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**Renesas Electronics Reports Financial Results
 for the Second Quarter Ended September 30, 2011**

Tokyo, Japan, October 31, 2011 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the six months ended September 30, 2011.

Summary of Consolidated Financial Results

	Three months ended September 30, 2011		Six months ended September 30, 2011	
	Billion Yen	% of Net Sale	Billion Yen	% of Net Sale
Net sales	243.3	100.0	450.6	100.0
Sales from semiconductors	218.2		402.2	
Sales from others	25.2		48.4	
Operating income (loss)	(10.1)	(4.2)	(29.2)	(6.5)
Ordinary income (loss)	(13.1)	(5.4)	(33.3)	(7.4)
Net income (loss)	(8.8)	(3.6)	(42.0)	(9.3)
Capital expenditures	11.1		25.0	
Depreciation and others	27.9		55.6	
R&D expenses	46.4		93.4	
	Yen		Yen	
Exchange rate (USD)	79		81	
Exchange rate (Euro)	113		115	

	As of September 30, 2011	
	Billion Yen	
Total assets	917.7	
Net assets	237.9	
Equity Capital	230.2	
Equity ratio (%)	25.1	
Interest-bearing debt	265.6	

- Note 1: All figures are rounded to the nearest 100 million yen.
- Note 2: Consolidated financial results for the six months ended September 30, 2011 have not been reviewed by the auditors. The figures are subject to change based on subsequent events or the auditors' review. Renesas Electronics Corporation will promptly notify the correction by issuing a press release.
- Note 3: Capital expenditures refer to the amount of order placed for property, plant and equipment (manufacturing equipment).
- Note 4: Depreciation and others includes depreciation and amortization expenses and amortization of long-term prepaid expenses in quarterly consolidated statements of cash flows.

Consolidated Financial Results for the Second Quarter Ended September 30, 2011

English translation from the original Japanese-language document



October 31, 2011

Company name : **Renesas Electronics Corporation**
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section
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 Filing date of Shihanki Hokokusho (scheduled) : November 11, 2011

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2011

1.1 Consolidated operating results

(% of change from corresponding period of the previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2011	450,576	(23.3)	(29,203)	---	(33,335)	---	(42,011)	---
Six months ended September 30, 2010	587,468	---	729	---	(7,802)	---	(41,241)	---

Reference: Comprehensive income for the six months ended September 30, 2011: (53,148) million yen
 Comprehensive income for the six months ended September 30, 2010: (50,111) million yen

	Net income (loss) per share basic	Net income (loss) per share diluted
	Yen	Yen
Six months ended September 30, 2011	(100.72)	---
Six months ended September 30, 2010	(98.87)	---

1.2 Consolidated financial condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
September 30, 2011	917,723	237,868	25.1
March 31, 2011	1,145,048	291,058	24.8

Reference: Equity as of September 30, 2011: 230,203 million yen
 Equity as of March 31, 2011: 283,757 million yen

Note: Equity is equal to "Net assets" excluding "Share subscription rights" and "Minority interests"

2. Cash dividends

	Cash dividends per share				
	At the end of first quarter	At the end of second quarter	At the end of third quarter	At the end of year	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	---	0.00	---	0.00	0.00
Year ending March 31, 2012	---	0.00			
Year ending March 31, 2012 (forecast)			---	0.00	0.00

Note: Change in forecast of cash dividends since the most recently announced forecast: No

3. Forecast of consolidated results for the year ending March 31, 2012

(% of change from corresponding period of the previous year)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)		Net income (loss) per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen	%
Year ending March 31, 2012	968,000	(14.9)	(28,000)	--	(37,000)	--	(40,000)	--	(95.90)	--

Note: Change in forecast of consolidated results since the most recently announced forecast: Yes
Please refer to Appendix 1.3., "Consolidated Forecasts" on page 6.

4. Others

4.1 Changes in significant subsidiaries for the six months ended September 30, 2011

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

4.2 Adoption of special accounting policies for quarterly financial statements: Yes

(Note) For details, please refer to page 8.

