

Media Contacts

Shino Inokuma
 Renesas Electronics Corporation
 +81 3-6756-5555
 pr@renesas.com

Investor Contacts

Ai Kanehira
 Renesas Electronics Corporation
 +81 3-6756-5573
 ir@renesas.com

**Renesas Electronics Reports Financial Results
 for the First Quarter Ended June 30, 2013**

Tokyo, Japan, August 2, 2013 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the three months ended June 30, 2013.

Summary of Consolidated Financial Results

	Three months ended June 30, 2013	
	Billion Yen	% of Net Sales
Net sales	199.1	100.0
Sales from semiconductors	189.6	
Sales from others	9.5	
Operating income (loss)	9.8	4.9
Ordinary income (loss)	8.5	4.3
Net income (loss)	(4.0)	(2.0)
Capital expenditures	1.7	
Depreciation and others	19.2	
R&D expenses	32.6	
Exchange rate (USD)	98	
Exchange rate (Euro)	127	

	As of June 30, 2013	
	Billion Yen	
Total assets	668.4	
Net assets	80.3	
Equity	67.9	
Equity ratio (%)	10.2	
Interest-bearing debt	299.4	

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

Note 2: Capital expenditures refer to the amount of order placed for property, plant and equipment (manufacturing equipment).

Note 3: 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 First Quarter Ended June 30, 2013

English translation from the original Japanese-language document

August 2, 2013

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>
 Representative : Hisao Sakuta, Representative Director,
 Chairman and CEO
 Contact person : Taizo Endo, Executive Manager
 Corporate Communications Dept
 Tel. +81 (0)3-6756-5552
 Filing date of Shihanki Hokokusho (scheduled) : August 2, 2013

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2013

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	%
Three months ended June 30, 2013	199,057	6.7	9,779	---	8,538	---	(3,990)	---
Three months ended June 30, 2012	186,612	(10.0)	(17,603)	---	(17,609)	---	(20,757)	---

Reference: Comprehensive income for the three months ended June 30, 2013: 2,340 million yen
 Comprehensive income for the three months ended June 30, 2012: (26,234) million yen

	Net income (loss) per share basic	Net income (loss) per share diluted
	Yen	Yen
Three months ended June 30, 2013	(9.57)	---
Three months ended June 30, 2012	(49.76)	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
June 30, 2013	668,375	80,255	10.2
March 31, 2013	669,104	77,924	10.0

Reference: Equity as of June 30, 2013: 67,883 million yen
 Equity as of March 31, 2013: 66,744 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, 2013	---	0.00	---	0.00	0.00
Year ending March 31, 2014	---				
Year ending March 31, 2014 (forecast)		0.00	---	---	---

Note: Change in forecast of cash dividends since the most recently announced forecast: Yes
Please refer to Appendix 1.4., "Forecasts of Cash Dividends" on page 5.

3. Forecast of consolidated results for the six months ending September 30, 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
Six months ending September 30, 2013	408,000	(0.3)	14,000	--	8,500	--	(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 5.

4. Others

4.1 Changes in significant subsidiaries for the three months ended June 30, 2013

(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 6.

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

- Changes in accounting policies with revision of accounting standard: No
- Changes in accounting policies except for 4.3.1: No
- Changes in accounting estimates: No
- 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 June 30, 2013: 417,124,490 shares

As of March 31, 2013: 417,124,490 shares

2. Number of treasury stock

As of June 30, 2013: 2,548 shares

As of March 31, 2013: 2,548 shares

3. Average number of shares issued and outstanding

For the three months ended June 30, 2013: 417,121,942 shares

For the three months ended June 30, 2012: 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. The review procedures for the quarterly financial report have been completed by 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. First Quarter Consolidated Financial Results

1.1 Consolidated Operating Results

1.1.1 Summary of Consolidated Operating Results Three Months Ended June 30, 2013

	Three months ended June 30, 2012	Three months ended June 30, 2013	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	% Change
Net sales	186.6	199.1	12.4	6.7
Sales from semiconductors	168.2	189.6	21.4	12.7
Sales from others	18.4	9.5	(8.9)	(48.6)
Operating income (loss)	(17.6)	9.8	27.4	-
Ordinary income (loss)	(17.6)	8.5	26.1	-
Net income (loss)	(20.8)	(4.0)	16.8	-
	Yen	Yen		
Exchange rate (USD)	81	98	-	-
Exchange rate (EUR)	106	127	-	-

[Net sales]

Consolidated net sales for the three months ended June 30, 2013 were 199.1 billion yen, 6.7% increase year on year. This increase was mainly caused by steady sales of automotive devices, mid/small sized display driver ICs and weakened yen.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended June 30, 2013 were 189.6 billion yen, 12.7% increase year on year.

