

Media Contacts

Kyoko Okamoto
 Renesas Electronics Corporation
 +81 3-6756-5555
 pr@renesas.com

Investor Contacts

Ai Kanehira
 Renesas Electronics Corporation
 +81 3-6756-5552
 ir@renesas.com

**Renesas Electronics Reports Financial Results
 for the Third Quarter Ended December 31, 2013**

Tokyo, Japan, February 6, 2014 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the three months and nine months ended December 31, 2013.

Summary of Consolidated Financial Results

	Three months ended December 31, 2013		Nine months ended December 31, 2013	
	Billion Yen	% of Net Sale	Billion Yen	% of Net Sale
Net sales	215.6	100.0	632.5	100.0
Sales from semiconductors	207.6		605.0	
Sales from others	8.0		27.5	
Operating income (loss)	30.0	13.9	50.7	8.0
Ordinary income (loss)	29.3	13.6	43.2	6.8
Net income (loss)	23.0	10.7	10.2	1.6
Capital expenditures	6.7		26.0	
Depreciation and others	18.5		56.9	
R&D expenses	24.8		89.2	
Exchange rate (USD)	Yen 99		Yen 98	
Exchange rate (Euro)	134		130	

	As of December 31, 2013
	Billion Yen
Total assets	795.8
Net assets	252.2
Equity Capital	240.4
Equity ratio (%)	30.2
Interest-bearing debt	280.9

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 Third Quarter Ended December 31, 2013

English translation from the original Japanese-language document



February 6, 2014

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) : February 6, 2014

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2013

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	%
Nine months ended December 31, 2013	632,508	5.3	50,667	---	43,244	---	10,171	---
Nine months ended December 31, 2012	600,398	(10.8)	(31,240)	---	(35,535)	---	(161,722)	---

Reference: Comprehensive income for the nine months ended December 31, 2013: 27,539 million yen
 Comprehensive income for the nine months ended December 31, 2012: (153,083) million yen

	Net income (loss) per share basic	Net income (loss) per share diluted
Nine months ended December 31, 2013	Yen 12.11	Yen ---
Nine months ended December 31, 2012	(387.71)	---

1.2 Consolidated financial condition

	Total assets	Net assets	Equity ratio
December 31, 2013	Million yen 795,802	Million yen 252,245	% 30.2
March 31, 2013	669,104	77,924	10.0

Reference: Equity as of December 31, 2013: 240,365 million yen
 Equity as of March 31, 2013: 66,744 million yen

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	---	0.00	---		
Year ending March 31, 2014 (forecast)				0.00	0.00

Note: Change in forecast of cash dividends since the most recently announced forecast: Yes

For details, please refer to page 7.

3. Forecast of consolidated results for the year ending March 31, 2014

(% 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, 2014	822,500	4.7	54,700	--	44,200	--	(21,800)	--	(20.88)	--

Note: Change in forecast of consolidated financial results since the most recently announced forecast: Yes

For details, please refer to page 7.

4. Others

4.1 Changes in significant subsidiaries for the nine months ended December 31, 2013
(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
(Note) For details, please refer to page 7.

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 December 31, 2013: 1,667,124,490 shares

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

2. Number of treasury stock

As of December 31, 2013: 2,548 shares

As of March 31, 2013: 2,548 shares

3. Average number of shares issued and outstanding

For the nine months ended December 31, 2013: 839,849,215 shares

For the nine months ended December 31, 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 (hereafter “the Company”) 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.

The Renesas Electronics Corporation and its consolidated subsidiaries (hereafter “the Group”) will hold a quarterly earnings conference for institutional investors and analysts on February 6, 2014. The Group plans to post the materials which are provided at the meeting, on the Group’s homepage on that day.

