



FY13/3 Financial Results

Renesas Electronics Corporation

May 9, 2013

Tetsuya Tsurumaru, President

Executive Summary

I. FY13/3 Financial Results

- FY13/3 full-year semiconductor sales were 724.7 B yen, a decrease by 7.8% YoY, mainly due to the continued downturn of the global market.
- Operating loss was recorded in FY13/3 mainly due to a sales decrease despite implementation of cost reduction measures such as streamlining of R&D and SG&A expense.
- Turned into an operating profit in Q4 FY13/3 despite a sales decrease of 3.3 B yen QoQ. Also turned into an operating profit on semi annual basis in 2nd half FY13/3.

II. Progress of Structural Reforms

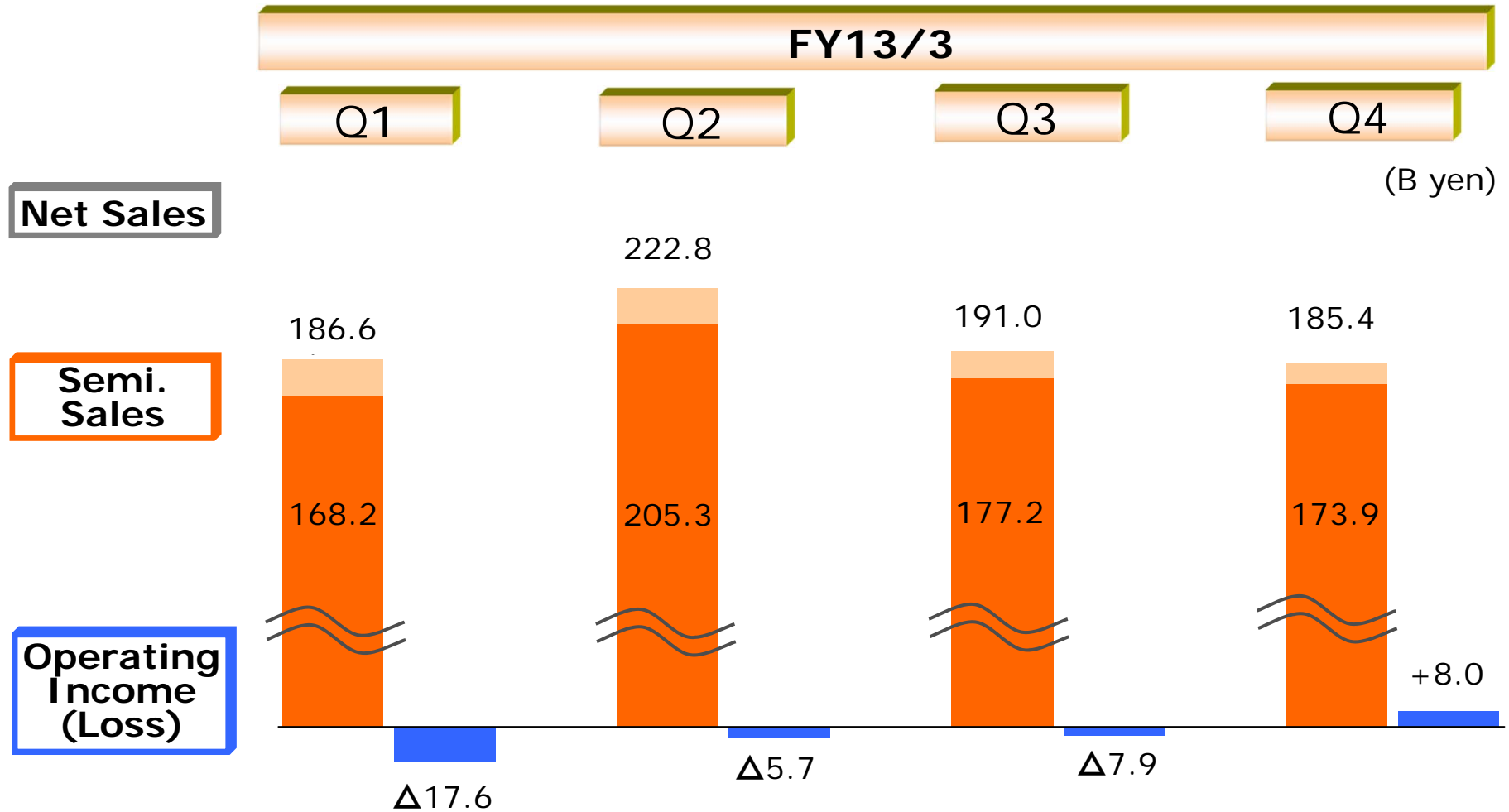
- On March 28, we determined further rationalization initiatives, including optimization of the personnel structure with the aim of implementing growth strategy, after consultation with the labor union.
- Production structural reforms have been proceeding in line with the original plan, as evidenced by the conclusion of a definitive agreement on March 19 to transfer our 3 back-end facilities.

