

FY17/12 Q4/FULL-YEAR PRESENTATION

RENESAS ELECTRONICS CORPORATION
FEBRUARY 9, 2018

BIG IDEAS
FOR EVERY SPACE

GROWTH AND EARNINGS TARGETS TO MAXIMIZE SHAREHOLDER VALUE

Long-Term Financial Targets*1

Top-line growth

2x SAM*2 Growth Rate

Margin Improvements

GM*3: **44%*5** → **50%**
 OM*4: **12%*5** → **Over 20%**

Clear Path for Gross Margin Expansion

Top-line Growth
(Including cost reduction)

Better Product Mix

Intersil Integration

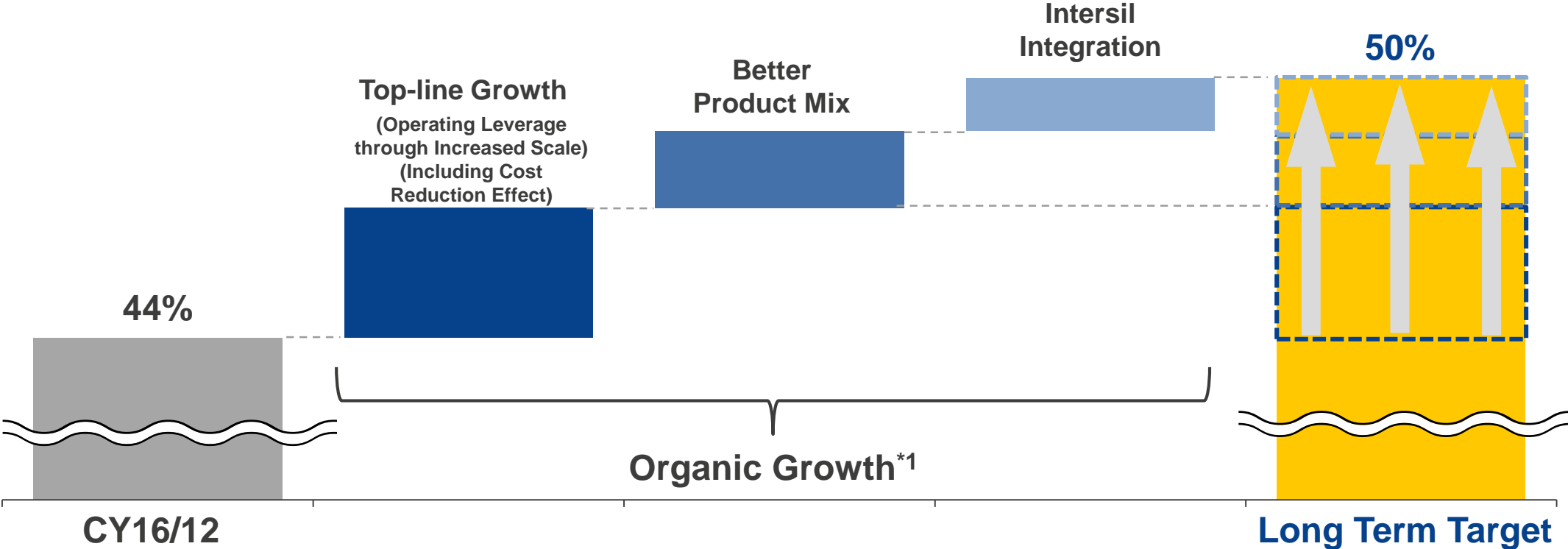


Further Acquisitions

*1: Long-term targets reflect non-GAAP adjustments to exclude amortization of goodwill and intangible assets, noncash expenses such as stock compensation expenses and one-time expenses. *2: Served Available Market comprised of total semiconductor market excluding DRAM, flash memory, microprocessors and non-optical sensors *3: Gross Margin *4: Operating Margin *5: Calculated on a calendar-year basis (Jan-Dec 2016) by adding FY2016/3 Q4 (3 months) and FY2016/12 (9 months) results based on Non-GAAP basis.

