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**Renesas Electronics Reports Financial Results  
 for the Second Quarter Ended September 30, 2012**

**Tokyo, Japan, October 29, 2012** — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the six months ended September 30, 2012.

**Summary of Consolidated Financial Results**

	<b>Three months ended September 30, 2012</b>		<b>Six months ended September 30, 2012</b>	
	Billion Yen	% of Net Sale	Billion Yen	% of Net Sale
Net sales	222.8	100.0	409.4	100.0
Sales from semiconductors	205.3		373.6	
Sales from others	17.4		35.8	
Operating income (loss)	(5.7)	(2.6)	(23.3)	(5.7)
Ordinary income (loss)	(6.8)	(3.1)	(24.4)	(6.0)
Net income (loss)	(94.3)	(42.3)	(115.1)	(28.1)
Capital expenditures	2.8		7.9	
Depreciation and others	26.2		52.7	
R&D expenses	35.1		76.2	
	Yen		Yen	
Exchange rate (USD)	79		80	
Exchange rate (Euro)	98		102	

	<b>As of September 30, 2012</b>
	Billion Yen
Total assets	748.3
Net assets	106.8
Equity Capital	97.3
Equity ratio (%)	13.0
Interest-bearing debt	239.3

Note 1: All figures are rounded to the nearest 100 million yen.

Note 2: Consolidated financial results for the six months ended September 30, 2012 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 of intangible assets and amortization of long-term prepaid expenses in quarterly consolidated statements of cash flows.



# Consolidated Financial Results for the Second Quarter Ended September 30, 2012

English translation from the original Japanese-language document

October 29, 2012

Company name : **Renesas Electronics Corporation**  
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section  
 Code number : 6723  
 URL : <http://www.renesas.com>  
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 Filing date of Shihanki Hokokusho (scheduled) : November 9, 2012

(Amounts are rounded to the nearest million yen)

## 1. Consolidated financial results for the six months ended September 30, 2012

### 1.1 Consolidated financial 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, 2012	409,384	(9.1)	(23,310)	---	(24,443)	---	(115,081)	---
Six months ended September 30, 2011	450,576	(23.3)	(29,203)	---	(33,335)	---	(42,011)	---

Reference: Comprehensive income for the six months ended September 30, 2012: (119,647) million yen  
 Comprehensive income for the six months ended September 30, 2011: (53,148) million yen

	Net income (loss) per share basic	Net income (loss) per share diluted
	Yen	Yen
Six months ended September 30, 2012	(275.89)	---
Six months ended September 30, 2011	(100.72)	---

### 1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
September 30, 2012	748,251	106,820	13.0
March 31, 2012	858,204	226,500	25.4

Reference: Equity as of September 30, 2012: 97,300 million yen  
 Equity as of March 31, 2012: 217,958 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, 2012	---	0.00	---	0.00	0.00
Year ending March 31, 2013	---	0.00			
Year ending March 31, 2013 (forecast)			---	0.00	0.00

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

## 3. Forecast of consolidated financial results for the year ending March 31, 2013

(% 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, 2013	868,000	(1.7)	21,000	--	10,000	--	(150,000)	--	(359.61)	--

Note: Change in forecast of consolidated financial results since the most recently announced forecast: No  
For details, please refer to page 6.

## 4. Others

### 4.1 Changes in significant subsidiaries for the six months ended September 30, 2012

(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 7.

### 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, 2012: 417,124,490 shares

As of March 31, 2012: 417,124,490 shares

#### 2. Number of treasury stock

As of September 30, 2012: 2,548 shares

As of March 31, 2012: 2,548 shares

#### 3. Average number of shares issued and outstanding

For the six months ended September 30, 2012: 417,121,942 shares

For the six months ended September 30, 2011: 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 for the Six Months Ended September 30, 2012

	Six months ended September 30, 2011	Six months ended September 30, 2012	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	450.6	409.4	(41.2)	(9.1)
Sales from semiconductors	402.2	373.6	(28.7)	(7.1)
Sales from others	48.4	35.8	(12.5)	(25.9)
Operating income (loss)	(29.2)	(23.3)	5.9	-
Ordinary income (loss)	(33.3)	(24.4)	8.9	-
Net income (loss)	(42.0)	(115.1)	(73.1)	-
	Yen	Yen		
Exchange rate (USD)	81	80	-	-
Exchange rate (EUR)	115	102	-	-

#### [Net sales]

Consolidated net sales for the six months ended September 30, 2012 were 409.4 billion yen, a decrease by 9.1% year on year. This decrease was mainly caused by a weak demand influenced by continued market slowdown centering on Europe and China along with the stronger Yen against Euro compared to the six months ended September 30, 2011. Sales from semiconductors for the six month ended September 30, 2012 were 373.6 billion yen, a decrease by 7.1% year on year.