I. FY13/3 Financial Results

FY13/3 Financial Snapshot

FY13/3						
(B yen)	Q4	QoQ	2 nd half	Difference from previous forecasts	Full-year	YoY
Net Sales	185.4	-5.6	376.4	+15.8	785.8	-97.3
Semiconductor Sales	173.9	-3.3	351.1	+13.7	724.7	-61.4
Operating Income (Loss)	8.0	+16.0	0.1	+2.8	-23.2	+33.5
Ordinary Income (Loss)	8.7	+19.8	-2.4	+7.1	-26.9	+34.4
Net Income (Loss)	-5.9	+40.8	-52.5	+8.4	-167.6	-105.0
1US\$=	89yen	10yen weak	84yen	1yen weak	82yen	3yen weak
1Euro=	118yen	15yen weak	110yen	1yen weak	106yen	3yen strong

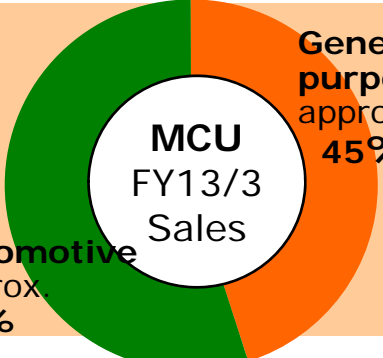
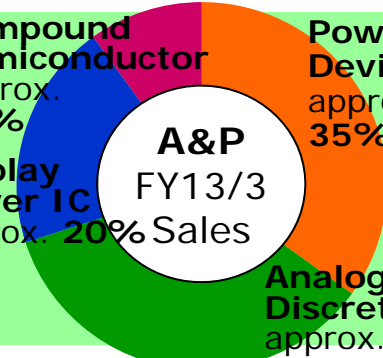
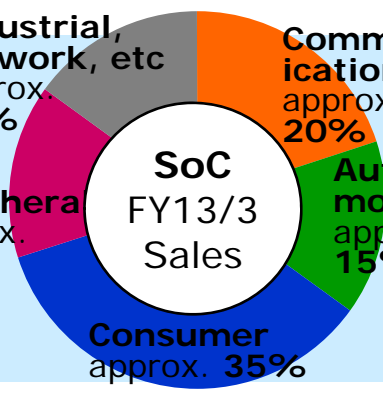
FY13/3 Quarterly Financial Results



