stock						(0)
Net changes in items other than shareholders' equity	(243)	(8,358)	(8,601)	(4)	3,221	(5,384)
Total changes during the period	(243)	(8,358)	(8,601)	(4)	3,221	154,720
Balance at March 31, 2011	(259)	(22,007)	(22,266)	48	7,253	291,058

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Basis of Consolidated Financial Statements

1. Scope of Consolidation

All subsidiaries are consolidated.

The number of consolidated companies of Renesas Electronics Corporation Group (“the Group”): 58

The name of major subsidiaries:
Regarding major subsidiaries’ names, please refer to “(7).Principal Parent Company and Subsidiaries (as of March 31, 2011)” in Business Report.
Due to the merger with former Renesas Technology Corp. (“Renesas Technology”), 39 companies are newly consolidated. Moreover, 5 newly founded companies are consolidated and 4 companies are excluded from the consolidation of the group company because of the mergers of subsidiaries.

The number of subsidiaries increased by the merger with former Renesas Technology: 39
Renesas Electronics Sales Co., Ltd., Renesas Northern Japan Semiconductor, Inc., Hokkai Electronics Co., Ltd., Haguro Electronics Co., Ltd., Renesas Eastern Japan Semiconductor, Inc., Renesas Kofu Semiconductor, Co., Ltd., Renesas High Components, Inc., Renesas Yanai Semiconductor, Inc., Renesas Kyushu Semiconductor Corp., Renesas Naka Semiconductor Co., Ltd., Renesas Design Corp., Renesas Solutions Corp., Renesas Semiconductor Engineering Corp., Renesas Takasaki Engineering Services Co., Ltd., Renesas Musashi Engineering Services Co., Ltd., Renesas Kitaitami Engineering Services Co., Ltd., Renesas SP Drivers Inc., Renesas Electronics (Shanghai) Co., Ltd., Renesas Electronics Hong Kong Limited, Renesas Electronics Malaysia Sdn. Bhd., Renesas Electronics Canada Limited, Renesas Electronics Europe Limited, Renesas Semiconductor (Beijing) Co., Ltd., Renesas Semiconductor (Suzhou) Co., Ltd., Renesas Semiconductor (Malaysia) Sdn. Bhd., Renesas Semiconductor (Kedah) Sdn. Bhd., Renesas Semiconductor Technology (Malaysia) Sdn. Bhd., Renesas Semiconductor Design (Beijing) Co., Ltd., Renesas Design Vietnam Co., Ltd., Renesas Semiconductor Design (Malaysia) Sdn. Bhd., Renesas Design France S.A.S, Renesas System Solutions Korea Co., Ltd., Renesas SP Drivers Taiwan Inc. and 6 companies.

The number of subsidiaries increased by foundation and other: 5
Renesas Mobile Corporation, Renesas Mobile Europe Oy, Renesas Mobile India Private Limited, Renesas Tongxinjishu (Beijing) Co., Ltd. and 1 company.

The number of subsidiaries decreased by merger: 4
Renesas Technology America Inc.(Absorbed into Renesas Electronics America Inc.), Renesas Technology Europe GmbH (Absorbed into Renesas Electronics Europe GmbH), Renesas Technology Singapore Pte. Ltd (Absorbed into Renesas Electronics Singapore Pte. Ltd.) and Renesas Technology Taiwan Co., Ltd. (Absorbed into Renesas Electronics Taiwan Co., Ltd).

2. Application of Equity Method

(1) The number of affiliated companies and the name of major affiliated companies, accounted for by the equity method

The number of affiliated companies: 6

The name of major affiliated companies accounted for by the equity method:
Renesas Easton Co., Ltd, Hitachi ULSI Systems Co., Ltd., Renacentis IT Services Co., Ltd., Retronix Technologies Inc. and 2 companies.

(2) The name of affiliated companies not accounted for by the equity method: Semiconductor Leading Edge Technologies, Inc.
The equity method is not applied to Semiconductor Leading Edge Technologies, Inc. because net income and retained earnings (both amounts equivalent to what is accounted for by the equity method) have little impact on the consolidated financial statements of Renesas Electronics Corporation (“the Company”) on an individual basis, nor have any material impact on them on an aggregate basis.

(3) Significant items to be noted in the procedure for applying the equity method:
Of the affiliated companies accounted for by the equity method, if the closing date differs from that of the consolidated financial statements, the financial statements prepared by the provisional closing of accounts regarding the consolidated closing date of March 31, 2011 as the consolidated year-end are used.

3. Significant Accounting Policies

(1) Valuation methods for significant assets

1) Securities

Other securities:

Marketable securities:

Marketable securities classified as other securities are valued at the fair value at the fiscal year-end, with unrealized gains and losses included in a component of net assets. The cost of securities sold is determined based on the moving-average method.

Non-marketable securities:

Non-marketable securities classified as other securities are carried at cost or amortized cost determined by the moving-average method.

2) Derivatives

Derivative financial instruments are stated at fair value.

3) Inventories

Inventories are stated at the lower of cost or market. The costs are stated as follows:

Merchandise and finished goods:

Custom-made products:

Specific identification method

Mass products:

Average method

Work in process:

Custom-made products:

Specific identification method

Mass products:

Average method

Raw materials and supplies:

Average method

(2) Depreciation method for significant long-term assets

1) Property, plant and equipment other than leased assets

Depreciated principally by the straight-line method

2) Intangible assets other than leased assets

Amortized by the straight-line method

3) Leased assets

Leased assets under finance leases under which the ownership of the assets is transferred to the lessee

Amortized in the same way as self-owned long-term assets

Leased assets under finance leases other than those under which ownership of the assets is transferred to the lessee

Amortized by the straight-line method over the lease term, assuming no residual value. The finance leases other than those under which ownership of the assets transferred to the lessee contracted before March 31, 2008 are accounted for as operating lease transactions.

4) Long-term prepaid expenses

Amortized by the straight-line method

(3) Basis of significant reserves

1) Allowance for doubtful accounts
Allowance for doubtful accounts is provided based on past experience for normal receivables and on an individual estimate of the collectability of receivables from companies in financial difficulty.

2) Accrued retirement benefits
Accrued retirement benefits or prepaid pension cost are recorded for employees' pension and severance payments based on the projected benefit obligation and the fair value of plan assets as of the fiscal year-end.

The transitional obligation is amortized on a straight-line basis mainly over 15 years.

Actuarial gains and losses are amortized on a straight-line basis over the employees' estimated average remaining service periods (mainly over 14 years), starting in the following year after its occurrence.

Prior service costs are amortized on a straight-line basis over the employees' estimated average remaining service periods (mainly over 14 years).

3) Provision for products warranties
The Group accrues product warranty liabilities for estimated future warranty costs using the individual estimates for the specific matters as well as historical ratio of warranty costs to net sales.

4) Provision for loss on guarantees
Provision for loss on guarantees is made for the amount of the estimated future losses related to debt guarantees, which the Group is taken into account for the deterioration of financial conditions.