The business segment of Renesas Electronics Group (“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: 85.6 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 June 30, 2013 were 85.6 billion yen, a 13.5% increase year on year. This upturn was mainly due to an increase in sales of industry and consumer MCUs, in addition to steady sales of automotive MCU.

Analog and Power Devices: 65.3 billion yen

Analog and power devices mainly consist 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 June 30, 2013 were 65.3 billion yen, a 19.3% increase year on year, mainly owing to an increase in the sales of automotive power devices, analog

ICs and mid/small sized display driver ICs.

SoC solutions: 36.8 billion yen

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

Sales of SoC solutions for the three months ended June 30, 2013 were 36.8 billion yen, a 7.2% increase year on year. This increase was mainly due to an upturn of the sales of semiconductors for automotive applications and PC peripherals, despite decline of the sales of semiconductors for mobile handsets and consumer electronics.

Other Semiconductors: 1.8 billion yen

Sales of other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended June 30, 2013 were 1.8 billion yen, a 50.8% decrease 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 June 30, 2013 were 9.5 billion yen, a 48.6% decrease year on year. This decrease was mainly due to the transfer of the businesses of reselling of semiconductor devices and production of electronic components of electronic devices run by Renesas Electronics Sales Co., Ltd., which was 100% subsidiary of Renesas Electronics Corporation, to Tachibana Device Component Co., Ltd., which was 100% subsidiary of Tachibana Eletech Co., Ltd.

[Operating income (loss)]

Operating income for the three months ended June 30, 2013 was 9.8 billion yen, 27.4 billion yen improvement year on year, mainly owing to considerably increased sales by weakened yen.

[Ordinary income (loss)]

Ordinary income for the three months ended June 30, 2013 was 8.5 billion yen, mainly due to recording 1.2 billion yen of non-operating loss including non-operating expense of 2.6 billion yen with exchange interest expense and others.

[Net income (loss)]

Net loss for the three months ended June 30, 2013 was 4.0 billion yen, mainly due to the business structure improvement expenses of 8.2 billion yen as a special loss.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	March 31, 2013	June 30, 2013	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	669.1	668.4	(0.7)
Net assets	77.9	80.3	2.3
Equity	66.7	67.9	1.1
Equity ratio (%)	10.0	10.2	0.2
Interest-bearing debt	306.4	299.4	(7.0)
Debt / Equity ratio	4.59	4.41	(0.18)

Total assets at June 30, 2013 were 668.4 billion yen, a 0.7 billion yen decrease from March 31, 2013, due to the decrease in the amount of merchandise and finished goods, plant and equipment, despite cash and deposits increased in the first quarter in the three months ended June 30. Net assets were 80.3 billion yen, a 2.3 billion yen increase from March 31, 2013. This was mainly due to improved foreign currency translation adjustments of 5.1 billion yen with weakened yen, despite the net loss was 4.0 billion yen.

Equity increased by 1.1 billion yen from March 31, 2013 and the equity ratio was 10.2%. Interest-bearing debt decreased by 7.0 billion yen from March 31, 2013. Consequently, the debt to equity ratio dropped to 4.41.

1.2.2 Cash Flows

	Three Months ended June 30, 2012	Three Months ended June 30, 2013
	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	(18.1)	28.4
Net cash provided by (used in) investing activities	(10.7)	(2.5)
Free cash flows	(28.7)	25.9
Net cash provided by (used in) financing activities	(13.7)	(10.5)
Cash and cash equivalents at the beginning of period	131.9	77.7
Cash and cash equivalents at the end of period	87.0	95.8

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

Net cash provided by operating activities for the three months ended June 30, 2013 was 28.4 billion yen, mainly due to a decrease in inventories in addition to 16.4 billion yen of depreciation and amortization, despite a loss before income taxes and minority interests.

