

FY17/12 Q2 PRESENTATION

RENESAS ELECTRONICS CORPORATION
JULY 28, 2017

BIG IDEAS
FOR EVERY SPACE

GROWTH AND EARNINGS TARGETS TO MAXIMIZE SHAREHOLDER VALUE

Long-Term Financial Targets*1

Top-line growth

2x SAM*2 Growth Rate

Margin Improvements

GM*3: **44%*5** → **50%**
OM*4: **12%*5** → **Over 20%**

Clear Path for Gross Margin Expansion

Top-line Growth
(Including cost reduction)

Better Product Mix

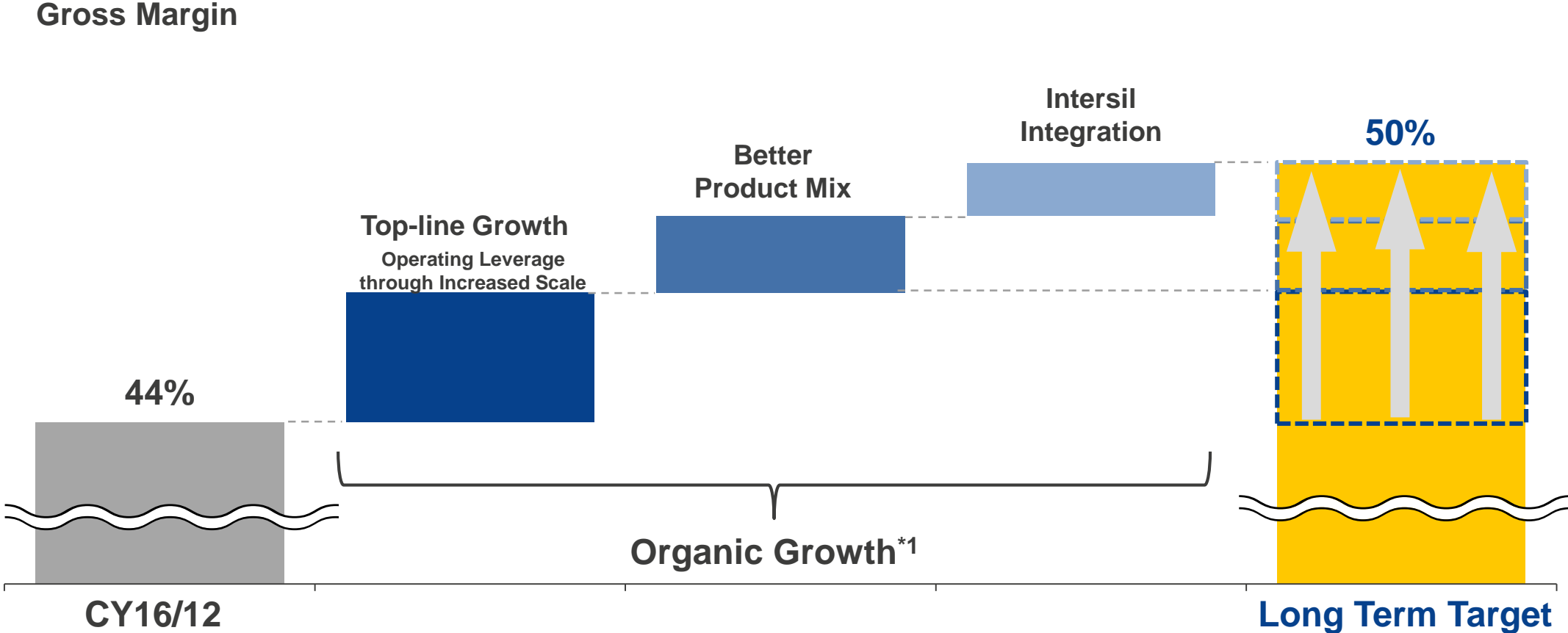
Intersil Integration



Further Acquisitions

*1: Long-term targets reflect non-GAAP adjustments to exclude amortization of goodwill and intangible assets, noncash expenses such as stock compensation expenses and one-time expenses. *2: Served Available Market comprised of total semiconductor market excluding DRAM, flash memory, microprocessors and non-optical sensors *3: Gross Margin *4: Operating Margin *5: Calculated on a calendar-year basis (Jan-Dec 2016) by adding FY2016/3 Q4 (3 months) and FY2016/12 (9 months) results based on Non-GAAP basis.

CLEAR PATH TO GROSS MARGIN IMPROVEMENT



*1: Including Intersil acquisition

Organic

Inorganic

COMBINATION OF ORGANIC AND INORGANIC GROWTH

	Automotive	Industrial	Broad-Based
MCUs		Intensive R&D	Inorganic + Organic Approaches
SoCs		Strategic Partnerships and Alliances	
Analog & Mixed Signal	Strategic Investment including Further Acquisitions		 (Acquired for \$ 3.2B in Feb 2017)
Power Discrete	Selective Investment		

NON-GAAP BASIS INFORMATION

The figures in this section are mainly based on Non-GAAP (Generally Accepted Accounting Principles) stated on a financial reporting basis and are provided as additional information.

The Group implemented a change in fiscal term starting from FY16/12 in which the fiscal year-end changed from March 31 to December 31. In this presentation, FY17/12 Q2 (Apr-Jun 2017) results are compared with FY16/12 Q1 (Apr-Jun 2016) as a YoY comparison.

The Group reports its consolidated forecast on a quarterly basis (cumulative quarter total) as a substitute for a yearly forecast.

FY17/12 Q2 FINANCIAL SNAPSHOT (NON-GAAP BASIS*1)

YoY and QoQ results as well as the changes from May 12 FCT of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)							
	Apr-Jun	1H (Jan-Jun)	Jan-Mar (Q1)	Apr-Jun (Q2) Forecast	Apr-Jun (Q2) Actual	YoY	QoQ	Change from May 12 FCT	1H Actual	YoY
Net Sales	152.0	319.8	177.6	192.1	198.1	+30.4%	+11.5%	+3.2%	375.8	+17.5%
Semi Sales	147.5	310.7	172.6	188.7	194.3	+31.7%	+12.6%	+3.0%	366.9	+18.1%
Gross Margin	44.3%	43.1%	45.5%	43.9%	45.7%	+1.4pts	+0.2pts	+1.8pts	45.6%	+2.4pts
Operating Income (Margin)	20.9 (13.7%)	38.7 (12.1%)	29.1 (16.4%)	22.5 (11.7%)	29.0 (14.6%)	+8.2 (+0.9pts)	-0.1 (-1.7pts)	+6.5 (+2.9pts)	58.1 (15.5%)	+19.4 (+3.4pts)
Net Income Attributable to Shareholders of Parent Company	12.3	24.7	23.6	29.5	37.3	+25.0	+13.7	+7.8	60.9	+36.2
EBITDA*2	35.4	68.7	46.2	40.4	47.3	+11.9	+1.1	+6.9	93.5	+24.8
1 US\$=	111 yen	115 yen	114 yen	108 yen	111 yen	-	3 yen appreciation	3 yen depreciation	112 yen	2 yen appreciation
1 Euro=	124 yen	127 yen	121 yen	115 yen	122 yen	2 yen appreciation	1 yen depreciation	7 yen depreciation	122 yen	5 yen appreciation

