



FY11/3 Q3 Financial Results

Renesas Electronics Corporation

January 28, 2011

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(FOREWARD-LOOKING STATEMENTS)

FY10/3 consolidated results are 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" are presented by rearranging the former Renesas Technology's sales account to adjust presentation to the former NEC Electronics' presentation. 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.



Executive Summary

- Operating profit in the three months ended December 31, 2010 increased due to improved cost of sales ratio and streamlining of R&D cost through merger synergies and product portfolio review.
- Aim to achieve full-year operating profit of 7.0 billion.

I. FY11/3 Q3 Financial Results

FY11/3 Q3 Financial Snapshot

- Q3 sales decreased by 7% QoQ
- Operating profit increased due to cost improvement and streamlining of R&D cost

(B Yen)	FY11/3		
	Q3	Q2	QoQ
Net Sales	275.2	295.4	-20.3
Semiconductor Sales	244.4	263.5	-19.1
Operating Income (Loss)	3.4	1.1	+2.3
Ordinary Income (Loss)	1.1	-4.3	+5.3
Net Income (Loss)	-17.6	-8.2	-9.4
1US\$=	83 yen	88 yen	5 yen strong
1 Euro=	112 yen	111 yen	1 yen weak

Q3 Semiconductor Sales (QoQ)

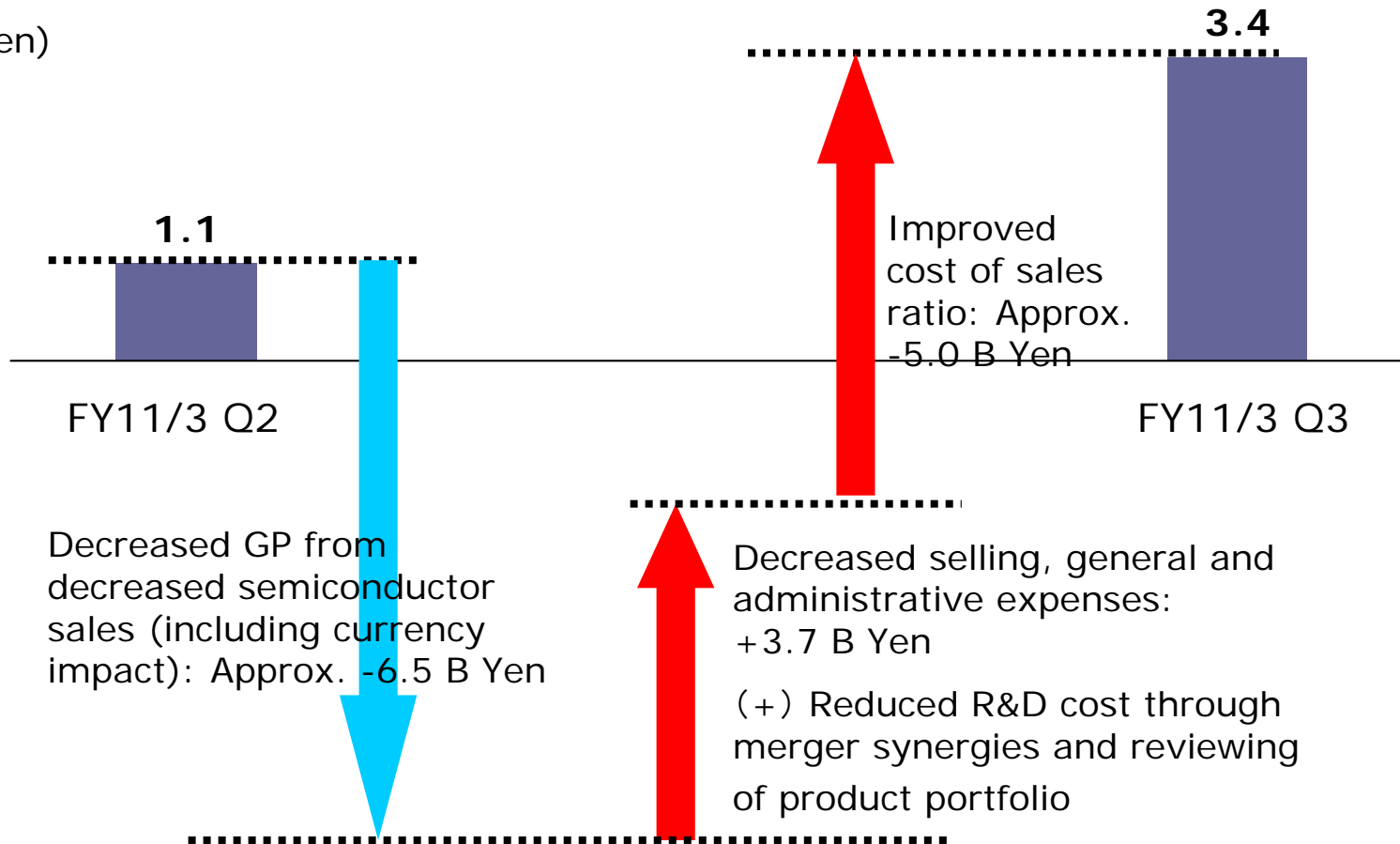
- Despite strong sales in overseas market, sales of both Analog & Power devices and SoCs decreased due to a downturn in demand for consumer electronics in the Japanese market

