



FY14/3 Q2 Financial Results

Renesas Electronics Corporation

October 30, 2013

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President and COO

- 
- I. FY14/3 Q2 Financial Results**
 - II. FY14/3 Q3 Forecasts**

Executive Summary

I . FY14/3 Q2 Financial Results

- Semiconductor sales were 207.7 billion yen, 9.6% increase QoQ, mainly due to a seasonal sales peak that recur in Q2 from year to year
- Secured operating profit by three quarters in a row with 10.9 billion yen operating income, an increase by 1.1 billion yen QoQ, mainly due to the effects of structural reform measures

II . FY14/3 Q3 Forecasts

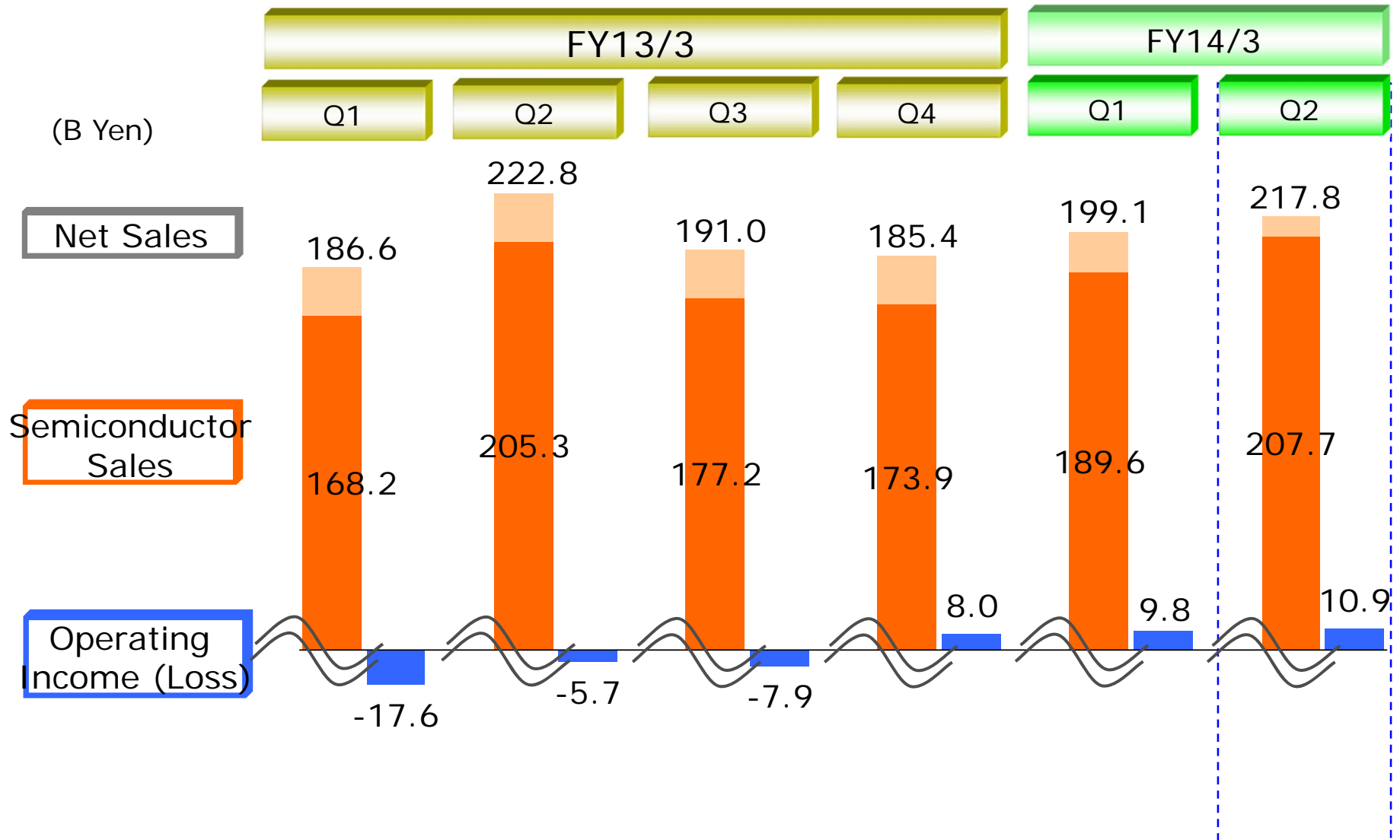
- Semiconductor sales are expected to be 190 billion yen, a decrease by 8.5% QoQ
- Despite the decreased profit from sales decline, Renesas expects to achieve operating profit in the amount of 16 billion yen, an increase by 5.1 billion yen QoQ, mainly due to the effects of structural reform measures
- Expect to achieve quarterly net profit of 24 billion yen mainly due to increased operating profit and recording of special income from gain on transfer of mobile business

I. FY14/3 Q2 Financial Results

FY14/3 Q2 Financial Results

(B Yen)	FY13/3	FY14/3			
	Q2	Q1	Q2	QoQ	Difference from Aug 2, 2013
Net Sales	222.8	199.1	217.8	+18.8 (+9.4%)	+8.9 (+4.3%)
Semiconductor Sales	205.3	189.6	207.7	+18.1 (+9.6%)	+7.3 (+3.7%)
Operating Income (Loss)	-5.7	9.8	10.9	+1.1	+6.7
Ordinary Income (Loss)	-6.8	8.5	5.4	-3.2	+5.4
Net Income (Loss)	-94.3	-4.0	-8.8	-4.8	+27.2
(Ref) Special Income (Loss)	-85.9	-8.7	-11.2	-2.5	+20.8
1US\$=	79 yen	98 yen	98 yen	±0 yen	±0 yen
1 Euro=	98 yen	127yen	130 yen	3 yen weak	1 yen weak