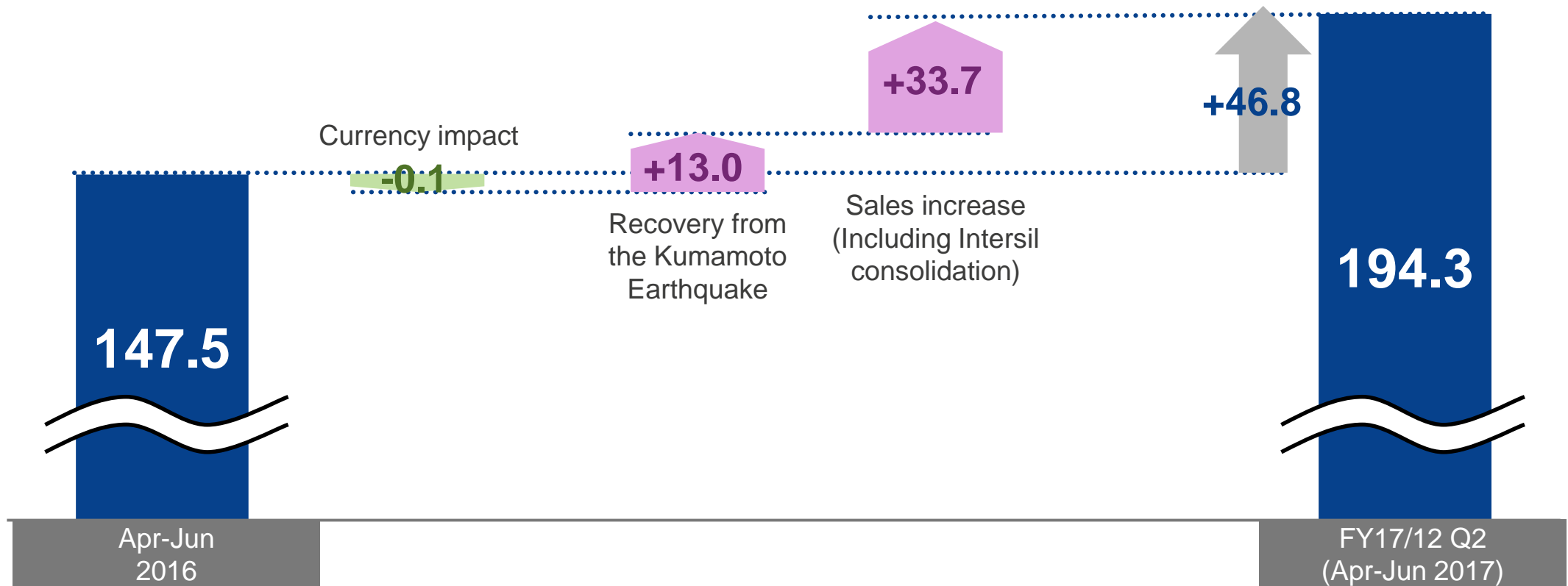
*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q2 was 0 yen in operating income.)

*2 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

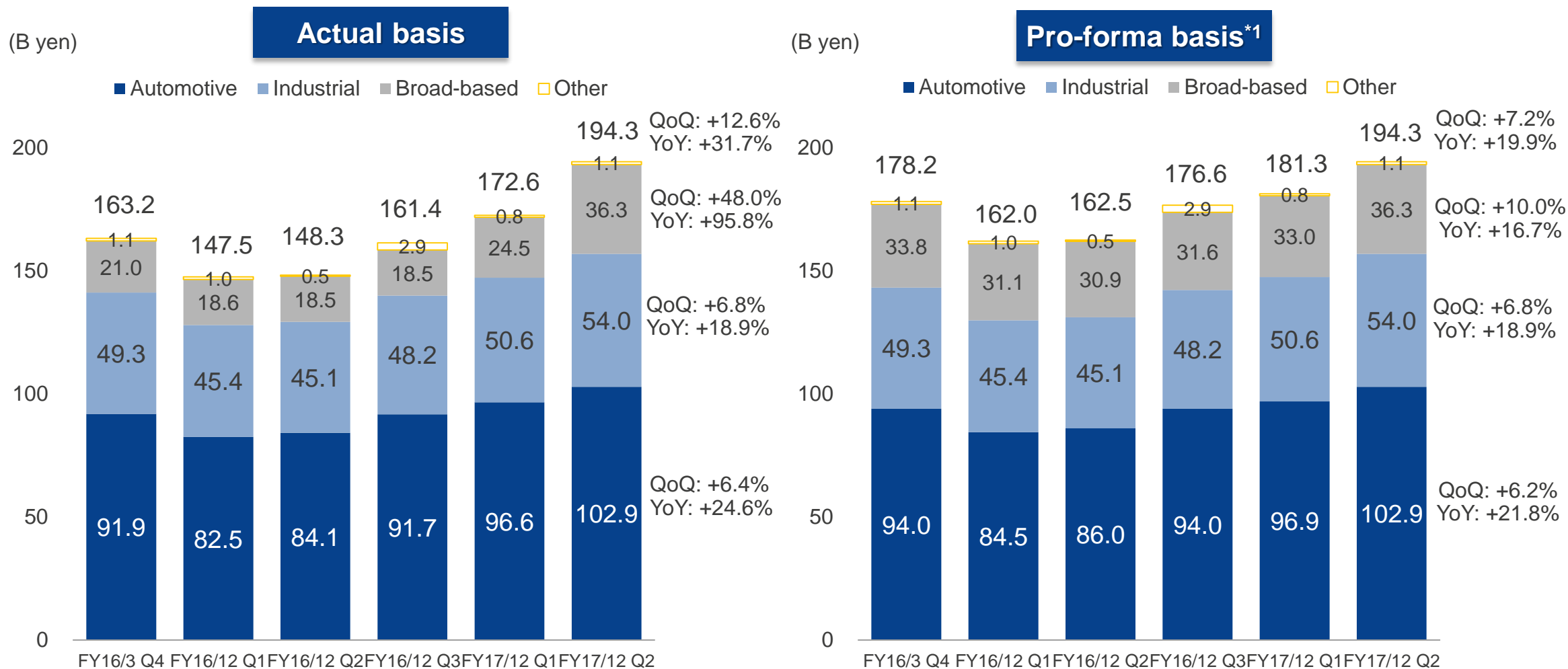
FY17/12 Q2 SEMICONDUCTOR SALES

YoY + 46.8 B yen (+31.7%)

(B yen)



QUARTERLY SEMICONDUCTOR SALES TRENDS

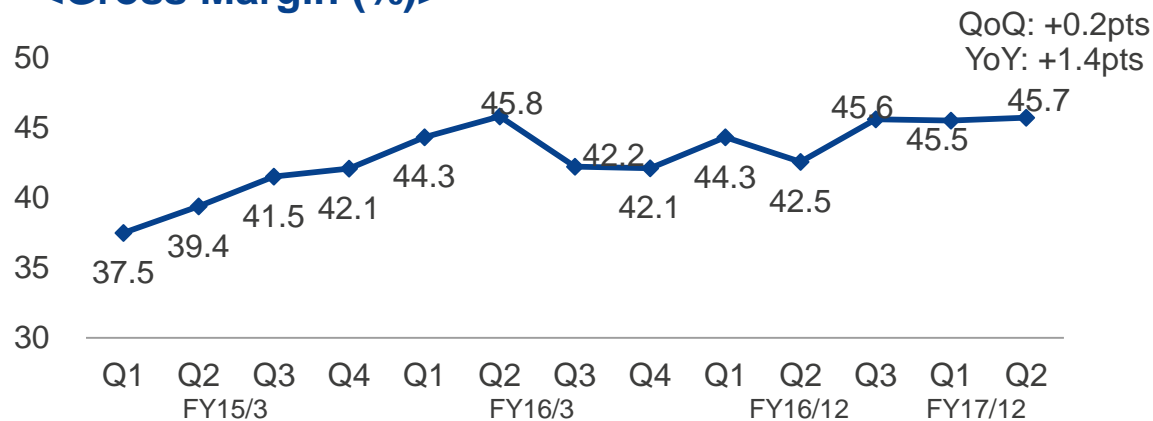


*1 Pro-forma basis: Renesas Net Sales including Intersil's historical revenue prior to the close of the acquisition.