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1. Third Quarter Consolidated Financial Results

1.1 Consolidated Operating Results

1.1.1 Summary of Consolidated Operating Results for the Nine Months Ended December 31, 2013

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	600.4	632.5	32.1	5.3
Sales from semiconductors	550.7	605.0	54.2	9.8
Sales from others	49.7	27.5	(22.1)	(44.5)
Operating income (loss)	(31.2)	50.7	81.9	-
Ordinary income (loss)	(35.5)	43.2	78.8	-
Net income (loss)	(161.7)	10.2	171.9	-
	Yen	Yen		
Exchange rate (USD)	80	98	-	-
Exchange rate (EUR)	102	130	-	-

[Net sales]

Consolidated net sales for the nine months ended December 31, 2013 were 632.5 billion yen, an increase by 5.3% year on year. This increase was mainly due to improved exchange rate in addition to steady sales of automotive semiconductors, small- to medium- sized display driver ICs, despite a decline in sales of SoCs (System on Chip) for consumer electronic devices and others, as a result of the Group's ongoing selection and concentration of businesses. Sales from semiconductors for the nine months ended December 31, 2013 were 605.0 billion yen, an increase by 9.8% year on year.

[Operating income (loss)]

Operating income for the nine months ended December 31, 2013 was 50.7 billion yen, 81.9 billion yen improvement year on year, mainly owing to improved earnings structure through implementation of the structural reform measures, in addition to increased sales by improved exchange rate.

[Ordinary income (loss)]

Ordinary income for the nine months ended December 31, 2013 was 43.2 billion yen, due to non-operating loss of 7.4 billion yen from recording non-operating expenses of 11.1 billion yen including interest expenses and share issuance cost for issuing new stocks through Third-Party Allotment.

[Net income (loss)]

Net income for the nine months ended December 31, 2013 was 10.2 billion yen. This was mainly due to a special income of 23.5 billion yen as gain on business transfer and forgiveness of debt, despite recording special losses of 44.2 billion yen mostly from business structure improvement expenses.

1.1.2 Summary of Consolidated Operating Results for the Three Months Ended December 31, 2013

	Three months ended December 31, 2012	Three months ended December 31, 2013	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	191.0	215.6	24.6	12.9
Sales from semiconductors	177.2	207.6	30.5	17.2
Sales from others	13.8	8.0	(5.8)	(42.1)
Operating income (loss)	(7.9)	30.0	37.9	-
Ordinary income (loss)	(11.1)	29.3	40.4	-
Net income (loss)	(46.6)	23.0	69.6	-
	Yen	Yen		
Exchange rate (USD)	79	99	-	-
Exchange rate (EUR)	102	134	-	-

[Net sales]

Consolidated net sales for the three months ended December 31, 2013 were 215.6 billion yen, an increase by 12.9% year on year. This increase was caused by an increase in sales from semiconductors.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended December 31, 2013 were 207.6 billion yen, a 17.2% increase year on year.

The main business of the Group comprises three product groups; “MCUs”, “Analog & Power Devices” and “SoC solutions”, and “the other semiconductors” that fit to neither of above three product categories. Sales of respective product groups are as follows:

MCUs: 89.9 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 December 31, 2013 were 89.9 billion yen, a 26.2% increase year on year. This increase was mainly due to growth in the sales of microcontrollers for industrial systems and consumer electronics, in addition to solid sales of automotive microcontrollers.

Analog & Power Devices: 72.4 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 December 31, 2013 were 72.4 billion yen, a 25.2% increase year on year, mainly owing to an increase in sales of power devices for automotive, analog ICs and small- to medium- sized display driver ICs.

SoC solutions: 43.8 billion yen

SoC solutions mainly include semiconductors used in automobiles including 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 network equipment and mobile handsets.

Sales of SoC solutions for the three months ended December 31, 2013 were 43.8 billion yen, a 2.9% decrease year on year. This decrease was mainly due to a decline in the semiconductor sales for consumer electronics and mobile handsets as a result of the Group's ongoing selection and concentration of businesses, despite an increase in sales of semiconductors used in automobiles and PC peripherals.

Other semiconductors: 1.6 billion yen

Sales of other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended December 31, 2013 were 1.6 billion yen, a 49.2% decrease year on year.