5) Provision for business structure improvement
Provision for business structure improvement is made for the amount of the estimated losses to be incurred in connection with business structure reconstructions and consolidation.

6) Provision for contingent loss
In relation to matters such as legal proceedings and litigations, a provision for the amount of expected losses and expenses is made when they are reasonably estimated considering individual risks associated with each contingency.

7) Provision for loss on disaster
Provision for loss on disaster is made for the amount of estimated losses to be incurred in connection with removal or restoration cost for the assets suffered by the Great East Japan Earthquake.

(4) Foreign currency translation
Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Japanese yen at the applicable rates of exchange prevailing at the fiscal year-end, and differences arising from the translation are included in the statement of operations. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the applicable year-end rates of exchange, and all revenue and expense accounts are translated at the average rates of exchange prevailing during the period. Differences arising from the translation are presented as foreign currency translation adjustments and minority interests in net assets.

(5) Amortization method and term for goodwill
Goodwill is amortized by the straight-line method for over reasonable periods not exceeding 20 years.

(6) Accounting for consumption tax
Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(7) Adoption of consolidated taxation system
The Company and the subsidiaries in Japan adopt the consolidated taxation system.

4. Changes in Accounting Policies

⑴ Changes in the Valuation Methods for Inventories

Starting from April 1, 2010, the Company and certain subsidiaries in Japan changed the valuation methods for merchandise and finished goods and raw materials from the first-in, first-out method to the average method. On the merger with Renesas Technology, the Group adopted the average-method with consideration that it is more reasonable to adopt the average method as it would contribute to improvement of the cost management and consistency of the cost accounting. The effects of this change on the operating result for the fiscal year ended March 31, 2011 were immaterial.

⑵ Changes in the Depreciation Methods for Depreciable Assets

Starting from April 1, 2010, the Company and certain subsidiaries in Japan changed the depreciation method for long-term assets from the declining-balance method to the straight-line method.

On the merger with Renesas Technology, the Group intended to unify its accounting policies. The Group therefore reevaluated its cost distribution method and decided to adopt the straight-line method with consideration that the straight-line method would be more appropriate to present an actual situation of the business, by clarifying the connection between related revenue and depreciation expense.

As a result of this change, for the fiscal year ended March 31, 2011, the depreciation expenses decreased by 6,672 million yen and the operating income and ordinary income increased by 6,046 million yen while loss before income taxes and minority interests decreased by 5,935 million yen as compared with the previous method.

⑶ Changes in Classification for Royalty Expenses

Starting from April 1, 2010, the Group changed the classification of royalty expenses, which were paid for research and manufacturing purpose from cost of sales to selling, general and administrative expenses.

On the merger with Renesas Technology, the Group unified the management department for royalty expenses which were previously separated and the Group reevaluated the nature of royalty expenses. The Group therefore decided to change the classification with consideration that royalty expenses were more relevant to design and research and development of products and new classification would be more suitable in presenting an actual situation.

As a result of this change, for the fiscal year ended March 31, 2011, cost of sales decreased by 7,249 million yen and selling, general and administrative expenses increased by 7,249 million yen compared with the previous classification. There were no effects on operating income, ordinary income and loss before income taxes and minority interests for the fiscal year ended March 31, 2011.

(4) Adoption of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

Effective April 1, 2010, the Group adopted the “Accounting Standard for Equity Method of Accounting for Investments” (the Accounting Standards Board of Japan (“ASBJ”) Statement No. 16, issued on March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ Practical Issues Task Force (PITF) No. 24, issued on March 10, 2008).

The effects of this adoption on operating results for the fiscal year ended March 31, 2011 were immaterial.

(5) Adoption of “Accounting Standard for Asset Retirement Obligations”

Effective April 1, 2010, the Group adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, issued on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008).

As a result of the adoption, for the fiscal year ended March 31, the operating income and ordinary income decreased by 363 million yen while loss before income taxes and minority interests increased by 1,851 million yen.

In addition, change in asset retirement obligations as a result of the adoption was 2,809 million yen.

(6) Adoption of “Accounting Standard for Business Combinations” etc.

Effective April 1, 2010, the Group adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on December 26, 2008), “Partial amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, issued on December 26, 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 issued on December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16 issued on December 26, 2008) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10 issued on December 26, 2008).

(7) Changes in Presentation

(Consolidated Balance Sheets)

Although “Prepaid pension cost” and “Long-term accounts receivable-other” were presented independently in the previous fiscal year, they were included in “Other” in Investments and other assets in the current fiscal year.

The amounts of “Prepaid pension cost” and “Long-term accounts receivable-other” included in “Other” in the current fiscal year were 5,931 million yen and 6,002 million yen, respectively.

Although “Provision for business structure improvement” were included in “Other" in current liabilities in the previous fiscal year, it was presented independently in the current fiscal year.

The amount of “Provision for business structure improvement” included in “Other" in the previous fiscal year was 517 million yen.

(Consolidated Statement of Operations)

Effective April 1, 2010, the Group adopted “Ministry of Justice Ordinance partially revising the Ordinance for Enforcement of the Companies Act and the Ordinance on Accounting of Companies” (Ministry of Justice Ordinance No. 7 of 2009) based on “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on December 26, 2008).

As a result of the adoption, “Income (loss) before minority interests” was presented in the consolidated statements of operation for the fiscal year ended March 31, 2011.

In the previous fiscal year, “Dividends income,” “Gain on sales of property, plant and equipment,” and “Impairment loss” were included in “Other” in non-operating income, in special income and in special loss respectively. However, in the current fiscal year, these items were presented independently. The amounts of “Dividends income,” “Gain on sales of property, plant and equipment,” and “Impairment loss” included in “Other” of the above accounts in the previous fiscal year were 4 million yen, 557 million yen and 646 million yen respectively.

Notes to Consolidated Balance Sheet

1. Accumulated Depreciation of Property, Plant and Equipment: 936,686 million yen

2. Accumulated Impairment Loss of Property, Plant and Equipment:

Accumulated impairment loss was included in accumulated depreciation of property, plant and equipment.

3. Contingent Liabilities:

Residual value guarantees under operating lease transactions: 6,922 million yen

Guarantees for employees’ housing loan: 1,281 million yen

Other Contingent Liabilities:

The Group has been named in the U.S. and other countries as one of the defendants in multiple civil lawsuits related to possible violations of antitrust law/competition law involving DRAM brought by purchasers of such products. Although a U.S. subsidiary of the Group had been named as one of the defendants in multiple civil lawsuits related to possible violations of antitrust law involving DRAM brought by indirect purchasers of such products as well as the Attorneys General of several states in the U.S, it agreed on settlement with plaintiffs. The U.S. subsidiary of the Group has already resolved by settlement class action lawsuits brought by direct purchasers, but it is still in settlement negotiations with several customers who have opted out of such class action lawsuits.

The Group has been named in Canada as one of the defendants in multiple civil lawsuits related to possible violations of competition law involving SRAM brought by purchasers of such products.