#### [Operating income (loss)]

Operating loss for the six months ended September 30, 2012 was 23.3 billion yen, 5.9 billion yen improvement year on year, mainly owing to holding down selling, general and administrative expenses by streamlining R&D operations despite of a decrease in sales.

#### [Ordinary income (loss)]

Ordinary loss for the six months ended September 30, 2012 was 24.4 billion yen, due to recording 5.6 billion yen for non-operating expenses including interest expenses despite of recording 4.4 billion yen for non-operating income including insurance income.

#### [Net income (loss)]

Net loss for the six months ended September 30, 2012 was 115.1 billion yen. This was mainly due to recording 90.6 billion yen special losses centering on business structure improvement expenses.

### 1.1.2 Summary of Consolidated Operating Results for the Three Months Ended September 30, 2012

	Three months ended September 30, 2011	Three months ended September 30, 2012	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	243.3	222.8	(20.6)	(8.5)
Sales from semiconductors	218.2	205.3	(12.8)	(5.9)
Sales from others	25.2	17.4	(7.7)	(30.7)
Operating income (loss)	(10.1)	(5.7)	4.4	-
Ordinary income (loss)	(13.1)	(6.8)	6.2	-
Net income (loss)	(8.8)	(94.3)	(85.5)	-
	Yen	Yen		
Exchange rate (USD)	79	79	-	-
Exchange rate (EUR)	113	98	-	-

#### [Net sales]

Consolidated net sales for the three months ended September 30, 2012 were 222.8 billion yen, a decrease by 8.5% year on year. This decrease was mainly caused by a weak demand influenced by continued market slowdown centering on Europe and China.

#### [Sales from Semiconductors]

Sales from semiconductors for the three months ended September 30, 2012 were 205.3 billion yen, 5.9% decrease year on year.

The main business 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: 80.9 billion yen

MCUs mainly include automotive microcontrollers, microcontrollers for 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, 2012 were 80.9 billion yen, 7.5% decrease year on year. This drop was mainly due to a decline in sales of microcontrollers for industrial systems and PC peripherals.

#### Analog & Power Devices: 68.1 billion yen

Analog & 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 & Power Devices for the three months ended September 30, 2012 were 68.1 billion yen, 1.3% increase year on year, mainly owing to an increase in sales of automotive power devices and display driver ICs for small and mid-sized panels, despite a sales decrease in display driver ICs for PC/LCD TVs, and analog IC and discrete for consumer electronics.

SoC solutions: 55.0 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, 2012 were 55.0 billion yen, 13.0% decrease year on year. This decrease was mainly due to a decline in the semiconductor sales for PC peripherals and mobile handsets.

Other semiconductors: 1.3 billion yen

Sales of other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended September 30, 2012 were 1.3 billion yen, 314.9% increase year on year.

[Sales from others]

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.

Sales from others for the three months ended September 30, 2012 were 17.4 billion yen, 30.7% decrease year on year.

[Operating income (loss)]

Operating loss for the three months ended September 30, 2012 was 5.7 billion yen, 4.4 billion yen improvement year on year, mainly owing to holding down selling, general and administrative expenses despite of a sales decrease.

[Ordinary income (loss)]

Ordinary loss for the three months ended September 30, 2012 was 6.8 billion yen, due to recording 3.3 billion yen for non-operating expenses including interest expenses despite of recording 2.1 billion yen for non-operating income including insurance income.

[Net income (loss)]

Net loss for the three months ended September 30, 2012 was 94.3 billion yen. This was mainly due to recording 86.9 billion yen special losses centering on business structure improvement expenses.