4.3 Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior Period Errors

1. Changes in accounting policies with revision of accounting standard: No

2. Changes in accounting policies except for 4.3.1: No

3. Changes in accounting estimates: No

4. Corrections of prior period errors: No

4.4 Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)

As of September 30, 2011: 417,124,490 shares

As of March 31, 2011: 417,124,490 shares

2. Number of treasury stock

As of September 30, 2011: 2,548 shares

As of March 31, 2011: 2,548 shares

3. Average number of shares issued and outstanding

For the six months ended September 30, 2011: 417,121,942 shares

For the six months ended September 30, 2010: 417,121,942 shares

(Note) Information regarding the implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. These are under the review procedures for the quarterly financial report at the time of issuance of this report.

Cautionary Statement

The statements with respect to the financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to changes in several important factors.

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1. Second Quarter Consolidated Financial Results

1.1 Consolidated Operating Results

1.1.1 Summary of Consolidated Operating Results Six Months Ended September 30, 2011

	Six months ended September 30, 2010	Six months ended September 30, 2011	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	587.5	450.6	(136.9)	(23.3)
Sales from semiconductors	525.0	402.2	(122.8)	(23.4)
Sales from others	62.5	48.4	(14.2)	(22.6)
Operating income (loss)	0.7	(29.2)	(29.9)	-
Ordinary income (loss)	(7.8)	(33.3)	(25.5)	-
Net income (loss)	(41.2)	(42.0)	(0.8)	-
	Yen	Yen		
Exchange rate (USD)	90	81	-	-
Exchange rate (EUR)	116	115	-	-

[Net sales]

Consolidated net sales for the six months ended September 30, 2011 were 450.6 billion yen, a decrease by 23.3% year on year. One of the major reasons for this decrease is a production reduction due to a temporary suspension of operation at Renesas Electronics Group ("the Group") factories which were affected by the Great East Japan Earthquake ("the earthquake"). Also, weak market demand along with global economy downturn, and moreover, stronger yen compared to the six months ended September 30, 2010 decreased the amount of net sales. Sales from semiconductors for the six months ended September 30, 2011 were 402.2 billion yen, a decrease by 23.4% year on year.

[Operating income (loss)]

Operating loss for the six months ended September 30, 2011 was 29.2 billion yen, a decrease by 29.9 billion yen year on year. This drop is mainly owing to a decrease in sales despite of holding down selling, general and administrative expenses by streamlining R&D operations.

[Ordinary income (loss)]

Ordinary loss for the six months ended September 30, 2011 was 33.3 billion yen, due to 4.1 billion yen non-operating loss after recording 5.5 billion yen non-operating expenses including interest expenses.

[Net income (loss)]

Net loss for the six months ended September 30, 2011 was 42.0 billion yen. This was mainly due to recording 17.6 billion yen special losses including a loss on disaster.

**1.1.2 Summary of Consolidated Operating Results
Three Months Ended September 30, 2011**

	Three months ended September 30, 2010	Three months ended September 30, 2011	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	295.4	243.3	(52.1)	(17.6)
Sales from semiconductors	263.5	218.2	(45.3)	(17.2)
Sales from others	31.9	25.2	(6.8)	(21.2)
Operating income (loss)	1.1	(10.1)	(11.2)	-
Ordinary income (loss)	(4.3)	(13.1)	(8.8)	-
Net income (loss)	(8.2)	(8.8)	(0.6)	-
	Yen	Yen		
Exchange rate (USD)	88	79	-	-
Exchange rate (EUR)	111	113	-	-

During the three months ended September 30, 2011 the outlook of world economy increased uncertainty due to worsening fiscal and financial risks in Europe, downgrade rating of U.S. treasury bonds, continuously high unemployment rate, and in addition, signs of deceleration observed in emerging countries, especially in Asian countries, whose economy contributed to global economic growth so far. Also for Japanese economy, though it turned into recovery phase along with the restoration from the earthquake, the recovery speed slowed down moderately for the last half of the three months ended September 30, 2011, due to the stagnant global economy and the continuous trend of strong yen.

As for the semiconductor market in which the Group operates amid these economic conditions, demand recovery was seen in Japanese market mainly due to the production restoration from the earthquake. However, semiconductor demand toward Christmas business is sluggish and also demand in emerging market which has driven the market is showing a weak trend for the last half of the three months ended September 30, 2011 due to the uncertain economic outlook.