[Sales from others]

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

Sales from others for the three months ended December 31, 2013 were 8.0 billion yen, a 42.1% decrease year on year. This was mainly due to the transfer of the semiconductor resale business and electronic component production business of Renesas Electronics Sales Co., Ltd., which at that time was a wholly-owned subsidiary of the Company, on February 1, 2013, to Tachibana Device Component Co., Ltd., a wholly-owned subsidiary of Tachibana Eletech Co., Ltd., as well as the transfer of the LCD resale business of Renesas Electronics America Inc., a wholly-owned subsidiary of the Company, on November 1, 2013.

[Operating income (loss)]

Operating income for the three months ended December 31, 2013 was 30.0 billion yen, a 37.9 billion yen improvement year on year, mainly owing to implementation of the structural reforms, in addition to increased sales from improved exchange rate.

[Ordinary income (loss)]

Ordinary income for the three months ended December 31, 2013 was 29.3 billion yen, due to non-operating loss of 0.6 billion yen from non-operating expenses of recording 1.9 billion yen for including interest expenses.

[Net income (loss)]

Net income for the three months ended December 31, 2013 was 23.0 billion yen. This was mainly due to special loss of 16.4 billion yen mainly from business structure improvement expenses, despite a special income of 15.5 billion yen as gain on business transfer.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	September 30, 2013	December 31, 2013	Increase (Decrease)
	Billion yen	Billion yen	Billion yen
Total assets	796.2	795.8	(0.4)
Net assets	221.8	252.2	30.5
Equity	208.7	240.4	31.7
Equity ratio (%)	26.2	30.2	4.0
Interest-bearing debt	287.4	280.9	(6.4)
Debt / Equity ratio	1.38	1.17	(0.21)

Total assets at December 31, 2013 were 795.8 billion yen, 0.4 billion yen decrease from September 30, 2013. Net assets were 252.2 billion yen, 30.5 billion yen increase from September 30, 2013. This was due to posting quarterly net income of 23.0 billion yen for the three months ended December 31, 2013.

Equity increased by 31.7 billion yen from September 30, 2013 and the equity ratio was 30.2%. Interest-bearing debt decreased by 6.4 billion yen from September 30, 2013. Consequently, the debt to equity ratio dropped to 1.17.

1.2.2 Cash Flows

	Three Months ended December 31, 2012	Three Months ended December 31, 2013
	Billion yen	Billion yen
Net cash provided by (used in) operating activities	(47.5)	33.9
Net cash provided by (used in) investing activities	(6.1)	(3.4)
Free cash flows	(53.6)	30.5
Net cash provided by (used in) financing activities	74.7	(10.4)
Cash and cash equivalents at the beginning of period	69.6	239.3
Cash and cash equivalents at the end of period	95.1	266.0

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

Net cash provided by operating activities for the three months ended December 31, 2013 was 33.9 billion yen, mainly due to depreciation and amortization, in addition to an income before income taxes and minority interests.

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

Net cash provided by investing activities for the three months ended December 31, 2013 was 3.4 billion yen, mainly due to the purchase of property, plant and equipment and loss from business transfer, despite an income from business transfer.

The foregoing resulted in positive free cash flows of 30.5 billion yen for the three months ended December 31, 2013.

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

Net cash provided by financing activities for the three months ended December 31, 2013 was 10.4 billion yen.

Consequently, cash and cash equivalents at the end of the period were 266.0 billion yen, 26.8 billion yen increase from the beginning of the period.

1.3 Consolidated Forecasts

The Group reports its consolidated forecasts on a quarterly basis because of the difficulty of forecasting full-year results with high accuracy due to the short-term volatility of the semiconductor market.