The Group has been named in the U.S. and other countries as one of the defendants in multiple antitrust lawsuits related to possible violations of antitrust law/competition law involving flash memory brought by purchasers of such products.

The Group’s subsidiaries in the U.S., Europe and South Korea are the subject of investigations by the U.S. Department of Justice, the Competition Bureau of Canada, the European Commission and the Korea Fair Trade Commission in connection with possible violations of antitrust law/competition law in relation to thin-film transistor liquid crystal display (TFT-LCD). Among those, the European Commission issued a statement of objections against the parties concerned and entered into formal investigation process in May 2009, and also imposed fine to multiple LCD panel manufacturers in December 2010. However, the subsidiary of the Group has not received this statement of objections, nor has it been treated as a subject in the following procedures.

The Group is the subject of an investigation by the European Commission regarding possible violations of competition law in relation to smartcard chip.

Of the aforementioned legal proceedings, the Group has recorded estimated losses in the amount of 1,240 million yen in provision for contingent loss.

It is possible that such estimated amount may increase or decrease with the progress of such proceedings in the future.

Notes to Consolidated Statement of Changes in Net Assets

1. Type and Number of Outstanding Shares as of March 31, 2011

Common Stock 417,124,490 shares

2. Dividends

There were no applicable items during the fiscal year ended March 31, 2011.

3. Type and Number of Shares to be issued upon Share Subscription Rights as of March 31, 2011 (Excluding non-arrival of 1st day of the vesting period)

Common Stock 11,217,400 shares

Notes to Financial Instruments

1. Conditions of Financial Instruments

(1) Policies for Financial Instruments

Regarding fund operation, the Group uses only short-term deposits and financial assets which are relatively safe. Regarding financing, the Group uses mainly borrowings from banks and corporate bonds. The Group utilizes derivative financial instruments to manage fluctuations in foreign currency exchange rates. The Group's policies prohibit holding or issuing derivative financial instruments for trading purposes.

(2) Contents and Risks of Financial Instruments and Risk Management

Notes and accounts receivable–trade and accounts receivable-other are exposed to credit risks. Conforming to internal rules for management of account receivable, the Group regularly monitors major customers' credit and manages due dates of collection and balances by each customer.

The management policies regarding short-term and long-term investment securities are as follows; regarding short-term investment securities, the Group deals with banks with high credibility. Long-term investment securities, which the Group has relations with on business, are exposed to risks of marketable fluctuations. By regularly monitoring the fair value of the securities, financial conditions of the issuing companies and considering the relationships on business, the Group revaluates the merit of holding the securities.

The maturities of notes and accounts payable-trade, accounts payable-other and accrued income taxes are within one year.

Most of short-term borrowings are for operation activities. Most of long-term borrowings, bonds with share subscription rights and lease obligations from finance lease transactions are utilized for capital investments. Their repayment terms are within 8 years after the fiscal year-end.

The Group enters into forward exchange contracts to hedge the risks from exchange rate fluctuations of account receivables and account payables denominated in foreign currencies and interest rate swaps to hedge the risks from interest fluctuations of borrowings.

The Group's policies for managing derivatives are as follows; the Group conforms to internal rules for the management of derivatives and transacts only with major financial institutions to reduce credit risks.

Because accounts payable and borrowings are exposed to liquidity risks, the headquarters and each subsidiary manage them by making financial plan and have short-term commitment lines respectively.

2. Fair Value of Financial Instruments

The fair values of financial instruments in consolidated balance sheets as of March 31, 2011 were presented below, and the table doesn't include the financial instruments which are extremely difficult for the Group to estimate their fair values. (Note 2)

(In millions of yen)

	Amounts on consolidated balance sheet(*)	Fair value (*)	Difference
(1)Cash and deposits	170,691	170,691	-
(2)Notes and accounts receivable-trade	137,346	137,346	-
(3)Accounts receivable-other	37,966	37,966	-
(4)Short-term, long-term investment securities			
Stocks of affiliates	5,264	1,745	(3,519)
Other securities	171,364	171,364	-

(5)Notes and accounts payable-trade	(144,944)	(144,944)	-
(6)Short-term borrowings	(143,467)	(143,467)	-
(7)Accounts payable-other	(78,250)	(78,250)	-
(8)Accrued income taxes	(3,962)	(3,962)	-
(9)Current portion of bonds with share subscription rights	(110,000)	(109,617)	383
(10)Long-term borrowings (including current portion)	(102,513)	(102,011)	502
(11)Lease obligations (including current portion)	(22,249)	(22,445)	(196)
(12)Derivative transactions	(888)	(888)	-

(*) Liabilities (credit balances) are shown in parentheses.
Assets and liabilities arising from derivatives transactions are presented on a net basis. If the net balance of derivatives is in credit, it is shown in parenthesis.

Note 1. Calculation method for fair value of financial instruments and summary of securities and derivative transactions

(1) Cash and deposits, (2) Notes and accounts receivable-trade and (3) Accounts receivable-other

These were measured at its book values because these were settled in short-term and these fair values were nearly equal to their book values.

(4) Short-term and long-term investment securities

The fair value of shares was based on market price. The fair value of bond securities was measured at its book value because it was settled in short-term and its fair value was nearly equal to its book value. The fair value of mutual fund was measured at the price presented by financial institutions.

(5) Notes and accounts payable-trade, (6) Short-term borrowings, (7) Accounts payable-other and, (8) Accrued income taxes

Their fair values were measured at its book values because these were settled in short-term and these fair values were nearly equal to its book value.

(9) Current portion of bonds with share subscription rights

The fair value of bonds with share subscription rights was estimated by the available information market participants use in calculating the price.

(10) Long-term borrowings and (11) Lease obligations

The fair values of long-term borrowings and lease obligations were estimated by discounting the future cash flows which includes both principals and interests. The discounts rates were considered both maturities and credit risks.

(12) Derivative transactions

1. Derivatives without hedge accounting

Derivative transactions without hedge accounting were forward exchange contracts and interest rate swaps. The fair value of forward exchange contracts were measured at the forward rate such as foreign exchange rate. The fair value of interest rate swaps were measured at the price presented by financial institutions.

2. Derivatives with hedge accounting

None

Note 2. Unlisted shares (1,005 million yen booked on consolidated balance sheet), which didn’t have market prices and were unable to estimate the future cash flows, weren’t included in “(4) Short-term and long-term investment securities” since they were extremely difficult to estimate fair value.

Per Share Information

1. Net assets per share: 680.27 yen
2. Net loss per share: 275.75 yen

Other Notes

1. Impairment loss

The details of impairment loss for the fiscal year were as follows:

Location	Usage	Type
Tsuruoka-city, Yamagata-Prefecture Other	Business assets	Land, Buildings and structures, Machinery and equipment, Vehicles, tools, furniture and fixtures, Constructions in progress, Software for internal use, Other intangible assets and Long-term prepaid expenses
United States of America Other	Assets to be disposed of	Buildings and structures, Machinery and equipment, Vehicles, tools, furniture and fixtures, Constructions in progress, Software for internal use and Other intangible assets
Hitachinaka-city, Ibaraki-Prefecture Kumamoto-city, Kumamoto-Prefecture Itami-city, Hyogo-Prefecture Other	Idle assets	Buildings and structures, Machinery and equipment, Vehicles, tools, furniture and fixtures, Constructions in progress, Long-term prepaid expenses and Leased assets

The Group, in principal, bases its grouping for assessing impairment loss on long-term assets on each company or place of business. However, the Group determines whether an asset should be impaired on an individual asset basis when the significant asset is considered idle or when it is to be disposed of.

