

Media Contacts

Kyoko Okamoto
 Renesas Electronics Corporation
 +81 3-6773-3001
 pr@renesas.com

Investor Contacts

Makie Uehara
 Renesas Electronics Corporation
 +81 3-6773-3002
 ir@renesas.com

**Renesas Electronics Reports Financial Results
 for the Second Quarter Ended September 30, 2015**

Tokyo, Japan, October 30, 2015 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the six months ended September 30, 2015.

Summary of Consolidated Financial Results

	Three months ended September 30, 2015		Six months ended September 30, 2015	
	Billion Yen	% of Net Sales	Billion Yen	% of Net Sales
Net sales	181.4	100.0	360.7	100.0
Sales from semiconductors	177.0		351.5	
Sales from others	4.4		9.2	
Operating income	30.7	16.9	63.1	17.5
Ordinary income	33.8	18.6	67.1	18.6
Net income attributable to shareholders of parent company	27.5	15.2	57.4	15.9
Capital expenditures(Note 3)	11.1		30.7	
Depreciation and others	15.5		30.9	
R&D expenses	27.0		46.7	
	Yen		Yen	
Exchange rate (USD)	123		122	
Exchange rate (Euro)	137		134	

	As of September 30, 2015
	Billion Yen
Total assets	866.4
Net assets	360.4
Equity Capital	358.2
Equity ratio (%)	41.3%
Interest-bearing debt	254.8

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

Note 2: Consolidated financial results for the six months ended September 30, 2015 have not been reviewed by the auditors. The figures are subject to change based on subsequent events or the auditors' review.

Note 3: Capital expenditures refer to the amount of order placed for property, plant and equipment (manufacturing equipment) and intangible assets.

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, 2015

English translation from the original Japanese-language document



October 30, 2015

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 : Takao Endo, Representative Director,
 Chairman and CEO
 Contact person : Yoichi Kobayashi, Department Manager
 Corporate Communications Dept, CEO
 Office
 Tel. +81 (0)3-6773-3002
 Filing date of Shihanki Hokokusho (scheduled) : November 6, 2015

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2015

1.1 Consolidated financial results (% of change from corresponding period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2015	360,701	(13.5)	63,093	24.9	67,121	36.7	57,409	63.5
Six months ended September 30, 2014	416,928	0.0	50,526	144.2	49,094	252.9	35,118	---

Reference: Comprehensive income for the six months ended September 30, 2015: 48,514 million yen (4.0%)
 Comprehensive income for the six months ended September 30, 2014: 46,661 million yen (---%)

	Net income per share basic	Net income per share diluted
	Yen	Yen
Six months ended September 30, 2015	34.44	---
Six months ended September 30, 2014	21.07	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
September 30, 2015	866,364	360,414	41.3
March 31, 2015	840,087	311,909	36.8

Reference: Equity as of September 30, 2015: 358,236 million yen
 Equity as of March 31, 2015: 309,529 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
Year ended March 31, 2015	Yen ---	Yen 0.00	Yen ---	Yen 0.00	Yen 0.00
Year ending March 31, 2016	---	0.00			
Year ending March 31, 2016 (forecast)			---	---	---

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

3. Forecast of consolidated results for the nine months ending December 31, 2015

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Nine months ending December 31, 2015	523,700	(14.0)	77,100	(3.6)	80,100	(2.7)	62,900	(14.2)	37.73

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

Renesas Electronics Group reports its consolidated forecasts on a quarterly basis as substitute for a yearly forecasts. For details, please refer to Appendix 1.3., "Consolidated Forecasts" on page 6.

4. Others

4.1 Changes in significant subsidiaries for the six months ended September 30, 2015

(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: Yes

(Note) For details, please refer to page 7.