## 1.2 Consolidated Financial Condition

### 1.2.1 Total Assets, Liabilities and Net assets

	June 30, 2012	September 30, 2012	Increase (Decrease)
	Billion yen	Billion yen	Billion yen
Total assets	785.7	748.3	(37.4)
Net assets	200.3	106.8	(93.4)
Equity	191.3	97.3	(94.0)
Equity ratio (%)	24.4	13.0	(11.4)
Interest-bearing debt	246.5	239.3	(7.1)
Debt / Equity ratio	1.29	2.46	1.17

Total assets as of September 30, 2012 were 748.3 billion yen, 37.4 billion yen decrease from June 30, 2012, due to the decrease in the amount of cash and cash equivalents as well as property, plant and equipment. Net assets were 106.8 billion yen, 93.4 billion yen decrease from June 30, 2012. This was due to posting quarterly net loss of 94.3 billion yen for the three months ended September 30, 2012.

Mainly due to posting quarterly net loss, equity decreased by 94.0 billion yen from June 30, 2012 and equity ratio was 13.0%. Interest-bearing debt decreased by 7.1 billion yen from June 30, 2012. Consequently, debt to equity ratio was 2.46 times.

### 1.2.2 Cash Flows

	Three Months ended September 30, 2011	Three Months ended September 30, 2012
	Billion yen	Billion yen
Net cash provided by (used in) operating activities	8.0	4.6
Net cash provided by (used in) investing activities	(17.8)	(9.8)
Free cash flows	(9.7)	(5.2)
Net cash provided by (used in) financing activities	(3.2)	(11.7)
Cash and cash equivalents at the beginning of period	177.0	87.0
Cash and cash equivalents at the end of period	158.3	69.6

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

Net cash provided in operating activities for the three months ended September 30, 2012 was 4.6 billion yen. Despite of increased accounts receivable-trade and recording net loss before income taxes, this was more than offset by increased provision for business structure improvement with the implementation of early retirement program as well as recording depreciation and amortization.

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

Net cash used in investing activities for the three months ended September 30, 2012 was 9.8 billion yen, mainly owing to the purchase of property, plant and equipment in the amount of 12.4 billion yen.

The foregoing resulted in negative free cash flows of 5.2 billion yen for the three months ended September 30, 2012.

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

Net cash used in financing activities for the three months ended September 30, 2012 was 11.7 billion yen.

Consequently, cash and cash equivalents at the end of the period were 69.6 billion yen, 17.4 billion yen decrease from the beginning of the period.

### **1.3 Consolidated Forecasts**

In terms of the overall business environment going forward, various concerns, which might have a negative impact on demand, are becoming obvious, including prolonged debt worries in Europe, further market slowdown in China and other emerging economies as well as increased uncertainty of Japan-China relations.

Under such circumstances, Renesas Electronics Corporation (hereinafter "Renesas"), left its financial forecasts for the fiscal year ending March 31, 2013 unchanged from the previous forecasts announced on August 2, 2012. However, Renesas considers it necessary to more closely examine impacts on its financial results going forward by assessing risk factors as written above. With these examinations, Renesas will publicly announce the changes in the forecasts immediately if needed.

The consolidated financial forecasts for the fiscal year ending March 31, 2013 are based on the rate of 78 yen (unchanged from the previous forecasts) per USD and 100 yen (unchanged from the previous forecasts) per Euro.

## 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, 2013 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including the Second quarter, while applying tax effect accounting.

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

None

### 2.4 Additional Information

(Funding for Business Reform)

Renesas executed a guarantee deposits agreement with NEC Corporation (hereinafter "NEC"), loan agreements with Hitachi, Ltd. (hereinafter "Hitachi") and Mitsubishi Electric Corporation (hereinafter "Mitsubishi Electric"), which are Renesas' major shareholder and a syndicate loan agreement with Renesas' main financing banks on September 28, 2012.

#### 1. Overview of the financing by the major shareholders

Shareholders	Amount	Execution Date	Purpose	Provision of Security
NEC	49,500 Million Yen	1-Oct-2012	To fund business reform	Existence
Hitachi				
Mitsubishi Electric				

#### 2. Overview of the syndicate loan by the main financing banks

Financing Banks	Amount	Execution Date	Purpose	Provision of Security
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	47,500 Million Yen	1-Oct-2012	To fund business reform	Existence
Mizuho Corporate Bank, Ltd.				
Sumitomo Mitsui Trust Bank, Limited				
Mitsubishi UFJ Trust and Banking Corporation				

(Execution of a Syndicate Loan Agreement to Ensure Successful Long-Term Stabilization of a Financial Base)

Renesas executed a syndicate loan agreement to secure the long-term operation fund by restructuring the short-term loan to a long-term loan on September 28, 2012.