(B Yen)	FY11/3		
	Q3	Q2	QoQ (%)
Sales from Semiconductors	244.4	263.5	-7%
MCU	93.9	95.9	-2%
Analog & Power	73.0	83.5	-13%
SoC	76.1	83.2	-9%
Other Semiconductors	1.5	0.9	

Factors in Operating Income in QoQ Comparison

■ Q3 operating income increased QoQ

(B Yen)



GP: Gross Profit, R&D: Research and Development

Balance Sheets

(B yen)

	As of Apr. 1, 2010 (After the capital injection)	As of Sep. 30, 2010	As of Dec. 31, 2010
Total Assets	1,215.4	1,162.7	1,151.3
Cash and Cash Equivalents	337.7	331.8	334.3
Inventories	126.6	135.9	144.0
Liabilities	801.7	799.2	808.4
Interest-Bearing Debt	372.0	374.4	366.7
Shareholders' Equity	421.0	379.8	362.2
Net Assets	413.6	363.5	342.9
D/E Ratio (Gross)	0.91	1.05	1.09
D/E Ratio (Net)	0.08	0.12	0.09
Equity Ratio	33.5%	30.7 %	29.2%

Note 1)

1. "Cash and Cash Equivalents": Sum of cash and deposits, and short-term investment securities minus the Time deposits with maturities of more than three months
2. "Interest-bearing debt": Short-term borrowings, Current portion of long-term borrowings, Current portion of bonds with share subscription rights, Current portion of lease obligations, Current portion of bonds with share subscription rights and Current portion of long-term borrowings
3. "Equity": Shareholders' equity, Valuation and translation adjustments
4. "D/E ratio (gross)": Interest-bearing debt / Equity
5. "Liabilities" as of April 1, 2010 (after the capital injection) includes negative goodwill of 2.2 billion yen.

Note 2) Figures for "As of Apr.1, 2010 (After the capital injection)" reflect accounting treatment relating to the corporate merger on April 1, 2010 of figures at the start of fiscal 2011 and approximately 134.6 billion yen capital injection by way of third-party allotments on the same date.

