

FY16/12 Q1 Financial Forecasts

Renesas Electronics Corporation
June 7, 2016

FY16/12 Q1 Financial Forecasts

Renesas Electronics Group plans to implement a change of the fiscal term in which the fiscal year-end will change from March 31 to December 31 starting from the fiscal year 2016. The change is subject to approval of "a partial amendment to its Articles of Incorporation" at the 14th Ordinary General Shareholders' Meeting to be held on June 28, 2016.

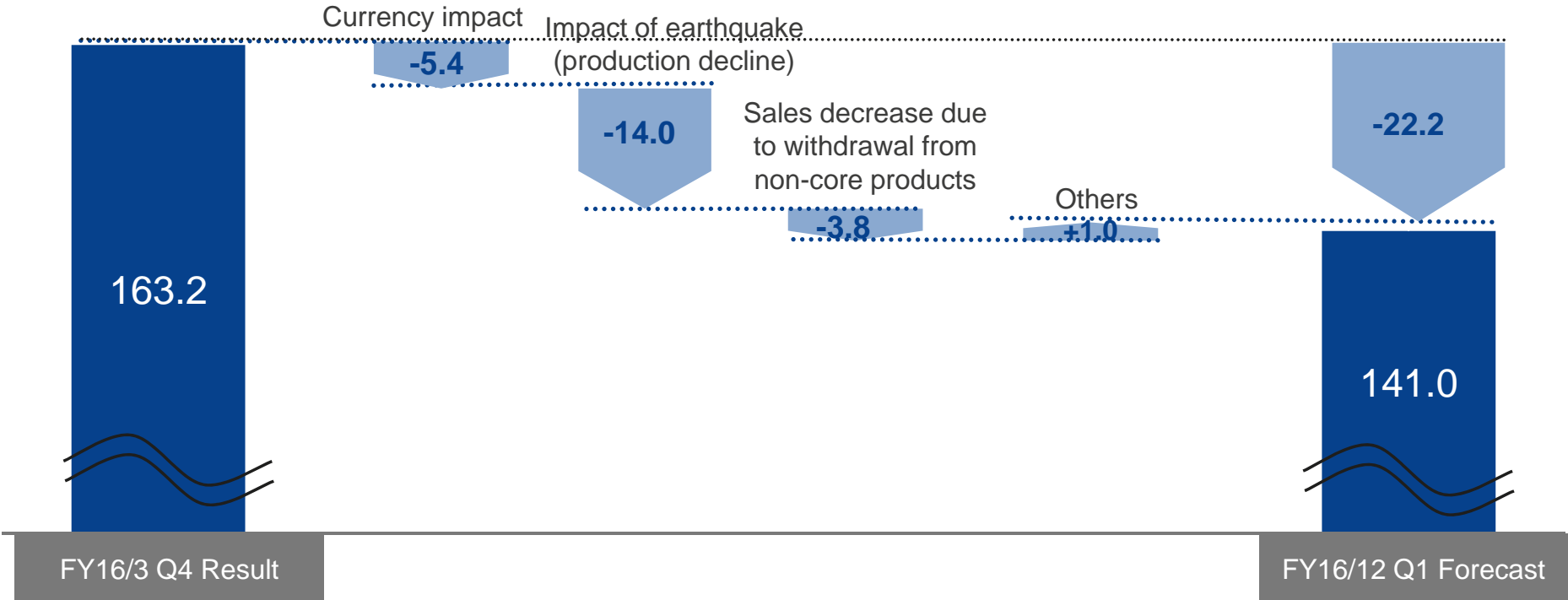
Impact of the Kumamoto Earthquake

Major impacts of the earthquake	Amount of the earthquake impact
<ul style="list-style-type: none"> ▪ Impact on Net Sales <ul style="list-style-type: none"> ▪ Impact from shutdown of production lines 	14.0 billion yen decrease
<ul style="list-style-type: none"> ▪ Impact on Operating Income <ul style="list-style-type: none"> ▪ Profit decrease from decrease in net sales (production) 	8.0 billion yen decrease
<ul style="list-style-type: none"> ▪ Impact on Special Income / Loss <ul style="list-style-type: none"> ▪ Loss caused by temporary shutdown and lower operations 	2.0 billion yen loss
<ul style="list-style-type: none"> ▪ Repair cost of fixed assets incl. buildings and manufacturing equipment 	5.0 billion yen loss
<ul style="list-style-type: none"> ▪ Loss on disposal of inventories, others 	1.0 billion yen loss * including gain from insurance proceeds of 1.0 billion yen

