



FY10/3 Financial Results

Renesas Electronics Corporation

May 11, 2010

Junshi Yamaguchi, Chairman
Yasushi Akao, President



I. FY10/3 Financial Results

Former NEC Electronics

Former Renesas Technology

Renesas Electronics (Combined)

II. Renesas Electronics Management Target and Business Approach in FY11/3

I. FY10/3 Financial Results -Former NEC Electronics

[Summary]

FY10/3 Financial Snapshot

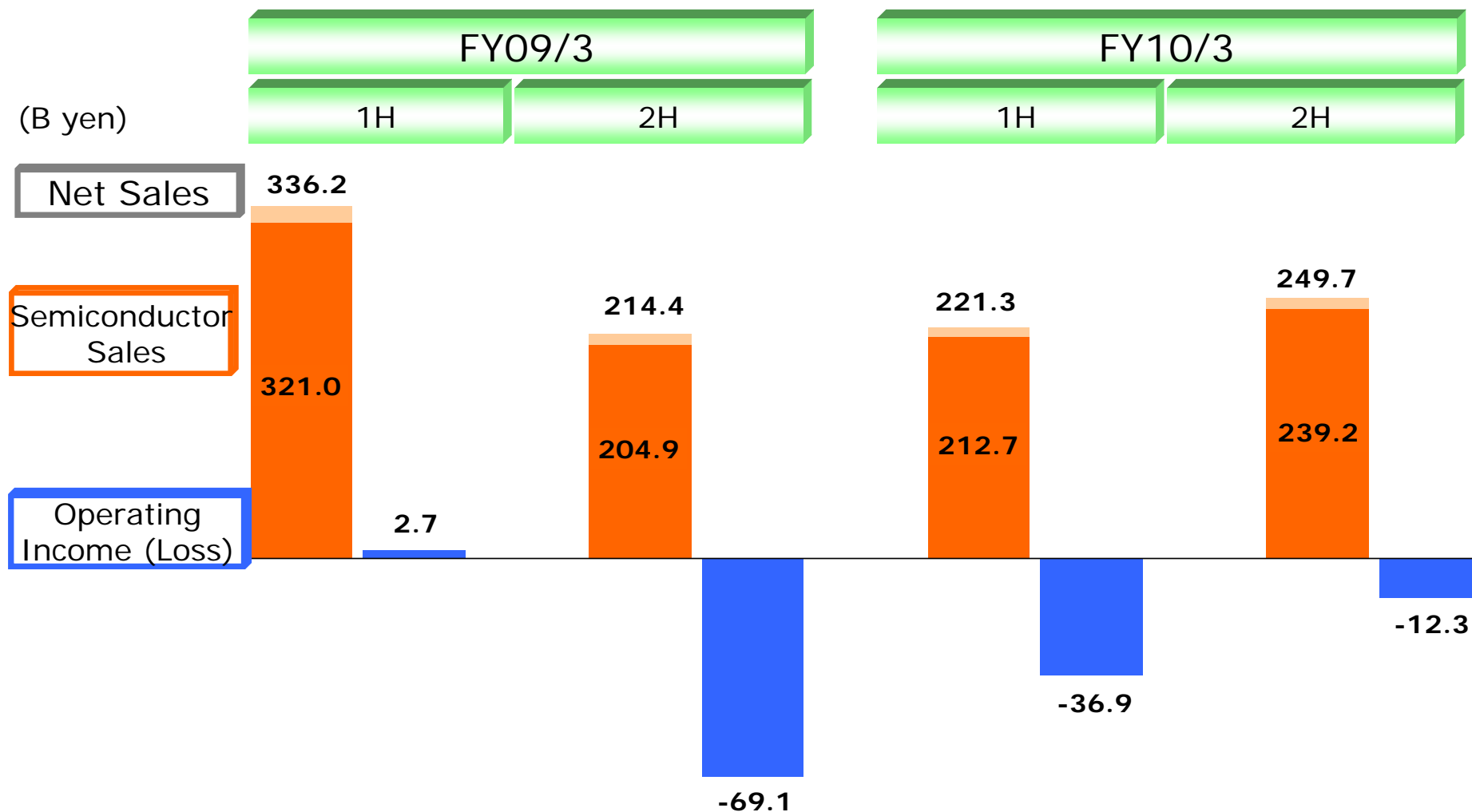
- Q4 sales and profitability improved as expected
- Despite the significant drop in full-year sales, operating loss recovered due to fixed-cost reduction

(B yen)	FY10/3					
	Q4 Actual	QoQ	YoY	Full-year	YoY	Difference between Original Forecasts (Announced June 29, 2009)
Net Sales	131.8	+13.9	+45.9	471.0	-79.6	+9.0
Semiconductor Sales	126.1	+12.9	+45.0	451.9	-74.0	+4.9
Operating Income (Loss)	-3.0	+6.3	+50.1	-49.2	+17.2	-1.7
Ordinary Income (Loss)	-5.3	+6.0	+52.5	-54.4	+21.8	-2.9
Net Income (Loss)	-2.4	+11.9	+61.7	-56.4	+28.6	+2.6
1 US\$=	90 yen	0 yen strong	1 yen strong	93 yen	8 yen strong	3 yen weak
1 Euro=	128 yen	5 yen strong	8 yen weak	132 yen	14 yen strong	2 yen weak

Note: This document is prepared under Japanese GAAP.