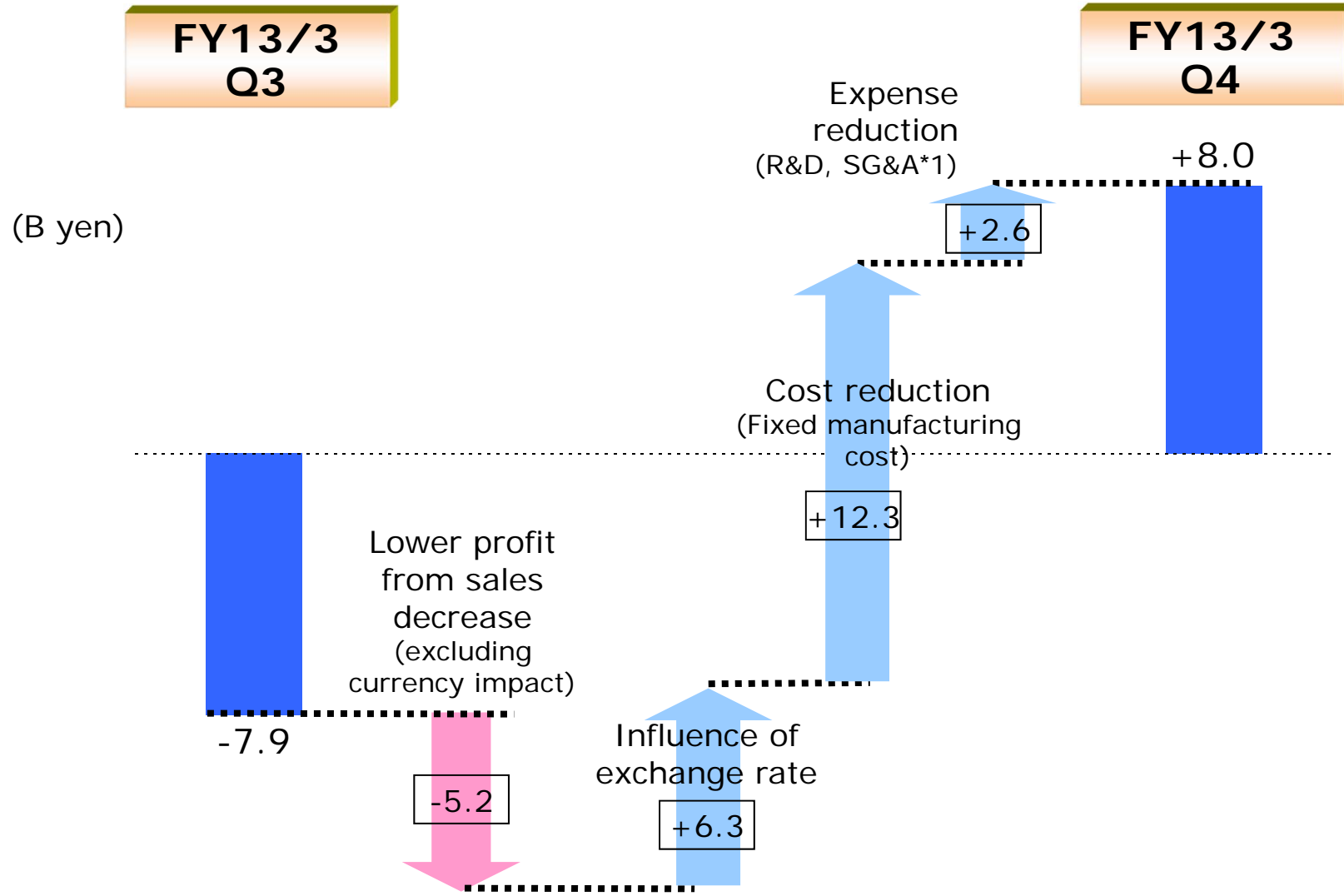
FY13/3 Semiconductor Sales by Business (1)

FY13/3				
(B yen)	Q4	QoQ (%)	Full Year	YoY (%)
Semiconductor Sales (Total)	173.9	-1.8%	724.7	-7.8%
MCU	77.6	+9.0%	305.2	-9.3%
Analog & Power	54.6	-5.5%	235.2	-3.5%
SoC	39.1	-13.4%	173.5	-13.7%
Other Semiconductors	2.7		10.8	

FY13/3 Semiconductor Sales by Business (2)