FY16/12 Q1 Semiconductor Sales Forecasts

QoQ (B Yen)

- Despite a temporary increase in demand from the earthquake, semiconductor sales are expected to decrease by 22.2 billion yen QoQ, mainly due to 14.0 billion yen drop in net sales caused by the earthquake and sales decrease due to withdrawal from non-core products



FY16/12 Q1 Financial Forecasts

(B Yen)	FY16/3		FY16/12		
	Q1	Q4	Q1	YoY	QoQ
Net Sales	179.3	167.8	145.0	-19.1%	-13.6%
Semiconductor Sales	174.5	163.2	141.0	-19.2%	-13.6%
Gross Margin	44.5%	40.8%	40.0%	-4.5Pts.	-0.8Pts.
Operating Income (Margin)	32.4 (18.0%)	15.7 (9.4%)	10.0 (6.9%)	-22.4 (-11.2Pts.)	-5.7 (-2.5Pts.)
Net Income Attributable to Shareholders of Parent Company	29.9	10.3	1.0	-28.9	-9.3
EBITDA	47.7	31.2	26.1	-21.6	-5.1
1 US\$ =	120 yen	118 yen	110 yen	10 yen strong	8 yen strong
1 Euro =	131 yen	130 yen	124 yen	7 yen strong	6 yen strong

FY16/12 Q1 Summary of Forecasts

Major factors affecting increase or decrease in Q1 semiconductor sales

- **Semiconductor Sales**
 - Despite a temporary increase in demand from the earthquake, semiconductor sales are expected to decrease by 22.2 billion yen, mainly due to 14.0 billion yen drop in net sales caused by the earthquake and sales decrease due to withdrawal from non-core products

Major factors affecting increase or decrease in Q1 profit

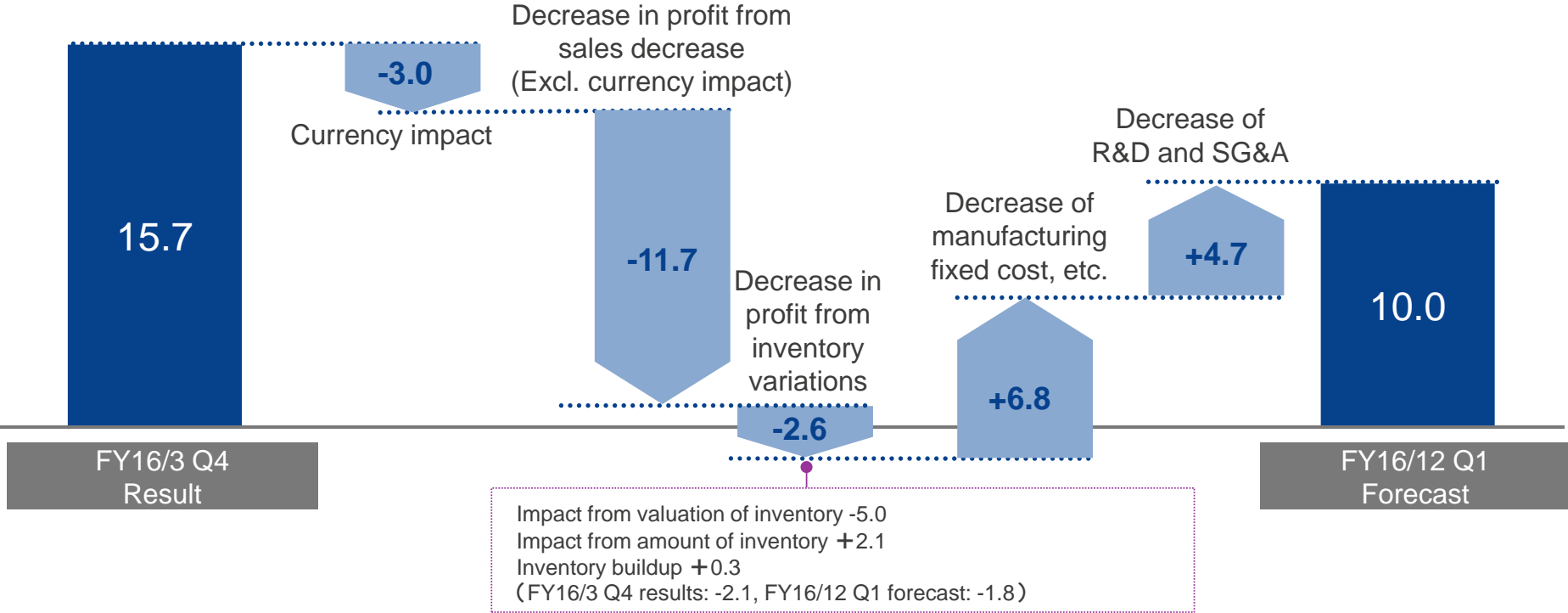
- **Gross Margin**
 - Gross margin is expected to decrease by 0.8 Pts QoQ to 40.0% due to profit decrease from sales decrease affected by the earthquake etc. and an increase in fixed cost from lower operations, despite a cost decrease resulting from the rebound of the seasonal cost increases at the end of the fiscal term
- **Operating Income (Margin)**
 - Operating income is also expected to decrease to 10 billion yen, a 5.7 billion yen down QoQ, mainly due to sales decrease and negative currency impact, despite a cost decrease resulting from the rebound of the seasonal cost increases at the end of the fiscal term. Operating margin is expected to decrease by 2.5 Pts QoQ to 6.9%