1. Overview of the syndicate loan

Arrangers	Amount	Execution Date	Purpose	Provision of Security
Mizuho Corporate Bank, Ltd.	161,090 Million Yen	28-Sep-2012 1-Oct-2012	To fund long-term operation	Existence
The Bank of Tokyo-Mitsubishi UFJ, Ltd.				
Sumitomo Mitsui Trust Bank, Limited				
Mitsubishi UFJ Trust and Banking Corporation				

### 3. Quarterly Consolidated Financial Statements

#### 3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2012)	Current Second Quarter (As of September 30, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	111,981	67,855
Notes and accounts receivable-trade	102,556	99,363
Short-term investment securities	20,250	2,000
Merchandise and finished goods	58,189	57,694
Work in process	79,155	75,854
Raw materials and supplies	14,454	14,340
Accounts receivable-other	17,405	16,611
Other current assets	5,880	7,612
Allowance for doubtful accounts	(180)	(160)
Total current assets	409,690	341,169
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	115,949	108,953
Machinery and equipment, net	108,419	95,361
Vehicles, tools, furniture and fixtures, net	32,423	31,576
Land	36,210	35,508
Construction in progress	14,198	6,946
Total property, plant and equipment	307,199	278,344
Intangible assets		
Goodwill	2,228	2,099
Software	28,626	25,082
Other intangible assets	45,027	41,498
Total intangible assets	75,881	68,679
Investments and other assets		
Investment securities	7,801	7,482
Long-term prepaid expenses	38,228	34,960
Other assets	19,867	18,029
Allowance for doubtful accounts	(462)	(412)
Total investments and other assets	65,434	60,059
Total long-term assets	448,514	407,082
Total assets	858,204	748,251

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2012)	Current Second Quarter (As of September 30, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	148,747	123,803
Short-term borrowings	168,963	55,950
Current portion of long-term borrowings	33,549	25,071
Current portion of lease obligations	8,256	7,498
Accounts payable-other	43,036	38,314
Accrued expenses	46,418	33,790
Accrued income taxes	5,322	4,145
Provision for product warranties	385	405
Provision for business structure improvement	781	82,621
Provision for contingent loss	92	103
Provision for loss on disaster	1,051	—
Asset retirement obligations	25	40
Other current liabilities	5,429	3,298
<b>Total current liabilities</b>	<b>462,054</b>	<b>375,038</b>
<b>Long-term liabilities</b>		
Long-term borrowings	32,580	139,260
Lease obligations	14,988	11,536
Accrued retirement benefits	82,128	83,214
Provision for contingent loss	1,148	361
Asset retirement obligations	4,644	4,584
Other liabilities	34,162	27,438
<b>Total long-term liabilities</b>	<b>169,650</b>	<b>266,393</b>
<b>Total liabilities</b>	<b>631,704</b>	<b>641,431</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	153,255	153,255
Capital surplus	450,413	450,413
Retained earnings	(360,234)	(475,315)
Treasury stock	(11)	(11)
<b>Total shareholders' equity</b>	<b>243,423</b>	<b>128,342</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gains (losses) on securities	221	55
Foreign currency translation adjustments	(25,686)	(31,097)
<b>Total accumulated other comprehensive income</b>	<b>(25,465)</b>	<b>(31,042)</b>
Share subscription rights	26	—
Minority interests	8,516	9,520
<b>Total net assets</b>	<b>226,500</b>	<b>106,820</b>
<b>Total liabilities and net assets</b>	<b>858,204</b>	<b>748,251</b>

### 3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

#### Quarterly Consolidated Statements of Operations

(The six-month period ended September 30, 2011 and 2012)