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, 2015: 1,667,124,490 shares

As of March 31, 2015: 1,667,124,490 shares

2. Number of treasury stock

As of September 30, 2015: 2,581 shares

As of March 31, 2015: 2,548 shares

3. Average number of shares issued and outstanding

For the six months ended September 30, 2015: 1,667,121,939 shares

For the six months ended September 30, 2014: 1,667,121,942 shares

Renesas Electronics' Consolidated Financial Results for the Six Months Ended September 30, 2015

(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 are underway 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 (hereafter “the Group”) 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 Group will hold an earnings conference for institutional investors and analysts on October 30, 2015. The Group plans to post the materials which are provided at the meeting, on the Group’s website on that day.

[APPENDIX]

1. Second Quarter Consolidated Financial Results	2
1.1 Consolidated Business Results	2
1.2 Consolidated Financial Condition	5
1.3 Consolidated Forecasts	6
2. Others	7
2.1 Changes in Significant Consolidated Subsidiaries	7
2.2 Adoption of Special Accounting Methods for Quarterly Consolidated Financial Statements	7
2.3 Changes in Accounting Principles, Changes in Accounting Estimates and Corrections of Prior Period Errors	7
3. Quarterly Consolidated Financial Statements	9
3.1 Quarterly Consolidated Balance Sheets	9
3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income	11
3.3 Quarterly Consolidated Statements of Cash Flows	15
3.4 Notes to Quarterly Consolidated Financial Statements	17
(Quarterly Consolidated Statements of Operations)	17
(Notes on Assumption for Going Concern)	17
(Notes on Significant Changes in the Amount of Shareholders' Equity)	17

1. Second Quarter Consolidated Financial Results

1.1 Consolidated Business Results

1.1.1 Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015

	Six months ended September 30, 2014	Six months ended September 30, 2015	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	416.9	360.7	(56.2)	(13.5%)
Sales from semiconductors	400.8	351.5	(49.3)	(12.3%)
Sales from others	16.1	9.2	(6.9)	(43.0%)
Operating income	50.5	63.1	12.6	24.9%
Ordinary income	49.1	67.1	18.0	36.7%
Net income attributable to shareholders of parent company	35.1	57.4	22.3	63.5%
	Yen	Yen	---	---
Exchange rate (USD)	102	122	---	---
Exchange rate (EUR)	139	134	---	---

[Net sales]

Consolidated net sales for the six months ended September 30, 2015 were 360.7 billion yen, a 13.5% decrease year on year. This was mainly due to a decrease in sales from semiconductors, including small- and medium-sized display driver ICs for mobile handsets, resulting from the selection and concentration of businesses despite the improved exchange rate.

Sales from semiconductors for the six months ended September 30, 2015 were 351.5 billion yen, a 12.3% decrease year on year.

[Operating income]

Operating income for the six months ended September 30, 2015 was 63.1 billion yen, 12.6 billion yen improvement year on year. This was mainly due to the improved earnings structure, including the improvement of gross profit ratio, through implementation of the structural reform measures in addition to the improved exchange rate.

[Ordinary income]

Ordinary income for the six months ended September 30, 2015 was 67.1 billion yen, 18.0 billion yen improvement year on year. This was mainly due to non-operating income of 4.0 billion yen from recording non-operating income of 6.6 billion yen, including foreign exchange gains. Furthermore, foreign exchange gains for the six months ended September 30, 2015 were 4.6 billion yen. The exchange gains are the result of foreign exchange valuation of cash and deposits, account receivable, and account payable in foreign currency at the end of three months ended September 30, 2015, and the difference between the exchange rates as of the recording and settlement time of the sales and purchase.

[Net income attributable to shareholders of parent company]

Net income attributable to shareholders of parent company for the six months ended September 30, 2015 was 57.4 billion yen, 22.3 billion yen improvement year on year. This was mainly due to decreased special loss from especially the business structure improvement expenses, in addition to improved operating income and ordinary income.