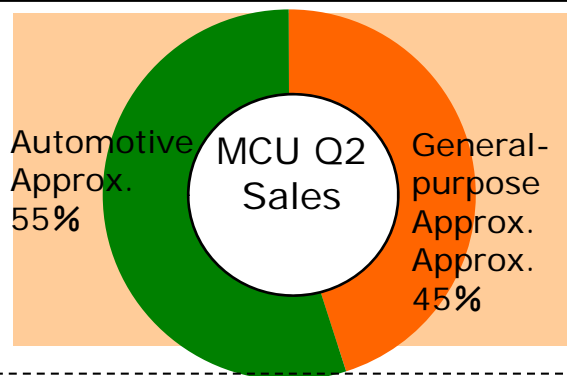
Quarterly Financial Results



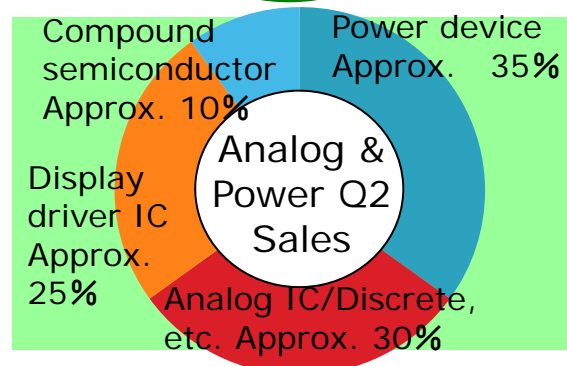
FY14/3 Q2 Semiconductor Sales by Product Categories (1)

(B Yen)	FY13/3	FY14/3			
	Q2	Q1	Q2	YoY	QoQ
Semiconductor Sales (Total)	205.3	189.6	207.7	+2.4 (+1.2%)	+18.1 (+9.6%)
MCU	80.9	85.6	88.9	+7.9 (+9.8%)	+3.2 (+3.8%)
Analog & Power	68.1	65.3	72.3	+4.3 (+6.3%)	+7.0 (+10.8%)
SoC	55.0	36.8	45.3	-9.7 (-17.6%)	+8.5 (+23.0%)
Other Semiconductors	1.3	1.8	1.2	-0.1	-0.6

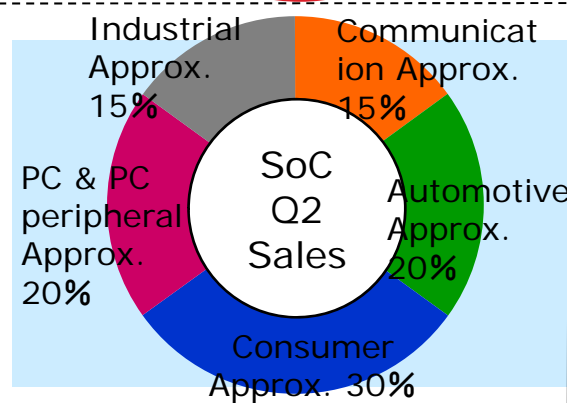
FY14/3 Q2 Semiconductor Sales by Product Categories (2)



- Sales of automotive MCU remained strong mainly in Japan
- Sales of general-purpose MCU increased QoQ, due to steady movements of (1) the consumer electronics from the increase in demand for air conditioners during a heat wave, and (2) the industrial equipment from the increase in capital investment mainly in Japan and U.S