(In millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net sales	450,576	409,384
Cost of sales	309,800	289,290
Gross profit	140,776	120,094
Selling, general and administrative expenses	169,979	143,404
Operating income (loss)	(29,203)	(23,310)
Non-operating income		
Interest income	373	132
Dividends income	28	17
Equity in earnings of affiliates	87	31
Foreign exchange gains	100	—
Insurance income	48	2,293
Other non-operating income	745	1,967
Total non-operating income	1,381	4,440
Non-operating expenses		
Interest expenses	2,018	1,845
Foreign exchange losses	—	350
Loss on disposal of long-term assets	1,050	693
Retirement benefit expenses	1,191	1,190
Other non-operating expenses	1,254	1,495
Total non-operating expenses	5,513	5,573
Ordinary income (loss)	(33,335)	(24,443)
Special income		
Gain on sales of property, plant and equipment	287	348
Gain on transfer of business	123	—
Gain on sales of investment securities	9	2,219
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	11,918	2,567
Special loss		
Loss on sales of property, plant and equipment	24	12
Impairment loss	2,392	350
Loss on disaster	12,725	—
Business structure improvement expenses	*1 1,804	*1 89,305
Loss on valuation of investment securities	663	10
Loss on sales of investment securities	17	1
Loss on liquidation of subsidiaries and affiliates	3	869
Loss on transfer of business	—	18
Total special losses	17,628	90,565
Income (loss) before income taxes and minority interests	(39,045)	(112,441)
Income taxes	2,421	1,614
Income (loss) before minority interests	(41,466)	(114,055)
Minority interests in income (loss) of consolidated subsidiaries	545	1,026
Net income (loss)	(42,011)	(115,081)

Quarterly Consolidated Statements of Comprehensive Income  
(The six-month period ended September 30, 2011 and 2012)

(In millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income (loss) before minority interests	(41,466)	(114,055)
Other comprehensive income		
Unrealized gains (losses) on securities	(20)	(138)
Foreign currency translation adjustments	(11,657)	(5,426)
Share of other comprehensive income of affiliates accounted for by the equity method	(5)	(28)
Total other comprehensive income	(11,682)	(5,592)
Comprehensive income	(53,148)	(119,647)
Comprehensive income attributable to		
Shareholders of parent company	(53,554)	(120,658)
Minority interests	406	1,011

Quarterly Consolidated Statements of Operations

(The three-month period ended September 30, 2011 and 2012)

(In millions of yen)

	Three months ended September 30, 2011	Three months ended September 30, 2012
Net sales	243,342	222,772
Cost of sales	167,750	159,618
Gross profit	75,592	63,154
Selling, general and administrative expenses	85,696	68,861
Operating income (loss)	(10,104)	(5,707)
Non-operating income		
Interest income	206	64
Dividends income	10	10
Equity in earnings of affiliates	31	52
Insurance income	26	1,291
Other non-operating income	332	710
Total non-operating income	605	2,127
Non-operating expenses		
Interest expenses	1,021	875
Foreign exchange losses	242	513
Loss on disposal of long-term assets	865	516
Retirement benefit expenses	596	594
Other non-operating expenses	843	756
Total non-operating expenses	3,567	3,254
Ordinary income (loss)	(13,066)	(6,834)
Special income		
Gain on sales of property, plant and equipment	61	148
Gain on sales of investment securities	1	2,093
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	11,561	2,241
Special loss		
Loss on sales of property, plant and equipment	13	8
Impairment loss	2,384	349
Loss on disaster	868	—
Business structure improvement expenses	*1 1,804	*1 86,904
Loss on valuation of investment securities	657	—
Loss on sales of investment securities	17	—
Loss on liquidation of subsidiaries and affiliates	3	869
Loss on transfer of business	—	18
Total special losses	5,746	88,148
Income (loss) before income taxes and minority interests	(7,251)	(92,741)
Income taxes	1,297	827
Income (loss) before minority interests	(8,548)	(93,568)
Minority interests in income (loss) of consolidated subsidiaries	245	756
Net income (loss)	(8,793)	(94,324)

Quarterly Consolidated Statements of Comprehensive Income  
(The three-month period ended September 30, 2011 and 2012)

(In millions of yen)

	Three months ended September 30, 2011	Three months ended September 30, 2012
Income (loss) before minority interests	(8,548)	(93,568)
Other comprehensive income		
Unrealized gains (losses) on securities	163	105
Foreign currency translation adjustments	(9,529)	64
Share of other comprehensive income of affiliates accounted for by the equity method	4	(14)
Total other comprehensive income	(9,362)	155
Comprehensive income	(17,910)	(93,413)
Comprehensive income attributable to:		
Shareholders of parent company	(17,929)	(94,043)
Minority interests	19	630