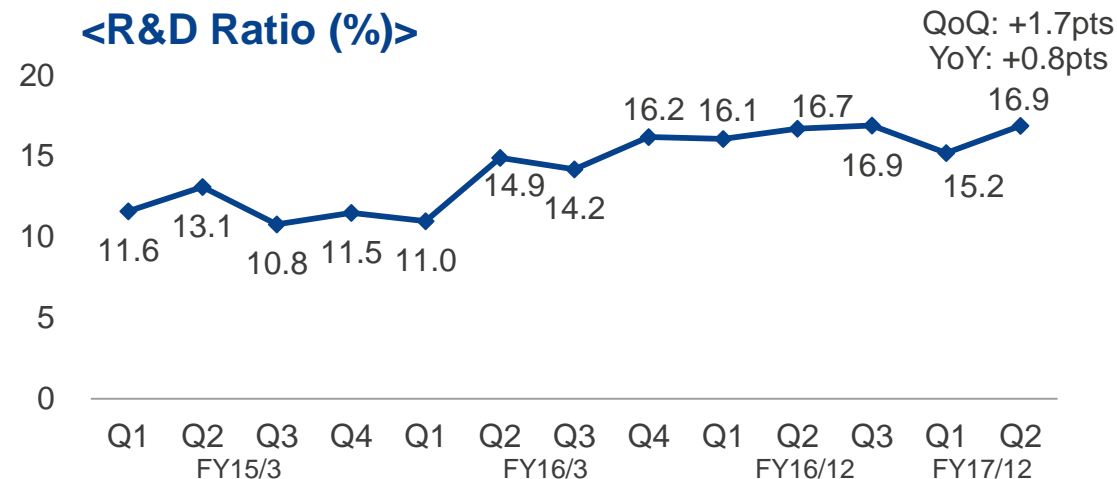
GROSS MARGIN, OPERATING MARGIN AND OPEX TRAJECTORY

(NON-GAAP BASIS*1)