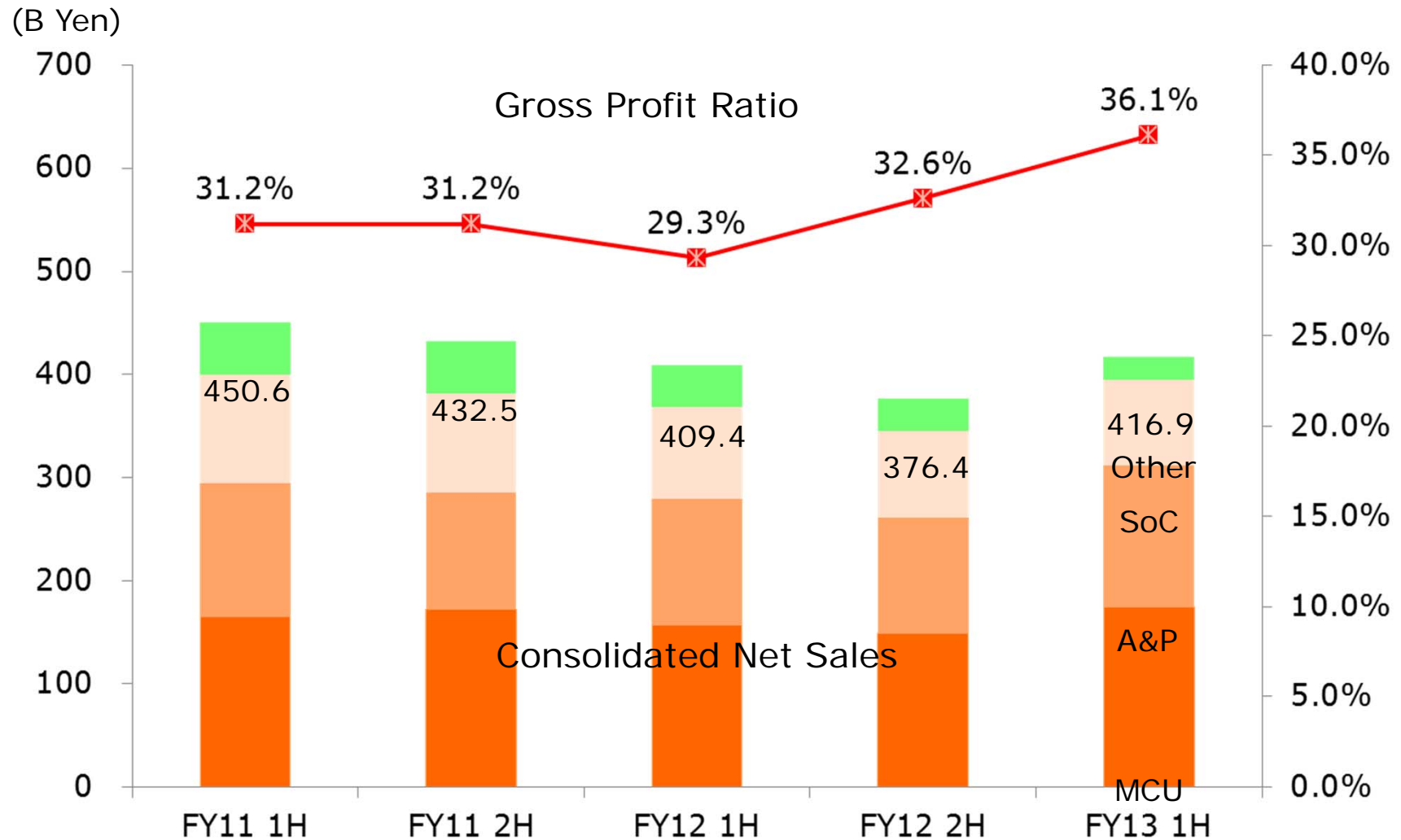


- Sales of both power devices and analog ICs for automotive stayed solid
- Sales of display driver IC showed a sharp increase driven by strong demand of mid/small sized display driver ICs

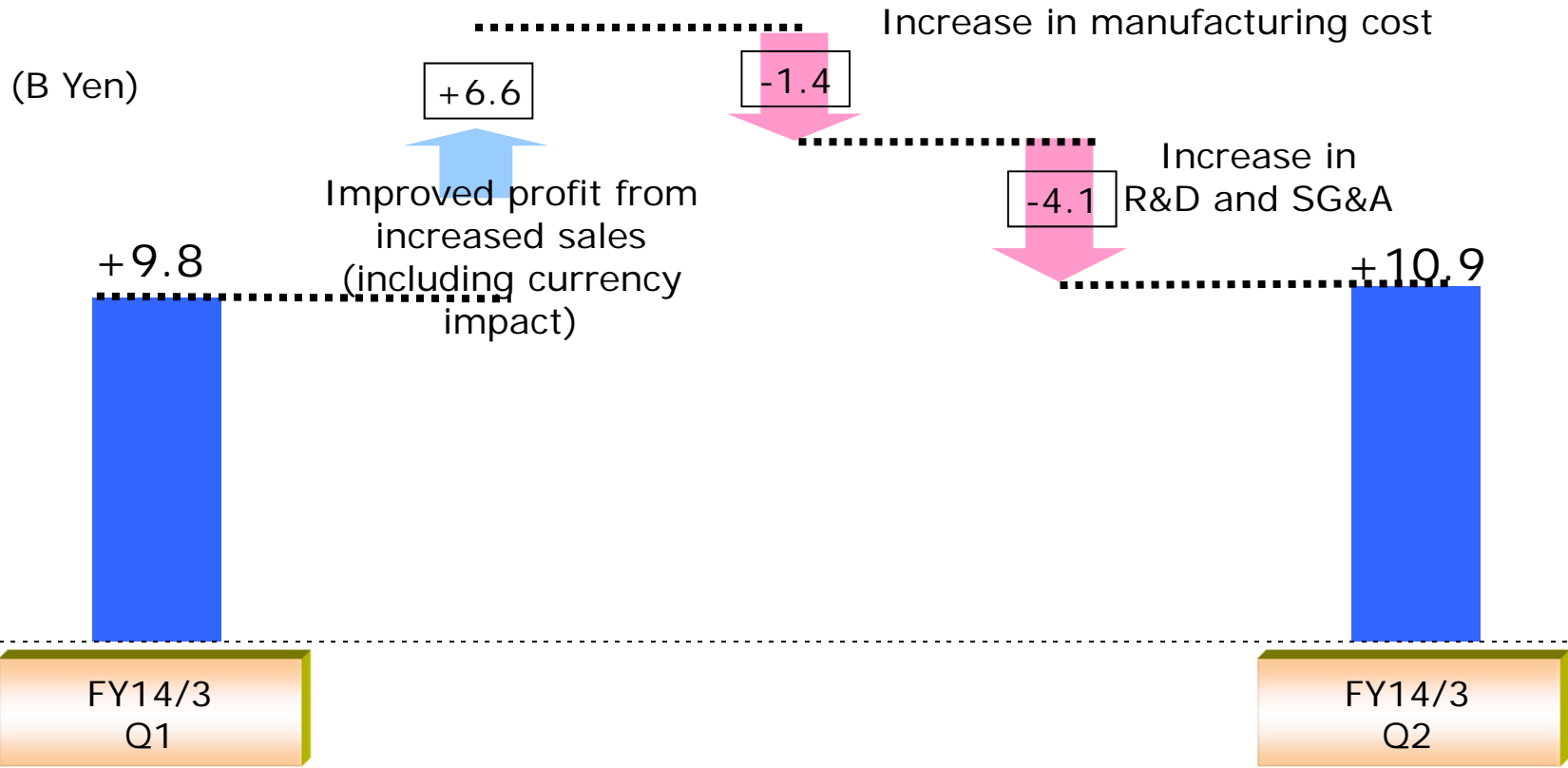


- Sales of automotive SoCs continued to increase due to solid sales of Japanese car navigation makers supported by solid car sales in Japan
- Sales of SoCs for PC and PC peripherals increased with strong demand for business-use equipment (printers and multi-function printers, etc.) in the emerging countries and some of the consumer electronics