(For the year ending March 31, 2014)

	(In millions of yen)				
	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous forecasts (October 30, 2013)	---	---	---	---	---
Revised forecasts (February 6, 2014)	822,500	790,000	54,700	44,200	(21,800)
Increase (decrease)	---	---	---	---	---
Percent change (%)	---	---	---	---	---
Reference : Results for the year ended March 31, 2013	785,764	724,653	(23,217)	(26,862)	(167,581)

The forecasts for the fiscal year ending March 31, 2014 are sum of the results of the nine months ended December 31, 2013 and the forecasts for the three months ending March 31, 2014. The consolidated forecasts for the fiscal year ending March 31, 2014 are calculated at the rate of 99 yen per USD and 132 yen per 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 forecasts of cash dividends for the fiscal year ending March 31, 2014, the Group expects to record a consolidated net loss in the fiscal year ending March 31, 2014, and expects that the Group will not be able to recover from its cumulative loss due to its heavy cumulative loss in the previous fiscal year ended March 31, 2013. Therefore the Group intends to forgo year-end dividend payments but will work toward improved results that will allow dividends to be reinstated at the earliest possible date.

(For the year ending March 31, 2014)

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

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

To rebuild the design, development, production, and sales structures within the Group, Renesas Electronics Sales Co., Ltd. and other four companies were excluded from the Group by means of absorption-type merger in the third quarter of the fiscal year ending March 31, 2014. Through sale of common stocks or liquidation, Renesas Mobile Europe Oy and other four companies were also excluded from the Group's consolidated companies.

Among these excluded companies, Renesas Electronics Sales Co., Ltd., Renesas Eastern Japan Semiconductor, Inc. and Shougang NEC Electronics Co., Ltd. are significant consolidated subsidiaries.

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 third 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 third 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, 2013)	Current Third Quarter (As of December 31, 2013)
Assets		
Current assets		
Cash and deposits	78,072	267,453
Notes and accounts receivable-trade	78,075	80,856
Merchandise and finished goods	68,411	48,793
Work in process	70,196	69,103
Raw materials and supplies	12,742	10,574
Accounts receivable-other	13,496	15,228
Other current assets	5,567	7,017
Allowance for doubtful accounts	(184)	(203)
Total current assets	326,375	498,821
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	102,450	87,431
Machinery and equipment, net	73,799	58,712
Vehicles, tools, furniture and fixtures, net	24,328	19,492
Land	35,262	32,298
Construction in progress	6,773	7,197
Total property, plant and equipment	242,612	205,130
Intangible assets		
Software	16,179	12,547
Other intangible assets	27,725	24,608
Total intangible assets	43,904	37,155
Investments and other assets		
Investment securities	8,063	8,526
Long-term prepaid expenses	29,333	22,233
Other assets	18,818	23,938
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	56,213	54,696
Total long-term assets	342,729	296,981
Total assets	669,104	795,802

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2013)	Current Third Quarter (As of December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	99,153	94,715
Short-term borrowings	1,000	1,500
Current portion of long-term borrowings	25,514	11,683
Current portion of lease obligations	6,416	3,067
Accounts payable-other	64,392	26,108
Accrued expenses	20,126	32,277
Accrued income taxes	6,443	7,363
Provision for product warranties	466	575
Provision for business structure improvement	1,128	9,397
Provision for contingent loss	7	1,100
Asset retirement obligations	331	59
Other current liabilities	3,618	7,833
Total current liabilities	228,594	195,677
Long-term liabilities		
Long-term borrowings	264,656	258,004
Lease obligations	8,795	6,672
Accrued retirement benefits	58,810	51,827
Asset retirement obligations	4,491	4,128
Other liabilities	25,834	27,249
Total long-term liabilities	362,586	347,880
Total liabilities	591,180	543,557
Net assets		
Shareholders' equity		
Common stock	153,255	228,255
Capital surplus	450,413	525,413
Retained earnings	(527,815)	(517,644)
Treasury stock	(11)	(11)
Total shareholders' equity	75,842	236,013
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	308	608
Foreign currency translation adjustments	(9,406)	3,744
Total accumulated other comprehensive income	(9,098)	4,352
Minority interests	11,180	11,880
Total net assets	77,924	252,245
Total liabilities and net assets	669,104	795,802