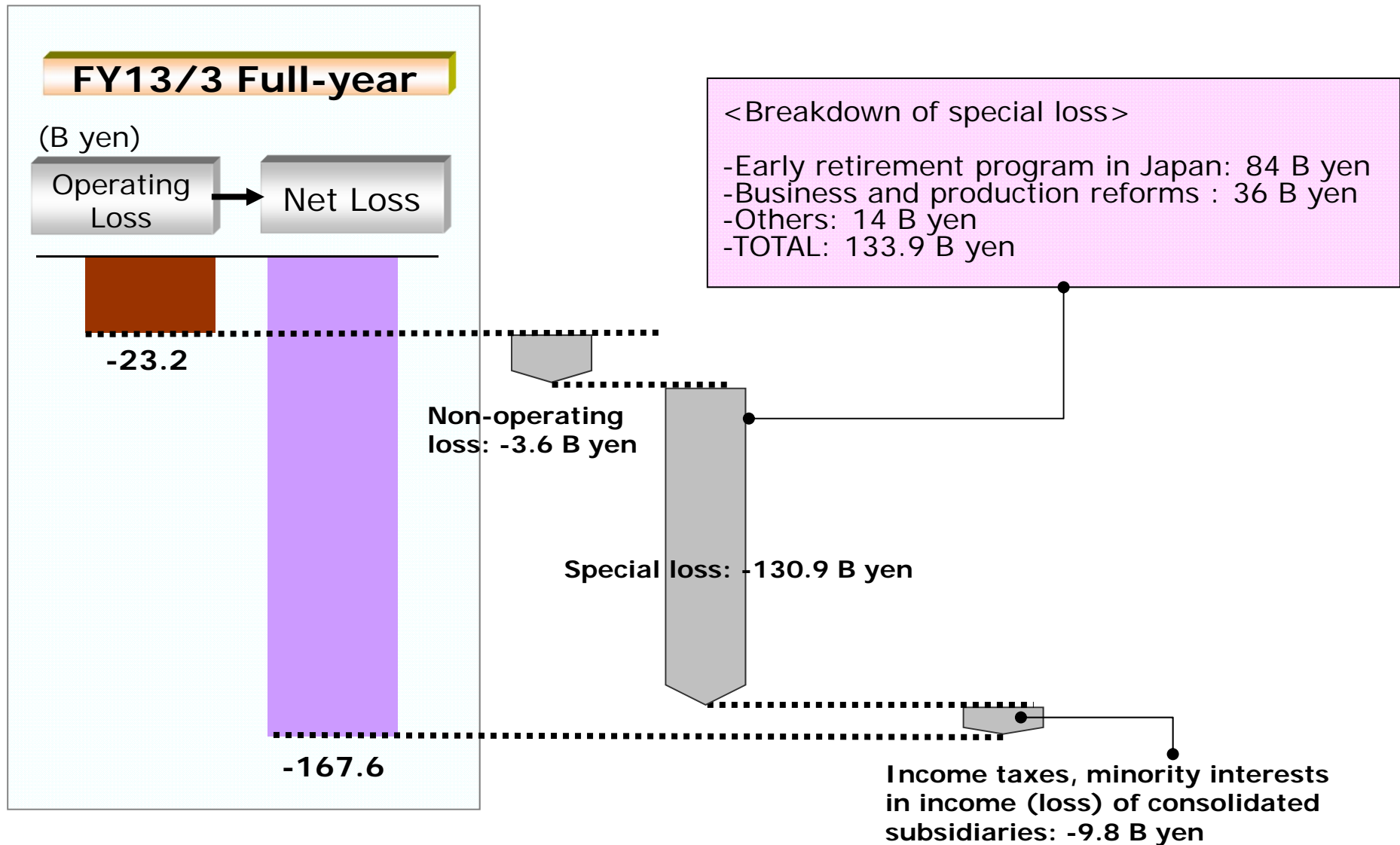
 <p>MCU FY13/3 Sales</p> <p>Automotive approx. 55%</p> <p>General-purpose approx. 45%</p>	<ul style="list-style-type: none"> ➤ General-purpose MCU sales were down approx. 15% YoY due to a sales decrease in industrial and consumer applications mainly caused by the continued downturn of the global market. ➤ Automotive MCU sales kept almost the same level YoY despite the end of eco-car subsidy in Japan and the slowdown of automotive production by Japanese car makers shipped to China.
 <p>A&P FY13/3 Sales</p> <p>Power Device approx. 35%</p> <p>Analog IC, Discrete, etc approx. 35%</p> <p>Display Driver IC approx. 20%</p> <p>Compound Semiconductor approx. 10%</p>	<ul style="list-style-type: none"> ➤ Power and Analog IC sales were down YoY due to drastic sales decrease of general-purpose products such as industrial and consumer despite the steady sales of automotive. ➤ Display driver IC sales were up approx. 20% YoY due to the strong demand for small/med-sized panels despite, offsetting a drastic decrease of large panels the company already decided to exit.
 <p>SoC FY13/3 Sales</p> <p>Consumer approx. 35%</p> <p>Communication approx. 20%</p> <p>Automotive approx. 15%</p> <p>Industrial, Network, etc approx. 15%</p> <p>PC Peripherals approx. 15%</p>	<ul style="list-style-type: none"> ➤ Sales of both Communication and PC peripheral were down more than 40% due to weakening demand for feature phones as well as downturn of the PC market and partial downsizing of our business respectively. ➤ Automotive SoCs remained strong, and were up about 5%. ➤ Consumer SoCs were up 20% boosted by amusement, offsetting our decision to exit from home and multimedia application.

