Thank you for joining Renesas Electronics’ earnings briefing for the first quarter of the fiscal year ending March 2012.

Before we begin, please be sure to review the cautionary statement on page 17.
Executive Summary

I. FY12/3 Q1 Financial Results
- Q1 semiconductor sales decreased by 26% QoQ due to the impacts of the earthquake
- Q1 net loss was 33.2 billion yen with 11.9 billion yen of special loss on disaster

II. FY12/3 Financial Forecasts
- Expect to achieve operating profit and net profit in FY12/3 2H by recovering sales and other efforts

This is an overview of the points we will discuss today.

First, we will explain financial results for the first quarter of the fiscal year ending March 2012.

Semiconductor sales decreased by 26% quarter on quarter, mainly due to the impacts of the earthquake. Net loss was 33.2 billion yen after recording a special loss on disaster following to previous quarter.

Second, we will explain financial forecasts for the fiscal year ending March 2012.

For the fiscal year ending March 2012, mainly due to the impacts of earthquake, semiconductor sales is expected to be approximately 11% decrease year on year, and operating loss is expected to be 28.0 billion yen. However, for the second half of the fiscal year ending March 2012, we expect to achieve operating profit and net profit by recovering sales on and after second quarter.
I. FY12/3 Q1 Financial Results

Now let us discuss our financial results for the first quarter of the fiscal year ending March 2012.
Slide 4 shows the summary of the first quarter results.

Semiconductor sales were 184.0 billion yen, 26% decrease quarter on quarter.

Operating loss was 19.1 billion yen, a 29.5 billion yen down from the previous quarter.

Net loss was 33.2 billion yen mainly due to recording 11.9 billion yen special loss on disaster, which mainly are fixed costs associated with temporary shutdown of the production lines in Naka factory.

We will explain details of semiconductor sales from next slide.
This slide shows the trend of quarterly financial results.

As previously explained, semiconductor sales for this first quarter substantially decreased. A temporary shutdown of our several production lines due to the earthquake had an approximately 30.0 billion yen negative impact on our sales, as shown on this bar chart.
Slide 6 shows the breakdown of the first quarter semiconductor sales by business unit.

Sales of both MCU and analog & power decreased by slightly less than 20% quarter on quarter mainly due to the impacts of the earthquake.

Sales of SoC decreased by 44% quarter on quarter due to weak demand in addition to the impacts of the earthquake.

We will explain more details in next slide.
Slide 7 shows details on the first quarter sales of each business unit per application segment.

Sales of both automotive MCU and general-purpose MCU decreased since the Naka factory was affected by the earthquake. Furthermore, production adjustment by automotive manufactures had an impact on sales of automotive MCU.

As for analog & power device, sales of power device and analog IC decreased in overall Japanese market especially in automotive applications, due the impacts of the earthquake.

SoC sales decreased significantly due to the weak demand especially in mobile and consumer applications. Also, SoC sales for automotive application decreased since the Naka factory was affected by the earthquake.
Slide 8 shows the status of company's balance sheet.

Total assets decreased by approximately 210.0 billion yen during the first quarter. This is mainly because the amount of cash and cash equivalents decreased owing to the redemption of 110.0 billion yen convertible corporate bond and the payments of extra retirement benefits for those applied early retirement program, and also the amount of accounts receivable decreased following sales decrease.

<table>
<thead>
<tr>
<th>(B yen)</th>
<th>As of Mar. 31, 2011</th>
<th>As of Jun. 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>1,145.0</td>
<td>937.4</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>337.3</td>
<td>177.0</td>
</tr>
<tr>
<td>Inventories</td>
<td>123.4</td>
<td>134.5</td>
</tr>
<tr>
<td>Liabilities</td>
<td>854.0</td>
<td>681.6</td>
</tr>
<tr>
<td>Interest-Bearing Debt</td>
<td>378.2</td>
<td>266.5</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>306.0</td>
<td>272.8</td>
</tr>
<tr>
<td>Net Assets</td>
<td>291.1</td>
<td>255.8</td>
</tr>
<tr>
<td>D/E Ratio (Gross)</td>
<td>1.33</td>
<td>1.07</td>
</tr>
<tr>
<td>D/E Ration (Net)</td>
<td>0.14</td>
<td>0.36</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>24.8%</td>
<td>26.5%</td>
</tr>
</tbody>
</table>

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, lease obligations, Long-term borrowings
3. “Equity”: Shareholders’ equity, Accumulated other Comprehensive Income
4. “D/E ratio (gross)”: Interest-bearing debt / Equity
FY12/3 Q1 Cash Flows

Cash flows from operating activities recorded 29.2 billion yen loss due to sales decrease as well as payments for extra retirement benefit for those applying early retirement program.