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(Nine months ended December 31, 2012 and 2013)

(In millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net sales	600,398	632,508
Cost of sales	425,608	397,959
Gross profit	174,790	234,549
Selling, general and administrative expenses	206,030	183,882
Operating income (loss)	(31,240)	50,667
Non-operating income		
Interest income	162	335
Dividends income	58	50
Equity in earnings of affiliates	49	114
Foreign exchange gains	—	2,338
Insurance income	2,459	59
Other non-operating income	2,171	797
Total non-operating income	4,899	3,693
Non-operating expenses		
Interest expenses	3,314	3,691
Foreign exchange losses	1,332	—
Loss on disposal of long-term assets	817	323
Retirement benefit expenses	1,677	1,423
Share issuance cost	—	2,354
Other non-operating expenses	2,054	3,325
Total non-operating expenses	9,194	11,116
Ordinary income (loss)	(35,535)	43,244
Special income		
Gain on sales of property, plant and equipment	395	312
Gain on transfer of business	—	*1 15,508
Gain on sales of investment securities	2,221	79
Gain on forgiveness of debt	—	*2 7,636
Total special income	2,616	23,535
Special loss		
Loss on sales of property, plant and equipment	17	29
Impairment loss	2,869	1,685
Loss on disaster	—	1,321
Loss on valuation of investment securities	10	10
Business structure improvement expenses	*3 118,755	*3 38,266
Loss on sales of investment securities	3	—
Compensation for damage	—	17
Provision for contingent loss	—	1,253
Loss on liquidation of subsidiaries and affiliates	869	35
Settlement package	890	—
Loss on transfer of business	18	1,598
Total special losses	123,431	44,214
Income (loss) before income taxes and minority interests	(156,350)	22,565
Income taxes	3,905	8,728
Income (loss) before minority interests	(160,255)	13,837
Minority interests in income (loss) of consolidated subsidiaries	1,467	3,666
Net income (loss)	(161,722)	10,171

Quarterly Consolidated Statements of Comprehensive Income
(Nine months ended December 31, 2012 and 2013)

(In millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income (loss) before minority interests	(160,255)	13,837
Other comprehensive income		
Unrealized gains (losses) on securities	(93)	265
Foreign currency translation adjustments	7,279	13,402
Share of other comprehensive income of affiliates accounted for by the equity method	(14)	35
Total other comprehensive income	7,172	13,702
Comprehensive income	(153,083)	27,539
Comprehensive income attributable to:		
Shareholders of parent company	(154,682)	23,621
Minority interests	1,599	3,918

Quarterly Consolidated Statements of Operations
(Three months ended December 31, 2012 and 2013)

(In millions of yen)

	Three months ended December 31, 2012	Three months ended December 31, 2013
Net sales	191,014	215,642
Cost of sales	136,318	131,610
Gross profit	54,696	84,032
Selling, general and administrative expenses	62,626	54,053
Operating income (loss)	(7,930)	29,979
Non-operating income		
Interest income	30	158
Dividends income	41	27
Equity in earnings of affiliates	18	36
Foreign exchange gains	—	809
Insurance income	166	18
Other non-operating income	204	169
Total non-operating income	459	1,217
Non-operating expenses		
Interest expenses	1,469	907
Foreign exchange losses	982	—
Loss on disposal of long-term assets	124	164
Retirement benefit expenses	487	475
Other non-operating expenses	559	316
Total non-operating expenses	3,621	1,862
Ordinary income (loss)	(11,092)	29,334
Special income		
Gain on sales of property, plant and equipment	47	63
Gain on transfer of business	—	*1 15,479
Gain on sales of investment securities	2	6
Total special income	49	15,548
Special loss		
Loss on sales of property, plant and equipment	5	4
Impairment loss	2,519	124
Loss on disaster	—	1,321
Business structure improvement expenses	*3 29,450	*3 14,417
Loss on sales of investment securities	2	—
Provision for contingent loss	—	400
Settlement package	890	—
Loss on liquidation of subsidiaries and associates	—	35
Loss on transfer of business	—	58
Total special losses	32,866	16,359
Income (loss) before income taxes and minority interests	(43,909)	28,523
Income taxes	2,291	3,251
Income (loss) before minority interests	(46,200)	25,272
Minority interests in income (loss) of consolidated subsidiaries	441	2,291
Net income (loss)	(46,641)	22,981