CLEAR PATH TO GROSS MARGIN IMPROVEMENT

Gross Margin

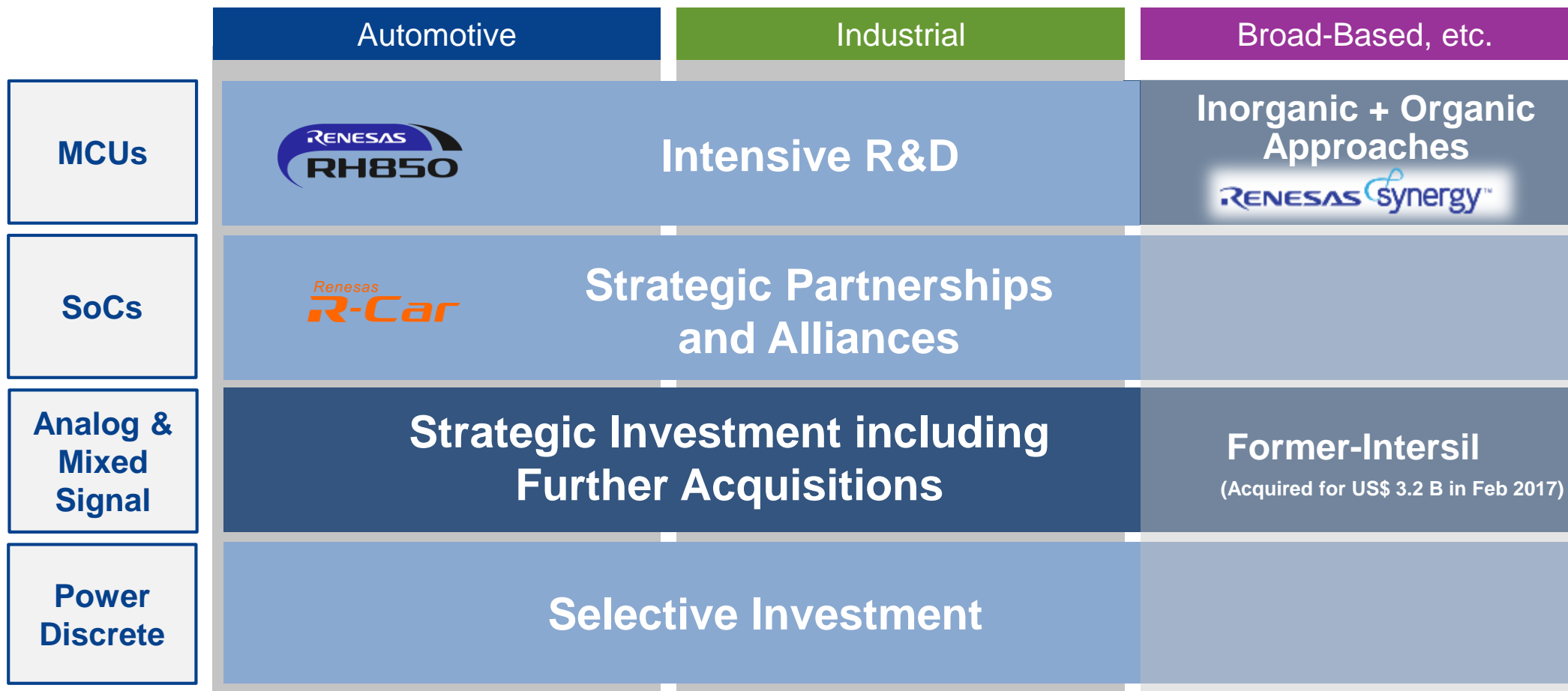


*1: Including Intersil acquisition

Organic

Inorganic

COMBINATION OF ORGANIC AND INORGANIC GROWTH



NON-GAAP BASIS INFORMATION

In this section, Renesas Electronics Group (hereinafter “the Group”) applies Non-GAAP financial measures (hereinafter “Non-GAAP basis”) used for management’s decision making. The Group defines the Non-GAAP consolidated financial results as financial accounting figures (hereinafter “GAAP”) excluding non-recurring and other items. The Group believes Non-GAAP operating income is useful information to understand its recurring operating performance.

The Group implemented a change in fiscal term starting from FY16/12 in which the fiscal year-end changed from March 31 to December 31.