[Net sales]

Consolidated net sales for the three months ended September 30, 2011 were 243.3 billion yen, a decrease by 17.6% year on year. This decrease was mainly caused by production reduction of the Group after the earthquake and a weak demand compared to the three months ended September 30, 2010 along with downturn in overall electronic market demand influenced by the stagnant global economy, and moreover, the stronger yen against U.S. dollars.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended September 30, 2011 were 218.2 billion yen, 17.2% decrease year on year.

The business segment of the Group comprises three product groups; "MCUs", "Analog & Power Devices" and "SoC (System on Chip) solutions", and "the other semiconductors" that fit to neither of above three product categories. Sales of respective product groups are as follows:

MCUs: 87.5 billion yen

MCUs mainly include microcontrollers for automotive, industrial systems, microcontrollers used in digital home appliances, white goods, and consumer electronics including game consoles, and microcontrollers for PC and PC peripherals such as hard disc drives.

Sales of MCUs for the three months ended September 30, 2011 were 87.5 billion yen, 8.8% decrease year on year. This drop was mainly due to a decline in sales of microcontrollers for PC and PC peripherals, and consumer electronics.

Analog and Power Devices: 67.2 billion yen

Analog and power devices consist mainly of power MOSFETs, mixed signal ICs, IGBTs (Insulated Gate Bipolar Transistors), diodes, small signal transistors, display driver ICs, compound semiconductor devices such as optical and microwave devices, employed in automobiles, industrial systems, PC and PC peripherals and consumer electronics.

Sales of analog and power devices for the three months ended September 30, 2011 were 67.2 billion yen, 19.5% decrease year on year, owing to a decrease in the sales of display driver ICs for PC/LCD TVs, analog IC and discrete for consumer electronics.

SoC solutions: 63.2 billion yen

SoC solutions mainly include semiconductors for mobile handsets, ICs for network equipment, semiconductors for industrial systems, semiconductors for PC and PC peripherals including hard disc drives and USB devices, semiconductors for consumer electronics such as digital home appliances and game consoles, and semiconductors used in automobiles including car navigation systems.

Sales of SoC solutions for the three months ended September 30, 2011 were 63.2 billion yen, 24.0% decrease year on year. This decrease was mainly due to a decline in the semiconductor sales for consumer electronics and mobile handsets.

Other Semiconductors: 0.3 billion yen

Sales of other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended September 30, 2011 were 0.3 billion yen, 62.3% decrease year on year.

[Sales from others]

Sales from others for the three months ended September 30, 2011 were 25.2 billion yen, 21.2% decrease year on year.

Sales from others include non-semiconductor products sold on a resale basis by the Group's sales subsidiaries and development and production by commissioning conducted at the Group's design and manufacturing subsidiaries.

[Operating income (loss)]

Operating loss for the three months ended September 30, 2011 was 10.1 billion, 11.2 billion yen worse year on year, mainly owing to a decrease in sales despite of holding down selling, general and administrative expenses by streamlining R&D operations.

[Ordinary income (loss)]

Ordinary loss for the three months ended September 30, 2011 was 13.1 billion yen, due to 3.0 billion yen non-operating loss after recording 3.6 billion yen non-operating expenses including interest expenses.

[Net income (loss)]

Net loss for the three months ended September 30, 2011 was 8.8 billion yen. Though 5.7 billion yen special losses for items including impairment loss and business structure improvement expenses were recorded, those were more than offset by 11.6 billion yen special income including special income for reversal of provision for loss on disaster, and thus the Group recorded 5.8 billion yen profit as a net of special income and losses.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	June 30, 2011	September 30, 2011	Increase (Decrease)
	Billion yen	Billion yen	Billion yen
Total assets	937.4	917.7	(19.7)
Net assets	255.8	237.9	(17.9)
Equity	248.1	230.2	(17.9)
Equity ratio (%)	26.5	25.1	(1.4)
Interest-bearing debt	266.5	265.6	(0.9)
Debt / Equity ratio	1.07	1.15	0.08

Total assets at September 30, 2011 were 917.7 billion yen, 19.7 billion yen decrease from June 30, 2011, mainly due to the decrease in cash and cash equivalents as well as property, plant and equipment. Net assets were 237.9 billion yen, 17.9 billion yen decrease from June 30, 2011. This was because foreign currency translation adjustments declined due to strong yen in addition to posting quarterly net loss for the three months ended September 30, 2011.