Quarterly Consolidated Statements of Comprehensive Income
(Three months ended December 31, 2012 and 2013)

(In millions of yen)

	Three months ended December 31, 2012	Three months ended December 31, 2013
Income (loss) before minority interests	(46,200)	25,272
Other comprehensive income		
Unrealized gains (losses) on securities	45	183
Foreign currency translation adjustments	12,705	8,221
Share of other comprehensive income of affiliates accounted for by the equity method	14	—
Total other comprehensive income	12,764	8,404
Comprehensive income	(33,436)	33,676
Comprehensive income attributable to:		
Shareholders of parent company	(34,024)	31,699
Minority interests	588	1,977

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(156,350)	22,565
Depreciation and amortization	70,041	48,367
Amortization of long-term prepaid expenses	8,854	8,514
Impairment loss	2,869	1,685
Increase (decrease) in accrued retirement benefits	(23,722)	(7,497)
Increase (decrease) in provision for business structure improvement	976	8,655
Interest and dividends income	(220)	(385)
Insurance income	(2,459)	(59)
Interest expenses	3,314	3,691
Equity in (earnings) losses of affiliates	(49)	(114)
Loss (gain) on sales and valuation of investment securities	(2,208)	(69)
Loss (gain) on liquidation of subsidiaries and affiliates	869	35
Loss (gain) on sales of property, plant and equipment	(378)	(283)
Loss on disposal of long-term assets	817	323
Share issuance cost	—	2,354
Gain on forgiveness of debts	—	(7,636)
Business structure improvement expenses	55,540	24,621
Loss (gain) on transfer of business	18	(13,910)
Decrease (increase) in notes and accounts receivable-trade	11,475	1,355
Decrease (increase) in inventories	3,155	21,860
Decrease (increase) in accounts receivable-other	2,877	728
Increase (decrease) in notes and accounts payable-trade	(35,375)	(1,839)
Increase (decrease) in accounts payable-other and accrued expenses	33,558	10,365
Other cash provided by (used in) operating activities, net	2,994	4,490
Subtotal	(23,404)	127,816
Interest and dividends received	293	419
Proceeds from insurance income	2,440	90
Interest paid	(3,358)	(3,722)
Income taxes paid	(5,483)	(8,247)
Payments for extra retirement benefits	(25,185)	(44,588)
Settlement package paid	—	(405)
Payments for loss on disaster	(6,303)	—
Net cash provided by (used in) operating activities	(61,000)	71,363

(In millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(30,390)	(19,471)
Proceeds from sales of property, plant and equipment	609	503
Purchase of intangible assets	(4,259)	(3,107)
Purchase of long-term prepaid expenses	(1,683)	(1,986)
Purchase of investment securities	(506)	(405)
Proceeds from sales of investment securities	2,777	601
Proceeds from transfer of business	6,873	19,967
Payments for transfer of business	—	(7,953)
Collection of loans receivable	—	350
Other cash provided by (used in) investing activities, net	45	(944)
Net cash provided by (used in) investing activities	(26,534)	(12,445)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(168,853)	500
Proceeds from long-term borrowings	256,851	221,789
Repayment of long-term borrowings	(24,631)	(235,119)
Proceeds from issuance of common shares	—	147,646
Repayments of finance lease obligations	(6,752)	(5,505)
Repayments of installment payables	(7,343)	(8,617)
Other, Net cash provided by (used in) financing activities net	—	(472)
Net cash provided by (used in) financing activities	49,272	120,222
Effect of exchange rate change on cash and cash equivalents	1,426	9,153
Net increase (decrease) in cash and cash equivalents	(36,836)	188,293
Cash and cash equivalents at the beginning of the period	131,946	77,731
Cash and cash equivalents at the end of the period	95,110	266,024

3.4 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

*1 Gain on transfer of business

Mainly due to the transfer of subsidiaries' shares and certain assets related to the LTE Modem technology to Broadcom Corporation.