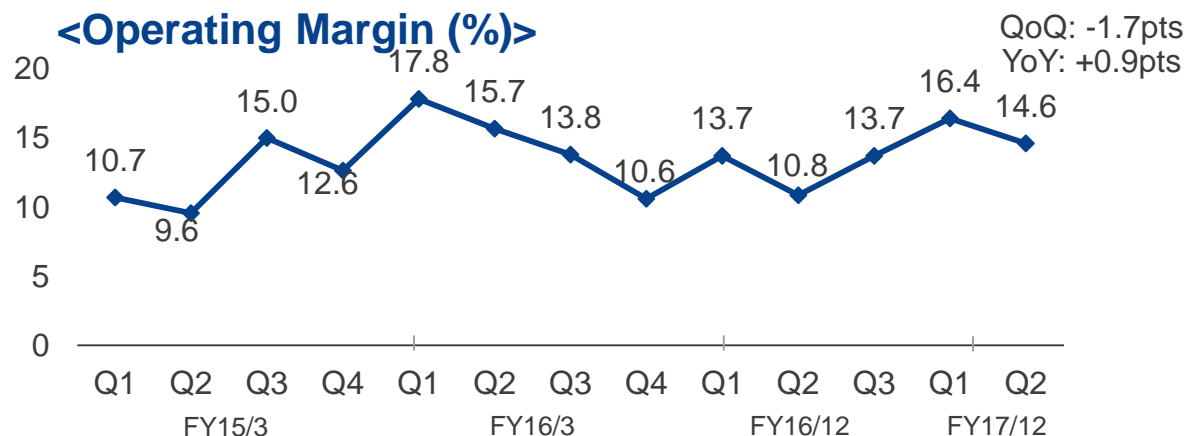
<Gross Margin (%)>



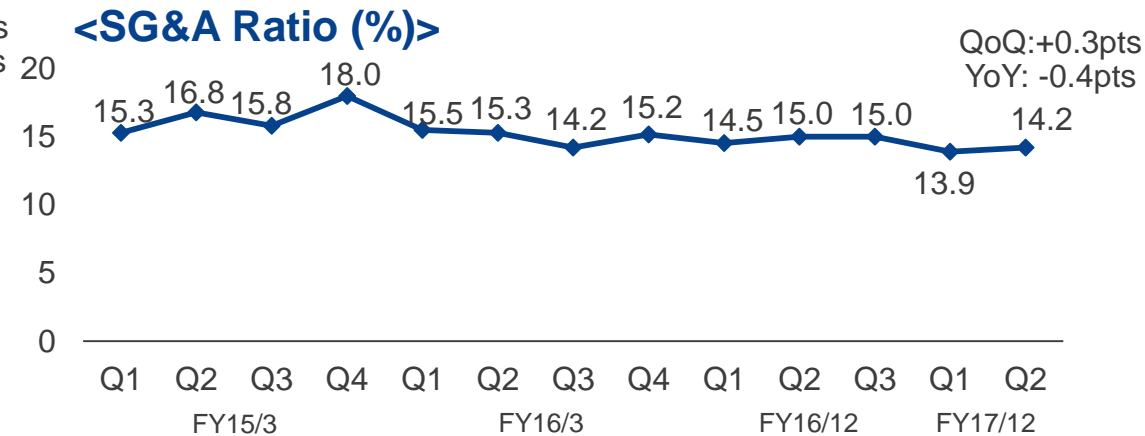
<R&D Ratio (%)>



<Operating Margin (%)>

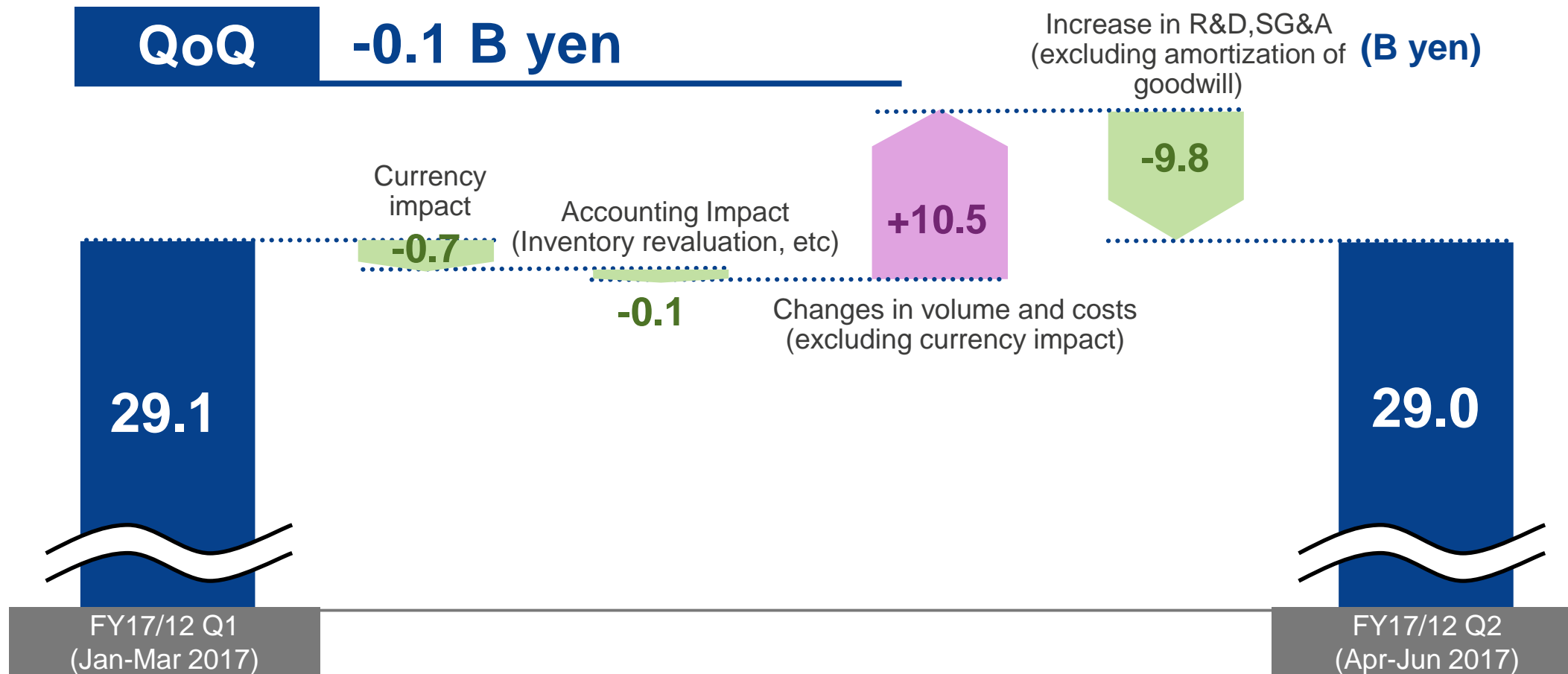


<SG&A Ratio (%)>

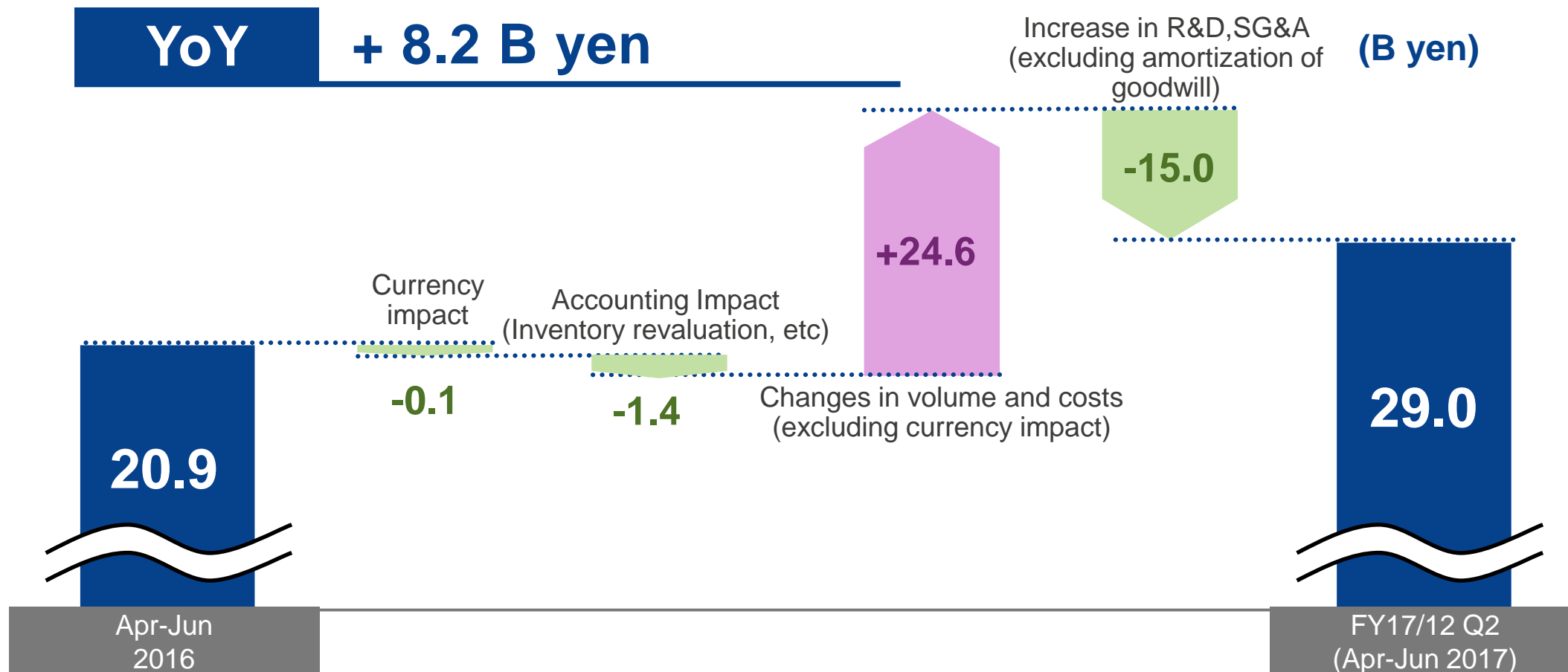


*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q2 was 0 yen in operating income.)