Trends in Semiannual Results

- Both semiconductor sales and operating loss bottomed out in FY09/3 2H and continued to improve



I. FY10/3 Financial Results -Former NEC Electronics

[Q4]

Q4 Semiconductor Sales by Platform

- Overall semiconductor sales increased by 11% from Q3. Semiconductor sales in all areas increased
- The SoC sales in particular increased dramatically with LSIs, especially the EMMA products, for digital AV

(B yen)	FY10/3	
	Q4	QoQ (%)
Semiconductor Sales	126.1	+11%

Sales Overview by Platform

SoC	43.1	+22%
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SoC

[↑] Increase in sales of LSIs, especially the EMMA products, for digital AV

MCU	43.7	+6%
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MCU

[↑] Sales of automotive products and general-purpose ICs

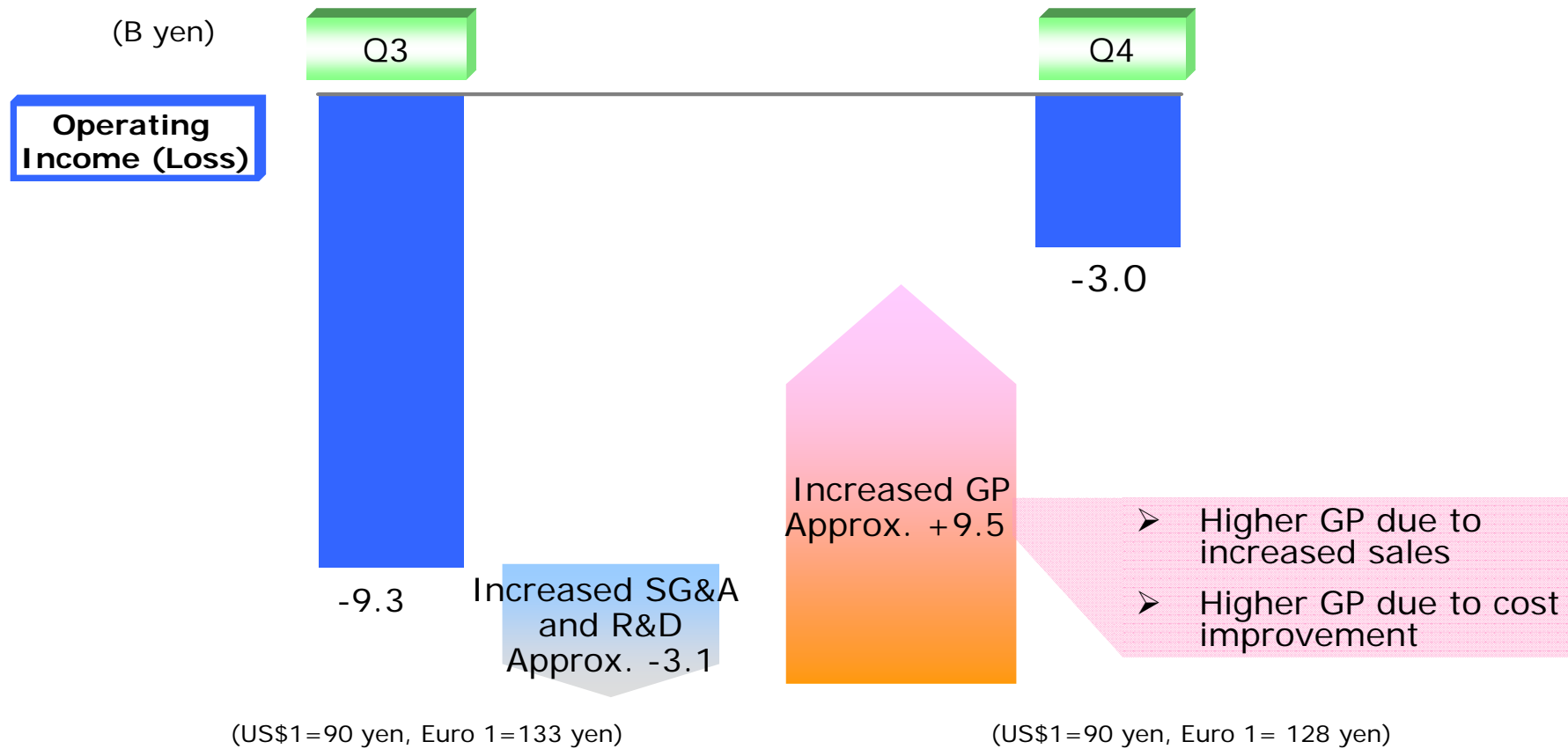
Discrete & IC	39.3	+7%
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Discrete & IC