Equity decreased by 17.9 billion yen from June 30, 2011 and equity ratio was 25.1%. Interest-bearing debt decreased by 0.9 billion yen from June 30, 2011. Consequently, debt to equity ratio was 1.15 times, 0.08 up from June 30, 2011.

1.2.2 Cash Flows

	Three Months ended September 30, 2010	Three Months ended September 30, 2011
	Billion yen	Billion yen
Net cash provided by (used in) operating activities	35.0	8.0
Net cash provided by (used in) investing activities	(18.4)	(17.8)
Free cash flows	16.6	(9.7)
Net cash provided by (used in) financing activities	(2.4)	(3.2)
Cash and cash equivalents at the beginning of period	318.6	177.0
Cash and cash equivalents at the end of period	331.8	158.3

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities for the three months ended September 30, 2011 was 8.0 billion yen, mainly owing to recording 25.0 billion yen depreciation and amortization plus 10.0 billion yen proceeds from insurance income, even though an increase in the amount of accounts receivable-trade associated with growth in sales and quarterly net loss before income taxes were recorded.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities for the three months ended September 30, 2011 was 17.8 billion yen, mainly arising from the purchase of property, plant and equipment in the amount of 15.8 billion yen.

The foregoing resulted in negative free cash flows of 9.7 billion yen for the three months ended September 30, 2011.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities for the three months ended September 30, 2011 was 3.2 billion yen.

Consequently, cash and cash equivalents decreased by 18.7 billion yen and its balance at the end of the period were 158.3 billion yen.

1.3 Consolidated Forecasts

As for the forecasts for the fiscal year ending March 31, 2012: net sales are expected to be 968.0 billion yen, 51.0 billion yen down from the previous forecast (announced on August 2, 2011); sales from semiconductors are expected to be 871.0 billion yen, 37.0 billion yen down from the previous forecast. Operating loss is expected to be 28.0 billion yen, ordinary loss is expected to be 37.0 billion yen and net loss is expected to be 40.0 billion yen. Forecasts of all of the income (loss) remain unchanged from the previous forecasts.

Owing to global economy slowdown and trend of yen appreciation, sales from semiconductors which is Group's core business, are expected to be lower than previous forecast for the fiscal year ending March 31, 2012. However, the Group expects approximately 17% growth in its sales from the first half to the second half of the fiscal year ending March 31, 2012. This is because the production and supply capabilities of the Group will be recovered to pre-earthquake level, as well as market demand is expected to increase along with a turnaround from the production adjustment phase during the first half of the fiscal year ending March 31, 2012.

As for the forecasts of the sales from three respective product areas; MCUs, analog and power devices and SoC solutions; in the second half of the fiscal year ending March 31, 2012 are as follows.

Sales of MCUs are expected to increase by mid 20% from the first half of the fiscal year ending March 31, 2012. The Group foresees demand increase mainly in MCUs for automobile associated with recovery from production adjustment.

Sales of analog and power devices are expected to increase by 10-14% from the first half of the fiscal year ending March 31, 2012. The Group foresees growth in demand for power devices and analog ICs for automobile as same as MCUs.

Sales of SoCs are expected to increase by 10-14% from the first half of the fiscal year ending March 31, 2012. Although the Group foresees weak demand for PC and PC peripherals and consumer electronics due to worsen market conditions, demand for automobile sector including car navigation system is expected to grow.

Forecast for operating income (loss) for the fiscal year ending March 31, 2012 remained unchanged from the previous forecasts despite of lower profit expected from decrease in semiconductor sales compared to previous forecasts. This is because, targeting to achieve an operating profit for the second half of the fiscal year ending March 31, 2012, the Group will consistently focus on improvement of profitability by enacting structural reforms and realizing integration synergies as well as conducting cost reduction measures such as restraining capital investment, streamlining R&D costs, and lowering labor costs.

As well as operating income (loss), ordinary income (loss) and net income (loss) for the fiscal year

ending March 31, 2012 remained unchanged from the previous forecasts.

The consolidated financial forecasts for the fiscal year ending March 31, 2012 are based on the rate of 78 yen (changed from 82 yen as of previous forecasts) per USD and 105 yen (changed from 110 yen as of previous forecasts) per Euro.