Trends in Net Sales and Gross Profit Ratio

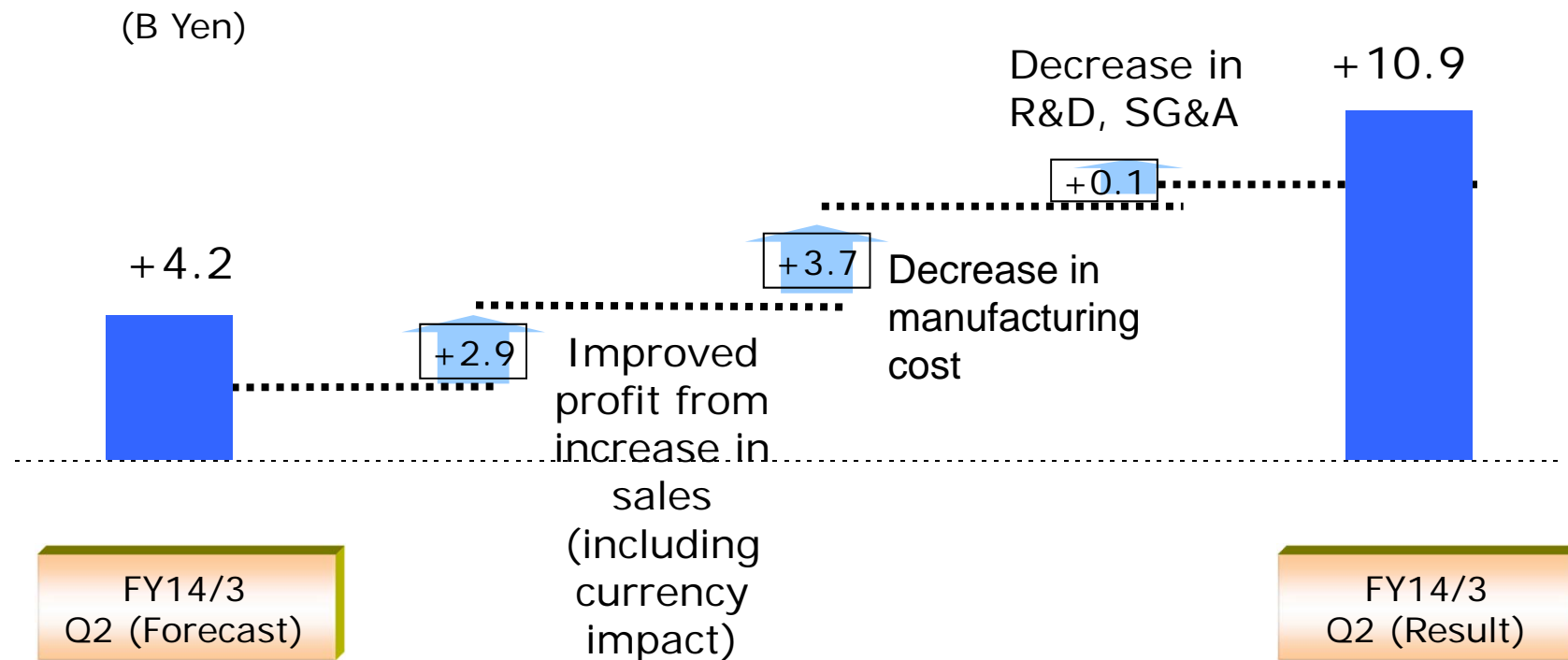


FY14/3 Q2 Operating Income (Loss) in QoQ Comparison

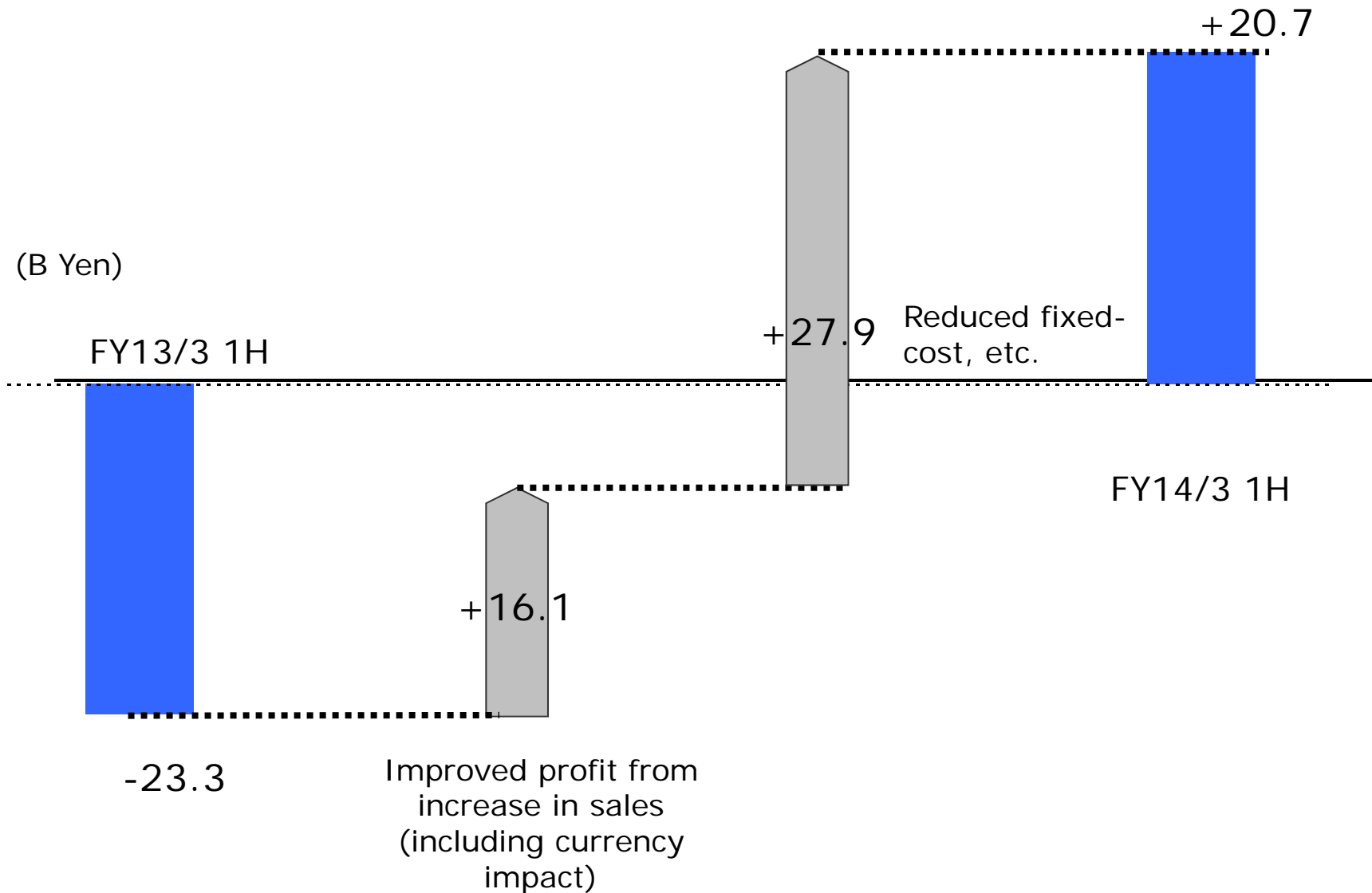