Q4 FY13/3 Operating Income (Loss) QoQ

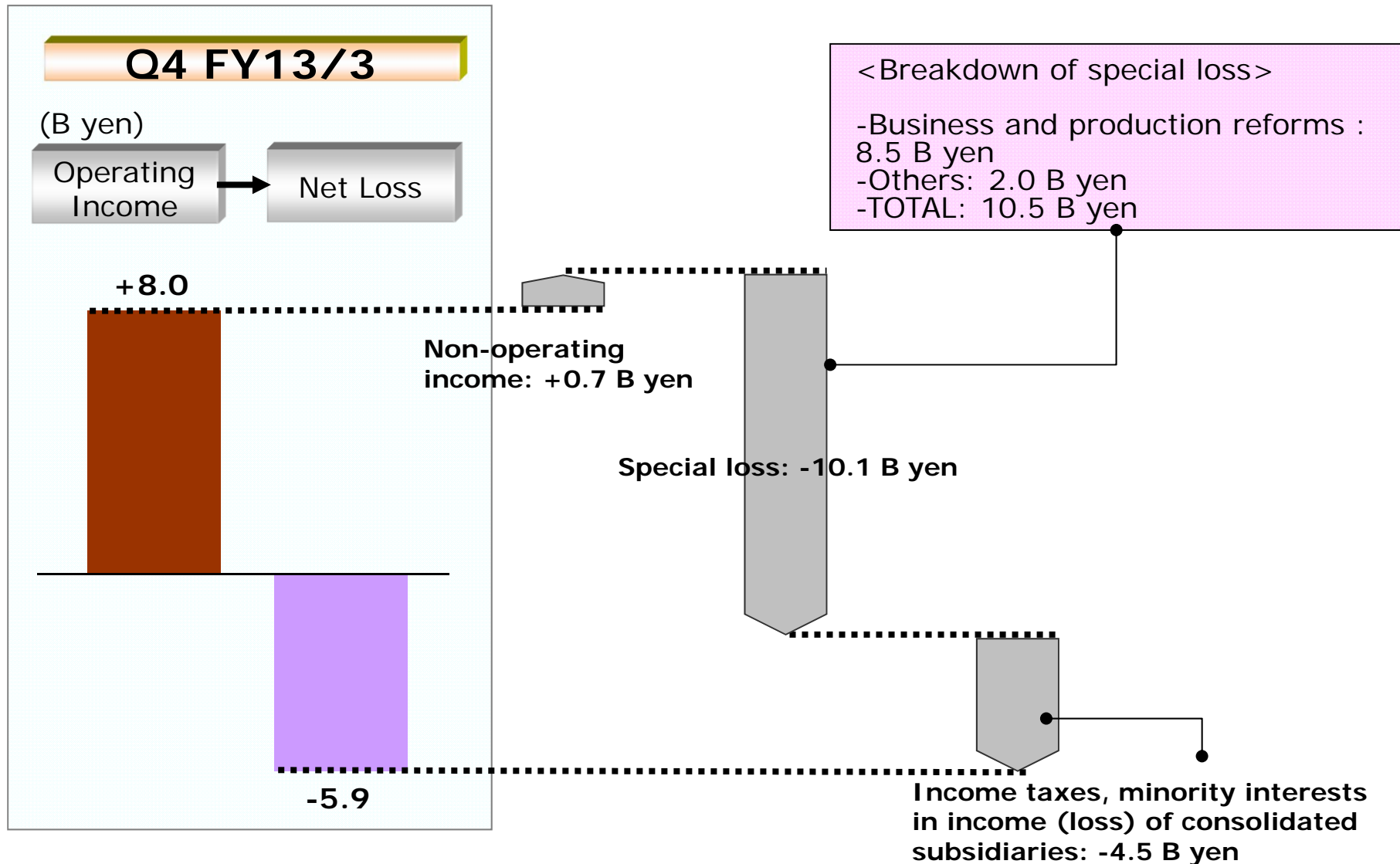


*SG&A: Selling, general and administrative expenses

FY13/3 Net Income (Loss)



Q4 FY13/3 Net Income (Loss)



FY13/3 Balance Sheets

(B yen)	As of Apr. 1, 2012	As of Dec. 31, 2012	As of Mar. 31, 2013
Total Assets	858.2	716.7	669.1
Cash and Cash Equivalents	131.9	95.1	77.7
Inventories	151.8	149.3	151.3
Liabilities	631.7	643.3	591.2
Interest-Bearing Debt	258.3	316.2	306.4
Shareholders' Equity	243.4	81.7	75.8
Net Assets	226.5	73.4	77.9
D/E Ratio (Gross)	1.19	5.00	4.59
D/E Ratio (Net)	0.58	3.50	3.43
Equity Ratio	25.4%	8.8%	10.0%