FY17/12 Q2 OPERATING INCOME



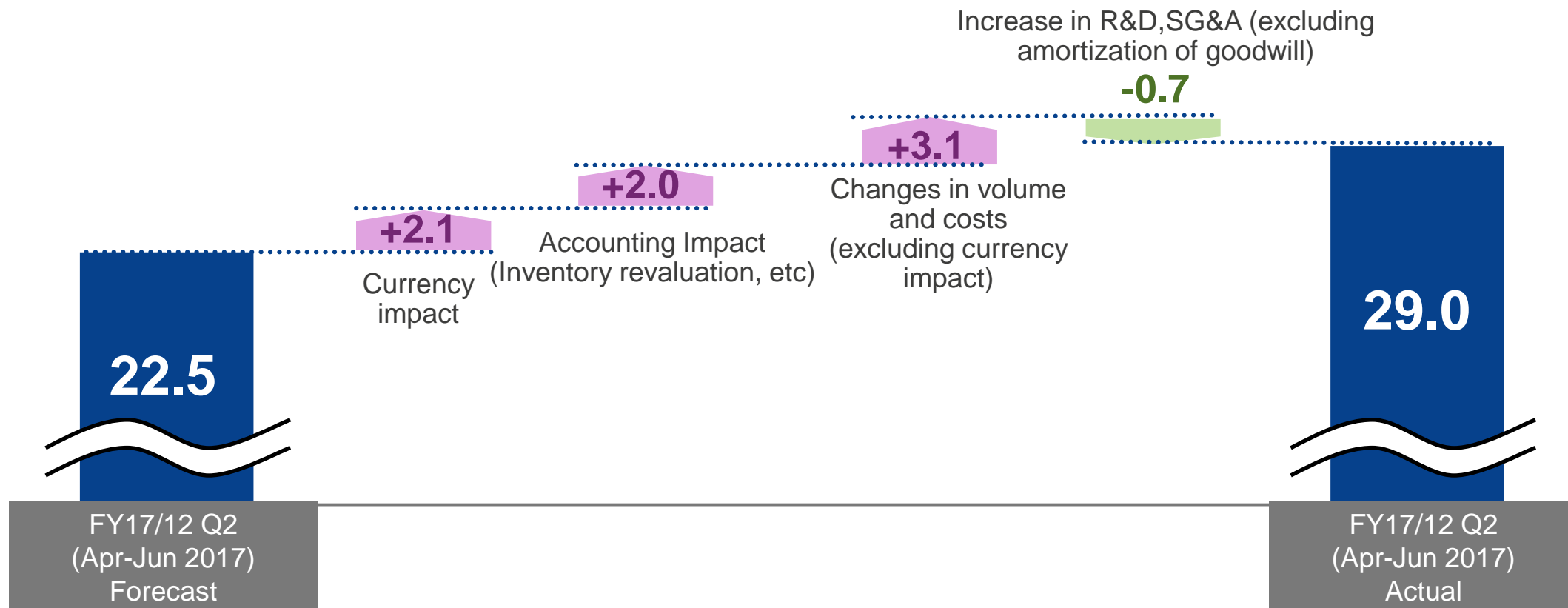
FY17/12 Q2 OPERATING INCOME



FY17/12 Q2 OPERATING INCOME

vs FCT +6.5 B yen

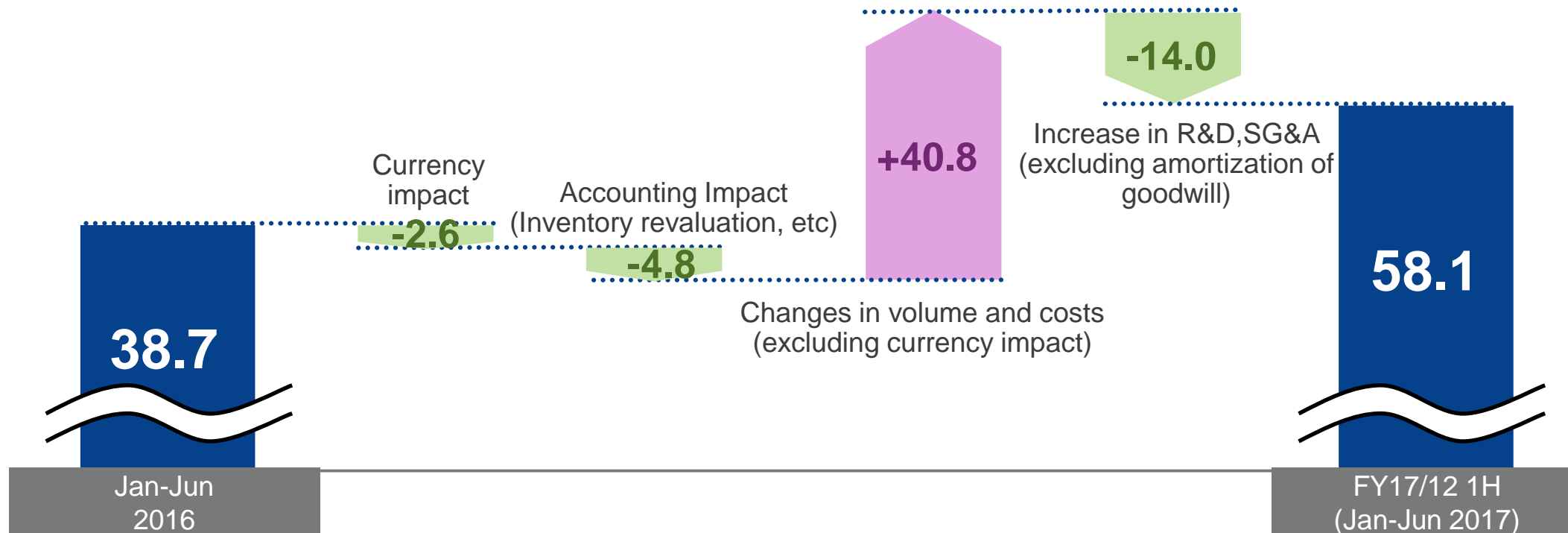
(B yen)



FY17/12 1H OPERATING INCOME

YoY + 19.4 B yen

(B yen)



FY17/12 Q3 FINANCIAL FORECASTS (NON-GAAP BASIS*1)

YoY and QoQ results of the Net Sales and Semiconductor Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)					
	July-Sep	9 months (Jan-Sep)	Q2 (Apr-Jun)	Q3 Forecast (July-Sep)	YoY	QoQ	9 months Forecast (Jan-Sep)	YoY
Net Sales	152.6	472.4	198.1	195.2	+27.9%	-1.5%	571.0	+20.9%
Semiconductor Sales	148.3	459.0	194.3	191.9	+29.4%	-1.2%	558.8	+21.7%
Gross Margin	42.5%	42.9%	45.7%	45.5%	+2.9pts	-0.2pts	45.6%	+2.6pts
Operating Income (Margin)	16.6 (10.8%)	55.2 (11.7%)	29.0 (14.6%)	30.5 (15.6%)	+14.0 (+4.8pts)	+1.5 (+1.0pts)	88.6 (15.5%)	+33.4 (+3.8pts)
Net Income Attributable to Shareholders of Parent Company	11.4	36.1	37.3	25.6	+14.2	-11.7	86.5	+50.4
EBITDA*2	31.5	100.2	47.3	49.5	+18.0	+2.2	143.0	+42.8
1 US\$=	104 yen	111 yen	111 yen	110 yen	6 yen depreciation	1 yen appreciation	112 yen	1 yen depreciation
1 Euro=	116 yen	123 yen	122 yen	125 yen	9 yen depreciation	3 yen depreciation	123 yen	-