The Group has formulated a new structural reform plan to build profitable structures by earlier realization of merger synergy and to execute through efficiencies under our principle policy.

As a result of the above plan, net book values of business assets with the expectation of lower profitability were reduced to the recoverable values of assets because the sum of undiscounted future cash flows was less than that of book value. Such loss amounted to 29,679 million yen which was included in special loss. The main impairment of such was Tsuruoka-manufacturing plant (Renesas Yamagata Semiconductor Co., Ltd) amounted to 27,589 million yen.

Also, the Group recognized impairment loss on the assets to be disposed of, which became useless due to the decision to close or sell the product line by reducing their net book values to the recoverable values of assets because their fair value declined significantly. Such loss amounted to 8,630 million yen which was included in impairment loss. The main impairment of such was Roseville-manufacturing plant (Renesas Electronics America Inc.) amounted to 5,930 million yen.

In addition, the Group recognized impairment loss on the idle assets by reducing their net book value to the recoverable values of assets. The impairment loss on special loss amounted to 3,362 million yen.

The total impairment loss of business assets, assets to be disposed of, and idle assets amounted to 41,671 million yen.

The impairment loss above was composed of business structure improvement expenses (5,620 million yen) and impairment loss other than business structure improvement expenses (36,051 million yen).

The components of impairment loss (41,671 million yen) were as follows:

	(In millions of yen)
Land	309
Buildings and structures	7,586
Machinery and equipment	26,168
Vehicles, tools, furniture and fixtures	4,387
Construction in progress	1,357
Software for internal use	1,372
Other intangible assets	204
Long-term prepaid expenses	217
Leased assets	71
Total	41,671

The recoverable value of these assets was measured with net sale value or value in use. The net sale value was reasonably estimated at the appraisal amount less the necessary expenses for disposal. However, the net sale value of assets, which were difficult to sell, was estimated at zero. The discount rate used in the determination of the value in use was mainly 6%.

2. Loss on disaster

The loss on disaster was related to the Great East Japan Earthquake.
The components of loss on disaster were as follows:

	(In millions of yen)
Repair cost of long-term assets	43,116
Loss on disposal of inventories	7,283
Loss on disposal of long-term assets	6,187
Fixed costs during the temporary shutdown of operations	5,919
Loss on cancellation of lease contracts	2,987
Other	12
Sub total	65,504
Insurance income receivable	(16,000)
Total	49,504

The main portion of provision for loss on disaster in the consolidated balance sheet is repair cost of long-term assets and loss on cancellation of lease contracts.

3. Business structure improvement expenses

To achieve sustainable and robust growth, the Group formulated “100-day project”, and through this project, reviewed overall management resources in business activities owned by former NEC Electronics and former Renesas Technology, such as technologies, products, design and development environments, manufacturing, sales, material purchasing and business processes, so that the merger synergies were maximized. Further, the Group formulated measures to attain its business target, and implemented measures for optimizing business portfolio and reforming production structure.

As parts of those measures, the Group implemented enhanced early retirement programs with special additional payment at the Company and all subsidiaries in Japan. At some of overseas subsidiaries, personnel rationalization was implemented. As a result, the Group recognized 21,956 million yen as personnel expenses. Moreover, due to other production structure reforms, the Group recognized 7,267 million yen as impairment loss and disposal equipment and 1,375 million yen as removal expenses of equipment and other expenses.

4. Business Combination

Business Combination by Acquisition

1. Summary of the Business Combination
   (1) Name of Acquiree
   Renesas Technology Corp.
   (2) Major Operations of Acquiree
   Development, design, manufacture, sale and service of LSI products such as MCUs, logic devices and analog devices; discrete semiconductor products; and memory products such as SRAM
   (3) Major Reasons for the Business Combination
   As leading semiconductor companies, both former NEC Electronics Corporation ("NEC Electronics") and former Renesas Technology provided a wide variety of semiconductor solutions, primarily specializing in microcontroller units (MCUs). In light of fierce global competition and structural changes triggered by the rapid expansion of emerging markets in the semiconductor market, former NEC Electronics and former Renesas Technology have merged, in order to further strengthen their business foundations and technological assets, while increasing corporate value through enhanced customer satisfaction.
   (4) Effective Date of the Business Combination
   April 1, 2010
   (5) Legal Form of the Business Combination
   It was absorption-type merger with former NEC Electronics as the surviving company and former Renesas Technology as the dissolving company.
   (6) Company Name after the Business Combination
   Renesas Electronics Corporation
   (7) Basis for Determination of Accounting Acquirer
   Because of issuing stocks for a consideration, former NEC Electronics was generally determined to be the accounting acquirer. In addition, various factors such as relative ratio of voting rights, composition of the members of Board of Directors and whether there would be significant difference in business scale of both companies or not were considered.

2. The Term of Acquiree's Operation Results included in the Consolidated Financial Statements
   From April 1, 2010 to March 31, 2011

3. Acquisition Cost and its Details

	(In millions of yen)
Consideration paid for acquisition:	
Fair value of common stocks issued on the date of the business combination	140,527
Expenses directly attributable to the acquisition:	
Advisory fees and others	967
Total Acquisition Cost	141,494

4. Merger Ratio, Calculation Method of the Merger Ratio and Number of Issued Stocks
   (1) Merger Ratio
   Type of issued stocks: Commons Stock
   Ratio (Renesas Technology / NEC Electronics): 1 / 20.5
   (2) Calculation Method of Merger Ratio:
   The merger ratio was considered to be appropriate and decided in consideration of financial conditions of each company, forecast of business, the merits of the business combination and capital injection, the appraisals each company's appraisers made and other factors in a comprehensive manner.
   (3) Number of Issued Stocks:
   Common stock: 146,841,500 shares

5. Amount and Accrual Reason for Gain on Negative Goodwill
   (1) Amount of Gain on Negative Goodwill
   2,159 million yen
   (2) Accrual Reason for Gain on Negative Goodwill
   Negative goodwill was recognized because the acquisition cost was less than net amount of acquired assets and liabilities.