Appendix

FY16/12 Q1 Operating Income Forecast

QoQ (B Yen)

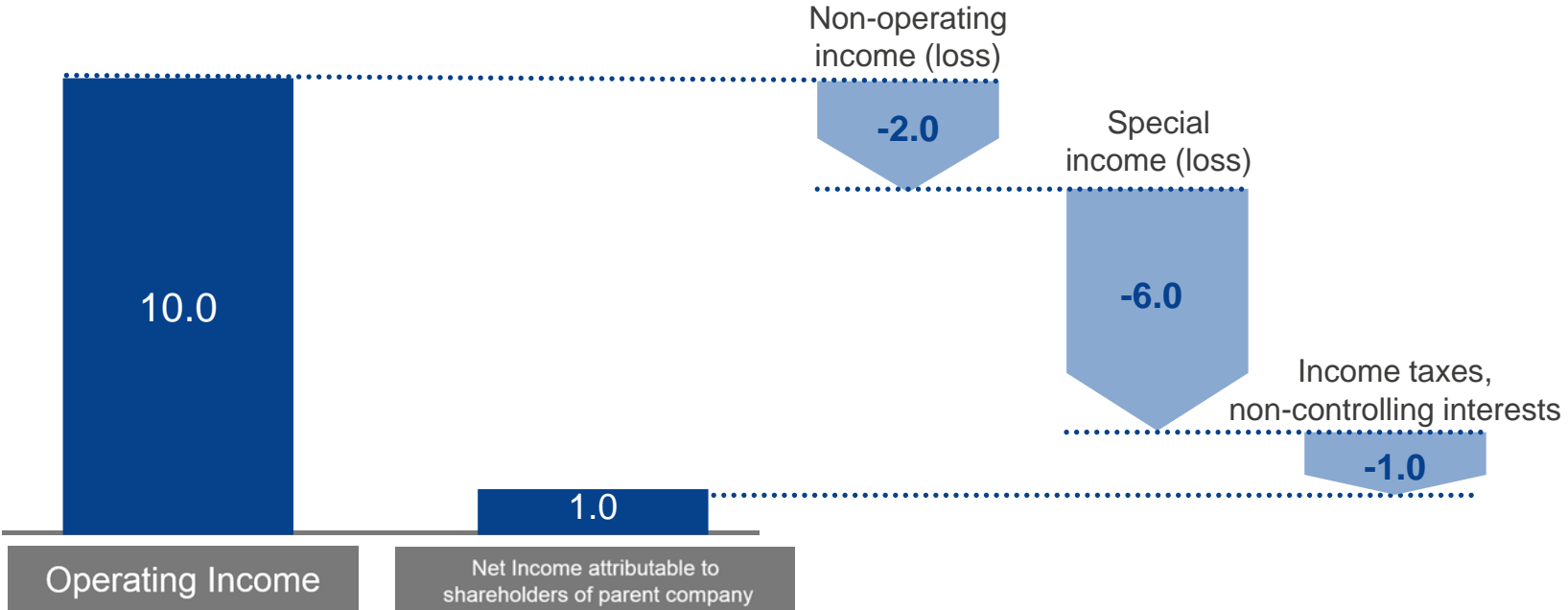
- Expect to decrease by 5.7 billion yen QoQ due to decrease in profit from sales decline and negative currency impact, despite the rebound of the seasonal cost increases at the end of the fiscal term



FY16/12 Q1 Net Income Attributable to Shareholders of Parent Company

(B Yen)

- Expect to be 1.0 billion yen mainly due to earthquake-related special losses



(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.