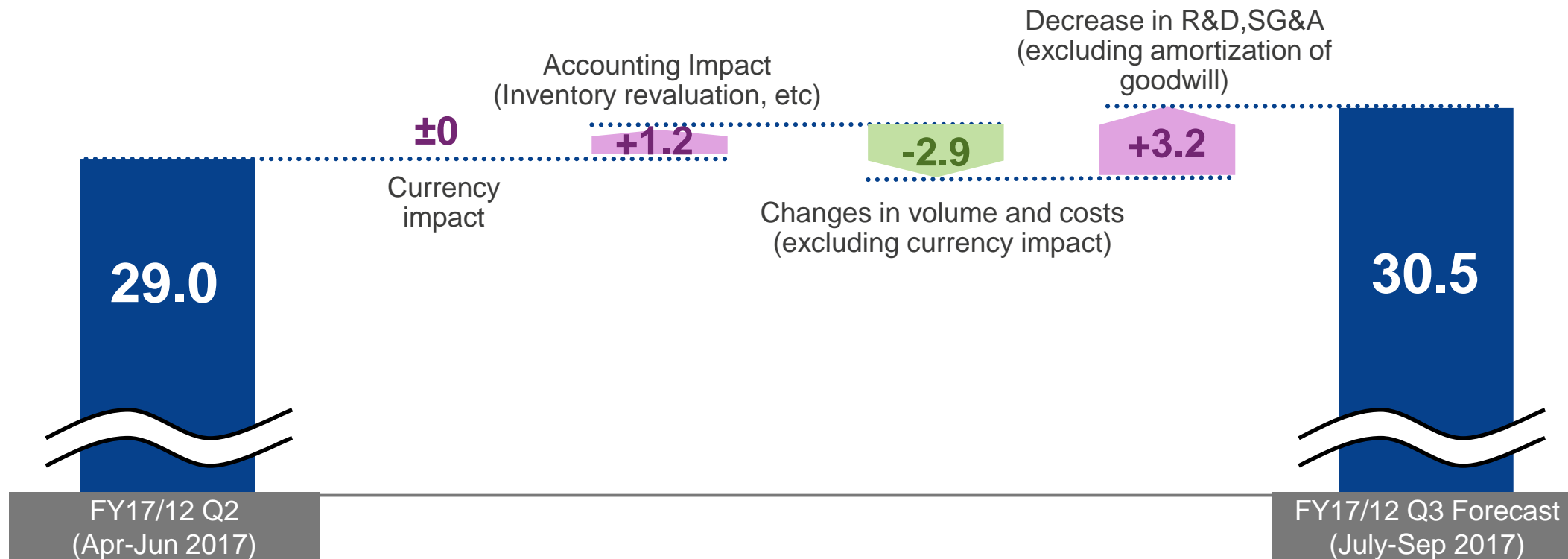
*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q3 is expected to be 0 yen in operating income.)

*2 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

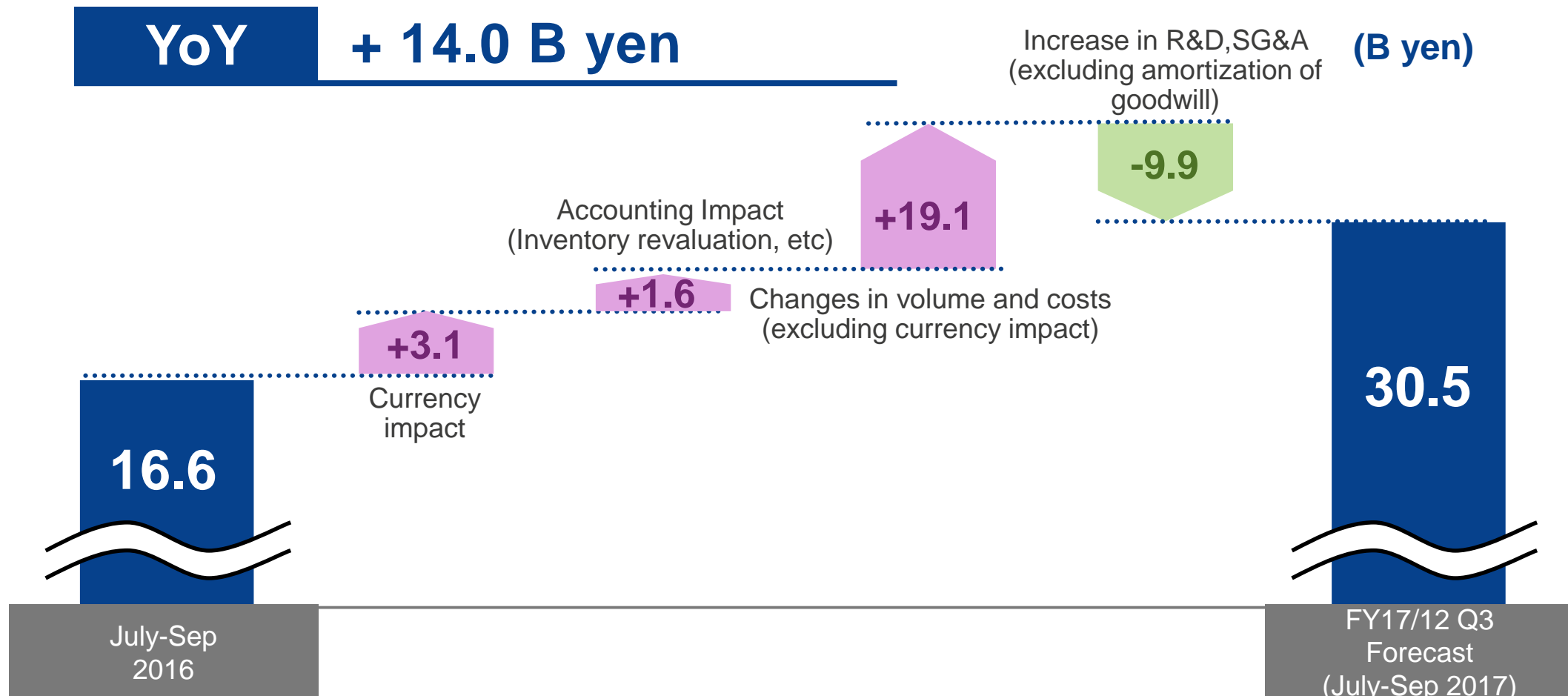
FY17/12 Q3 OPERATING INCOME FORECAST

QoQ + 1.5 B yen

(B yen)



FY17/12 Q3 OPERATING INCOME FORECAST



GAAP BASIS INFORMATION

The figures in this section are mainly based on GAAP (Generally Accepted Accounting Principles) stated on a financial reporting basis and are provided as additional information.

FORMER GAAP/NON-GAAP RECONCILIATION (UNTIL FY16/12)

(B Yen)	FY15/3				FY16/3				FY16/12		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Semiconductor Sales (GAAP) ①	201.2	199.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Renesas SP Drivers*1 ②	-17.6	-21.0	-	-	-	-	-	-	-	-	-
Semiconductor Sales (Non-GAAP*2) ①+②	183.6	178.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Gross Profit (GAAP) ①	80.5	81.6	78.6	78.1	79.8	85.5	71.8	68.5	65.1	62.9	74.7
Renesas SP Drivers ②	-6.0	-6.4	-	-	-	-	-	-	-	-	-
Inventory Buildup*3 ③	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Gross Profit (Non-GAAP) ①+②+③	71.9	73.5	76.9	76.7	79.4	83.2	69.5	70.6	67.4	64.9	75.9
Operating Income (GAAP) ①	27.0	23.5	29.5	24.4	32.4	30.7	25.0	15.7	18.6	14.6	21.6
Renesas SP Drivers ②	-3.9	-4.0	-	-	-	-	-	-	-	-	-
Inventory Buildup ④	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Operating Income (Non-GAAP) ①+②+③+④	20.5	17.9	27.8	23.0	32.0	28.4	22.7	17.8	20.9	16.6	22.8
R&D (Renesas SP Drivers)	1.8	1.9	-	-	-	-	-	-	-	-	-
SG&A (Renesas SP Drivers)	0.3	0.5	-	-	-	-	-	-	-	-	-

*1 Renesas SP Drivers: Sales and operating income (loss) of the former Renesas SP Drivers, which was transferred on October 1, 2014

*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 Q2 was 0 yen in operating income.)