[↑] Discrete devices, display driver IC
[→] Compound semiconductors

FY10/3 Q4 Factors in Operating Income (Loss)

■ Despite increase in SG&A and R&D expenses, operating loss improved QoQ due to increased sales



Note: GP= gross profit, R&D = research & development expenses, SG&A = selling general & administrative expenses

I. FY10/3 Financial Results -Former NEC Electronics

[Full-Year]

FY10/3 Semiconductor Sales by Platform

- MCU sales improved dramatically due to rapid rise in demand for automotive MCU
- Sales of SoC and Discrete & IC decreased significantly affected by market conditions

(B yen)	FY10/3	
	Full-year	YoY (%)
Semiconductor Sales	451.9	-14%
SoC	161.4	-28%
MCU	149.1	+4%
Discrete & IC	141.4	-11%

Sales Overview by Platform

SoC

[↓] Significant drop especially in LSIs for consumer electronics

MCU

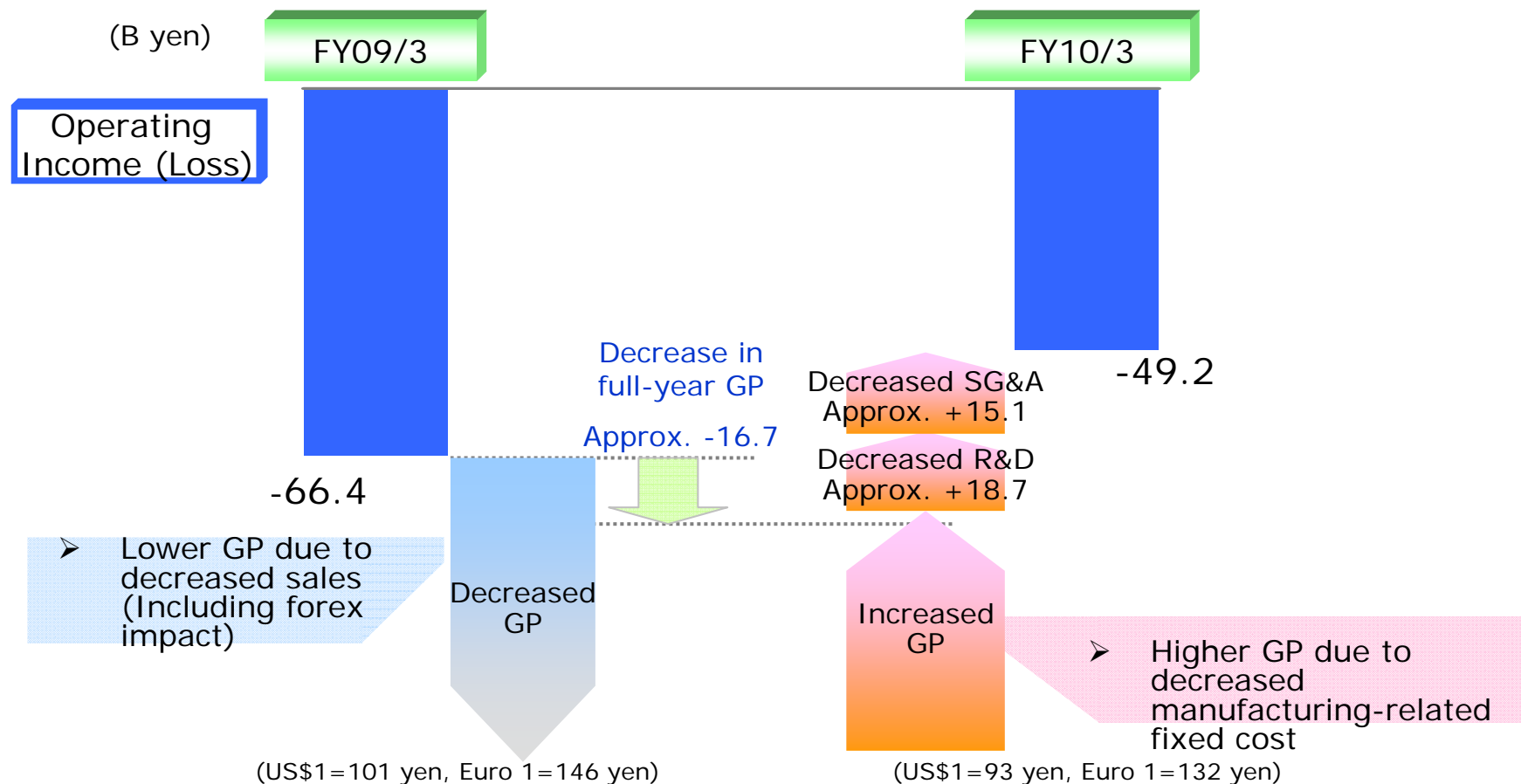
[↑] Sales of automotive products and general-purpose ICs