Note)

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, Lease obligations, Long-term borrowings
3. "Equity": Shareholders' equity, Other Comprehensive Income
4. "D/E ratio (gross)": Interest-bearing debt / Equity

FY13/3 Cash Flows

(B yen)

	FY13/3				
	Q1	Q2	Q3	Q4	Full-year
Cash Flows from Operating Activities	-18.1	4.6	-47.5	6.9	-54.1
Cash Flows from Investing Activities	-10.7	-9.8	-6.1	-16.6	-43.2
Free Cash Flows	-28.7	-5.2	-53.6	-9.7	-97.3

II. Progress of Structural Reforms

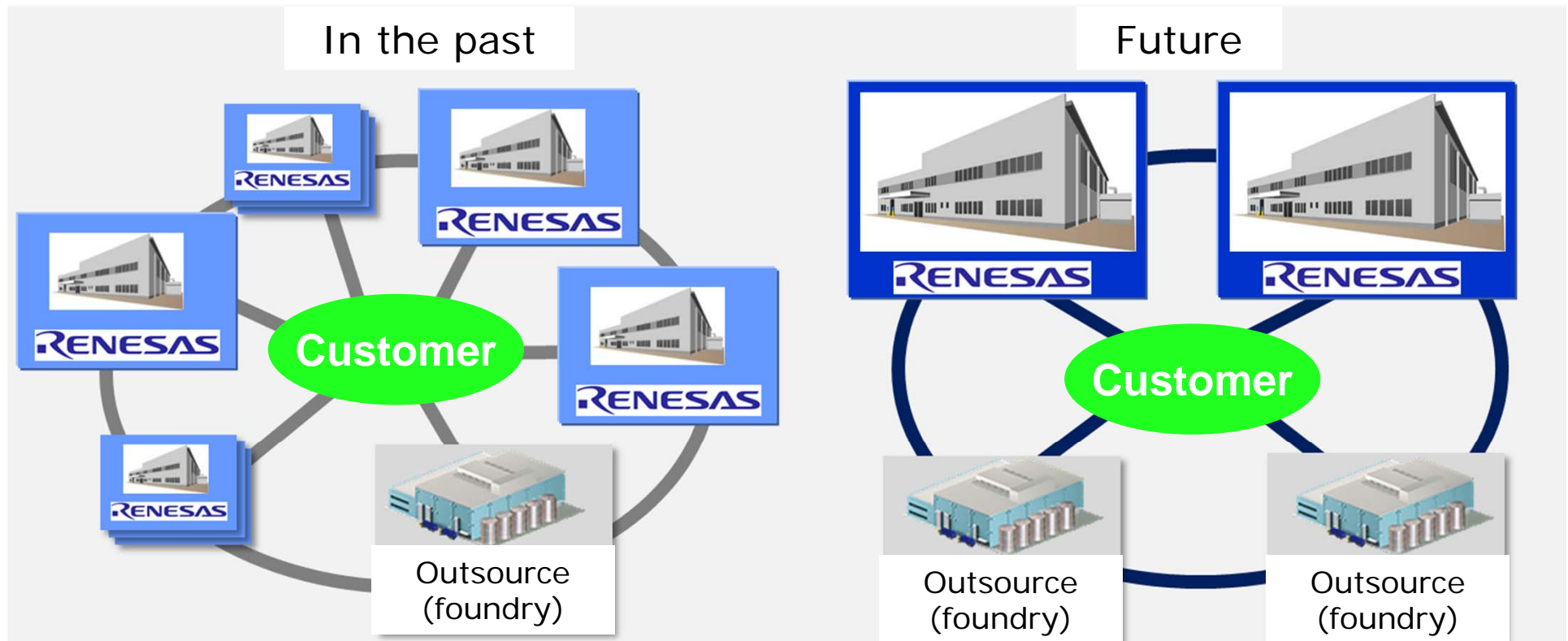
1. Measures regarding Company Organization and Human Resources