6. Amount and Detail of Assets and Liabilities Acquired on the Date of the Merger

	(In millions of yen)
Current assets	320,408
Long-term assets	301,384
Total assets	621,792
Current liabilities	337,849
Long-term liabilities	138,126
Total liabilities	475,975

Business Combination by Acquisition

1. Summary of the Business Combination
   (1) Subjected business's name and its business operations
   Name of Acquiree: Nokia Corporation
   Name of the Business: Wireless Modem Business
   (2) Major Reasons for the Business Combination
   The transfer of wireless modem business from Nokia enables the Group to provide one-stop mobile platform solutions, supporting an extensive range of modem protocols from GSM to LTE and capable of advanced multimedia processing, by combining (i) technology assets and engineering know-how of Nokia and the Company with (ii) the Group's market-proven multimedia processing and RF technologies. The Company is, through this business transfer, aiming to establish a firm position in the 3G and LTE markets as a global semiconductor company.
   (3) Effective Date of the Business Combination
   November 30, 2010
   (4) Legal Form of the Business Combination
   Transfer of business
   (5) Company Name after the Business Combination
   No change (Renesas Electronics Corporation)

2. The Term of Operation Results of Subjected Business included in the Consolidated Financial Statements
   4 months (From December 1, 2010 to March 31, 2011)

3. Acquisition Cost and its Details

	(In millions of yen)
Consideration paid for acquisition:	
Cash	17,138
Expenses directly attributable to the business combination:	
Fees for attorney and others	516
Total Acquisition Cost	17,654

4. The Amount, the Accrual Reason, Amortization Method and Amortization Term of Goodwill
   (1) Amount of Goodwill
   2,571 million yen
   (2) Accrual Reason for Goodwill
   Goodwill was recognized because the acquisition cost was more than net amount of acquired assets and liabilities.
   (3) Amortization Method and Term
   Amortized by straight-line method over 10 years

5. The Amount and Detail of Assets and Liabilities Acquired on the Date of the Business Combination

	(In millions of yen)
Current assets	551
Long-term assets	15,991
Total assets	16,542
Current liabilities	1,459
Total liabilities	1,459

6. The Amount of Acquisition Cost Allocated to Intangible Assets Other Than Goodwill and Amortization Term

Detail	Amount (In millions of yen)	Amortization Term (Years)
Technology assets	7,412	6
Research and development cost in progress	3,345	7
Assessment tool	3,043	7
Other	891	5 - 8

7. The Effect on the Statement of Operation Supposing the Business Combination has done on the beginning of this Fiscal Year.

   The effect on operating results for the year ended March 31, 2011 was immaterial. There is no Audit Certification about the effect on operating result.

Transactions under Common Control

1. Summary of Transaction under Common Control
   (1) Subjected Business's Name and its Business Operations
       Name of the business: Mobile Multimedia Business
       Business operations: SoC semiconductors business for mobile devices and car navigation systems
   (2) Date of Business Combination
       December 1, 2010
   (3) Legal Type of Business Combination
       The simple absorption-type business split: the Company as split company, Renesas Mobile Corporation (consolidated company of the Company) as succeeding company
   (4) Name of the Corporation after Business Combination
       No change (Renesas Mobile Corporation)
   (5) Overview of the Transactions
       Through the business split, by constructing global business structures focuses on Mobile Multimedia Business such as SoC (system on chip) semiconductors business for mobile devices and car navigation systems, it enables us for timely operations of the business and product sales, especially reinforce overseas market business.

2. The Summary of Adopted Accounting Standard

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

BALANCE SHEET
(on a non-consolidated basis)
(As of March 31, 2011)

(In millions of yen)

Assets		Liabilities and net assets	
Accounts	Amount	Accounts	Amount
Current assets	**615,133**	Liabilities	
Cash and deposits	114,300	**Current liabilities**	**631,773**
Accounts receivable-trade	97,861	Accounts payable-trade	153,041
Short-term investment securities	166,998	Current portion of bonds with share subscription rights	110,000
Finished goods	26,644	Short-term borrowings	129,500
Work in process	18,141	Current portion of long-term borrowings	39,382
Raw materials and supplies	21,825	Current portion of lease obligations	6,252
Prepaid expenses	1,375	Accounts payable-other	51,383
Short-term loans receivable	97,503	Accrued expenses	24,739
Accounts receivable-other	70,113	Accrued income taxes	828
Other	408	Advances received	295
Allowance for doubtful accounts	(35)	Deposits received	66,479
Long-term assets	**394,276**	Provision for product warranties	569
Property, plant and equipment	**132,412**	Provision for loss on guarantees	456
Buildings and structures	45,087	Provision for business structure improvement	1,521
Machinery and equipment	43,049	Provision for contingent loss	399
Vehicles, tools, furniture and fixtures	15,508	Provision for loss on disaster	45,865
Land	19,089	Current portion of asset retirement obligations	303
Construction in progress	9,679	Other	760
Intangible assets	**57,776**	**Long-term liabilities**	**122,799**
Software	24,985	Long-term borrowings	37,774
Developed technology	18,611	Lease obligations	9,069
Other	14,181	Deferred tax liabilities	9,235
Investments and other assets	**204,087**	Accrued retirement benefits	34,689
Investment securities	2,308	Asset retirement obligations	3,071
Stocks of subsidiaries and affiliates	154,754	Long-term accounts payable-other	27,237
Investments in capital of subsidiaries and affiliates	72	Other	1,723
Long-term prepaid expenses	42,112	**Total liabilities**	**754,571**
Other	4,847	Net assets	
Allowance for doubtful accounts	(6)	**Shareholders' equity**	**255,213**
		Common stock	**153,255**
		Capital surplus	**465,555**
		Capital legal reserve	88,789
		Other capital surplus	376,766
		Retained earnings	**(363,586)**
		Other retained earnings	(363,586)
		Retained earnings brought forward	(363,586)
		Treasury stock	**(11)**
		Valuation and translation adjustments	**(423)**
		Unrealized gains (losses) on securities	(423)
		Share subscription rights	**48**
		Total net assets	**254,837**
Total assets	**1,009,409**	**Total liabilities and net assets**	**1,009,409**

See accompanying notes to non-consolidated financial statements.

STATEMENT OF OPERATIONS
(on a non-consolidated basis)
(For the Year Ended March 31, 2011)

(In millions of yen)

Accounts	Amount
Net Sales	**946,043**
Cost of sales	660,746
Gross profit	**285,296**
Selling, general and administrative expenses	305,646
Operating loss	**20,349**
Non-operating income	**2,235**
Interest income	900
Interest on securities	281
Dividends income	72
Gain on valuation of derivatives	266
Other	716
Non-operating expenses	**10,840**
Interest expenses	3,080
Foreign exchange losses	4,234
Other	3,525
Ordinary loss	**28,954**
Special income	**2,756**
Gain on sales of property, plant and equipment	381
Reversal of provision for contingent loss	1,742
Gain on negative goodwill	513
Other	120
Special loss	**87,666**
Loss on disaster	46,171
Business structure improvement expenses	28,274
Loss on valuation of subsidiaries' stocks	9,814
Other	3,408
Loss before income taxes	**113,865**
Income taxes-current	(575)
Income taxes-deferred	617
Net loss	**113,907**

See accompanying notes to non-consolidated financial statements.