(For the year ending March 31, 2012)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous forecasts (August 2, 2011)	1,019,000	908,000	(28,000)	(37,000)	(40,000)
Revised forecasts (October 31, 2011)	968,000	871,000	(28,000)	(37,000)	(40,000)
Increase (decrease)	(51,000)	(37,000)	---	---	---
Percent change	(5.0)	(4.1)	---	---	---
Reference : Results for the year ended March 31, 2011	1,137,898	1,018,865	14,524	1,033	(115,023)

The statements with respect to the financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may vary materially from such forward-looking statements due to several important factors.

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

None

2.2 Adoption of Special Accounting Methods for Quarterly Consolidated Financial Statements

(Calculation of tax expenses)

Tax expenses are calculated by multiplying income before income taxes for the second quarter of the fiscal year ending March 31, 2012 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including this second quarter, while applying tax effect accounting.

2.3 Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior Period Errors

None

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2011)	Current Second Quarter (As of September 30, 2011)
Assets		
Current assets		
Cash and deposits	170,691	117,159
Notes and accounts receivable-trade	137,346	119,219
Short-term investment securities	166,998	41,468
Merchandise and finished goods	45,800	48,434
Work in process	61,193	74,385
Raw materials and supplies	16,378	15,774
Accounts receivable-other	37,966	19,914
Other	5,528	11,849
Allowance for doubtful accounts	(237)	(217)
Total current assets	641,663	447,985
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	119,608	115,234
Machinery and equipment, net	135,706	120,840
Vehicles, tools, furniture and fixtures, net	34,152	33,319
Land	35,887	35,126
Construction in progress	20,947	16,216
Total property, plant and equipment	346,300	320,735
Intangible assets		
Goodwill	2,485	2,357
Software	28,742	29,913
Other	52,003	48,352
Total intangible assets	83,230	80,622
Investments and other assets		
Investment securities	10,635	8,638
Long-term prepaid expenses	43,096	40,977
Other	20,124	18,766
Total investments and other assets	73,855	68,381
Total long-term assets	503,385	469,738
Total assets	1,145,048	917,723

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2011)	Current Second Quarter (As of September 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	144,944	168,344
Current portion of bonds with share subscription rights	110,000	—
Short-term borrowings	143,467	151,766
Current portion of long-term borrowings	44,321	44,706
Current portion of lease obligations	8,176	8,012
Accounts payable-other	78,250	46,616
Accrued expenses	55,538	48,715
Accrued income taxes	3,962	4,840
Provision for product warranties	590	453
Provision for loss on guarantees	456	403
Provision for business structure improvement	2,239	3,035
Provision for contingent loss	399	668
Provision for loss on disaster	46,042	8,223
Asset retirement obligations	404	27
Other	6,474	4,712
Total current liabilities	645,262	490,520
Long-term liabilities		
Long-term borrowings	58,192	50,525
Lease obligations	14,073	10,627
Accrued retirement benefits	84,831	83,668
Provision for contingent loss	1,163	1,060
Asset retirement obligations	5,426	5,478
Other	45,043	37,977
Total long-term liabilities	208,728	189,335
Total liabilities	853,990	679,855
Net assets		
Shareholders' equity		
Common stock	153,255	153,255
Capital surplus	450,413	450,413
Retained earnings	(297,634)	(339,645)
Treasury stock	(11)	(11)
Total shareholders' equity	306,023	264,012
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	(259)	(292)
Foreign currency translation adjustments	(22,007)	(33,517)
Total accumulated other comprehensive income	(22,266)	(33,809)
Share subscription rights	48	26
Minority interests	7,253	7,639
Total net assets	291,058	237,868
Total liabilities and net assets	1,145,048	917,723

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(The six-month period ended September 30, 2010 and 2011)