Discrete & IC

[↓] Overall decrease

FY10/3 Factors in Operating Income (Loss)

- Despite significant drop in sales, operating loss improved due to fixed-cost reduction



Note: GP= gross profit, R&D = research & development expenses, SG&A = selling general & administrative expenses

Balance Sheet

(B yen)	As of Mar. 31, 2009	As of Dec. 31, 2009	As of Mar. 31, 2010
Total Assets	488.2	469.9	459.9
Cash and Cash Equivalents	101.3	95.6	91.2
Inventories	63.2	57.1	57.0
Liabilities	293.5	331.9	323.6
Interest-bearing Debt	111.3	141.8	140.9
Shareholders' Equity	202.4	148.3	145.9
Net Assets	194.7	138.0	136.3
D/E Ratio (Gross)	0.59	1.06	1.07
Equity Ratio	39%	29%	29%

Note 1) Cash and Cash Equivalents: Cash and deposits, Short-term investment securities

Note 2) Inventories: Merchandise and finished goods, Work in process, Raw materials and supplies

Note 3) Interest-bearing debt: Short-term borrowings, Current portion of long-term borrowings, Current portion of lease obligations, Bonds with share subscription rights, Long-term borrowings

Note 4) Equity: Shareholders' equity, Valuation and Translation Adjustments Note 5) D/E ratio (gross): Interest-bearing debt / Equity

Cash Flows

- Achieved positive free cash flows in FY10/3 2H

(B yen)	FY09/3		FY10/3	
	2H	Full-year	2H	Full-year
Cash Flows from Operating Activities	-26.5	-8.2	20.1	6.3
Cash Flows from Investing Activities	-25.7	-49.1	-17.5	-42.2
Free Cash Flows	-52.3	-57.2	2.6	-36.0

I. FY10/3 Financial Results

-Former Renesas Technology

FY10/3 Financial Snapshot

- Significant decrease in sales YoY due to sharp drop in demand from the latter half of FY09/3
- Profitability improved due to recovery in fab utilization rates from the latter half of FY10/3 and effective fixed-cost reduction measures