In this presentation, FY17/12 Q4 (Oct-Dec 2017) results are compared with FY16/12 Q3 (Oct-Dec 2016) as an YoY comparison and FY17/12 (Jan-Dec 2017) results are compared with CY16 (Jan-Dec 2016) as an YoY comparison.

The Group reports its consolidated forecast on a quarterly basis (cumulative quarter total) as a substitute for a yearly forecast.

REVISED GAAP/NON-GAAP RECONCILIATION (FY17/12)

- Non-GAAP Basis: Results excluding non-recurring and certain other items. Starting from FY2017 ending December 2017, the Non-GAAP basis excludes amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost, costs related to the offering and PPA (purchase price allocation) effects following the Intersil acquisition.
- PPA effects include market valuations of inventories and fixed assets, etc.
- The consolidated financial statements for the year ended December 31, reflect a significant revision in allocation of the acquisition cost following the provisional accounting treatment finalized on December 31, 2017 for a business combination of Intersil which Renesas acquired on February 24, 2017. Based on this revision, the amount of goodwill as of February 24, 2017 was revised to 189.6 billion yen (from the original 191.0 billion yen as announced in Q3 financial announcements) For details, please refer to the earnings report, "Renesas Electronics Reports Financial Results for the Year Ended December 31, 2017".

(B yen)	FY2017/12				FY2018/12
	Q1	Q2	Q3	Q4	Q1 (Forecast)
Net Sales (After PPA)	177.2	197.3	195.5	210.2	182.0
PPA Effects (Net Sales)	+0.4	+0.8	-0	+0	-
Net Sales (Non-GAAP)	177.6	198.1	195.5	210.2	182.0
Gross Margin (GAAP/After PPA)	77.7	81.9	93.0	100.2	79.4
PPA Effects (Net Sales/COGS*1)	+3.1	+8.5	+0.3	+0.4	+0.3
Stock-Based Compensation (COGS)	+0	+0	+0	+0.2	+0.1
Gross Profit (Non-GAAP)	80.8	90.5	93.3	100.8	79.8
Gross Margin (Non-GAAP) (%)	45.5%	45.7%	47.7%	47.9%	43.9%

*1:Cost of goods sold

GAAP/NON-GAAP*¹ RECONCILIATION (FY17/12)

(B yen)	FY2017/12				FY2018/12
	Q1	Q2	Q3	Q4	Q1(Forecast)
Operating Profit (GAAP/After PPA)	22.1	9.4	25.0	21.9	10.0
PPA Effects*² (Net Sales/COGS*³)	+3.1	+8.5	+0.3	+0.4	+0.3
PPA Effects (SG&A*⁴) Increase in depreciation of fixed assets, etc.	+0.1	+0.2	+0.2	+0.2	+0.1
Stock-Based Compensation (COGS)	+0	+0	+0	+0.2	+0.1
Amortization of Goodwill (SG&A)	+1.8	+5.2	+5.2	+5.3	+5.0
Costs Related to the Acquisition of Intersil (SG&A)	+0.5	+0.4	+0.4	+0.2	+0.4
Costs Related to the Acquisition of Intersil (R&D*⁵)	-	-	-	+0.1	+0.1
Amortization of Purchased Intangible Assets (SG&A)	+1.5	+4.4	+4.4	+4.5	+3.8
Stock-Based Compensation (R&D)	+0	+0.3	+0.3	+0.5	+0.3
Stock-Based Compensation (SG&A)	+0	+0.3	+0.3	+0.9	+0.5
Costs Related to the Offering (SG&A)	-	+0.2	+0	-	-
Operating Profit (Non-GAAP)	29.1	29.0	35.9	34.1	20.6
Operating Margin (Non-GAAP) (%)	16.4%	14.6%	18.4%	16.2%	11.3%

*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

*2: PPA effects include market valuations of inventories and fixed assets. *3: Cost of goods sold

*4: Selling, general and administrative expenses

*5: Research & development expenses

GAAP/NON-GAAP*1 RECONCILIATION (FY17/12)

