



Toward Desirable Business Structure

- Establishment of Robust and Profitable Structure -

Renesas Electronics Corporation

July 3, 2012

Yasushi Akao, President

Management Principles

Focus on Overseas Market and Automotive/Smart Society Segment

- ✓ Strengthening of all MCU business as our core competence
- ✓ Intensification of Analog & Power business by producing synergy with MCU business
- ✓ Acceleration of selection and focus on SoC business

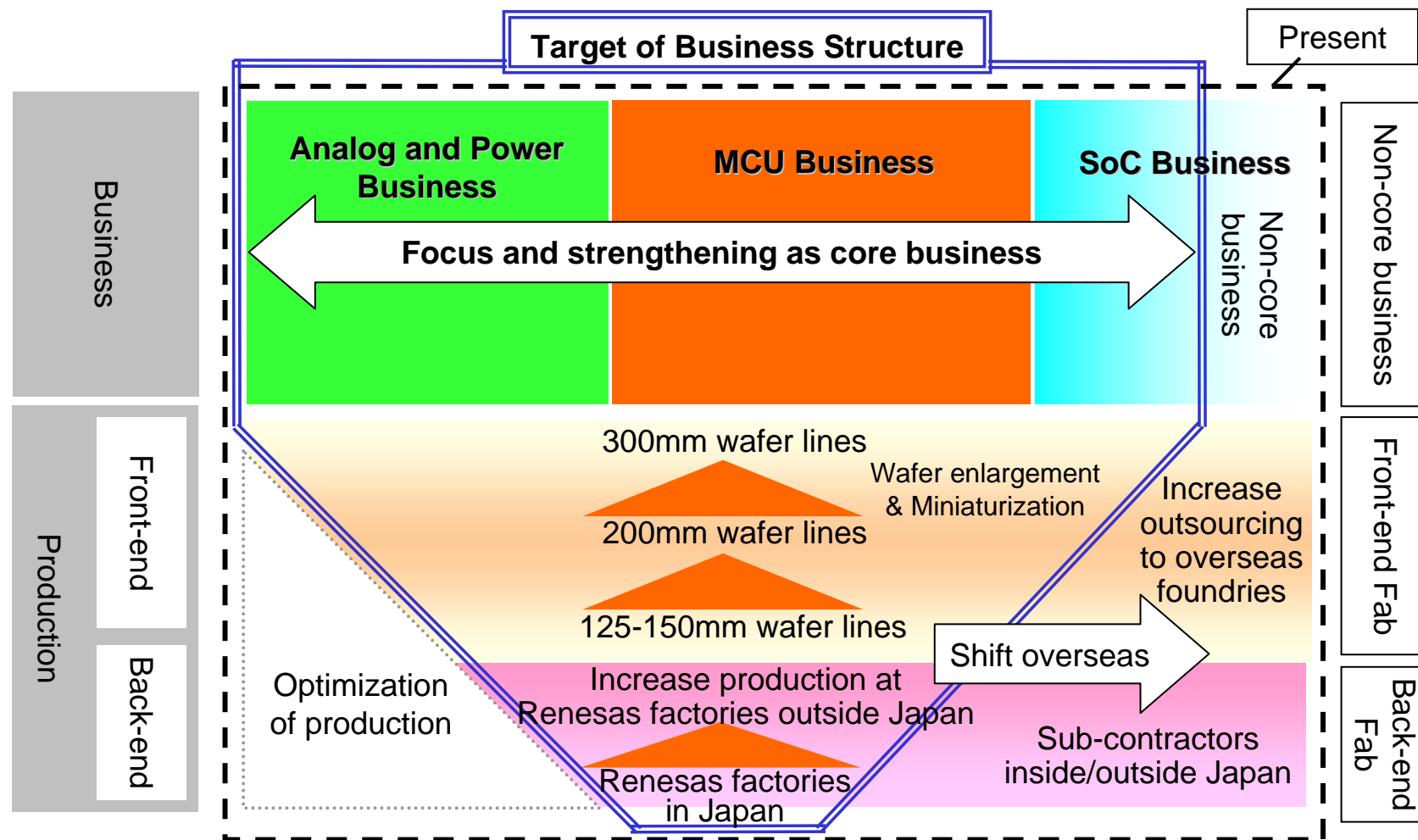
Establishment of Robust and Profitable Business Structure

- ✓ Execution of planned structural reformation
(including production reformation and streamlining of employees associated with optimization of business portfolio)

- Establishment of sustainable and stable business portfolio despite market fluctuation
- Creation of business structure to realize double-digit operating profit

Target of Business Structure

- Targeting robust and profitable business structure by accelerating business and production reformation



Focus on Overseas Market and Automotive/Smart Society Segment

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“Overseas Market”

particularly in emerging countries with robust potential growth

“Automotive/Smart Society Segment”

expanding along with efficient use of energy source

Integration and enhancement of marketing function together with expansion of kit solution

MCU Business

Lead of market expansion as top MCU vendor

- Retaining of W/W No.1 market share for automotive segment and others
- Acceleration of leading-edge development such as world's first 40nm MCU
- Creation of market by establishing ecosystem
- Deployment of MCU developed in China to emerging market

Analog & Power Business

Intensification of Analog & Power products by realizing synergy with MCU business