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

Net cash used in investing activities for the three months ended June 30, 2013 was 2.5 billion yen, mainly owing to the purchase of property, plant and equipment in the amount of 5.3 billion yen.

The foregoing resulted in positive free cash flows of 25.9 billion yen for the three months ended June 30, 2013.

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

Net cash used in financing activities for the three months ended June 30, 2013 was 10.5 billion yen.

Consequently, cash and cash equivalents at the end of the period were 95.8 billion yen, an 18.1 billion yen increase from the start of the period.

1.3 Consolidated Forecasts

The Group officially announced the forecasts of the fiscal year ended March 31, 2014 as follows today (August 2, 2013), which the Group suspended

Although the Group had disclosed six month forecast (sum total) and full-year forecast in the past, the Group changed the way of the disclosure. Because it is hard to forecast full financial year results with high accuracy due to the short-term volatility of the semiconductor market. From this quarter onwards, the Group will make a quarterly forecast.

(For the six months ending September 30, 2013)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous forecasts (May 9, 2013)	---	---	---	---	---
Revised forecasts (August 2, 2013)	408,000	390,000	14,000	8,500	(40,000)
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference : Results for the six months ended September 30, 2012	409,384	373,550	(23,310)	(24,443)	(115,081)

The figures of the consolidated forecasts for the six months above are sum of the results of the three months ended June 30, 2013 and the forecasts of the three months ended September 30, 2013. The supposed exchange rates for the six month are 98 yen / USD and 128 yen / Euro.

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.

1.4 Forecasts of Cash Dividends

For the year ending March 31, 2014, the company intends to forgo interim dividend payments. Because the company expects to post net losses for the second quarter ending September 30, 2013, and its retained earnings at March 31, 2013 were negative figure. The year-end dividend payments for the year ending March 31, 2014 have not been fixed yet. The company will announce it as soon as possible when fixed.

(For the year ending March 31, 2014)

Interim Dividend	Year-End Dividend	Annual Dividend
0 Yen	---	---

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 first quarter of the fiscal year ending March 31, 2014 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including the first 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

(Issuance of New Shares Offered by way of Third-Party Allotment)

The Company, at the Meeting of the Board of Directors held on December 10, 2012, resolved to issue new shares offered by way of third-party allotment ("Third-Party Allotment") to The Innovation Network Corporation of Japan, Toyota Motor Corporation, Nissan Motor Co., Ltd., Keihin Corporation, Denso Corporation, Canon Inc., Nikon Corporation, Panasonic Corporation and Yaskawa Electric Corporation. Further, the amendment to the Company's Articles of Incorporation to increase the total number of authorized shares and the Third-Party Allotment was approved at the Extraordinary General Meeting of Shareholders held on February 22, 2013. The outline of issuance of new shares is as follows.

1. Outline of issuance of new shares

(1) Number of shares to be newly issued	1,250,000,000 common shares	
(2) Issue price	¥120 per share	
(3) Amount to be procured	¥150,000,000,000	
(4) Method of offer or allotment	Third-Party Allotment	
(5) Amount of increase of common stock	¥75,000,000,000	
(6) Amount of increase of legal capital surplus	¥75,000,000,000	
(7) Subscribers and number of shares per subscriber	The Innovation Network Corporation of Japan Toyota Motor Corporation Nissan Motor Co., Ltd. Keihin Corporation Denso Corporation Canon Inc. Nikon Corporation Panasonic Corporation Yaskawa Electric Corporation	1,152,917,000 shares 41,666,600 shares 25,000,000 shares 8,333,300 shares 8,333,300 shares 4,166,600 shares 4,166,600 shares 4,166,600 shares 1,250,000 shares
(8) Payment period	February 23, 2013 through September 30, 2013	

(Implementation of Early Retirement Incentive Program)

On August 1, 2013 the Company has started application processes of the early retirement incentive program resolved at the Meeting of the Board of Directors held on March 28, 2013. There is no impact on consolidated financial results for the three months ended June 30, 2013. And it is extremely difficult to reasonably estimate an impact of the early retirement incentive program as the number of applicants has not been fixed until now.