R&D: Research and development cost, SG&A: Selling, general and administrative expenses

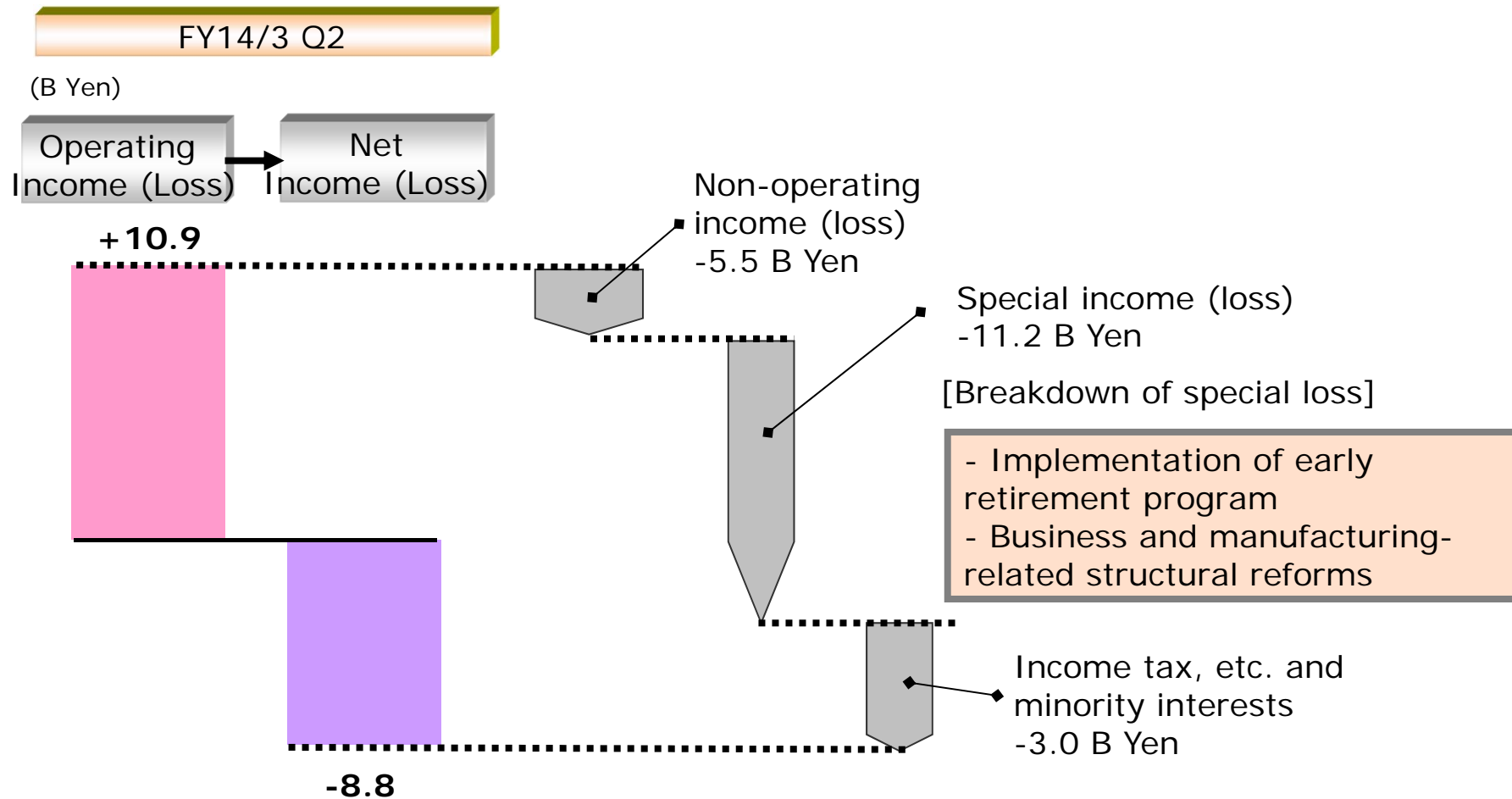
FY14/3 Q2 Operating Income (Loss) in Comparison with Forecasts (As of August 2, 2013)