### 3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(39,045)	(112,441)
Depreciation and amortization	49,967	46,791
Amortization of long-term prepaid expenses	5,638	5,881
Impairment loss	2,392	350
Increase (decrease) in accrued retirement benefits	(787)	3,483
Increase (decrease) in provision for business structure improvement	1,262	81,903
Increase (decrease) in provision for loss on disaster	(33,542)	(119)
Interest and dividends income	(401)	(149)
Insurance income	(48)	(2,293)
Interest expenses	2,018	1,845
Equity in (earnings) losses of affiliates	(87)	(31)
Loss (gain) on sales and valuation of investment securities	671	(2,208)
Loss (gain) on liquidation of subsidiaries and affiliates	(340)	869
Loss (gain) on sales of property, plant and equipment	(263)	(336)
Loss on disposal of long-term assets	1,050	693
Business structure improvement expenses	279	3,255
Loss (gain) on transfer of business	(123)	18
Decrease (increase) in notes and accounts receivable-trade	11,274	(353)
Decrease (increase) in inventories	(20,293)	1,284
Decrease (increase) in accounts receivable-other	1,247	(355)
Increase (decrease) in notes and accounts payable-trade	24,700	(19,881)
Increase (decrease) in accounts payable-other and accrued expenses	(11,684)	(11,357)
Other cash provided by (used in) operating activities, net	(3,913)	(1,215)
Subtotal	(10,028)	(4,366)
Interest and dividends received	458	221
Proceeds from insurance income	16,000	2,293
Interest paid	(1,953)	(1,897)
Income taxes paid	(144)	(3,367)
Payments for extra retirement benefits	(20,575)	(1,015)
Payments for loss on disaster	(4,884)	(5,373)
Net cash provided by (used in) operating activities	(21,126)	(13,504)

(In millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(45,927)	(23,184)
Proceeds from sales of property, plant and equipment	18,421	534
Purchase of intangible assets	(6,665)	(3,350)
Purchase of long-term prepaid expenses	(2,150)	(1,156)
Purchase of investment securities	(475)	(461)
Proceeds from sales of investment securities	309	584
Proceeds from sales of subsidiaries and affiliates' stocks	173	—
Proceeds from liquidation of subsidiaries and affiliates	939	—
Proceeds from transfer of business	2,538	6,573
Other cash provided by (used in) investing activities, net	249	5
<b>Net cash provided by (used in) investing activities</b>	<b>(32,588)</b>	<b>(20,455)</b>
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term borrowings	8,450	(112,903)
Proceeds from long-term borrowings	2,932	113,151
Repayment of long-term borrowings	(10,200)	(16,187)
Redemption of bonds with share subscription rights	(110,000)	—
Repayments of finance lease obligations	(4,109)	(4,336)
Repayments of installment payables	(5,294)	(5,170)
<b>Net cash provided by (used in) financing activities</b>	<b>(118,221)</b>	<b>(25,445)</b>
Effect of exchange rate change on cash and cash equivalents	(7,083)	(2,958)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(179,018)</b>	<b>(62,362)</b>
Cash and cash equivalents at the beginning of the period	337,289	131,946
Cash and cash equivalents at the end of the period	158,271	69,584

### 3.4 Notes on Assumption for Going Concern

None

### 3.5 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

#### \*1 Business structure improvement expenses

Renesas has been aiming for the stable growth as achieving a double-digit operating profit since the merger in April, 2010. However, the sales figure has declined drastically since fiscal year 2011 as a result of natural disasters such as the Great East Japan earthquake and flooding in Thailand, as well as prolonged appreciation of the yen, European financial crisis, downturn in Chinese economy, and weak demand from Japanese-domestic electronics companies. Therefore, Renesas is in urgent need of business recovery. In these circumstances, Renesas reforms Japanese-domestic production sites and streamlines employees to strengthen its financial basis, and those related expenses are shown as Business structure improvement expenses on consolidated financial statements.

The details of business structure improvement expenses for consolidated financial statements for the six-month period ended September 30, 2011 and 2012 were as follows:

	(In millions of yen)	
	Six months ended September 30, 2011	Six months ended September 30, 2012
Personal expenses including the special incentive of early retirement program	1,407	85,134
Impairment loss	—	3,195
Other	397	976
Total	1,804	89,305

The details of business structure improvement expenses for consolidated financial statements for the three-month period ended September 30, 2011 and 2012 were as follows:

	(In millions of yen)	
	Three months ended September 30, 2011	Three months ended September 30, 2012
Personal expenses including the special incentive of early retirement program	1,407	85,134
Impairment loss	—	1,243
Other	397	527
Total	1,804	86,904

Provision for business structure improvement as of September 30, 2012 includes mainly personal expenses including the special incentive of early retirement program.

### 3.6 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 17 countries worldwide. More information can be found at [www.renesas.com](http://www.renesas.com).

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