(In millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net sales	587,468	450,576
Cost of sales	389,096	309,800
Gross profit	198,372	140,776
Selling, general and administrative expenses	197,643	169,979
Operating income (loss)	729	(29,203)
Non-operating income		
Interest income	288	373
Dividends income	32	28
Equity in earnings of affiliates	126	87
Foreign exchange gains	—	100
Other	1,084	793
Total non-operating income	1,530	1,381
Non-operating expenses		
Interest expenses	1,907	2,018
Foreign exchange losses	4,056	—
Loss on disposal of long-term assets	1,323	1,050
Retirement benefit expenses	1,191	1,191
Other	1,584	1,254
Total non-operating expenses	10,061	5,513
Ordinary income (loss)	(7,802)	(33,335)
Special income		
Gain on sales of property, plant and equipment	527	287
Gain on negative goodwill	2,159	—
Reversal of provision for contingent loss	1,774	—
Gain on transfer of business	1,192	123
Gain on sales of investment securities	155	9
Reversal of provision for loss on disaster	—	11,145
Gain on liquidation of subsidiaries and affiliates	—	343
Gain on sales of subsidiaries and affiliates' stocks	—	11
Total special income	5,807	11,918
Special loss		
Loss on sales of property, plant and equipment	158	24
Impairment loss	35,344	2,392
Loss on disaster	—	12,725
Business structure improvement expenses	530	1,804
Effect of adoption of accounting standard for asset retirement obligations	1,488	—
Loss on valuation of investment securities	119	663
Loss on sales of investment securities	—	17
Loss on liquidation of subsidiaries and affiliates	—	3
Total special losses	37,639	17,628
Income (loss) before income taxes and minority interests	(39,634)	(39,045)
Income taxes	589	2,421
Income (loss) before minority interests	(40,223)	(41,466)
Minority interests in income (loss) of consolidated subsidiaries	1,018	545
Net income (loss)	(41,241)	(42,011)

Quarterly Consolidated Statements of Comprehensive Income
(The six-month period ended September 30, 2010 and 2011)

(In millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Income (loss) before minority interests	(40,223)	(41,466)
Other comprehensive income		
Unrealized gains (losses) on securities	(464)	(20)
Foreign currency translation adjustments	(9,393)	(11,657)
Share of other comprehensive income of affiliates accounted for by the equity method	(31)	(5)
Total other comprehensive income	(9,888)	(11,682)
Comprehensive income	(50,111)	(53,148)
Comprehensive income attributable to		
shareholders of parent company	(50,922)	(53,554)
minority interests	811	406

Quarterly Consolidated Statements of Operations

(The three-month period ended September 30, 2010 and 2011)

(In millions of yen)

	Three months ended September 30, 2010	Three months ended September 30, 2011
Net sales	295,433	243,342
Cost of sales	194,052	167,750
Gross profit	101,381	75,592
Selling, general and administrative expenses	100,313	85,696
Operating income (loss)	1,068	(10,104)
Non-operating income		
Interest income	131	206
Dividends income	8	10
Equity in earnings of affiliates	53	31
Other	621	358
Total non-operating income	813	605
Non-operating expenses		
Interest expenses	950	1,021
Foreign exchange losses	2,713	242
Loss on disposal of long-term assets	1,030	865
Retirement benefit expenses	596	596
Other	867	843
Total non-operating expenses	6,156	3,567
Ordinary income (loss)	(4,275)	(13,066)
Special income		
Gain on sales of property, plant and equipment	368	61
Gain on sales of investment securities	21	1
Reversal of provision for loss on disaster	—	11,145
Gain on liquidation of subsidiaries and affiliates	—	343
Gain on sales of subsidiaries and affiliates' stocks	—	11
Total special income	389	11,561
Special loss		
Loss on sales of property, plant and equipment	152	13
Impairment loss	2,202	2,384
Loss on disaster	—	868
Business structure improvement expenses	488	1,804
Loss on valuation of investment securities	119	657
Loss on sales of investment securities	—	17
Loss on liquidation of subsidiaries and affiliates	—	3
Total special losses	2,961	5,746
Income (loss) before income taxes and minority interests	(6,847)	(7,251)
Income taxes	789	1,297
Income (loss) before minority interests	(7,636)	(8,548)
Minority interests in income (loss) of consolidated subsidiaries	539	245
Net income (loss)	(8,175)	(8,793)

Quarterly Consolidated Statements of Comprehensive Income
(The three-month period ended September 30, 2010 and 2011)

(In millions of yen)

	Three months ended September 30, 2010	Three months ended September 30, 2011
Income (loss) before minority interests	(7,636)	(8,548)
Other comprehensive income		
Unrealized gains (losses) on securities	(117)	163
Foreign currency translation adjustments	(2,146)	(9,529)
Share of other comprehensive income of affiliates accounted for by the equity method	(25)	4
Total other comprehensive income	(2,288)	(9,362)
Comprehensive income	(9,924)	(17,910)
Comprehensive income attributable to		
shareholders of parent company	(10,276)	(17,929)
minority interests	352	19