FY14/3 1H Operating Income Loss in YoY Comparison

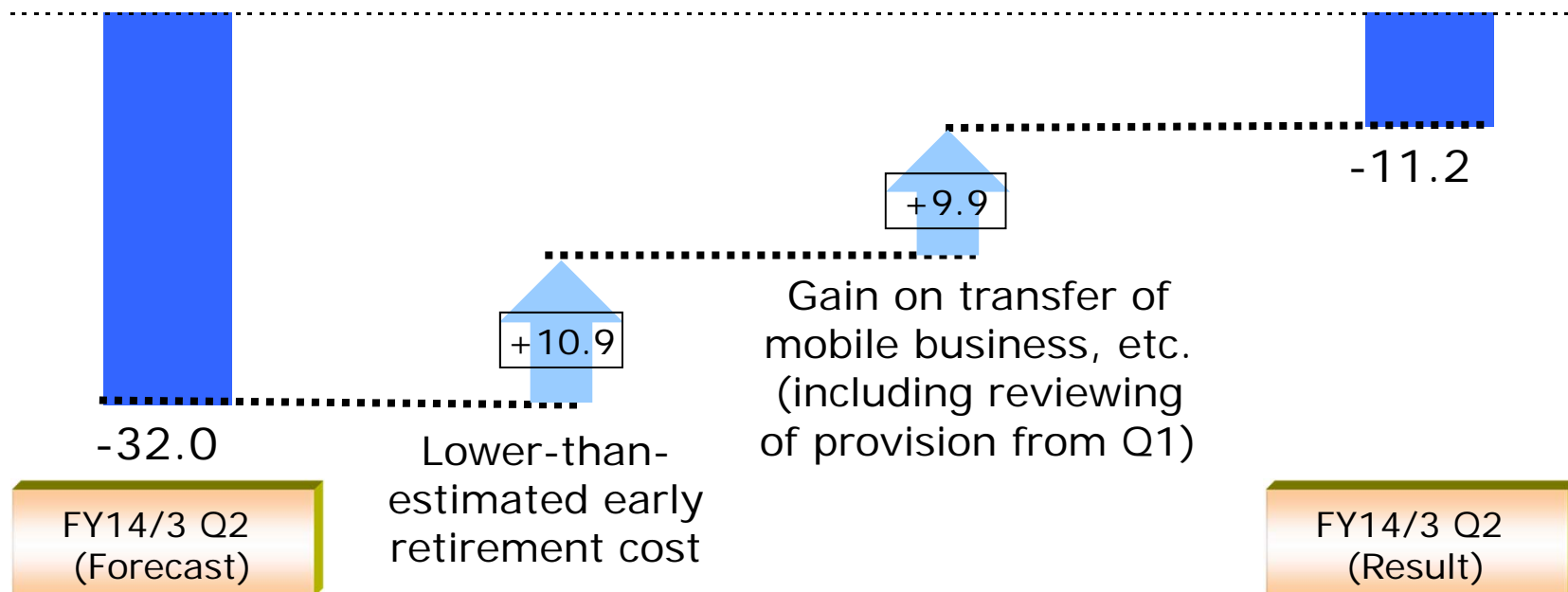


FY14/3 Q2 Net Income (Loss)



FY14/3 Q2 Special Income (Loss) in Comparison with Forecasts (As of August 2, 2013)

(B Yen)



Balance Sheets

(B Yen)

	As of Mar. 31, 2013	As of Jun. 30, 2013	As of Sep. 30, 2013
Total Assets	669.1	668.4	796.2
Cash and Cash Equivalents	77.7	95.8	239.3
Inventories	151.3	143.7	136.7
Liabilities	591.2	588.1	574.4
Interest-Bearing Debt	306.4	299.4	287.4
Shareholders' Equity	75.8	71.9	213.0
Net Assets	77.9	80.3	221.8
D/E Ratio (Gross)	4.59	4.41	1.38
D/E Ratio (Net)	3.43	3.00	0.23
Equity Ratio	10.0%	10.2%	26.2%