1. Outline of early retirement incentive program

(1) Eligible persons: Main career track employees age 40 or over of the Company and its consolidated subsidiaries in Japan

(2) Planned number of applicants eligible for the program: Around three thousand and several hundred

(3) Planned application period: From August 1, 2013 to August 7, 2013.

(4) Planned retirement date: September 30, 2013

(5) Benefits: A special incentive will be added to their normal retirement payment. In addition, outplacement support will be provided through outside agencies for those who request it.

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2013)	Current First Quarter (As of June 30, 2013)
Assets		
Current assets		
Cash and deposits	78,072	96,197
Notes and accounts receivable-trade	78,075	80,505
Merchandise and finished goods	68,411	59,580
Work in process	70,196	72,217
Raw materials and supplies	12,742	11,862
Accounts receivable-other	13,496	13,586
Other current assets	5,567	8,003
Allowance for doubtful accounts	(184)	(188)
Total current assets	326,375	341,762
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	102,450	98,344
Machinery and equipment, net	73,799	67,043
Vehicles, tools, furniture and fixtures, net	24,328	22,534
Land	35,262	32,800
Construction in progress	6,773	4,503
Total property, plant and equipment	242,612	225,224
Intangible assets		
Software	16,179	14,670
Other intangible assets	27,725	27,102
Total intangible assets	43,904	41,772
Investments and other assets		
Investment securities	8,063	8,252
Long-term prepaid expenses	29,333	26,697
Other assets	18,818	24,669
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	56,213	59,617
Total long-term assets	342,729	326,613
Total assets	669,104	668,375

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2013)	Current First Quarter (As of June 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	99,153	95,980
Short-term borrowings	1,000	1,000
Current portion of long-term borrowings	25,514	32,449
Current portion of lease obligations	6,416	5,465
Accounts payable-other	64,392	59,803
Accrued expenses	20,126	26,503
Accrued income taxes	6,443	5,082
Provision for product warranties	466	489
Provision for business structure improvement	1,128	6,233
Provision for contingent loss	7	600
Asset retirement obligations	331	334
Other current liabilities	3,618	3,643
Total current liabilities	228,594	237,581
Long-term liabilities		
Long-term borrowings	264,656	253,148
Lease obligations	8,795	7,324
Accrued retirement benefits	58,810	59,118
Asset retirement obligations	4,491	4,338
Other liabilities	25,834	26,611
Total long-term liabilities	362,586	350,539
Total liabilities	591,180	588,120
Net assets		
Shareholders' equity		
Common stock	153,255	153,255
Capital surplus	450,413	450,413
Retained earnings	(527,815)	(531,805)
Treasury stock	(11)	(11)
Total shareholders' equity	75,842	71,852
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	308	340
Foreign currency translation adjustments	(9,406)	(4,309)
Total accumulated other comprehensive income	(9,098)	(3,969)
Minority interests	11,180	12,372
Total net assets	77,924	80,255
Total liabilities and net assets	669,104	668,375

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(Three months ended June 30, 2012 and 2013)

(In millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales	186,612	199,057
Cost of sales	129,672	126,396
Gross profit	56,940	72,661
Selling, general and administrative expenses	74,543	62,882
Operating income (loss)	(17,603)	9,779
Non-operating income		
Interest income	68	68
Dividends income	7	8
Foreign exchange gains	163	981
Insurance income	1,002	10
Reversal of provision for contingent loss	759	—
Other non-operating income	498	319
Total non-operating income	2,497	1,386
Non-operating expenses		
Interest expenses	970	1,403
Equity in losses of affiliates	21	6
Loss on disposal of long-term assets	177	27
Retirement benefit expenses	596	474
Other non-operating expenses	739	717
Total non-operating expenses	2,503	2,627
Ordinary income (loss)	(17,609)	8,538
Special income		
Gain on sales of property, plant and equipment	200	89
Gain on transfer of business	—	29
Gain on sales of investment securities	126	33
Total special income	326	151
Special loss		
Loss on sales of property, plant and equipment	4	5
Impairment loss	1	35
Loss on valuation of investment securities	10	5
Business structure improvement expenses	*1 2,401	*1 8,209
Loss on sales of investment securities	1	—
Provision for contingent loss	—	600
Total special losses	2,417	8,854
Income (loss) before income taxes and minority interests	(19,700)	(165)
Income taxes	787	3,030
Income (loss) before minority interests	(20,487)	(3,195)
Minority interests in income (loss) of consolidated subsidiaries	270	795
Net income (loss)	(20,757)	(3,990)