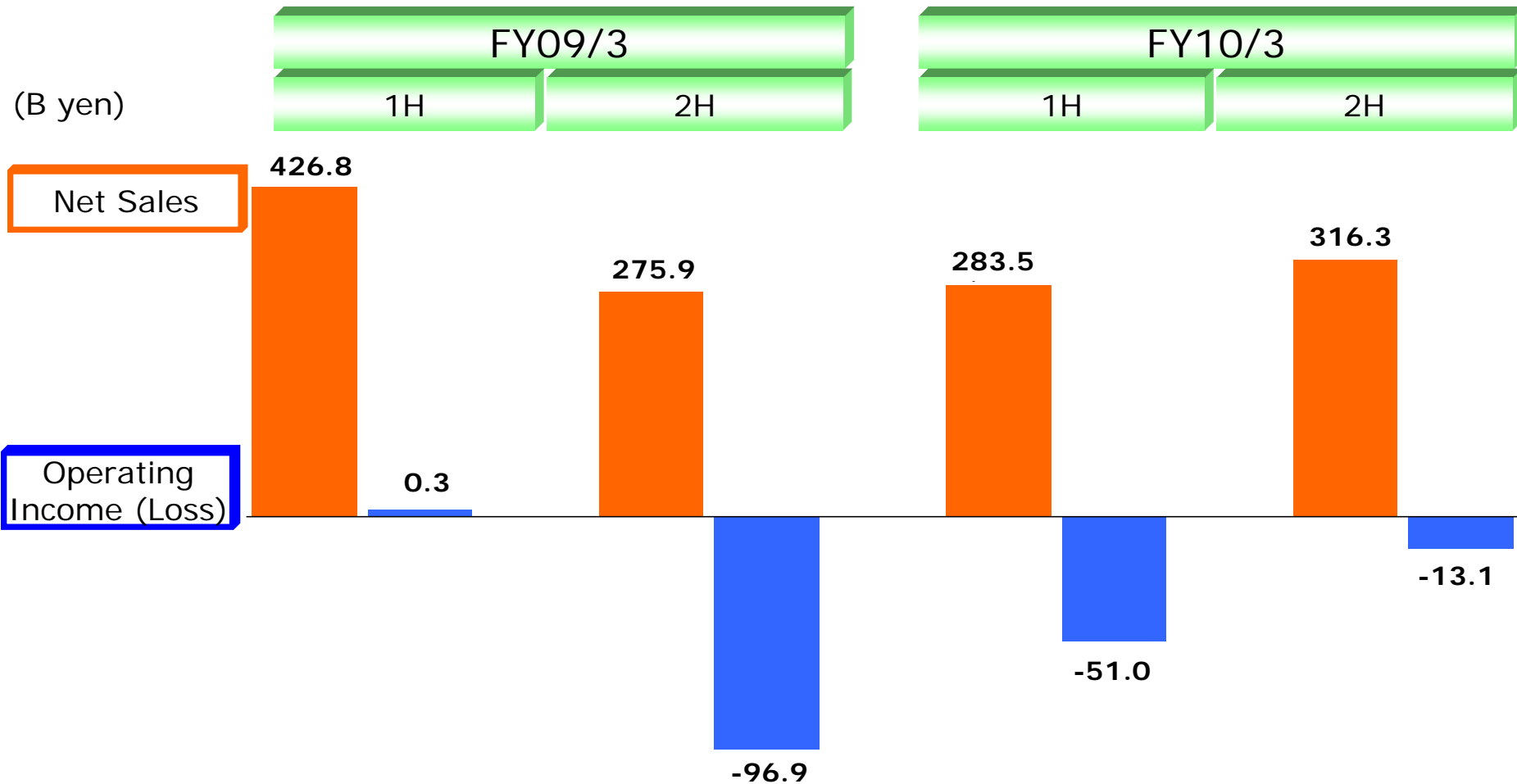
(B yen)	FY09/3	FY10/3	YoY
Net Sales	702.7	599.8	-102.9
Semiconductor Sales	564.0	497.4	-66.6
Operating Income (Loss)	-96.6	-64.0	+32.6
Ordinary Income (Loss)	-102.8	-70.9	+31.9
Net Income (Loss)	-203.3	-81.3	+121.9
	101 yen	93 yen	8 yen strong
	143 yen	131 yen	12 yen strong

1 US\$=1

1 Euro=

Trends in Semiannual Results

- Sales bottomed out in the latter half of FY09/3 and sustained continuous recovery in sales
- Operating loss also back on recovery track from various effective structural reform measures and rise in fab utilization rates due to recovery in demand



Balance Sheet

(B yen)

	As of Mar. 31, 2009	As of Mar. 31, 2010
Total Assets	682.9	610.9
Cash and Cash Equivalents	106.6	110.9
Inventories	105.3	80.1
Liabilities	506.0	444.1
Interest-bearing Debt	283.8	231.3
Shareholders' Equity	180.1	170.4
Net Assets	176.9	166.8
D/E Ratio (Gross)	1.60	1.40
Equity Ratio	26%	27%

Note 1) Cash and Cash Equivalents: Cash and deposits, Time deposits due over three months, Short-term investment securities

Note 2) Interest-bearing debt: Short-term borrowings, Current portion of long-term borrowings, Long-term borrowings

Note 3) Equity: Shareholders' equity, Valuation and Translation Adjustments

Note 4) D/E ratio (gross): Interest-bearing debt / Equity

Cash Flows

- Achieved positive free cash flows in FY10/3 2H

(B yen)	FY09/3		FY10/3	
	2H	Full-year	2H	Full-year
Cash Flows from Operating Activities	-17.8	-6.3	27.1	18.3
Cash Flows from Investing Activities	-42.7	-89.2	-19.2	-34.7
Free Cash Flows	-60.6	-95.5	7.9	-16.4

I. FY10/3 Financial Results

-Renesas Electronics (Combined)

FY10/3 Financial Snapshot

Combined total of former NEC Electronics and
former Renesas Technology

(B yen)	FY09/3	FY10/3	YoY
Net Sales	1,216.2*	1,062.4*	-153.8
Semiconductor Sales	1,074.6*	940.9*	-133.7
Operating Income (Loss)	-163.0	-113.3	+49.7
Ordinary Income (Loss)	-179.0	-125.3	+53.7
Net Income (Loss)	-288.4	-137.8	+150.6

Note: Due to change in the accounting methods in accordance with the merger, the former Renesas Technology's net sales and semiconductor sales used for above combined figures differ from the figures shown on slide 15.