Purpose

- ✓ Speed up decision-making and achieve increased adequacy and efficiency in business operations
- ✓ Restructure company organization including design, development, production, and sales in accordance with our growth strategy
- ✓ Improve profitability by correction of cost structure

- ✓ Reduce the number of Business Units from 7 to 4
- ✓ Reduce the number of Senior Vice Presidents from 16 to 8
- ✓ Optimize personnel structure employees age 40 or over

2. Measures regarding Production Reforms: (1) Stable Supply



Continue stable supply by enhancement of fab-network

2. Measures regarding Production Reforms: (2) Progress of Production Realignment

	Direction	Current Sites/Lines	Sites/Lines after Production Structural Reforms
Front-end	<ul style="list-style-type: none"> ✓ Enlarge and miniaturize wafers ✓ Outsource leading-edge products ✓ Continue in-house production of specialized products 	<p>9 Sites 14 Lines</p>	<p>7 Sites 9 Lines</p>
Back-end	<ul style="list-style-type: none"> ✓ Accelerate to shift production overseas ✓ Expand use of subcontractors inside/outside Japan 	<p>8 Sites => 5 Sites (June, 2013)</p>	<p>2 Sites</p>

- Transfer Completed on January 1, 2013
 - ✓ Transferred Renesas High Components *1(Aomori Factory) to AOI ELECTRONICS*2
- Definitive agreement executed to transfer 3 back-end facilities on March 19, 2013
 - ✓ Hakodate Factory of Renesas Northern Japan Semiconductor*3,
 - Fukui Factory of Renesas Kansai Semiconductor*4, and Kumamoto Factory of Renesas Kyushu Semiconductor*5 to J-Devices*6 in early June, 2013

*1:Renesas High Components, Inc. (Tsuruta, Aomori)

*2:AOI ELECTRONICS CO., LTD. (Takamatsu, Kagawa)

*3:Hakodate Factory, Renesas Northern Japan Semiconductor, Inc (Nanae, Hokkaido)

*4: Fukui Factory, Renesas Kansai Semiconductor Co., Ltd. (Sakai, Fukui)

*5: Kumamoto Factory, Renesas Kyushu Semiconductor Corp. (Ozu, Kumamoto)

*6: J-Devices Corporation (Usuki, Oita)



FY14/3 Forecasts

- We do not present the consolidated forecast for FY14/3 at this point since we are awaiting the capital injection by Innovation Network Corporation of Japan and 8 companies, which was approved at the extraordinary shareholders' meeting held on February 22, 2013, and are developing the forecast along with the mid-term vision.
- We will announce it in a timely fashion following the completion of the capital injection and the development of the forecast.



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