**1.1.2 Summary of Consolidated Financial Results
Three Months Ended September 30, 2015**

	Three months ended September 30, 2014	Three months ended September 30, 2015	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	207.7	181.4	(26.3)	(12.6)
Sales from semiconductors	199.6	177.0	(22.6)	(11.3)
Sales from others	8.1	4.4	(3.7)	(45.3)
Operating income	23.5	30.7	7.2	30.5
Ordinary income	23.8	33.8	10.0	42.1
Net income attributable to shareholders of parent company	13.9	27.5	13.6	97.8
	Yen	Yen		
Exchange rate (USD)	102	123	---	---
Exchange rate (EUR)	138	137	---	---

[Net sales]

Consolidated net sales for the three months ended September 30, 2015 were 181.4 billion yen, a decrease by 12.6% year on year. This decrease was caused by a decrease in sales from semiconductors, which is the core business of the Group, and sales from others.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended September 30, 2015 were 177.0 billion yen, an 11.3% decrease year on year.

The sales breakdown for “Automotive” and “General purpose,” the two application categories that constitute the main business of the Group, and for “Other semiconductors” not belonging to the above two application categories, is as follows:

Automotive Business: 82.4 billion yen

The automotive business includes the product categories “Automotive control,” comprising semiconductor devices for controlling automobile engines and bodies, and “Automotive information,” comprising semiconductor devices used in automotive information systems such as navigation systems. The Group supplies microcontrollers, analog & power semiconductor devices, and system-on-chip (SoC) products in each of these categories.

Second-quarter sales for the Automotive business were 82.4 billion yen, an increase of 4.5% year on year. Sales increased in both the “Automotive control” and “Automotive information” categories.

General-Purpose Business: 93.6 billion yen

The general-purpose business includes the product categories “Industrial/Home electronics,” comprising semiconductor devices for industrial equipment, white goods, etc., “OA/ICT,” comprising semiconductor devices for office automation (OA) equipment such as copy machines and information and communication technology (ICT) equipment such as network infrastructure, and “General-purpose,” comprising general-purpose semiconductor devices for other applications. The Group supplies microcontrollers, analog & power semiconductor devices, and SoC products in each of these categories.

Second-quarter sales for the General-purpose business were 93.6 billion yen, a decrease of 21.8% year on year. This was mainly due to the Group's promotion of selection and concentration of businesses which led to decreased sales in the "General-Purpose" categories, despite the increased sales in the "OA/ICT" and "Industrial/Home electronics". In particular, sales in the "General-Purpose" category decreased year on year as a result of transferring all of the shares in Renesas SP Drivers Inc., which at that time was a consolidated subsidiary of the Group and supplier of small- and medium-sized display driver ICs, to a European subsidiary of Synaptics Incorporated in U.S. on October 1, 2014.

Other Semiconductors: 1.0 billion yen

Sales of Other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended September 30, 2015 were 1.0 billion yen, a 2.5% decrease year on year.

[Sales from others]

Sales from others include development and production by commissioning conducted at the Group's design and manufacturing subsidiaries.

Sales from others for the three months ended September 30, 2015 were 4.4 billion yen, a 45.3% decrease year on year.

[Operating income]

Operating income for the three months ended September 30, 2015 was 30.7 billion yen, a 7.2 billion yen improvement year on year. This increase was mainly caused by increased sales from improved exchange rate and improved earnings structure, including the improvement of gross profit ratio, through implementation of the structural reform measures.

[Ordinary income]

Ordinary income for the three months ended September 30, 2015 was 33.8 billion yen, a 10.0 billion yen improvement year on year, mainly due to non-operating income of 3.0 billion yen from recording non-operating income of 4.6 billion yen including foreign exchange gains, etc. Furthermore, foreign exchange gains for the three months ended September 30, 2015 were 3.3 billion yen. The exchange gains are the result of foreign exchange valuation of cash and deposits, account receivable, and account payable in foreign currency at the end of three months ended September 30, 2015, and the difference between the exchange rates as of the recording and settlement time of the sales and purchase.

