

**Renesas Electronics**  
**Japan GAAP – Non-GAAP Reconciliation**

(Billion yen)	Q4 2017 Forecast (Oct-Dec 2017)	Q3 2017 Actual (Jul-Sep 2017)	Q3 2017 Actual (Oct-Dec 2017)	Q2 2016 Actual (Jul-Sep 2017)
Net Sales (after PPA correction)	200.9	195.5	166.4	152.6
PPA Effects	-	-0	-	-
Non-GAAP Net Sales	200.9	195.5	166.4	152.6
GAAP Gross profit	92.5	92.9	74.7	62.9
GAAP Gross margin (%)	46.0%	47.5%	44.9%	41.2%
PPA Effects (COGS)	+0.5	+0.4	-	-
Inventory Buildup	-	-	+1.2	+2.0
Stock-Based Compensation (COGS)	+0	+0	-	-
Non-GAAP Gross Profit	93.0	93.3	75.9	64.9
Non-GAAP Gross Margin (%)	46.3%	47.7%	45.6%	42.5%
GAAP Operating Profit	14.7	24.9	21.6	14.6
Inventory Buildup	-	-	+1.2	+2.0
PPA Effects (net sales/COGS)	+0.5	+0.4	-	-
PPA Effects (SG&A) Increase in depreciation of fixed assets, etc.	+0.2	+0.1	-	-
Stock-Based Compensation (COGS)	+0	+0	-	-
Amortization of Goodwill (SG&A)	+5.2	+5.2	-	-
Costs Related to the Acquisition of Intersil (SG&A)	+0.4	+0.4	-	-
Costs Related to the Acquisition of Intersil (R&D)	-	-	-	-
Amortization of Purchased Intangible Assets (SG&A)	+4.3	+4.4	-	-
Stock-Based Compensation (R&D)	+0.2	+0.2	-	-
Stock-Based Compensation (SG&A)	+0.5	+0.4	-	-
Costs Related to the Offering (SG&A)	-	+0	-	-
Non-GAAP Operating Profit	25.9	35.9	22.8	16.6
Non-GAAP Operating Margin (%)	12.9%	18.4%	13.7%	10.8%