(B yen)	FY2017/12				FY2018/12
	Q1	Q2	Q3	Q4	Q1 (Forecast)
Net Profit Attributable to Shareholders of Parent Company (GAAP/After PPA)	17.2	19.1	22.3	18.6	16.0
Reconciliations in Operating Profit Level	+7.0	+19.6	+10.9	+12.2	+10.7
Reconciliations in Ordinary Profit (PPA Effects*2)	-	-	-	+0.1	-
Reconciliations in Net Profit (PPA Effects)	-0.5	-1.4	-0.6	-0.5	-
Reconciliations in Net Profit (Impact from Intersil Acquisition)	-	-	-	-	-8.2
Net Profit Attributable to Shareholders of Parent Company (Non-GAAP)	23.6	37.3	32.7	30.3	18.4

*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

*2: PPA effects include market valuations of inventories and fixed assets.

FY17/12 Q4/FULL-YEAR FINANCIAL SNAPSHOT (NON-GAAP BASIS*1)

YoY and QoQ results as well as the changes from November 2 FCTs of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	CY16		CY17 (FY17/12)							
	Oct-Dec	12 Months Cumulative (Jan-Dec)	Jul-Sep (Q3)	Oct-Dec (Q4) Forecast	Oct-Dec (Q4) Actual	YoY	QoQ	Change from Nov 2 FCT	12 Months Cumulative Actual	YoY
Net Sales	166.4	638.8	195.5	200.9	210.2	+26.3%	+7.5%	+4.6%	781.5	+22.3%
Semi Sales	161.4	620.4	192.3	197.6	206.5	+28.0%	+7.4%	+4.5%	765.7	+23.4%
Gross Margin	45.6%	43.6%	47.7%	46.3%	47.9%	+2.3pts	+0.2pts	+1.6pts	46.7%	+3.1pts
Operating Income (Margin)	22.8 (13.7%)	78.0 (12.2%)	35.9 (18.4%)	25.9 (12.9%)	34.1 (16.2%)	+11.3 (+2.5pts)	-1.9 (-2.2pts)	+8.1 (+3.3pts)	128.1 (16.4%)	+50.1 (+4.2pts)
Net Income Attributable to Shareholders of Parent Company	25.9	62.0	32.7	23.9	30.3	+4.4	-2.4	+6.4	123.9	+61.8
EBITDA*2	38.6	138.8	55.0	46.9	54.5	+15.9	-0.5	+7.6	203.0	+64.3
1 US\$=	105 yen	109 yen	111 yen	110 yen	113 yen	8 yen depreciation	2 yen depreciation	3 yen depreciation	112 yen	3 yen depreciation
1 Euro=	115 yen	121 yen	130 yen	125 yen	133 yen	18 yen depreciation	3 yen depreciation	8 yen depreciation	127 yen	5 yen depreciation