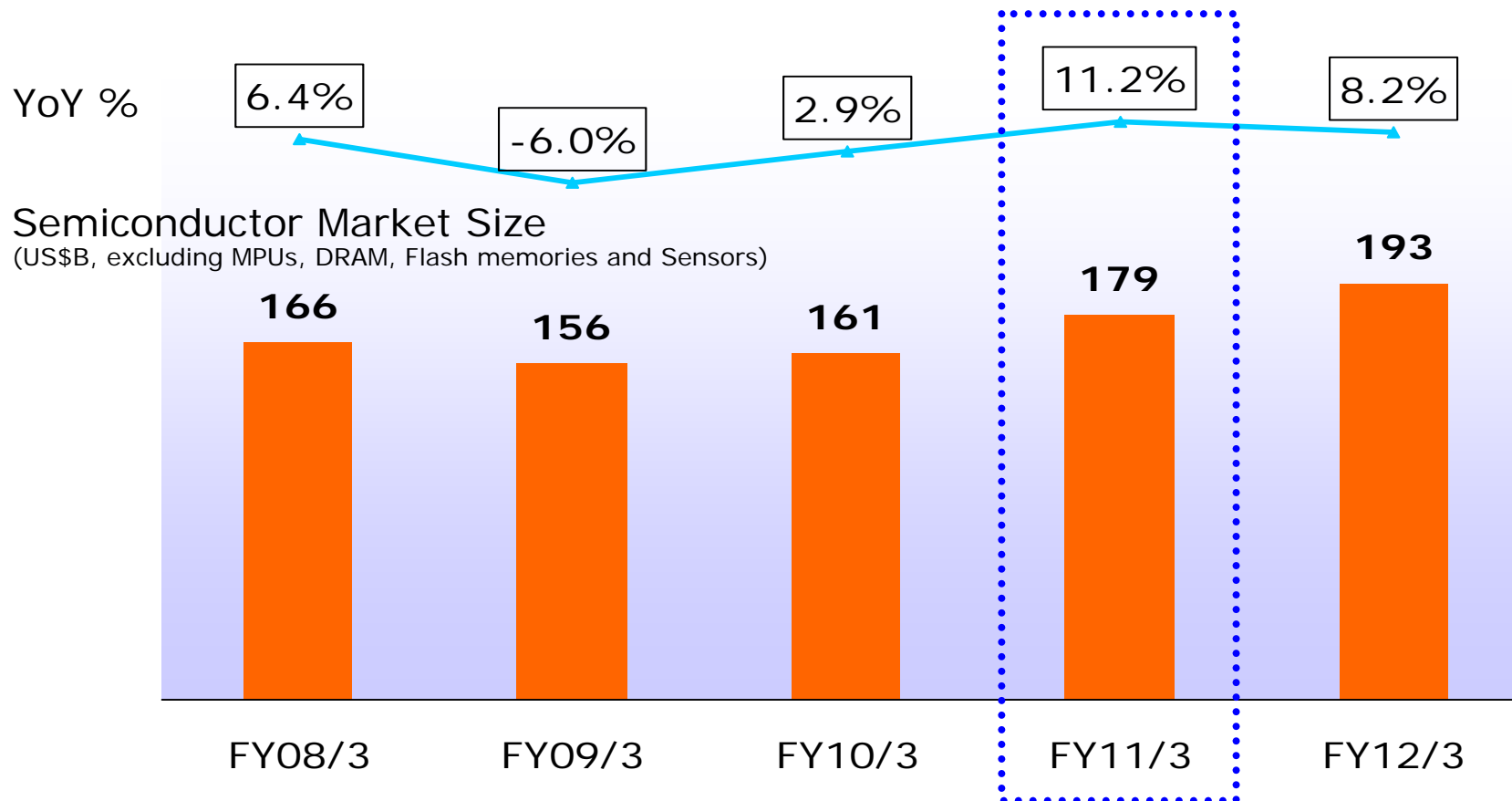
II. Renesas Electronics Management Target and Business Approach in FY11/3

Management Targets

- Aim to attain **operating profit in the first fiscal year** after the merger
- Aim to attain **net profit in the second fiscal year** by executing structural reform plans at an early stage of the integration process
- In the medium-term, aim to achieve **two-digit operating profit ratio**

Business Environment -Semiconductor Market Outlook

- Expect accelerated growth in FY11/3 with solid sales of electronic devices and continuously tight component supply
- Expect continuous growth into FY12/3