Cash Flow

(B Yen)	FY11/3			
	Q1	Q2	Q3	9 months Cumulative
Cash Flows from Operating Activities	-2.0	35.0	53.9	86.9
Cash Flows from Investing Activities	-14.4	-18.4	-39.0	-71.8
Free Cash Flows	-16.4	16.6	15.0	15.1

II. FY11/3 2H and Full-Year Forecasts

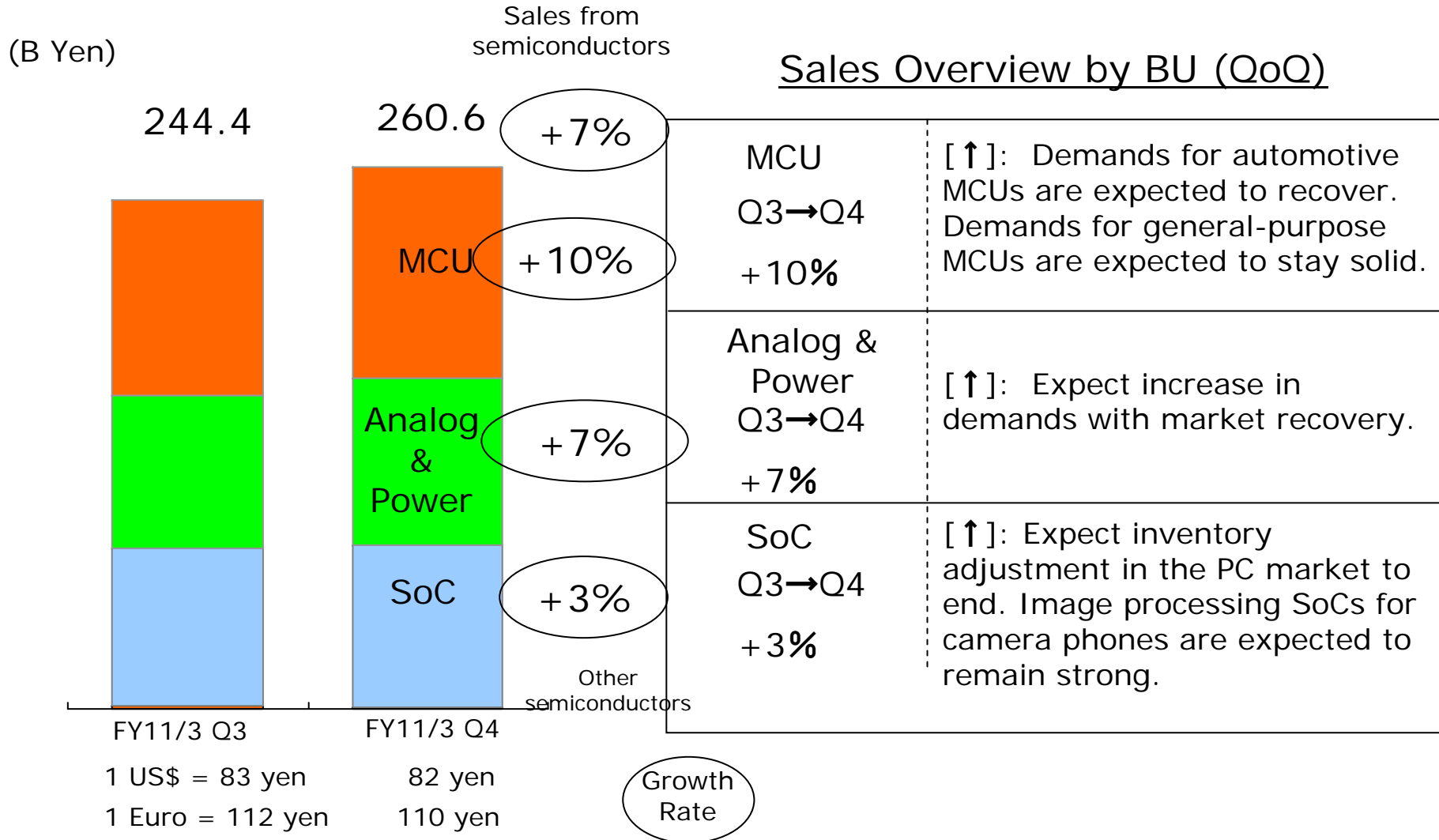
FY11/3 Financial Forecasts

- Revised full-year and second-half sales due to lower-than-expected recovery of domestic demand.
- Due to realization of merger synergies and cost of sales reduction, operating income remain unchanged from the original forecast.