*3 Inventory Buildup: Amount of income (loss) from inventory buildup of the EOL products resulting from realignment of the factories

REVISED GAAP/NON-GAAP RECONCILIATION (FROM FY17/12)

(B Yen)	FY16/12			FY17/12		
	Q1	Q2	Q3	Q1	Q2	Q3 (Forecast)
Net Sales	152.0	152.6	166.4	177.6	198.1	195.2
Gross Profit (GAAP)	65.1	62.9	74.7	80.8	90.5	88.8
Inventory Buildup*1	+2.3	+2.0	+1.2	-	-	-
Stock-Based Compensation (COGS)	-	-	-	+0	+0	+0
Gross Profit (Non-GAAP*2)	67.4	64.9	75.9	80.8	90.5	88.8
Non-GAAP Gross Margin (%)	44.3%	42.5%	45.6%	45.5%	45.7%	45.5%
Operating Income (GAAP)	18.6	14.6	21.6	25.5	18.8	20.7
Inventory Buildup	+2.3	+2.0	+1.2	-	-	-
Stock-Based Compensation (COGS)	-	-	-	+0	+0	+0
Amortization of Goodwill (SG&A)	-	-	-	+2.9	+8.7	+8.8
Costs Related to the Acquisition of Intersil (SG&A)	-	-	-	+0.5	+0.4	+0.1
Costs Related to the Acquisition of Intersil (R&D)	-	-	-	-	-	+0.1
Amortization of Purchased Intangible Assets (SG&A)	-	-	-	+0.1	+0.3	+0.2
Stock-Based Compensation (R&D)	-	-	-	+0	+0.3	+0.1
Stock-Based Compensation (SG&A)	-	-	-	+0.1	+0.4	+0.5
Costs Related to the Offering (SG&A)	-	-	-	-	+0.2	-
Operating Income (Non-GAAP)	20.9	16.6	22.8	29.1	29.0	30.5
Non-GAAP Operating Margin (%)	13.7%	10.8%	13.7%	16.4%	14.6%	15.6%

*1 Inventory Buildup: Amount of income (loss) from inventory buildup of the EOL products resulting from realignment of the factories

*1 Non-GAAP Basis: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering. (Reference: The impact of inventory buildup in FY2017 was 0 yen in operating income.)

FY17/12 Q2 FINANCIAL SNAPSHOT

YoY and QoQ results as well as the changes from May 12 FCT of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)							
	Apr-Jun	1H (Jan-Jun)	Jan-Mar (Q1)	Apr-Jun (Q2) Forecast	Apr-Jun (Q2) Actual	YoY	QoQ	Change from May 12 FCT	1H Actual	YoY
Net Sales	152.0	319.8	177.6	192.1	198.1	+30.4%	+11.5%	+3.2%	375.8	+17.5%
Semi Sales	147.5	310.7	172.6	188.7	194.3	+31.7%	+12.6%	+3.0%	366.9	+18.1%
Gross Margin	42.8%	41.8%	45.5%	43.9%	45.7%	+2.9pts	+0.2pts	+1.8pts	45.6%	+3.8pts
Operating Income (Margin)	18.6 (12.2%)	34.3 (10.7%)	25.5 (14.3%)	13.0 (6.8%)	18.8 (9.5%)	+0.2 (-2.7pts)	-6.7 (-4.9pts)	+5.8 (+2.7pts)	44.3 (11.8%)	+10.0 (+1.1pts)
Net Income Attributable to Shareholders of Parent Company	10.0	20.3	20.0	20.0	27.1	+17.1	+7.1	+7.0	47.0	+26.8
EBITDA* ¹	33.1	64.3	45.6	40.0	46.0	+12.9	+0.4	+6.0	91.6	+27.3
1 US\$=	111 yen	115 yen	114 yen	108 yen	111 yen	-	3 yen appreciation	3 yen depreciation	112 yen	2 yen appreciation
1 Euro=	124 yen	127 yen	121 yen	115 yen	122 yen	2 yen appreciation	1 yen depreciation	7 yen depreciation	122 yen	5 yen appreciation

*1 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

BALANCE SHEETS

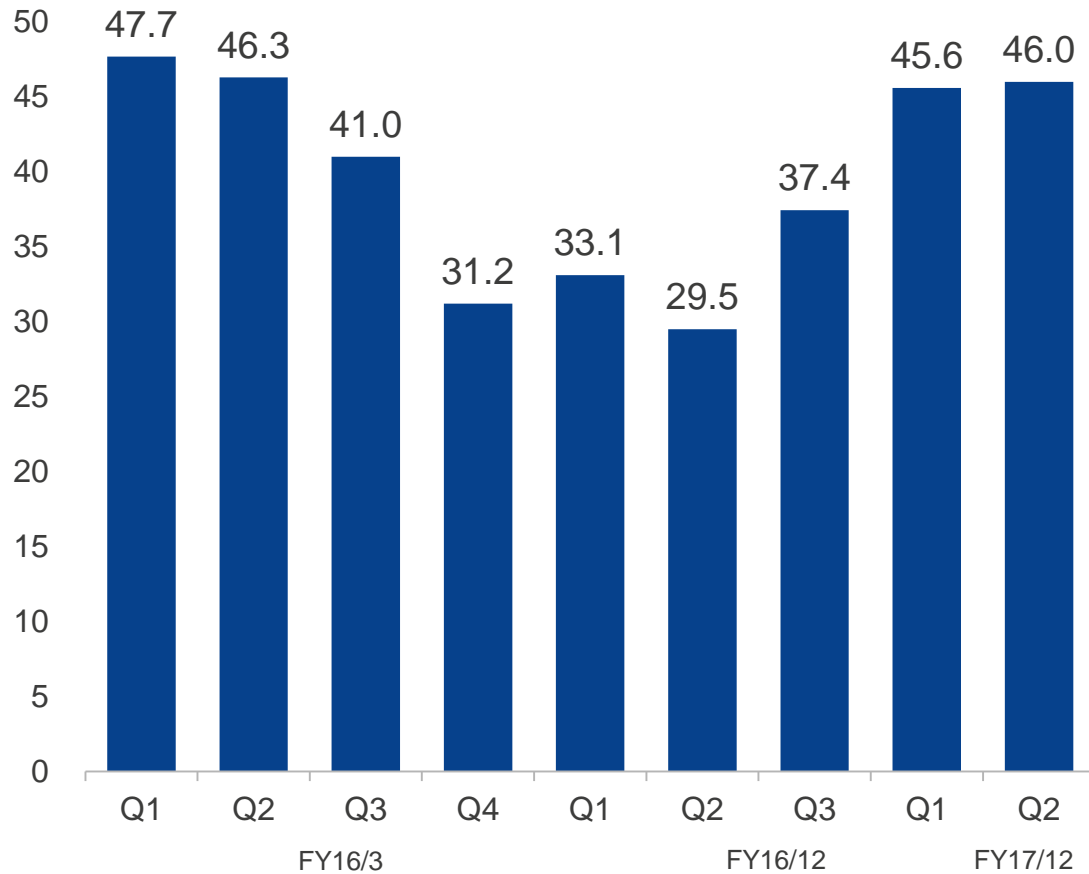
(B Yen)	As of Jun. 30, 2016	As of Sep. 30, 2016	As of Dec. 31, 2016	As of Mar. 31, 2017	As of Jun. 30, 2017
Total Assets	823.2	758.2	823.1	966.8	994.2
Cash and Cash Equivalents ^{*1}	397.3	326.2	354.3	101.0	126.6
Inventories	97.0	92.1	97.3	106.4	109.0
Liabilities	447.7	376.2	400.7	534.0	531.7
Interest-Bearing Debt ^{*2}	237.9	157.9	157.3	252.7	249.8
Shareholders' Equity ^{*3}	374.1	383.5	408.3	428.2	455.3
Net Assets	375.5	382.0	422.4	432.8	462.5
D/E Ratio (Gross) ^{*4}	0.64	0.42	0.37	0.59	0.54
D/E Ratio (Net) ^{*5}	-0.43	-0.44	-0.47	0.35	0.27
Equity Ratio	45.4%	50.1%	51.0%	44.5%	46.2%