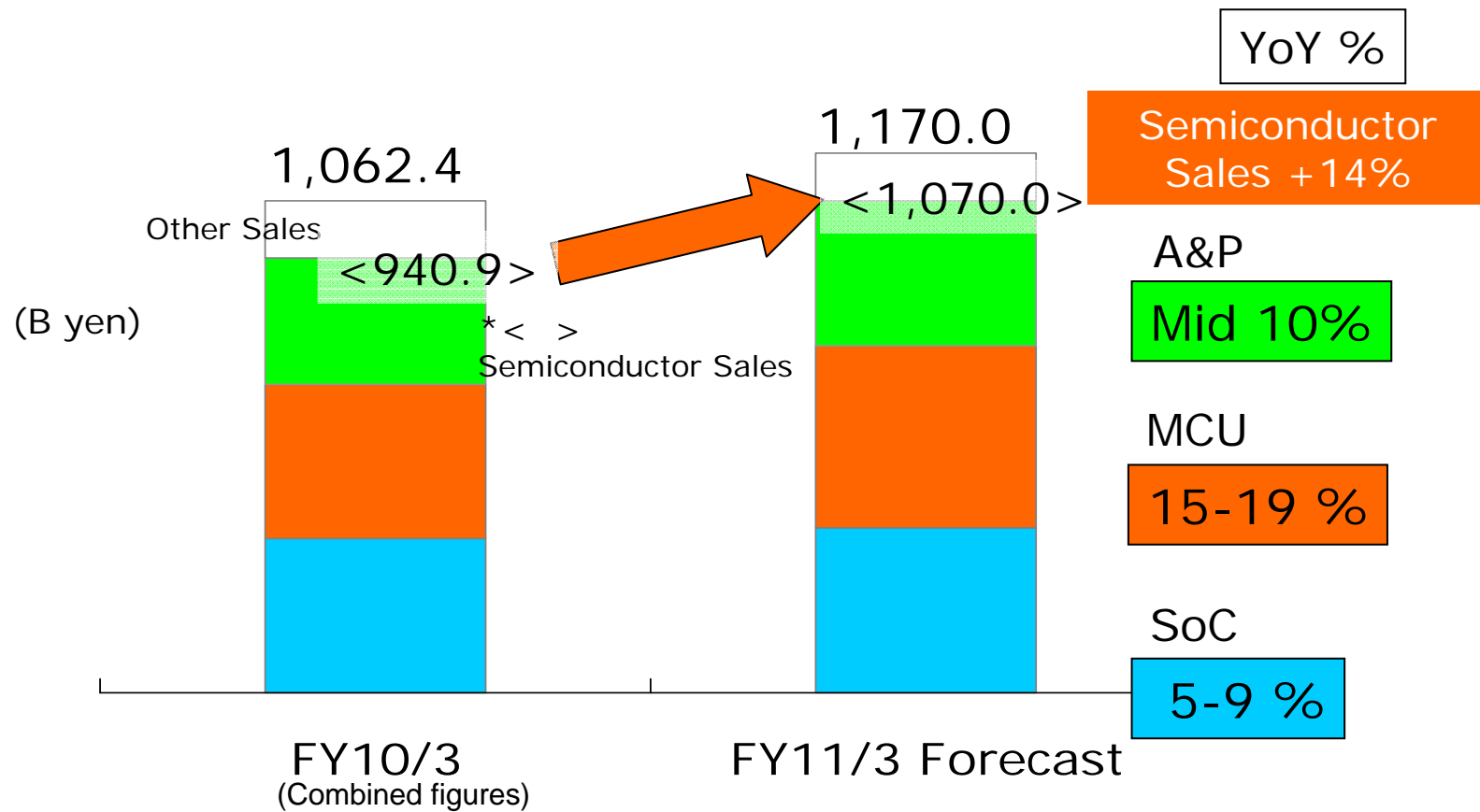


Source: WSTS and Renesas

Semiconductor Sales Exceeding Market Growth

- Expand business opportunities (Explore synergies between the core competent world-leading MCU business and Analog & Power devices)
- Expand sales in the global market