- Leverage of WW No.1 MCU business opportunities for automotive segment
- Strengthening line-ups of power devices ranging from low to high voltage

SoC Business

Acceleration of selection and focus on SoC business

- Production stoppage of non-profitable products
- Specialization on a segment with expected stable growth

Establishment of Robust and Profitable Business Structure

Direction of Production Reformation

- Promotion of streamlining production in accordance with our business strategy
 - Maintaining and strengthening of production in focus area
 - Downsizing, transfer or closure of production lines whose production load decreased as a result of our selection and focus of business

Front End	<ul style="list-style-type: none">✓ Enlargement and miniaturization of wafers✓ Outsourcing of leading-edge products✓ Continuing of in-house production of specialized products
Back End	<ul style="list-style-type: none">✓ Acceleration of shift overseas✓ Expanded use of sub-contractors inside/outside Japan

Enhancement and acceleration of fab network creation
in an effort to improve our Business Continuity Plan

Reformation of Domestic Production Sites (Front-end: 9 sites and 15 lines*)

- Maintaining and strengthening of production in focus area
- Downsizing, transfer or closure of production lines whose production load decreased as a result of our selection and focus of business

Continue production on an appropriate scale in accordance with production load

- Naka (200/300mm)
- Kofu (200mm)
- Shiga (Renesas Kansai: 200mm/GaAs)*¹
- Saijo (200mm)
- Kawashiri (Renesas Kyushu/Yamaguchi: 200mm)*²

Shrink production capacity, and continue production on an appropriate scale

- Takasaki (150mm)
- Shiga (Renesas Kansai: 150mm)
- Kochi (150mm)

Shrink production capacity, however, transfer or closure will be considered in accordance with our business plan

- Tsuruoka (Renesas Yamagata: 125/300mm)*³
- Yamaguchi (Renesas Kyushu/Yamaguchi: 150mm)*⁴
- Kofu (150mm): Scheduled for closure
- Takasaki (125mm): Scheduled for closure

* Tsuruoka(150mm): Already transferred to Fuji Electric as of July 1st

*1)Renesas Kansai Semiconductor, Shiga Factory (Otsu, Shiga)

*2)Renesas Semiconductor Kyushu/Yamaguchi, Kawashiri Factory (Kumamoto, Kumamoto)

*3)Renesas Yamagata Semiconductor, Tsuruoka Factory (Tsuruoka, Yamagata)

*4)Renesas Semiconductor Kyushu/Yamaguchi, Yamaguchi Factory (Ube, Yamaguchi)

Reformation of Domestic Production Sites (Back-end: 9 sites)

- Maintaining and strengthening of production in focus area
- Downsizing, transfer or closure of production lines whose production load decreased as a result of our selection and focus of business

Continue production on an appropriate scale in accordance with production load

- Yonezawa (Kita Semi)

Shrink production capacity, and continue production on an appropriate scale, however, transfer could be considered in the future

- Oita (Renesas Kyushu/Yamaguchi)
- Kumamoto (Ozu) (Kyushu Semi)

Shrink production capacity. However, transfer or closure will be considered in accordance with our business plan

- Hakodate (Kita Semi)
- Aomori (Renesas High Components)
- Fukui (Renesas Kansai)
- Yanai (Yanai Semi)
- Yamaguchi (Renesas Kyushu/Yamaguchi)
- Kumamoto (Nishiki)
(Renesas Kyushu/Yamaguchi)

*1)Renesas Northern Japan Semiconductor, Yonezawa Factory (Yonezawa, Yamagata)

*2)Renesas Semiconductor Kyushu/Yamaguchi, Oita Factory (Nakatsu, Oita)

*3)Renesas Kyushu Semiconductor, Kumamoto Factory (Kikuchi, Kyushu)

*4)Renesas Northern Japan Semiconductor, Hakodate Factory (Kameda, Hokkaido)

*5)Renesas High Components (Kitatsugaru, Aomori)

*6)Renesas Kansai Semiconductor, Fukui Factory (Sakai, Fukui)

*7)Renesas Yanai Semiconductor (Yanai, Fukui)

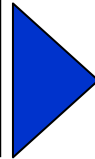
*8)Renesas Semiconductor Kyushu/Yamaguchi, Yamaguchi Factory (Ube, Yamaguchi)

*9)Renesas Semiconductor Kyushu/Yamaguchi, Kumamoto Nishiki Factory (Kuma, Kumamoto)

Streamlining of Employees

Streamlining of Employees

Execution of early retirement incentive program



Achieve cost reduction of about 43 billion yen per year

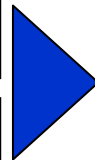
Execution of early retirement incentive program

- (1) Eligibility: Employees of Renesas Electronics and its domestic subsidiaries
- (2) Application Period: From September 18, 2012 to September 26, 2012
- (3) Retirement Date: October 31, 2012
- (4) Benefits: Provision of special incentives in addition to their retirement payment to employees voluntarily taking early retirement together with outplacement support through an outside agency for those who request it

We have not set upper limitation of applications for the early retirement incentive program, but expect about five thousand and some hundred applicants

Business Reformation

Production Reformation



Expect further cost reduction in the near future



Summary

We will establish robust and profitable business structure by ensuring execution of production reformation in Japan and streamlining of employees as presented today.



(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.



Renesas Electronics Corporation

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