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 (注)①現金

Cash Flow

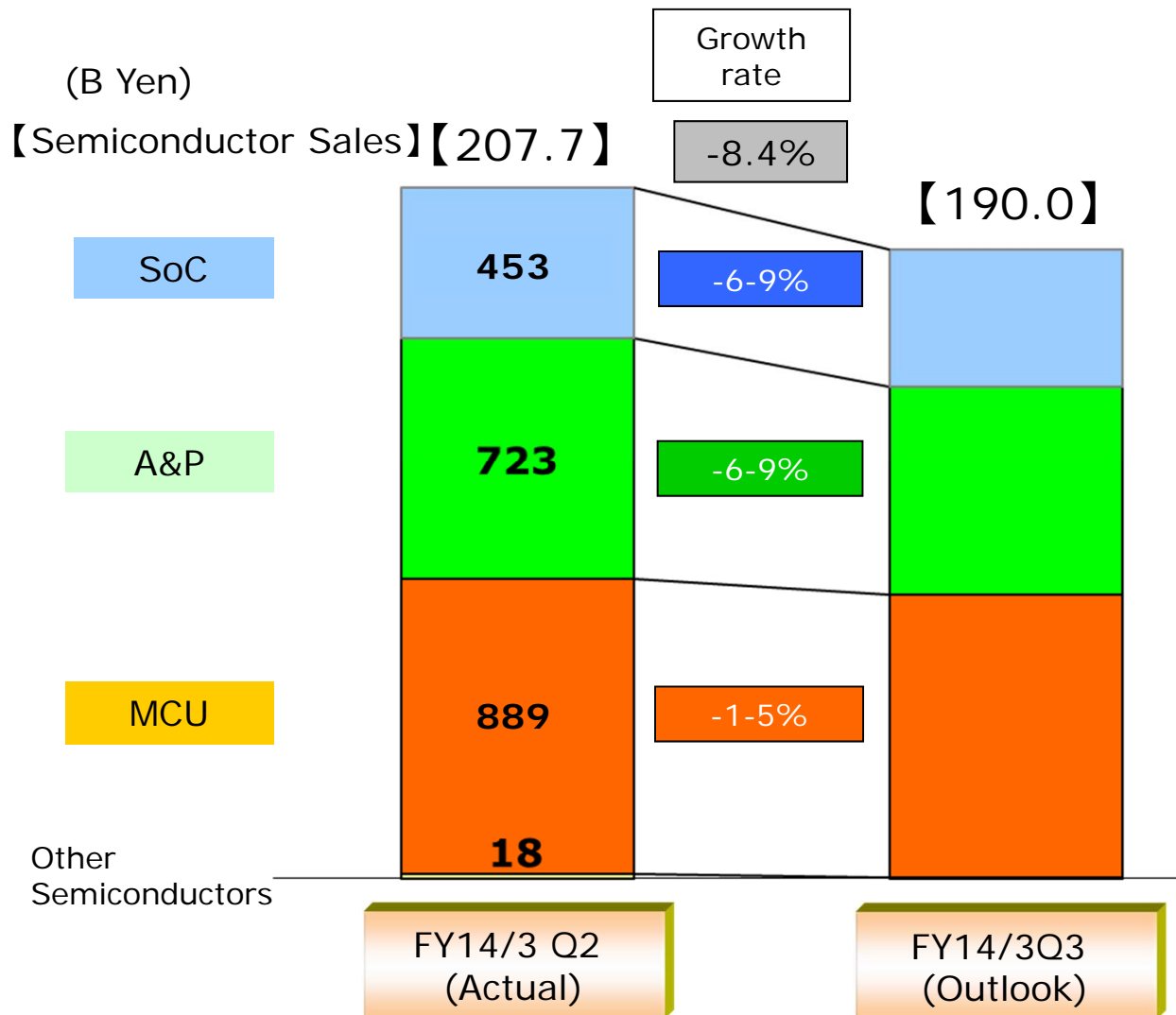
(B Yen)	FY13/3				FY14/3	
	Q1	Q2	Q3	Q4	Q1	Q2
Cash Flows from Operating Activities	-18.1	4.6	-47.5	6.9	28.4	9.0
Cash Flows from Investing Activities	-10.7	-9.8	-6.1	-16.6	-2.5	-6.5
Free Cash Flows	-28.7	-5.2	-53.6	-9.7	25.9	2.5

II. FY14/3 Q3 Forecasts

FY14/3 Q3 Consolidated Financial Forecasts

(B Yen)	FY13/3	FY14/3				
	Q3 (Actual)	Q2 (Actual)	Q3 (Forecast)	YoY	QoQ	Q3 (Accumulative)
Net Sales	191.0	217.8	197.0	+6.0	-20.8	613.9
Semiconductor Sales	177.2	207.7	190.0	+12.8	-17.7	587.3
Operating Income (Loss)	-7.9	10.9	16.0	+23.9	+5.1	36.7
Ordinary Income (Loss)	-11.1	5.4	13.0	+24.1	+7.6	26.9
Net Income (Loss)	-46.6	-8.8	24.0	+70.6	+32.8	11.2
(Ref) Special Income (Loss)	-32.8	-11.2	14.5	+47.3	+25.7	-5.4
1US\$=	79 yen	98 yen	97 yen	18 yen weak	1 yen strong	98 yen
1 Euro=	102 yen	130 yen	130 yen	28 yen weak	±0 yen	129 yen

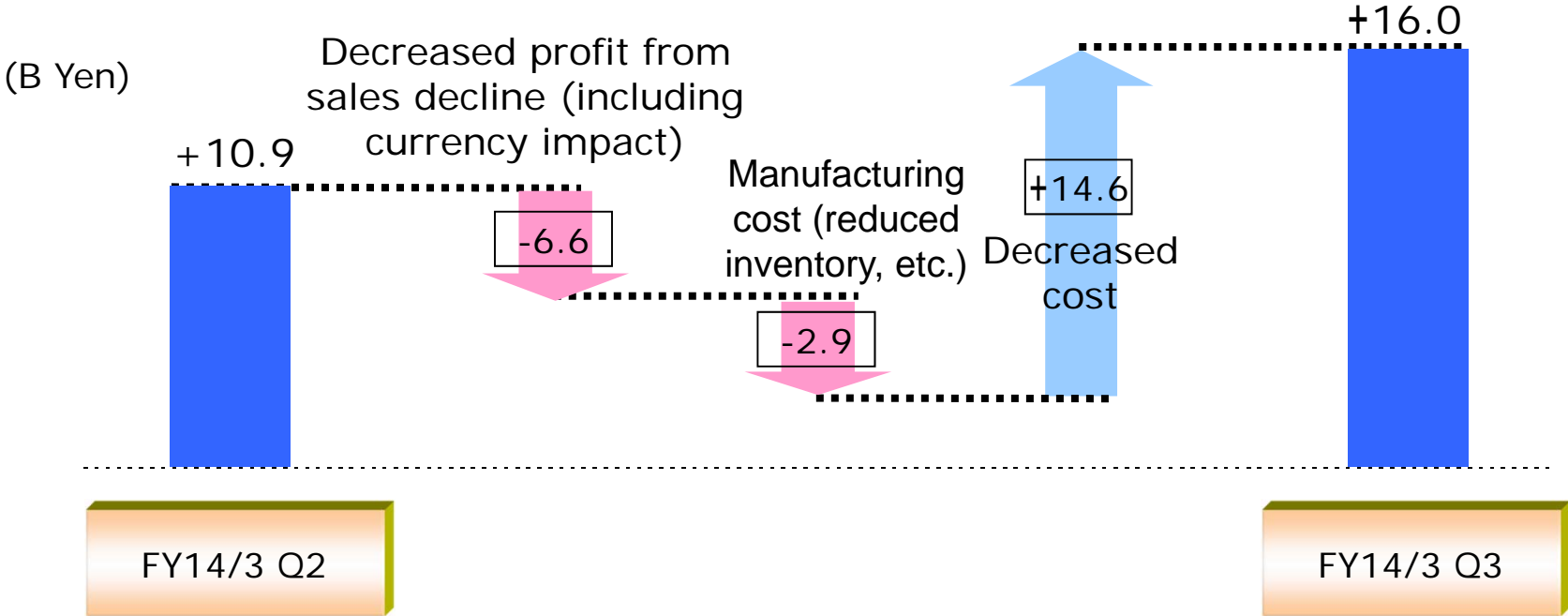
Forecast for FY14/3 Q3 Semiconductor Sales (QoQ Comparison)