STATEMENT OF CHANGES IN NET ASSETS
(on a non-consolidated basis)
(For the Year Ended March 31, 2011)

(In millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Shareholders' equity
		Capital legal reserve	Other capital surplus	Other retained earnings Retained earnings brought forward		
Balance at March 31, 2010	85,955	21,489	236,239	(249,679)	(11)	93,993
Changes during the period						
Issuance of new shares	67,300	67,300				134,600
Increased by merger			140,527			140,527
Net loss				(113,907)		(113,907)
Purchase of treasury stock					(0)	(0)
Net changes in items other than shareholders' equity						
Total changes during the period	67,300	67,300	140,527	(113,907)	(0)	161,220
Balance at March 31, 2011	153,255	88,789	376,766	(363,586)	(11)	255,213

	Valuation and translation adjustments Unrealized gains (losses) on securities	Share subscription rights	Total net assets
Balance at March 31, 2010	(33)	52	94,013
Changes during the period			
Issuance of new shares			134,600
Increased by merger			140,527
Net loss			(113,907)
Purchase of treasury stock			(0)
Net changes in items other than shareholders' equity	(390)	(5)	(395)
Total changes during the period	(390)	(5)	160,825
Balance at March 31, 2011	(423)	48	254,837

See accompanying notes to non-consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS (on a non-consolidated basis)

All figures are rounded to the nearest 1 million yen.

Notes to Significant Accounting Policies

1. Valuation methods for assets

1) Securities

Stocks of subsidiaries and affiliates:

These stocks are carried at cost determined by the moving-average method.

Other securities:

Marketable securities:

Marketable securities classified as other securities are valued at the fair value at the fiscal year-end, with unrealized gains and losses included in a component of net assets. The cost of securities sold is determined based on the moving-average method.

Non-marketable securities:

Non-marketable securities classified as other securities are carried at cost or amortized cost determined by the moving-average method.

2) Derivatives

Derivative financial instruments are stated at fair value.

3) Inventories

Inventories are stated at the lower of cost or market. The costs are stated as follows;

Finished goods:

Custom-made products:

Specific identification method

Mass products:

Average method

Work in process:

Custom-made products:

Specific identification method

Mass products:

Average method

Raw materials and supplies:

Average method as principal method

2. Depreciation method for long-term assets

1) Property, plant and equipment other than leased assets

Depreciated by the straight-line method

2) Intangible assets

Amortized by the straight-line method

3) Leased assets

Leased assets under finance leases under which the ownership of the assets is transferred to the lessee

Amortized in the same way as self-owned long-term assets

Leased assets under finance leases other than those under which ownership of the assets is transferred to the lessee

Amortized by the straight-line method over the lease term, assuming no residual value. The finance leases other than those under which ownership of the assets transferred to the lessee contracted before March 31, 2008 are accounted for as operating lease transactions.

4) Long-term prepaid expenses

Amortized by straight-line method

3. Basis of reserves

1) Allowance for doubtful accounts
Allowance for doubtful accounts is provided based on past experiences for normal receivables and on an individual estimate of the collectability of receivables from companies in financial difficulty.

2) Accrued retirement benefits (Prepaid pension cost)
Accrued retirement benefits or prepaid pension cost are recorded for employees' pension and severance payments based on the projected benefit obligation and the estimated fair value of plan assets as of the fiscal year-end.

The amount of transitional obligation succeeded from NEC Corporation is amortized on a straight-line method, proportionally allocated over the year ended March 31, 2014.

Prior service costs are amortized on a straight-line basis over the employees' estimated average remaining service periods.

Actuarial gains and losses are amortized on a straight-line basis over the employees' estimated average remaining service periods. The amortization starts from the following year of the gains and losses recognized.

3) Provision for products warranties
The Company accrues product warranty liabilities for estimated future warranty costs using the individual estimates for the specific matters or historical ratio of warranty costs to net sales.

4) Provision for loss on guarantees
Provision for loss on guarantees is made for the amount of the estimated future losses related to debt guarantees, which the Company is taken into account for the deterioration of financial conditions.

5) Provision for business structure improvement
Provision for business structure improvement is made for the amount of the estimated losses to be incurred in connection with business structure reconstructions and consolidation.

6) Provision for contingent loss
In relation to matters such as legal proceedings and litigations, a provision for the amount of expected losses and expenses is made when they are reasonably estimated considering individual risks associated with each contingency.

7) Provision for loss on disaster
Provision for loss on disaster is made for the amount of estimated losses to be incurred in connection with removal or restoration cost for the assets suffered by the Great East Japan Earthquake.

4. Accounting for consumption tax

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

5. Adoption of consolidated taxation system

The Company adopts the consolidated taxation system.

Notes to Changes in Accounting Policies

⑴ Changes in the Valuation Methods for Inventories
Starting from April 1, 2010, the Company changed the valuation methods for finished goods and raw materials and supplies from the first-in, first-out method to the average method. On the merger with Renesas Technology, the Company adopted the average-method with consideration that it is more reasonable to adopt the average method as it would contribute to improvement of the cost management and consistency of the cost accounting. The effects of this change on the operating result for the fiscal year ended March 31, 2011 were immaterial.

⑵ Changes in the Depreciation Methods for Depreciable Assets
Starting from April 1, 2010, the Company changed the depreciation method for long-term assets from the declining-balance method to the straight-line method.

On the merger with Renesas Technology, the Company intended to unify its accounting policies. The Company therefore reevaluated its cost distribution method and decided to adopt the straight-line method with consideration that the straight-line method would be more appropriate to present an actual situation of the business, by clarifying the connection between related revenue and depreciation expense. The effects of this change on the operating result for the fiscal year ended March 31, 2011 were immaterial.

(3) Adoption of “Accounting Standard for Asset Retirement Obligations”

Effective April 1, 2010, the Company adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, issued on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008).

As a result of the adoption, for the fiscal year ended March 31, 2011, the operating loss and ordinary loss increased by 188 million yen and loss before income taxes increased by 929 million yen.

In addition, change in asset retirement obligations as a result of the adoption was 1,261 million yen.

(4) Adoption of “Accounting Standard for Business Combinations” etc.

Effective April 1, 2010, the Company adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on December 26, 2008), “Partial amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, issued on December 26, 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 issued on December 26, 2008) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10 issued on December 26, 2008).

(5) Changes in Presentation

(Balance Sheet – on a non-consolidated basis)

In the previous fiscal year, “Prepaid pension cost” was stated separately, whereas this was included in “Other” in Investments and other assets in the current fiscal year. The amount of “Prepaid pension cost” included in “Other” in the current fiscal year was 932 million yen.

In the previous fiscal year, “Long-term accounts payable-other” was included in “Other” in Long-term liabilities, whereas this was stated separately in the current fiscal year. The amount of “Long-term accounts payable-other” included in “Other” in the previous fiscal year was 1,699 million yen.

(Statement of Operations – on a non-consolidated basis)

In the previous fiscal year, “Retirement benefit expenses” and “Loss on disposal of long-term assets” were stated separately, whereas these were included in “Other” in non-operating expenses in the current fiscal year. The amount of “Retirement benefit expenses” and “Loss on disposal of long-term assets” included in “Other” in the current fiscal year was 940 million yen and 1,030 million yen respectively.