Target Semiconductor sales growth exceeding the market growth



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FY11/3 Focus

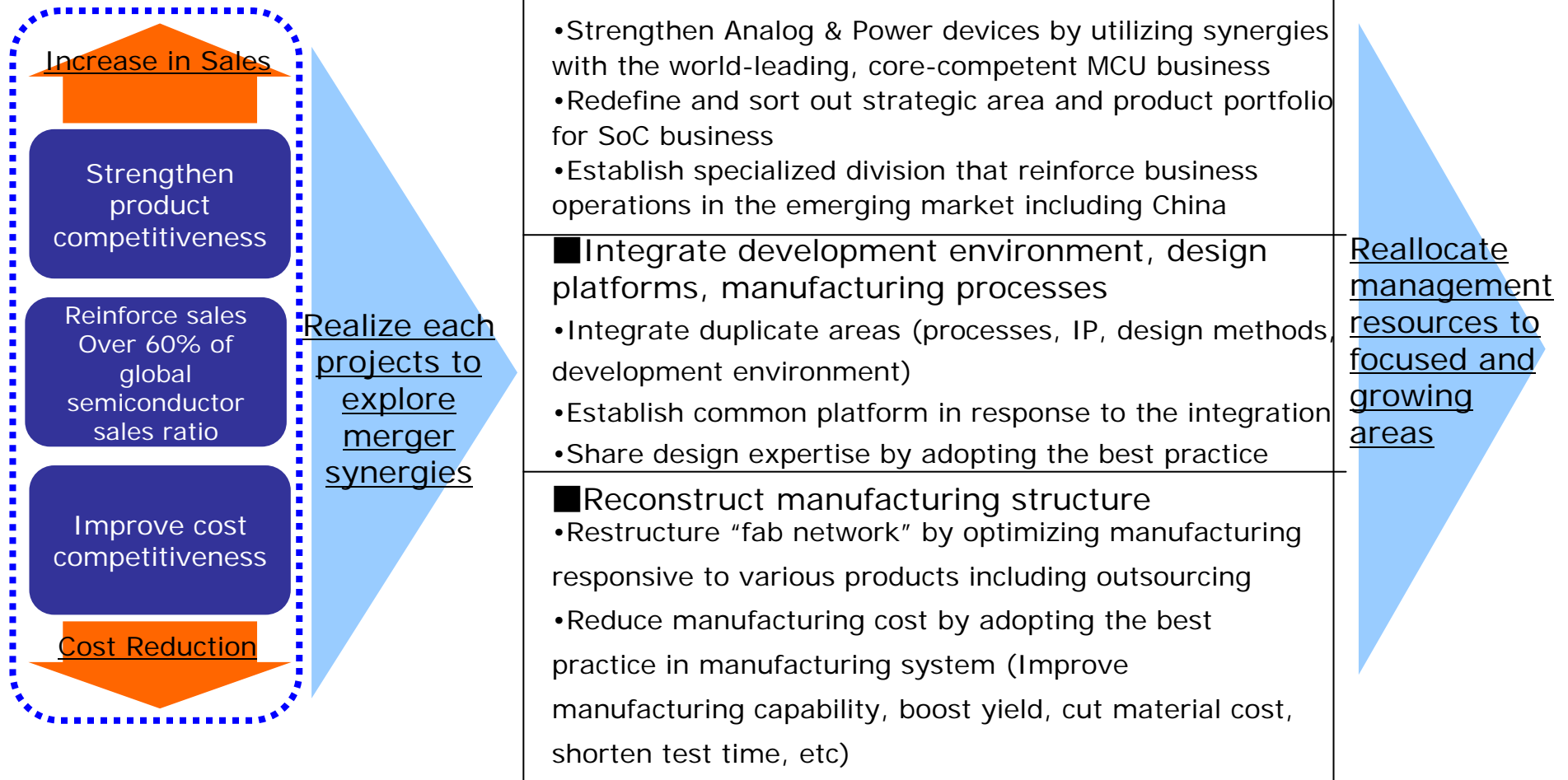
-Strengthening of operating structure
from short-term to **mid-to-long-term**

1. Expand business opportunities
→ **Strengthen product competitiveness**
2. Reinforce global business
→ **Increase global semiconductor sales ratio to over 60 percent**
3. Quick-impact cost reductions
→ **Improve cost competitiveness**
4. **Promote structural reform with a top-down approach**

Study and decide measures during the "100-day project" to rapidly realize synergies and to strengthen business structure

Outline of 100-day Project

- Explore merger synergies to strengthen management and business base capable of achieving sustaining profit



Organize cross-sectoral project teams led by the President. Rapidly transform each measure to concrete actions.

FY11/3 Financial Forecasts

- Renesas Electronics Corporation is currently implementing a “100-day project” to shape its new policies and plans within the first hundred days after the merger. In the meantime, the mark-to-market estimates of Renesas Technology’s (the acquiree company) fair value of assets and liabilities remain undefined as of May 11, 2010.
- For these reasons, due to difficulty in specifying the forecasts, Renesas Electronics today only announced its outlook for consolidated net sales for the fiscal year ending March 31, 2011.
- Renesas Electronics plans to announce its consolidated forecasts for the fiscal year ending March 31, 2011 with the financial results for the three months ending June 30, 2010.



The statements in this presentation with respect to the plans, strategies and forecasts of Renesas Electronics and its consolidated subsidiaries (collectively "we") are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results could differ materially from such forward-looking statements due to several factors. The important factors that could cause actual results to differ materially from such statements include, but are not limited to: general economic conditions in our markets, which are primarily Japan, North America, Asia and Europe; demand for, and competitive pricing pressure on, our products and services in the marketplace; our ability to continue to win acceptance of its products and services in these highly competitive markets; and movements in currency exchange rates, particularly the rate between the yen and the U.S. dollar. Among other factors, a worsening of the world economy; a worsening of financial conditions in the world markets, and a deterioration in the domestic and overseas stock markets, would cause actual results to differ from the projected results forecast.

Renesas Electronics Corporation

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