(B Yen)	FY11/3					
	1H Actual	Q3 Actual	Q4 Forecasts	2H Forecasts	Full-Year Forecasts	Difference from October 27, 2010
Net Sales	587.5	275.2	287.3	562.5	1,150.0	-20.0
Semiconductor Sales	525.0	244.4	260.6	505.0	1,030.0	-20.0
Operating Income (Loss)	0.7	3.4	2.9	6.3	7.0	-
Ordinary Income (Loss)	-7.8	1.1	1.7	2.8	-5.0	-
Net Income (Loss)	-41.2	-17.6	-21.2	-38.8	-80.0	-
1US\$=	90 yen	83 yen	82 yen			
1 Euro=	116 yen	112 yen	110 yen			

Forecast for FY11/3 Q4 Semiconductor Sales

Expect Q4 semiconductor sales to increase in all product areas

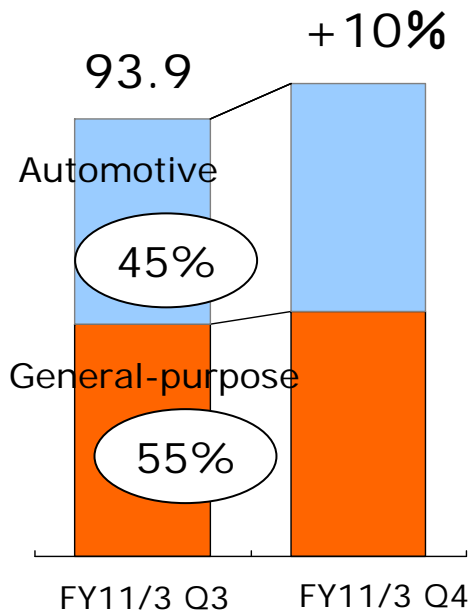


FY11/3 Q4 MCU Sales Forecast

(B Yen)

Sales Overview by business segment (QoQ)

Breakdown of MCU Business



Structural Ratio

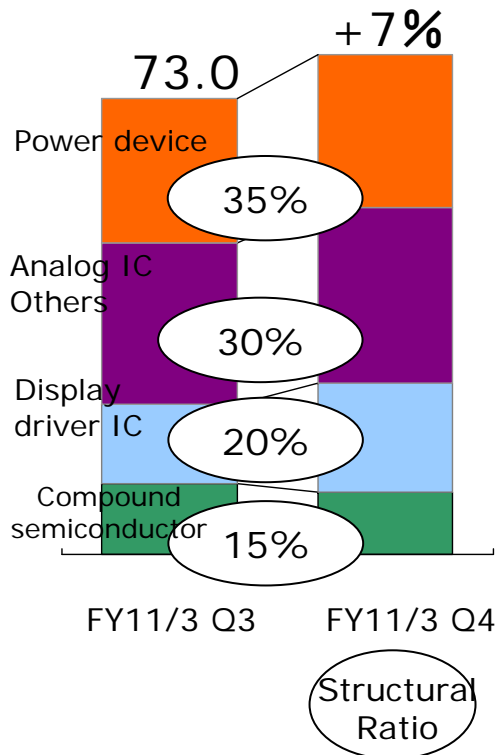
	Market Trend	Company's Outlook	
	Q4	Q4	
Automotive			Continue to expect steady demand from China and other emerging markets. Expect recovery in demand from Japanese market.
General-purpose			Expect steady demand especially for inverter equipment.

FY11/3 Q4 Analog & Power Device Sales Forecast

Sales Overview by business segment (QoQ)

(B Yen)