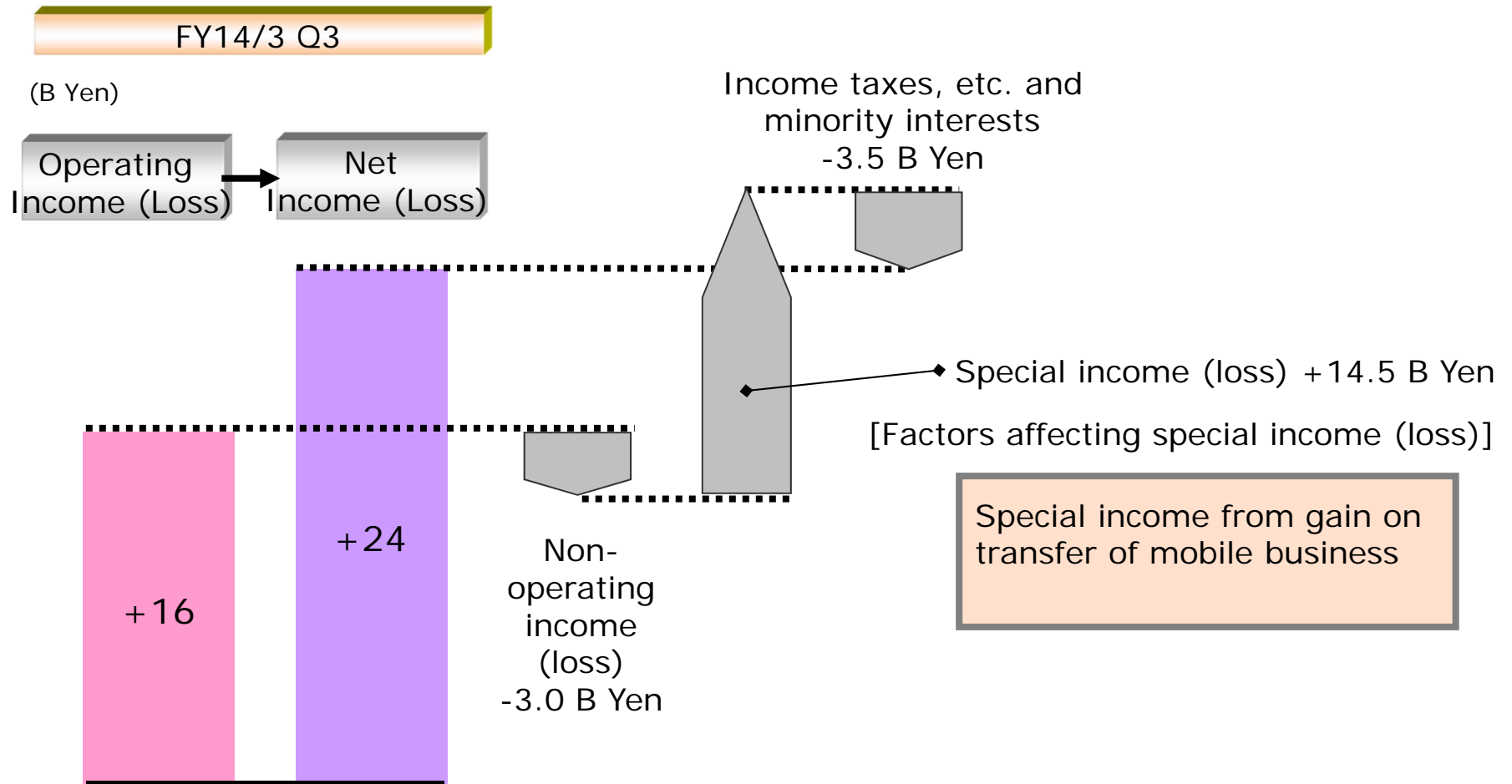
[Major factors affecting Q3 semiconductor sales]

- Expect overall automotive products to show steady growth
- Expect mid/small sized display driver ICs to continue to stay solid
- While sales of other general-purpose semiconductors overall are expected to decrease due to seasonal sales peak that recur in Q2 from year to year, sales of general-purpose MCU are expected to decline but only to a small extent

FY14/3 Q3 Operating Income (Loss) Forecasts (QoQ Comparison)



FY14/3 Q3 Net Income (Loss) Forecasts



(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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