Notes

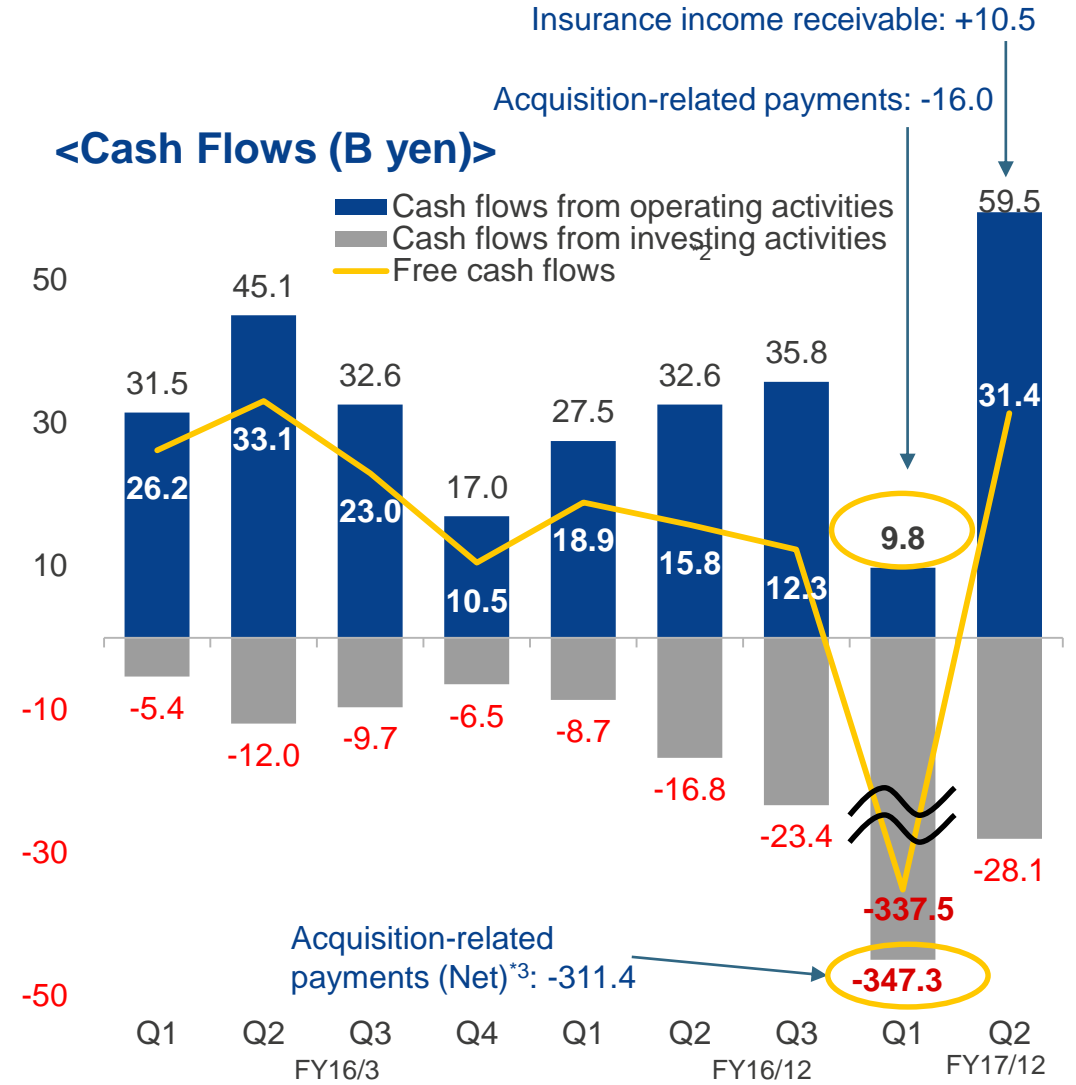
1. "Cash and Cash Equivalents": Sum of cash and deposits, and short-term investment securities minus the Time deposits with maturities of more than three months, and Securities with maturities of more than three months
2. "Interest-Bearing Debt": Short-term borrowings, Current portion of long-term borrowings, Lease obligations, Long-term borrowings
3. "Equity": Shareholders' Equity, Other Comprehensive Income 4. "D/E Ratio (Gross)": Interest-Bearing Debt / Equity 5. "D/E Ratio (Net)": (Interest-Bearing Debt - Cash and Cash Equivalents) / Equity

EBITDA*1 AND CASH FLOWS

<EBITDA (B yen)>



<Cash Flows (B yen)>



*1 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

*2 Free cash flows: Cash flows from operating activities + cash flows from investing activities

*3 Acquisition-related payments (Net): Sum of payments for purchase of Intersil shares and Intersil's cash and cash equivalents as of Feb 24, 2017

FY17/12 Q3 FINANCIAL FORECASTS

YoY and QoQ results of the Net Sales and Semiconductor Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)					
	July-Sep	9 months (Jan-Sep)	Q2 (Apr-Jun)	Q3 Forecast (July-Sep)	YoY	QoQ	9 months Forecast (Jan-Sep)	YoY
Net Sales	152.6	472.4	198.1	195.2	+27.9%	-1.5%	571.0	+20.9%
Semiconductor Sales	148.3	459.0	194.3	191.9	+29.4%	-1.2%	558.8	+21.7%
Gross Margin	41.2%	41.6%	45.7%	45.5%	+4.2pts	-0.2pts	45.5%	+3.9pts
Operating Income (Margin)	14.6 (9.5%)	48.8 (10.3%)	18.8 (9.5%)	20.7 (10.6%)	+6.2 (+1.1pts)	+2.0 (+1.1pts)	65.0 (11.4%)	+16.2 (+1.0pts)
Net Income Attributable to Shareholders of Parent Company	9.4	29.7	27.1	16.0	+6.5	-11.1	63.0	+33.3
EBITDA*1	29.5	93.8	46.0	48.8	+19.3	+2.8	140.4	+46.6
1 US\$=	104 yen	111 yen	111 yen	110 yen	6 yen depreciation	1 yen appreciation	112 yen	1 yen depreciation
1 Euro=	116 yen	123 yen	122 yen	125 yen	9 yen depreciation	3 yen depreciation	123 yen	-

*1 EBITDA: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

BIG IDEAS FOR EVERY SPACE

(FORWARD-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. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiative,” “intend,” “may,” “plan,” “potential,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information based on our current expectations, assumptions, estimates and projections about our business and industry, our future business strategies and the environment in which we will operate in the future. Known and unknown risks, uncertainties and other factors could cause our actual results, performance or achievements to differ materially from those contained or implied in any forward-looking statement, including, but 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.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither we nor our advisors or representatives are under an obligation to update, revise or affirm.