Slide 9 shows the status of cash flows.

Cash flows from operating activities for the first quarter were negative 29.2 billion yen due to sales decrease and payments of retirement benefits as mentioned in Balance Sheet slide.

Despite free cash flows for the first quarter was negative 44.0 billion yen, we expect our status of cash flows will improve on and after the second quarter.
II. FY12/3 Financial Forecasts

In the next section, we will discuss the full-year consolidated financial forecasts for the year ending March 2012.
As for the full-year forecasts, semiconductor sales are expected to decrease by approximately 11% year on year due to the impacts of the earthquake, and operating loss is expected to be 28.0 billion yen following the sales decrease.

On the other hand, as for the second half of the fiscal year, semiconductor sales is expected to recover to 500.0 billion yen reaching the same level as the second half of the previous fiscal year. This increase is mainly due to the restoration of production and supply system of the Naka factory including alternate productions and market demand recovery associated with restoration and turnaround from the production adjustment in the first half of the fiscal year. Along with the forecast of sales increase, we expect to achieve operating profit and net profit in the second half of the fiscal year.
Slide 12 shows the forecast of full-year semiconductor sales per business unit.

Sales for analog & power device and SoC are expected to decline year on year, due to downsizing of non-core businesses in respective business unit in addition to the impacts of the earthquake.

Whereas, sales of MCU is expected to remain flat year on year due to the demand recovery mainly in automotive market in the second half of the fiscal year, despite of the negative impacts of the earthquake in the first half of the fiscal year.
Slide 13 shows the trend of quarterly semiconductor sales for the fiscal year ending March 2012.

Quarterly semiconductor sales is expected to show a recovery trend throughout the year owing to early restoration from the earthquake and demand for reconstruction.
Slide 14 shows the increase and decrease of operating income and loss from the first half to the second half of the fiscal year ending March 2012.

We expect operating losses to improve by 42.0 billion yen from the first half to the second half of the fiscal year. As an improvement factor explained on this slide, we expect approximately 32.0 billion yen increase in profit due to higher sales and approximately 10.0 billion yen increase in profit owing to the recovery of operation ratio respectively, associated with early restoration from the earthquake and demand increase.
Expect semiconductor sales of three businesses to increase QoQ owing to the early restoration of the earthquake and demand increase.

Semiconductor sales for the second quarter is expected to be 224.0 billion yen, almost 22% increase quarter on quarter.

Thanks to early restoration from the earthquake and growth in demand, we expect sales increase for respective 3 business units quarter on quarter. Even for SoC business which sales dropped significantly in the first quarter, we expect sales recovery mainly for consumer applications and automotive.
Expect Q2 operating income to improve due to profit increase from sales increase despite of concentration of expense at the end of 1H.

- Increased R&D and SG&A
  - Concentration of expense at the end of 1H
  - Increased fixed cost followed by the production resumption

- Increased profit from higher sales
  - Increased operation ratio

Lastly, this slide shows the increase and decrease of operating income and loss from the first quarter to the second quarter of the fiscal year ending March 2012.

Operating loss for the second quarter is expected to improve by approximately 3.0 billion yen compared to the first quarter, since profit increase from higher sales is expected even though expense increase mainly occurred by the concentration of R&D cost is also expected.

Also, here we show an increase in fixed cost related to the production resumption as a factor of worsen cost of sales ratio. This derives from the change in cost allocation account, which is to say, we recorded fixed cost associated with temporary shutdown of operation as a special loss for the first quarter, whereas we expect to record fixed cost related to the production resumption as a cost of sales for the second quarter.
(FOREWARD-LOOKING STATEMENTS)
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.
Thank you very much for your continuous support of Renesas Electronics.

This concludes our presentation today.