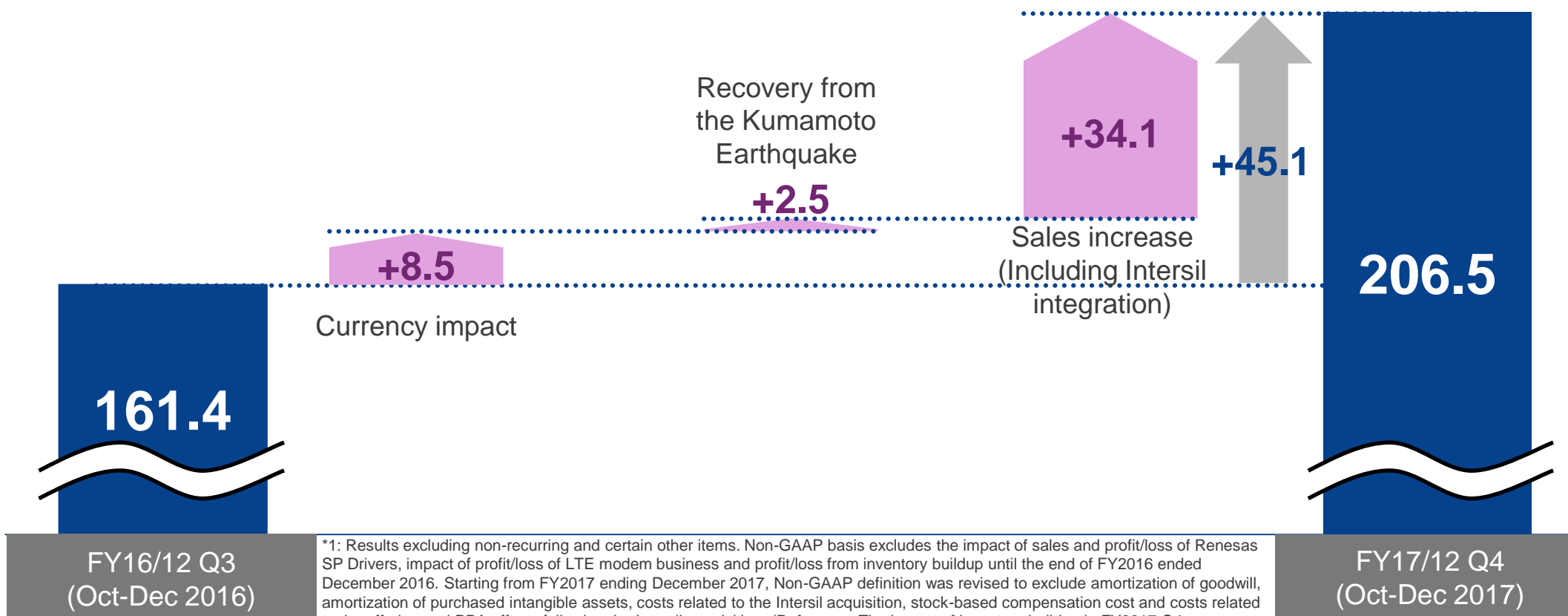
*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

FY17/12 Q4 SEMICONDUCTOR SALES (NON-GAAP BASIS*1)

YoY +45.1 B yen (+28%)

(B yen)