In the previous fiscal year, “Gain on sales of property, plant and equipment” was included “Other” in special income, whereas this was stated separately in the current fiscal year. The amount of “Gain on sales of property, plant and equipment” included in “Other” in the previous year was 206 million yen.

Notes to Balance Sheet

1. Accumulated Depreciation of Property, Plant and Equipment: 77,500 million yen

2. Accumulated Impairment Loss of Property, Plant and Equipment:

Accumulated impairment loss was included in accumulated depreciation of property, plant and equipment.

3. Contingent Liabilities:

Liabilities for Guarantees	
Loan to affiliated companies	33,320 million yen
Guarantees for employees’ housing loan	861 million yen
Residual value guarantees under operating lease transactions	5,335 million yen

4. Monetary Receivables from and Payables to Affiliated Companies:

Short-term receivable	222,918 million yen
Long-term receivable	136 million yen
Short-term payable	156,391 million yen
Long-term payable	617 million yen

5. Monetary Receivables from and Payables to Member of the Board and Corporate Auditor (Executive Officer):

Monetary Payables 36 million yen

Notes to Statement of Operations

1. Transactions with Affiliated Companies:

Amounts of operating transactions

Net sales	636,144 million yen
Purchases	711,120 million yen
Amounts of non-operating transactions	9,845 million yen

2. Loss on Disaster:

Details of loss on disaster incurred by the Great East Japan Earthquake were as follows

	(In millions of yen)
Repair cost of long-term assets	42,868
Loss on disposal of inventories	7,042
Loss on disposal of long-term assets	6,187
Fixed costs during the temporary shutdown of operations	3,075
Loss on cancellation of lease contracts	2,987
Other	12
Sub total	62,171
Insurance income receivable	(16,000)
Total	46,171

The main portion of provision for loss on disaster in the balance sheet is repair cost of fixed assets and loss on cancellation of lease contracts.

3. Business Structure Improvement Expenses:

To achieve sustainable and robust growth, the Group formulated "100-day project", and through this project, reviewed overall management resources in business activities owned by former NEC Electronics and former Renesas Technology, such as technologies, products, design and development environments, manufacturing, sales, material purchasing and business processes, so that the merger synergies were maximized. Further, the Group formulated measures to attain its business target, and implemented measures for optimizing business portfolio and reforming production structure.

As a part of those measures, the Company incurred 11,205 million yen of personnel expenses for enhanced early retirement programs with special additional payment and 2,153 million yen for disposal of equipment and others.

In addition, the Company recorded 14,916 million yen as structure improvement expenses for the support of domestic subsidiaries.

Notes to Statement of Changes in Net Assets

Type and Number of Treasury Stock as of March 31, 2011

Common Stock	2,548 shares

Notes to Tax-Effect Accounting

Significant components of deferred tax assets were operating loss carry forwards, loss on valuation of stocks of subsidiaries and affiliates, provision for loss on disaster, surplus of accrued retirement benefits, excess amount of depreciable limit and others. The amount of valuation allowance for deferred tax assets was 353,442 million yen.

Significant component of deferred tax liabilities was valuation difference on acceptance of assets and liabilities by merger and gain on contribution of securities to retirement benefit trust.

Notes to Long-Term Assets Used under Leases

In addition to long-term assets on the balance sheet, parts of office equipment and production equipment were used under finance leases other than those under which ownership of the assets transferred to the lessee at the end of lease term.

Notes to Transaction with Related Parties

1. Parent company, major corporate shareholders and others: (In millions of yen)

Attribute	Company name	Ratio of Share-Holding (Owned)	Relation with related parties	Contents of transaction	Amounts of transaction	Account	Balance at March 31, 2011
Other affiliated company	Hitachi Ltd.	(Owned) Direct 30.62 %	Seles of our products Concurrently serving as a board member	Acceptance of capital increase (*1)	43,065	-	-
Other affiliated company	Mitsubishi Electric Corporation	(Owned) Direct 25.05 %	Seles of our products Concurrently serving as a board member	Acceptance of capital increase (*1)	35,235	-	-
Other affiliated company	NEC Corporation	(Owned) Direct 16.71 % Indirect 18.75 %	Seles of our products Concurrently serving as a board member	Acceptance of capital increase (*1) Guaranteed	56,300 10,210	-	-

2. Subsidiaries, affiliates and others: (In millions of yen)

Attribute	Company name	Ratio of Share-Holding (Owned)	Relation with related parties	Contents of transaction	Amounts of transaction (*5)(*6)	Account	Balance at March 31, 2011
Subsidiary	Renesas Electronics Sales Co., Ltd.	(Own) Direct 100.0 %	Seles of our products	Seles of products(*2)	200,406	Accounts receivable-trade	8,054
Subsidiary	Renesas Northern Japan Semiconductor, Inc.	(Own) Direct 100.0 %	Purchases of parts of our products	Loan(*3)	15,000	Short-term loans receivable	-
Subsidiary	Renesas Yamagata Semiconductor Co., Ltd.	(Own) Direct 100.0 %	Purchases of parts of our products	Loan(*3)	38,000	Short-term loans receivable	28,586
Subsidiary	Renesas Mobile Corporation	(Own) Direct 100.0 %	Design and development of parts of our products	Business split(*4) Assets transferred Liabilities transferred Stock received	 24,347 13 24,335	 - - -	 - - -
Subsidiary	Renesas Kansai Semiconductor Co., Ltd.	(Own) Direct 100.0 %	Purchases of parts of our products	Loan(*3)	18,000	Short-term loans receivable	9,343
Subsidiary	Renesas Semiconductor Kyushu Yamaguchi Co., Ltd.	(Own) Direct 100.0 %	Purchases of parts of our products	Purchase of products(*2) Loan(*3) Guarantee	103,833 55,000 15,809	Accounts payable-trade Short-term loans Receivable -	9,617 29,876 -

Subsidiary	Renesas Kyushu Semiconductor Corp.	(Own) Direct 100.0 %	Purchases of parts of our products	Loan(*3)	15,000	Short-term loans receivable	10,960
Subsidiary	Renesas Electronics America Inc.	(Own) Direct 100.0 %	Seles of our products, Purchases of parts of our products	Loan(*3)	218,500	Short-term loans receivable	16,328
Subsidiary	Renesas Electronics Europe GmbH	(Own) Direct 100.0 %	Seles of our products, Consignment of design and development	Money deposited (*3)	-	Deposits received	11,052
Subsidiary	Renesas Electronics Hong Kong Limited	(Own) Direct 100.0 %	Seles of our products	Seles of products(*2)	101,016	Accounts receivable-trade	18,994
Subsidiary	Renesas Semiconductor Singapore Pte. Ltd.	(Own) Direct 100.0 %	Purchases of parts of our products	Money deposited (*3)	-	Deposits received	11,833

Terms and conditions of transactions and polices on deciding terms and conditions

(*1) Acceptance of capital increase was acceptance of the third party allotment offered by the Company.