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(39,634)	(39,045)
Depreciation and amortization	54,015	49,967
Amortization of long-term prepaid expenses	5,790	5,638
Impairment loss	35,344	2,392
Gain on negative goodwill	(2,159)	—
Increase (decrease) in accrued retirement benefits	(338)	(787)
Increase (decrease) in provision for business structure improvement	269	1,262
Increase (decrease) in provision for contingent loss	(1,790)	300
Increase (decrease) in provision for loss on disaster	—	(33,542)
Interest and dividends income	(320)	(401)
Interest expenses	1,907	2,018
Equity in (earnings) losses of affiliates	(126)	(87)
Loss (gain) on sales and valuation of investment securities	(36)	671
Loss (gain) on liquidation of subsidiaries and affiliates	—	(340)
Loss (gain) on sales of subsidiaries and affiliates' stocks	—	(11)
Loss (gain) on sales of property, plant and equipment	(369)	(263)
Loss on disposal of long-term assets	1,323	1,050
Loss (gain) on transfer of business	(1,192)	(123)
Effect of adoption of accounting standard for asset retirement obligations	1,488	—
Decrease (increase) in notes and accounts receivable-trade	(4,001)	11,274
Decrease (increase) in inventories	(13,882)	(20,293)
Decrease (increase) in accounts receivable-other	(2,009)	1,247
Increase (decrease) in notes and accounts payable-trade	(1,618)	24,700
Increase (decrease) in accounts payable-other and accrued expenses	7,870	(11,684)
Other, net	1,548	(3,971)
Subtotal	42,080	(10,028)
Interest and dividends received	355	458
Proceeds from insurance income	—	16,000
Interest paid	(1,917)	(1,953)
Income taxes paid	(3,509)	(144)
Payments for extra retirement benefits	(145)	(20,575)
Payments for loss on litigation and others	(3,890)	—
Payments for loss on disaster	—	(4,884)
Net cash provided by (used in) operating activities	32,974	(21,126)

(In millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	17	—
Purchase of property, plant and equipment	(34,541)	(45,927)
Proceeds from sales of property, plant and equipment	1,300	18,421
Purchase of intangible assets	(1,829)	(6,665)
Purchase of long-term prepaid expenses	(1,100)	(2,150)
Purchase of investment securities	(199)	(475)
Proceeds from sales of investment securities	169	309
Proceeds from sales of subsidiaries and affiliates' stocks	—	173
Proceeds from liquidation of subsidiaries and affiliates	—	939
Proceeds from transfer of business	3,285	2,538
Other, net	109	249
Net cash provided by (used in) investing activities	(32,789)	(32,588)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	18,341	8,450
Proceeds from long-term borrowings	11,500	2,932
Repayment of long-term borrowings	(23,760)	(10,200)
Redemption of bonds with share subscription rights	—	(110,000)
Proceeds from issuance of common stock	134,600	—
Repayments of finance lease obligations	(3,891)	(4,109)
Repayments of installment payables	(2,454)	(5,294)
Other, net	(357)	—
Net cash provided by (used in) financing activities	133,979	(118,221)
Effect of exchange rate change on cash and cash equivalents	(5,463)	(7,083)
Net increase (decrease) in cash and cash equivalents	128,701	(179,018)
Cash and cash equivalents at the beginning of the period	91,234	337,289
Increase in cash and cash equivalents resulting from merger	111,892	—
Cash and cash equivalents at the end of the period	331,827	158,271

3.4 Notes on Assumption for Going Concern

None

3.5 Notes on Significant Changes in the Amount of Shareholders' Equity

None

Forward-Looking Statements

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to several important factors 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, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

About Renesas Electronics Corporation

Renesas Electronics Corporation (TSE: 6723), the world’s number one supplier of microcontrollers, is a premiere supplier of advanced semiconductor solutions including microcontrollers, SoC solutions and a broad-range of analog and power devices. Business operations began as Renesas Electronics Corporation in April 2010 through the integration of NEC Electronics Corporation (TSE:6723) and Renesas Technology Corp., with operations spanning research, development, design and manufacturing for a wide range of applications. Headquartered in Japan, Renesas Electronics Corporation has subsidiaries in 20 countries worldwide. More information can be found at www.renesas.com.

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