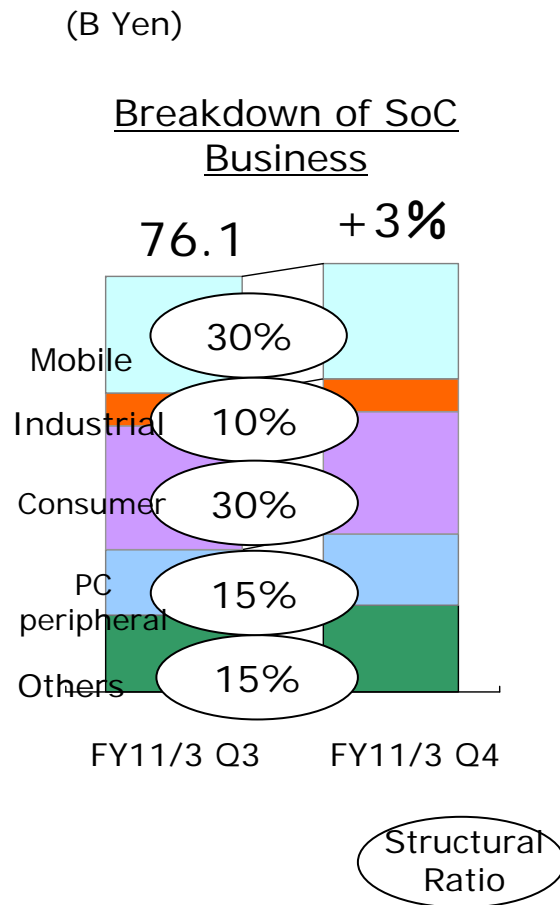
Breakdown of Analog & Power Devices Business



	Market Trend	Company's Outlook	
	Q4	Q4	
Power device			Expect demands from consumer electronics and automobiles to recover after completion of inventory adjustments. Expect inventory adjustment in the PC market to end.
Analog IC			Continue to expect strong demand especially from Europe. Expect inventory adjustment in the PC market to end.
Display driver IC			Expect recovery in demand with completion of inventory adjustments.
Compound semiconductor			Expect the demand to hit the bottom.

FY11/3 Q4 SoC Sales Forecast

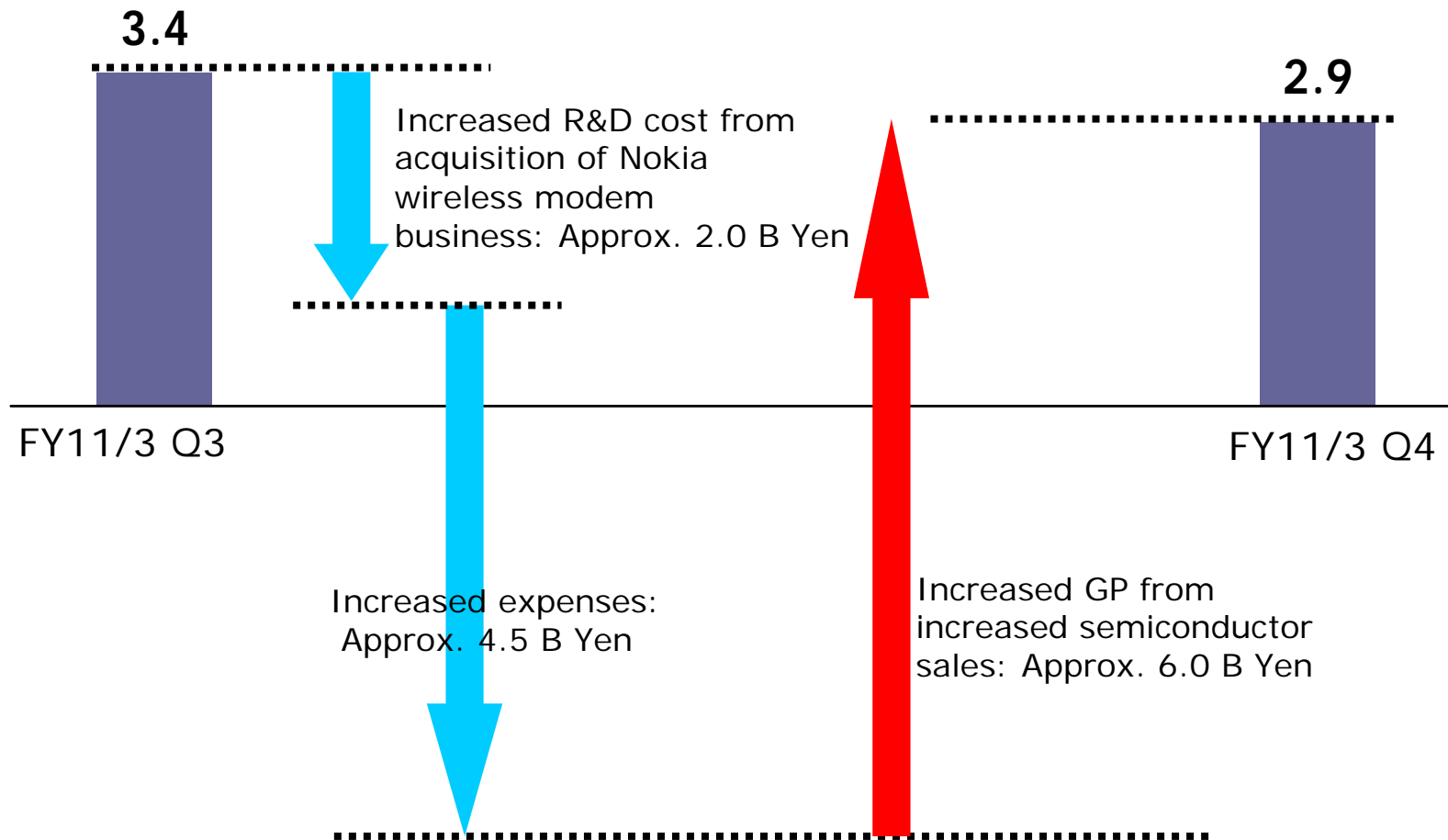
Sales Overview by business segment (QoQ)