[Net income attributable to shareholders of parent company]

Net income attributable to shareholders of parent company for the three months ended September 30, 2015 was 27.5 billion yen, a 13.6 billion yen improvement year on year. This was mainly due to decreased special loss year on year, especially the business structure improvement expenses in addition to improved operating income and ordinary income.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	June 30, 2015	September 30, 2015	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	851.8	866.4	14.6
Net assets	344.7	360.4	15.7
Equity	342.4	358.2	15.9
Equity ratio (%)	40.2	41.3	1.2
Interest-bearing debt	259.4	254.8	(4.6)
Debt / Equity ratio	0.76	0.71	(0.05)

Total assets at September 30, 2015 were 866.4 billion yen, a 14.6 billion yen increase from June 30, 2015. This was primarily due to increase in cash and deposits from improved net cash provided by operating activities as a result of recording income before income taxes from the promotion of structural reform measures in the three months ended September 30, 2015. Net assets were 360.4 billion yen, a 15.7 billion yen increase from June 30, 2015. This was mainly due to recording of net income attributable to shareholders of parent company in the amount of 27.5 billion yen despite worsening of foreign currency translation adjustment from appreciation of yen against the emerging market currencies.

Equity increased by 15.9 billion yen from June 30, 2015 and the equity ratio was 41.3%. Interest-bearing debt decreased by 4.6 billion yen from June 30, 2015. Consequently, the debt to equity ratio became 0.71.

1.2.2 Cash Flows

	Three months ended September 30, 2014	Three months ended September 30, 2015
	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	49.5	45.1
Net cash provided by (used in) investing activities	(14.9)	(12.0)
Free cash flows	34.7	33.1
Net cash provided by (used in) financing activities	(4.8)	(8.8)
Cash and cash equivalents at the beginning of period	251.8	368.7
Cash and cash equivalents at the end of period	288.2	388.1

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

Net cash provided by operating activities for the three months ended September 30, 2015 was 45.1 billion yen. This was mainly due to recording of income before income taxes in the amount of 29.9 billion yen and adjustment of non-expenditure items including depreciation and amortization, etc.

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

Net cash used in investing activities for the three months ended September 30, 2015 was 12.0 billion yen, mainly due to the purchase of property, plant and equipment.

The foregoing resulted in positive free cash flows of 33.1 billion yen for the three months ended September 30, 2015.

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

Net cash used in financing activities for the three months ended September 30, 2015 was 8.8 billion yen.

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 nine months ending December 31, 2015)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of Parent Company
Previous forecasts (July 31, 2015)	---	---	---	---	---
Revised forecasts (October 30, 2015)	523,700	510,500	77,100	80,100	62,900
Increase (decrease)	---	---	---	---	---
Percent change	---	---	---	---	---
Reference: Results for the nine months ended December 31, 2014	608,864	578,188	79,986	82,283	73,320

The consolidated forecasts for the third quarter ending December 31, 2015 are calculated at the rate of 120 yen per USD and 133 yen per Euro.

The statements with respect to the financial outlook of the Group are forward-looking statements involving risks and uncertainties. The Company cautions you in advance that actual results may vary materially from such forward-looking statements due to several important factors.

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

Due to the reorganization of the design and development structures within the Group as of April 1, 2015, a subsidiary is excluded from the Group by means of the absorption-type merger in the first quarter of the fiscal year ending March 31, 2016.

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, 2016 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 Principles, Changes in Accounting Estimates and Corrections of Prior Period Errors

(Changes in accounting principles)

From the first quarter beginning on April 1, 2015, the Group has adopted "Accounting Standard for Business Combinations" (ASBJ Statement No.21, issued on September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, issued on September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, issued on September 13, 2013) and so forth. The Group has adopted the methods to post the differences arose by the changes in a parent company's equity interest in its subsidiaries that are still under its control as capital surplus and recognize acquisition-related costs as expenses for the fiscal year in which such costs are incurred.

For business combinations conducted on or after April 1, 2015, the Group has also adopted the method to reflect the adjustments to the allocation of acquisition costs caused by finalizing the tentative accounting treatment in the quarterly consolidated financial statements of the quarterly consolidated period when the business combinations are occurred. In addition, the Group has changed the presentation of "Net income" etc. and the presentation from "Minority interests" to "Non-controlling interests". In order to reflect the changes in presentation, the quarterly consolidated financial statements for the second quarter ended September 30, 2014 and the consolidated financial statements for the previous fiscal year have been reclassified to reflect a consistent presentation format.