Quarterly Consolidated Statements of Comprehensive Income

(Three months ended June 30, 2012 and 2013)

(In millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Income (loss) before minority interests	(20,487)	(3,195)
Other comprehensive income		
Unrealized gains (losses) on securities	(243)	23
Foreign currency translation adjustments	(5,490)	5,503
Share of other comprehensive income of affiliates accounted for by the equity method	(14)	9
Total other comprehensive income	(5,747)	5,535
Comprehensive income	(26,234)	2,340
Comprehensive income attributable to:		
Shareholders of parent company	(26,615)	1,139
Minority interests	381	1,201

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(19,700)	(165)
Depreciation and amortization	23,573	16,372
Amortization of long-term prepaid expenses	2,929	2,836
Impairment loss	1	35
Increase (decrease) in accrued retirement benefits	173	199
Increase (decrease) in provision for business structure improvement	(400)	5,459
Interest and dividends income	(75)	(76)
Insurance income	(1,002)	(10)
Interest expenses	970	1,403
Equity in (earnings) losses of affiliates	21	6
Loss (gain) on sales and valuation of investment securities	(115)	(28)
Loss (gain) on sales of property, plant and equipment	(196)	(84)
Loss on disposal of long-term assets	177	27
Business structure improvement expenses	1,952	1,889
Loss (gain) on transfer of business	—	(29)
Decrease (increase) in notes and accounts receivable-trade	11,220	298
Decrease (increase) in inventories	(13,755)	5,159
Decrease (increase) in accounts receivable-other	3,696	774
Increase (decrease) in notes and accounts payable-trade	(13,240)	(3,461)
Increase (decrease) in accounts payable-other and accrued expenses	(12,377)	5,780
Other cash provided by (used in) operating activities, net	4,771	(666)
Subtotal	(11,377)	35,718
Interest and dividends received	147	135
Proceeds from insurance income	1,002	41
Interest paid	(994)	(1,389)
Income taxes paid	(2,677)	(4,351)
Payments for extra retirement benefits	(981)	(1,303)
Settlement package paid	—	(405)
Payments for loss on disaster	(3,206)	—
Net cash provided by (used in) operating activities	(18,086)	28,446

(In millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(10,810)	(5,264)
Proceeds from sales of property, plant and equipment	305	97
Purchase of intangible assets	(1,867)	(1,602)
Purchase of long-term prepaid expenses	(657)	(487)
Purchase of investment securities	(405)	(325)
Proceeds from sales of investment securities	200	135
Proceeds from transfer of business	2,598	4,833
Other cash provided by (used in) investing activities, net	(19)	107
Net cash provided by (used in) investing activities	(10,655)	(2,506)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(6,250)	—
Repayments of long-term borrowings	(2,894)	(4,573)
Repayments of finance lease obligations	(2,730)	(2,424)
Repayments of installment payables	(1,832)	(3,531)
Net cash provided by (used in) financing activities	(13,706)	(10,528)
Effect of exchange rate change on cash and cash equivalents	(2,486)	2,686
Net increase (decrease) in cash and cash equivalents	(44,933)	18,098
Cash and cash equivalents at the beginning of the period	131,946	77,731
Cash and cash equivalents at the end of the period	87,013	95,829

3.4 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

*1 Business structure improvement expenses

The Group has reformed businesses and structures of the production along with the streamlining of employees to strengthen its financial basis, and those related expenses are shown as business structure improvement expenses.

The components of business structure improvement expenses were as follows:

	(In millions of yen)	
	Three months ended June 30, 2012	Three months ended June 30, 2013
Personnel expenses including the special incentive of early retirement program	—	4,053
Impairment loss	1,952	1,386
Other (*)	449	2,770
Total	2,401	8,209

(*)The main item of other for three months ended June 30, 2013 is losses on cancellation of lease contracts.

(Notes on Assumption for Going Concern)

None

(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 approximately 20 countries worldwide. More information can be found at www.renesas.com.

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