	Market Trend	Company's Outlook	
	Q4	Q4	
Mobile		➔	Expect low demand for communication SoCs in Japan. Expect solid demand for image processing SoCs with increasing demand for smartphones.
Industrial		➔	Expect stagnant demand due to inventory adjustments.
Consumer		➔	Expect overall decrease in demand due to continuous inventory adjustment, yet expect recovery in demand for STBs.
PC peripheral		➔	Expect inventory adjustment to end for PC market. Expect steady demand for SoCs for USB 3.0.
Others	—	➔	Expect recovery in demand from memory devices for network equipment.

FY11/3 2H Operating Income (Loss) Forecasts (QoQ Comparison)

(B Yen)



Progress on the 100-Day Project

Implementing plans formulated through the 100-Day Project as scheduled

	Major Plans	Progress
Measures to streamline human resources	◆ Early retirement program	➢ Application from Jan 17 to Feb 15 Under way
	◆ Transfer resources to dealerships and others	➢ Sales related measures (Oct 1) Complete , Others under way
	◆ Shift resources to focused business	➢ Training program being carried out as planned for early launch
	◆ Streamlining of human resources with manufacturing structural reform	➢ Under way in line with plans below. Results to be announced at an appropriate timing.
Business and manufacturing structure reforms	◆ Manufacturing structural reform (Advanced processes/"Fab network")	➢ Booked impairment loss for the Tsuruoka and Roseville plants Complete ➢ Implementation cross mass production among the lines including foundries being carried out as planned
	◆ Realignment of factories	➢ Realignment of manufacturing lines in Shiga, Kochi, Fukuoka and others under way
Realize merger synergies	◆ Improve sales efficiency	➢ Optimization of distributors (30 to 16) under way ➢ Consolidation of sales sites Japan: Reduce from 17 to 6 Complete Overseas: Reduce from 21 to 10 Complete
	◆ Other measures	➢ Integrate products and improve design technology as well as manufacturing efficiency under way

Implementing various measures **as scheduled** to construct optimized business portfolio.

No change in plan to post special loss of 77.0 billion yen during FY11/3.

Summary

- Q4 sales are expected to increase QoQ despite the uncertain market condition
- Target full-year operating profit of 7.0 billion yen
- Continue to promote structural reform plans formulated through the 100-Day Project



Renesas Electronics Corporation

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