In the quarterly consolidated statement of cash flows, cash flows related to acquisition or sale of subsidiaries' shares not resulting in change in scope of consolidation have been included in "Net cash provided by (used in) financing activities," and cash flows related to costs arising from acquisition of subsidiaries' shares resulting in change in scope of consolidation or costs associated with acquisition or sale of subsidiaries' shares not resulting in change in scope of consolidation have been included in "Net cash provided by (used in) operating activities."

The adoption of the accounting standards is subject to the transition treatment set forth in Clause 58-2(4) of the "Accounting Standard for Business Combinations" and Clause 57-4(4) of the "Accounting Standard for Business Divestitures", and the Group has applied the accounting standards from the first quarter beginning on April 1, 2015.

Regarding the quarterly consolidated statement of cash flows, the Company has applied the transitional treatments stipulated in Article 26-4 of “Practical Guidelines on Accounting Standards for Preparing Consolidated Statements of Cash Flows” and did not reclassify the comparative information. Furthermore, the adoption of the accounting standards has no impact on the quarterly financial statements for the six months ended September 30, 2015.

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2015)	Current Second Quarter (As of September 30, 2015)
Assets		
Current assets		
Cash and deposits	344,000	388,694
Notes and accounts receivable-trade	91,471	86,070
Merchandise and finished goods	38,203	41,983
Work in process	66,761	68,202
Raw materials and supplies	6,457	6,376
Accounts receivable-other	14,174	15,621
Other current assets	10,089	8,779
Allowance for doubtful accounts	(92)	(87)
Total current assets	571,063	615,638
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	73,920	71,679
Machinery and equipment, net	55,233	56,098
Vehicles, tools, furniture and fixtures, net	16,745	17,032
Land	27,277	27,274
Construction in progress	8,640	7,621
Total property, plant and equipment	181,815	179,704
Intangible assets		
Software	9,743	9,173
Other intangible assets	18,509	16,725
Total intangible assets	28,252	25,898
Investments and other assets		
Investment securities	8,108	7,852
Long-term prepaid expenses	35,024	30,676
Other assets	15,826	6,597
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	58,957	45,124
Total long-term assets	269,024	250,726
Total assets	840,087	866,364

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2015)	Current Second Quarter (As of September 30, 2015)
Liabilities		
Current liabilities		
Electronically recorded obligations	9,275	9,213
Notes and accounts payable-trade	76,364	74,838
Current portion of long-term borrowings	6,700	14,850
Current portion of lease obligations	1,135	1,107
Accounts payable-other	37,337	32,935
Accrued expenses	36,875	35,935
Accrued income taxes	5,785	5,923
Provision for product warranties	366	301
Provision for business structure improvement	3,871	4,694
Provision for contingent loss	252	260
Asset retirement obligations	2,089	446
Other current liabilities	6,009	6,720
Total current liabilities	186,058	187,222
Long-term liabilities		
Long-term borrowings	246,505	234,005
Lease obligations	5,385	4,845
Provision for business structure improvement	2,980	1,882
Net defined benefit liability	50,489	47,178
Asset retirement obligations	2,862	2,915
Other liabilities	33,899	27,903
Total long-term liabilities	342,120	318,728
Total liabilities	528,178	505,950
Net assets		
Shareholders' equity		
Common stock	228,255	10,000
Capital surplus	525,413	191,919
Retained earnings	(475,815)	133,343
Treasury stock	(11)	(11)
Total shareholders' equity	277,842	335,251
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	716	542
Foreign currency translation adjustments	13,716	5,272
Remeasurements of defined benefit plans	17,255	17,171
Total accumulated other comprehensive income	31,687	22,985
Non-controlling interests	2,380	2,178
Total net assets	311,909	360,414
Total liabilities and net assets	840,087	866,364

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(The six months ended September 30, 2014 and 2015)