*2 Gain on forgiveness of debt

Due to the receipt of planned financial assistance in the form of a partial debt waiver from some of its major shareholders.

*3 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 details of business structure improvement expenses for the consolidated statements of operations for the nine months ended December 31, 2012 and 2013 were as follows:

	(In millions of yen)	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Personnel expenses including the special incentive of early retirement program	85,757	21,843
Impairment loss	31,311	11,679
Other (*)	1,687	4,744
Total	118,755	38,266

(*) The main item of "Other" for nine months ended December 31, 2013 is equipment transfer-related losses for consolidated subsidiaries.

The details of business structure improvement expenses for the consolidated statements of operations for the three months ended December 31, 2012 and 2013 were as follows:

	(In millions of yen)	
	Three months ended December 31, 2012	Three months ended December 31, 2013
Personnel expenses including the special incentive of early retirement program	623	3,912
Impairment loss	28,116	7,918
Other	711	2,587
Total	29,450	14,417

(Notes on Assumption for Going Concern)

None

(Notes on Significant Changes in the Amount of Shareholders' Equity)

The Company received the payment for the issue of new shares through 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 on September 30, 2013.

After the issuance of new shares, the amount of common stock and capital legal reserve increased by 75,000 million yen respectively for the nine months ended December 31, 2013, and the amount of common stock and capital surplus was 228,255 million yen and 525,413 million yen, respectively, as of December 31, 2013.

(Business Combinations)

Business Divestiture

(Transfer of Subsidiaries' Shares and Certain Assets Related to LTE Modem Technology)

1. Outline of the business divestiture

(1) Name of the buyer

Broadcom Corporation (hereafter "Broadcom")

(2) Nature of the divested business

Design and Development of LTE Modem

(3) Main reasons for the divestiture

The Company and its wholly-owned subsidiary Renesas Mobile Corporation (hereafter "RMC") announced on June 27 that they would stop development activities and sales expansion of the 4th generation wireless modem (hereafter "LTE Modem") developed by Renesas Mobile Europe Oy, RMC's subsidiary (hereafter "RME") and Renesas Mobile India Private Limited, RME's subsidiary (hereafter "RMI"), and worked towards the termination of this business. After the announcement, the Company and RMC had started performing the steps necessary to end these activities. During the process, however, Broadcom proposed the Company and RMC to acquire the LTE Modem technology.

Reviewing this proposal, the Company and RMC reached a conclusion to transfer LTE Modem Technology to Broadcom, a semiconductor company for wired and wireless communications.

(4) Date of divestiture

October 1, 2013

(5) Overview of transactions including statutory form

The Company and RMC transferred all of the common stocks for RME and RMI, and certain assets related to the LTE Modem technology to Broadcom with cash consideration.

2. Overview of accounting treatment scheduled

(1) Amount of gain on business transfer

Difference between consideration transferred and the amount corresponding to the shareholders' equity of the transferred business was recognized as gain on transfer of business for consolidated statements of operations.

	(Millions of yen)
Gain on transfer of business	15,321

Based on the transferred contract, actual amount of gain on business transfer may fluctuate due to the adjustment of consideration transferred.