(*2) Price and other transaction conditions were determined under price negotiation.

(*3) Rate for loan to subsidiaries and money deposited from subsidiaries was determined by considering the market rate. Unit for short-term loans of Renesas Electronics America Inc. was in thousands of US dollars.

(*4) Business split was a restructuring of business operations within the Group. Therefore, the number of stocks allocated was determined by net assets.

(*5) Consumption tax and other taxes were not included in the amounts of transaction. Consumption tax and other taxes were included in the balances.

(*6) "Amounts of transaction" of loan was shown here as loan ceiling.

Notes to Per Share Information

1. Net assets per share: 610.83 yen

2. Net loss per share: 273.08 yen

[Translation]

Report of Independent Auditors

May 16, 2011

The Board of Directors
Renesas Electronics Corporation

Ernst & Young ShinNihon LLC

Hitoshi Matsuoka
Certified Public Accountant
Designated and Engagement Partner

Kazuya Oki
Certified Public Accountant
Designated and Engagement Partner

Tetsuya Naito
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Renesas Electronics Corporation (the "Company") applicable to the fiscal year from April 1, 2010 through March 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Renesas Electronics Corporation, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2011 in conformity with accounting principles generally accepted in Japan.

Supplemental Information:

1. As described in "Changes in Accounting Policies," starting from April 1, 2010, the Company changed the depreciation method for long-term assets from the declining-balance method to the straight-line method.

2. As described in "Changes in Accounting Policies," starting from April 1, 2010, the Company changed the classification of the royalty expenses from cost of sales to selling, general and administrative expenses.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

[Translation]

Report of Independent Auditors

May 16, 2011

The Board of Directors
Renesas Electronics Corporation

Ernst & Young ShinNihon LLC

Hitoshi Matsuoka
Certified Public Accountant
Designated and Engagement Partner

Kazuya Oki
Certified Public Accountant
Designated and Engagement Partner

Tetsuya Naito
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the balance sheet, the statement of operations, the statement of changes in net assets, the notes to the financial statement and the related supplementary schedules of Renesas Electronics Corporation (the “Company”) applicable to the 9th fiscal year from April 1, 2010 through March 31, 2011. These financial statements and the related supplementary schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the related supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Renesas Electronics Corporation applicable to the 9th fiscal year ended March 31, 2011 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Audit Report of Board of Corporate Auditors

Based on audit reports from each Corporate Auditor, and following due discussion at meetings, the Board of Corporate Auditors have prepared this report regarding the execution of the duties of the Board of Directors for the 9th fiscal year from April 1, 2010 through March 31, 2011. The Board reports as follows:

1. Auditing Method Employed by the Corporate Auditors and Board of Corporate Auditors and the Details

The Board of Corporate Auditors established auditing policies and plans and received reports from each Corporate Auditor on the status of the implementation of audits and the results thereof, as well as reports from Directors and the Independent Auditors regarding the status of execution of their duties, and requested explanations as necessary.

On the basis of the Board of Corporate Auditors Rules established by the Board of Corporate Auditors, and in accordance with the auditing policies and plans, each Corporate Auditor sought mutual understanding with Directors and employees in their efforts to collect information and create an environment for audit, attended meetings of the Board of Directors and other important meetings, and received reports from Directors and employees regarding performance of their duties, requested explanations as necessary, and perused important documents regarding decisions and approvals made, and investigated the status of operations and the financial position at the Group's head office and principal offices of business. The Board of Corporate Auditors also carried out an audit and verification of the contents of Board of Director resolutions relating to the establishment of structures as set forth in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act, as structures necessary to ensure that the Board of Directors' performance of its duties is in conformity with applicable laws and regulations and the Group's Articles of Incorporation and to otherwise ensure the appropriateness of the business of a Kabushiki Kaisha, as well as structures established pursuant to such resolutions ("Internal Control System"). Regarding the Internal Control System, the Board of Corporate Auditors received the periodical reports from the Directors and employees about its framework and operation status, requested explanations as necessary and provided opinions. Regarding the Internal Control System for financial reporting, the Board of Corporate Auditors received the reports from the Directors and the Independent Auditors about its assessment and audit and requested explanations as necessary. Regarding the subsidiaries, the Board of Corporate Auditors sought to achieve a mutual understanding and exchange information with directors and corporate auditors of the subsidiaries, and, where necessary, visited the subsidiaries, received business reports from the subsidiaries, and examined their operations and assets. Based on the above methods, the Board of Corporate Auditors evaluated the Business Report and supplementary schedules thereto for the 9th fiscal year ended March 31, 2011.

In addition, the Board of Corporate Auditors audited and verified whether the Independent Auditors maintained their independence and carried out their audits appropriately, received reports from the Independent Auditors regarding the execution of their duties and, where necessary, requested explanations. Also, the Board of Corporate Auditors received notification from the Independent Auditors to the effect that the "structure to ensure that duties are executed appropriately" (the matters listed in Article 131 of the Corporation Accounting Regulations) has been established in accordance with "Quality Control Standards for Auditing" (adopted by the Business Accounting Council on October 28, 2005), etc., and requested explanations as necessary. Based on the above methods, the Board of Corporate Auditors audited the financial statements related to the 9th fiscal year ended March 31, 2011 (the balance sheet, the statement of operations, the statement of changes in net assets and notes to the financial statements) and supplementary schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets and notes to the consolidated financial statements).

2. Results of Audit

(1) Results of the Audit on the Business Report, etc.

1. We found that the Business Report and supplementary schedules accurately reflect the conditions of the Group in accordance with applicable laws and regulations and the Articles of Incorporation.
2. No inappropriate conducts concerning the execution of duties by Directors or material facts in violation of applicable laws and regulations or the Articles of Incorporation were found.
3. We found that the contents of Board of Directors' resolutions concerning the Internal Control System were appropriate. Further, no material defects were found with respect to Director' execution of duties in regards to the Internal Control System.

(2) Results of the Audit on the Consolidated Financial Statements

We found that the methods and the results of the audit conducted by the Independent Auditors, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of the Audit on the Financial Statements and Supplementary Schedules

We found that the methods and the results of the audits conducted by the Independent Auditors, Ernst & Young ShinNihon LLC, are appropriate.

May 17, 2011

Board of Corporate Auditors of Renesas Electronics Corporation

Corporate Auditor (Full-time)	Hiroki Kawamura	(Seal)
Corporate Auditor (Full-time)	Junichiro Nishi	(Seal)
Corporate Auditor	Michiharu Nakamura	(Seal)
Corporate Auditor	Yoichiro Yamakawa	(Seal)
Corporate Auditor	Yoshinobu Shimizu	(Seal)

Note: Messrs. Hiroki Kawamura, Yoichiro Yamakawa and Yoshinobu Shimizu are outside Corporate Auditors stipulated in item 16, Article 2, and paragraph 3, Article 335 of the Companies Act.