(In millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	416,928	360,701
Cost of sales	254,799	195,405
Gross profit	162,129	165,296
Selling, general and administrative expenses	111,603	102,203
Operating income	50,526	63,093
Non-operating income		
Interest income	406	369
Dividends income	23	20
Equity in earnings of affiliates	123	9
Foreign exchange gains	755	4,595
Other non-operating income	588	1,584
Total non-operating income	1,895	6,577
Non-operating expenses		
Interest expenses	1,586	1,462
Retirement benefit expenses	777	-
Other non-operating expenses	964	1,087
Total non-operating expenses	3,327	2,549
Ordinary income	49,094	67,121
Special income		
Gain on sales of property, plant and equipment	169	453
Gain on transfer of business	-	251
Gain on sales of investment securities	107	60
Gain on extinguishment of debt	1,694	-
Total special income	1,970	764
Special loss		
Loss on sales of property, plant and equipment	115	34
Impairment loss	496	74
Business structure improvement expenses	*1 7,705	*1 5,413
Loss on sales of investment securities	-	138
Provision for contingent loss	240	62
Total special losses	8,556	5,721
Income before income taxes	42,508	62,164
Income taxes	4,973	4,521
Net income	37,535	57,643
Net income attributable to non-controlling interests	2,417	234
Net income attributable to shareholders of parent company	35,118	57,409

Quarterly Consolidated Statements of Comprehensive Income
(The six months ended September 30, 2014 and 2015)

(In millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net income	37,535	57,643
Other comprehensive income		
Unrealized gains (losses) on securities	2	(143)
Foreign currency translation adjustments	7,952	(8,871)
Remeasurements of defined benefit plans, net of tax	1,140	(82)
Share of other comprehensive income of affiliates accounted for by the equity method	32	(33)
Total other comprehensive income	9,126	(9,129)
Comprehensive income	46,661	48,514
Comprehensive income attributable to:		
Shareholders of parent company	44,065	48,707
Non-controlling interests	2,596	(193)

Quarterly Consolidated Statements of Operations
(The three months ended September 30, 2014 and 2015)

(In millions of yen)

	Three months ended September 30, 2014	Three months ended September 30, 2015
Net sales	207,669	181,399
Cost of sales	126,026	95,944
Gross profit	81,643	85,455
Selling, general and administrative expenses	58,101	54,725
Operating income	23,542	30,730
Non-operating income		
Interest income	199	188
Dividends income	15	8
Equity in earnings of affiliates	79	3
Foreign exchange gains	1,421	3,342
Other non-operating income	310	1,070
Total non-operating income	2,024	4,611
Non-operating expenses		
Interest expenses	791	733
Retirement benefit expenses	387	-
Other non-operating expenses	637	854
Total non-operating expenses	1,815	1,587
Ordinary income	23,751	33,754
Special income		
Gain on sales of property, plant and equipment	137	178
Gain on sales of investment securities	77	13
Gain on extinguishment of debt	1,694	-
Total special income	1,908	191
Special loss		
Loss on sales of property, plant and equipment	114	5
Impairment loss	426	45
Business structure improvement expenses	*1 6,997	*1 3,859
Loss on sales of investment securities	-	138
Provision for contingent loss	10	38
Total special losses	7,547	4,085
Income before income taxes	18,112	29,860
Income taxes	2,998	2,104
Net income	15,114	27,756
Net income attributable to non-controlling interests	1,195	219
Net income attributable to shareholders of parent company	13,919	27,537

Quarterly Consolidated Statements of Comprehensive Income

(The three months ended September 30, 2014 and 2015)

(In millions of yen)

	Three months ended September 30, 2014	Three months ended September 30, 2015
Net income	15,114	27,756
Other comprehensive income		
Unrealized gains (losses) on securities	(3)	(96)
Foreign currency translation adjustments	9,333	(12,018)
Remeasurements of defined benefit plans, net of tax	897	68
Share of other comprehensive income of affiliates accounted for by the equity method	19	(40)
Total other comprehensive income	10,246	(12,086)
Comprehensive income	25,360	15,670
Comprehensive income attributable to:		
Shareholders of parent company	23,989	15,882
Non-controlling interests	1,371	(212)