(2) Appropriate book value of assets and liabilities pertaining to the transferred businesses

	(Millions of yen)
Current assets	6,257
Long-term assets	733
Total assets	6,990
Current liabilities	3,256
Long-term liabilities	16
Total liabilities	3,272

3. Approximate amount of income (loss) pertaining to divested businesses recorded in the consolidated statement of operations for the six months ended September 30, 2013

	(Millions of yen)
Net sales	—
Operating loss	8,023

(Transfer of Equity Interest in Consolidated Subsidiary)

1. Outline of the business divestiture

- (1) Name of the buyer
Shougang Company Limited
- (2) Nature of the divested business
Manufacturing of semiconductor devices in Shougang NEC Electronics Co., Ltd. (hereafter "SGNEC"), a consolidated subsidiary of the Company.
- (3) Main reasons for the divestiture
The Company has been conducting structural reforms to shore up its revenue base by improving the cost structure, accelerate its decision-making, and streamline and boost its efficiency of business operations.

After careful consideration of future operational plans and mindful of the imminent expiration (on December 30, 2013) of the joint management agreement with Shougang Company Limited, the Company has decided to transfer its entire equity interest in SGNEC to Shougang Company Limited, and to terminate the joint management arrangement.

- (4) Date of divestiture
November 27, 2013
- (5) Overview of transactions including statutory form
The Company transferred all of the equity interest (50.3%) in SGNEC to Shougang Company Limited with cash consideration.

2. Overview of accounting treatment scheduled

- (1) Amount of loss on business transfer
Difference between consideration transferred and the amount corresponding to the shareholders' equity of the transferred business was recognized as loss on transfer of business for consolidated statements of operations.

	(Millions of yen)
Loss on transfer of business	1,598

- (2) Appropriate book value of assets and liabilities pertaining to the transferred businesses

	(Millions of yen)
Current assets	10,151
Total assets	10,151
Current liabilities	1,013
Total liabilities	1,013

3. Approximate amount of income (loss) pertaining to divested businesses recorded in the consolidated statement of operations for the eight months ended November 30, 2013

	(Millions of yen)
Net sales	7,123
Operating gain	1,873

Transactions under Common Control

(Merger between the Company and its Subsidiary, Renesas Electronics Sales Co., Ltd.)

1. Summary of transaction under common control

(1) Absorbed company's name and its business operations

Name; Renesas Electronics Sales Co., Ltd. (hereafter "Renesas Sales")

Business Operations; Sale of electronic components such as semiconductor devices and integrated circuits; sale of electronic equipment and communications equipment; software development, design, manufacture, sale, maintenance, and consulting related to the preceding

(2) Date of business combination

October 1, 2013

(3) Legal type of business combination

The absorption-type merger method; the Company as the surviving company and Renesas Sales as the absorbed company.

(4) Overview of the transactions

To shore up its revenue base by improving the cost structure, accelerate its decision-making, and streamline and boost its efficiency of business operations, the Company has carried out the absorption-type merger as a part of rebuilding the design, development, production, and sales structures within the Renesas Group.

2. Overview of accounting treatment scheduled

This transfer of business has been accounted for as transactions under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No.21, issued on December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, issued on December 26, 2008).

(Mergers between Subsidiaries and Changes to Names of Subsidiaries)

As a part of rebuilding the design, development, production, and sales structures within the Group, the Company implemented mergers between subsidiaries and changes to names of subsidiaries as of October 1, 2013. The following is the outline of mergers.

1) The absorption-type merger was implemented between Renesas Micro Systems Co., Ltd. (the surviving company) and Renesas Design Corp. (the absorbed company), both of which are design and application technology companies, and the surviving company's name was changed into Renesas Systems Design Corp.

2) The absorption-type merger was implemented among Renesas Musashi Engineering Services, Co., Ltd. (the surviving company), Renesas Kitaitami Engineering Services Co., Ltd. (the absorbed company) and Renesas Takasaki Engineering Service Co., Ltd. (the absorbed company), all of which are design and application technology companies, and the surviving company's name was changed into Renesas Engineering Services Co., Ltd.

3) The absorption-type merger was implemented between Renesas Northern Japan Semiconductor, Inc. (the surviving company) and Renesas Eastern Japan Semiconductor, Inc. (the absorbed company), both of which are production companies.

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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