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	42,508	62,164
Depreciation and amortization	27,086	24,596
Amortization of long-term prepaid expenses	5,815	6,292
Impairment loss	496	74
Increase (decrease) in net defined benefit liability	(6,470)	(3,816)
Increase (decrease) in provision for business structure improvement	1,892	(146)
Increase (decrease) in provision for contingent loss	(473)	8
Interest and dividends income	(429)	(389)
Interest expenses	1,586	1,462
Equity in (earnings) losses of affiliates	(123)	(9)
Loss (gain) on sales and valuation of investment securities	(107)	78
Loss (gain) on sales of property, plant and equipment	(54)	(419)
Business structure improvement expenses	1,905	1,469
Loss (gain) on transfer of business	-	(251)
Decrease (increase) in notes and accounts receivable-trade	(20,118)	4,167
Decrease (increase) in inventories	7,444	(6,077)
Decrease (increase) in accounts receivable-other	3,755	1,783
Increase (decrease) in notes and accounts payable-trade	(449)	738
Increase (decrease) in accounts payable-other and accrued expenses	179	(6,728)
Other cash provided by (used in) operating activities, net	(3,132)	(3,601)
Subtotal	61,311	81,395
Interest and dividends received	500	460
Interest paid	(1,587)	(1,467)
Income taxes (paid) refund	(3,558)	(3,372)
Payments for extra retirement benefits	(5,113)	(397)
Net cash provided by (used in) operating activities	51,553	76,619

(In millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(19,435)	(20,532)
Proceeds from sales of property, plant and equipment	618	540
Purchase of intangible assets	(4,022)	(1,389)
Purchase of long-term prepaid expenses	(1,297)	(1,443)
Purchase of investment securities	(417)	(448)
Proceeds from sales of investment securities	521	619
Purchase of investments in subsidiaries	(3,200)	-
Proceeds from transfer of business	-	252
Payments for transfer of business	(448)	-
Collection of loans receivable	700	4,550
Other cash provided by (used in) investing activities, net	1,205	497
Net cash provided by (used in) investing activities	(25,775)	(17,354)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(2,000)	-
Proceeds from long-term borrowings	3,000	-
Repayment of long-term borrowings	(1,183)	(4,350)
Repayments of finance lease obligations	(1,886)	(591)
Repayments of installment payables	(6,362)	(7,560)
Net cash provided by (used in) financing activities	(8,431)	(12,501)
Effect of exchange rate change on cash and cash equivalents	5,000	(2,402)
Net increase (decrease) in cash and cash equivalents	22,347	44,362
Cash and cash equivalents at the beginning of the period	265,897	343,722
Cash and cash equivalents at the end of the period	288,244	388,084

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 details of business structure improvement expenses for the consolidated statements of operations for the six months ended September 30, 2014 and 2015 were as follows:

	(In millions of yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Personnel expenses including the special incentive of early retirement program	5,904	1,059
Impairment loss	568	1,295
Other (*)	1,233	3,059
Total	7,705	5,413

(*) The main items of "Other" for the six months ended September 30, 2015 are equipment removal related expenses to realignment the manufacturing sites and equipment relocation related expenses etc. to reorganize the design and development operation including its locations.

The details of business structure improvement expenses for the consolidated statements of operations for the three months ended September 30, 2014 and 2015 were as follows:

	(In millions of yen)	
	Three months ended September 30, 2014	Three months ended September 30, 2015
Personnel expenses including the special incentive of early retirement program	5,458	593
Impairment loss	568	1,295
Other (*)	971	1,971
Total	6,997	3,859

(*) The main item of "Other" for the three months ended September 30, 2015 is equipment removal related expenses etc. to realignment the manufacturing sites.

(Notes on Assumption for Going Concern)

None

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

In accordance with a resolution at the 13th ordinary general meeting of shareholders held on June 24, 2015, the Company has reduced 218,255 million yen of common stock and 163,789 million yen of capital legal reserve respectively, and transferred the amounts to the other capital surplus on September 30th, 2015. The Company has covered its deficiency by transferring 551,749 million yen from other capital surplus to retained earnings brought forward following the reductions of common stock and capital legal reserve on September 30th, 2015.

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.

###