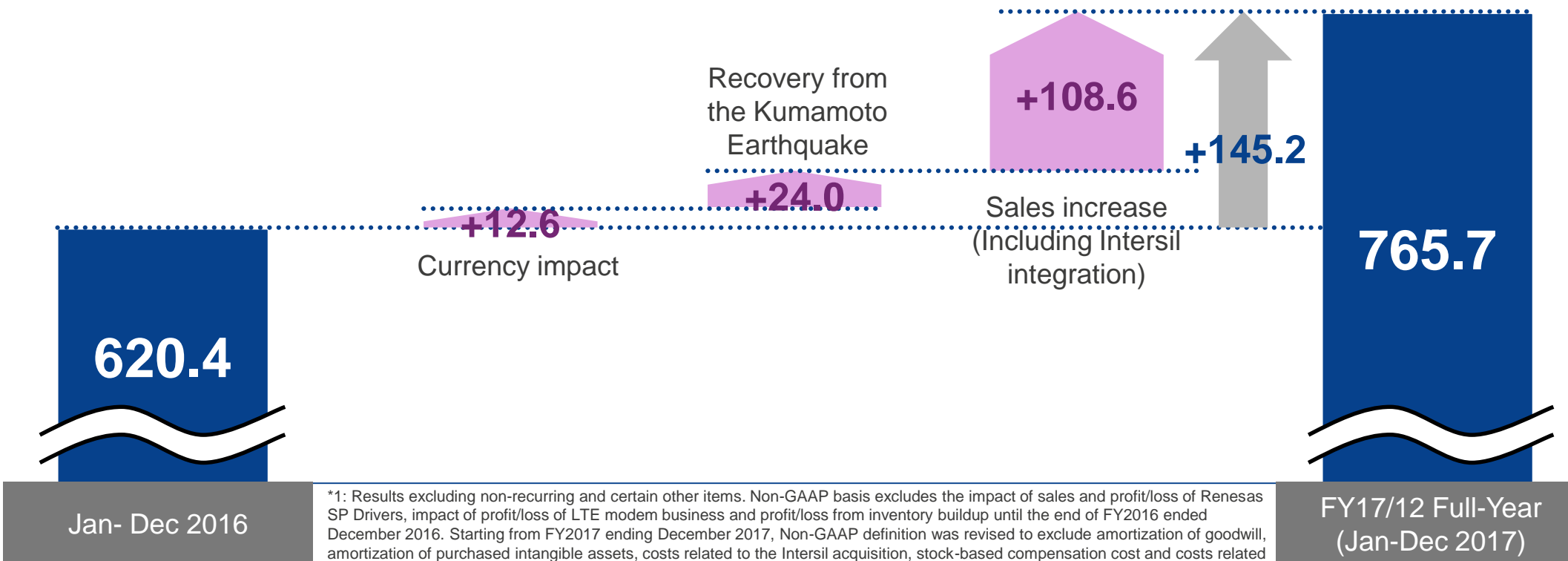


*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

FY17/12 FULL-YEAR SEMICONDUCTOR SALES (NON-GAAP BASIS*1)

YoY +145.2 B yen (+23%)

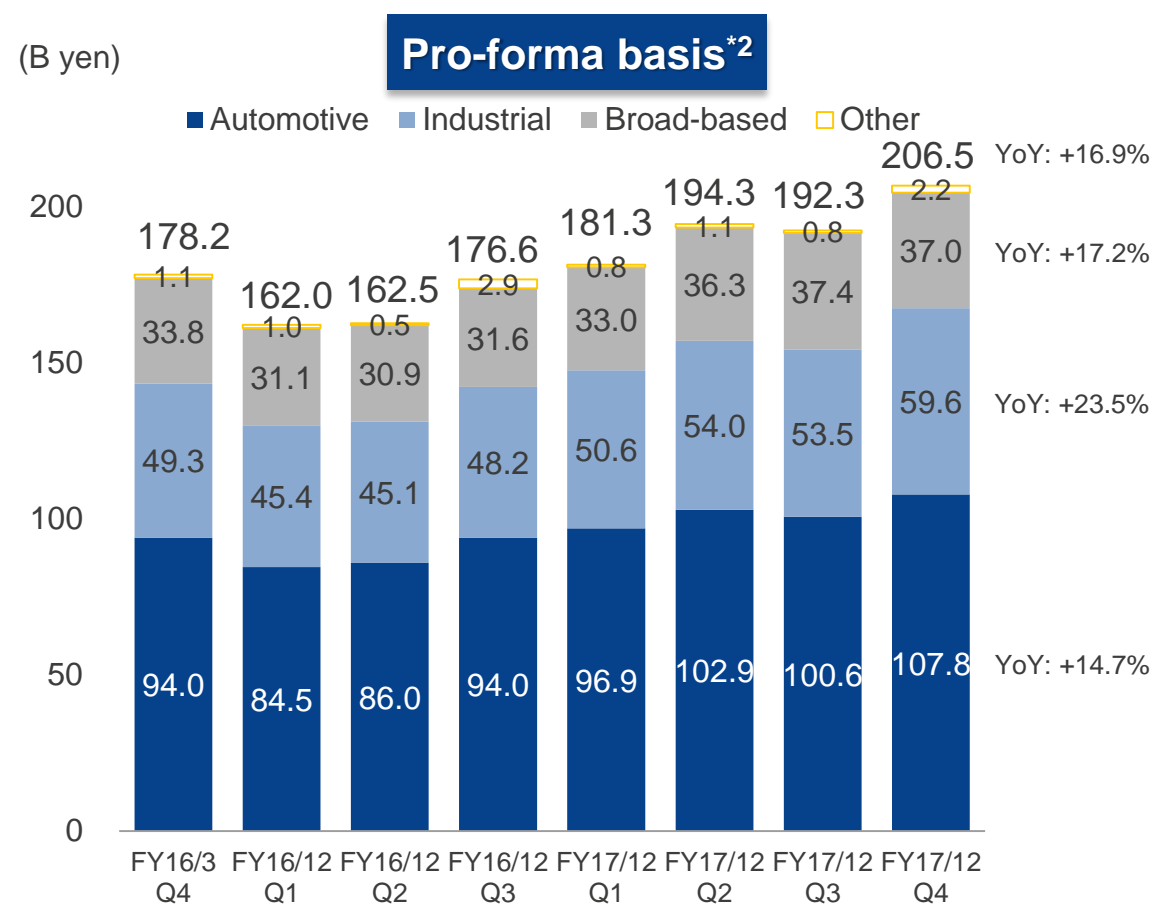
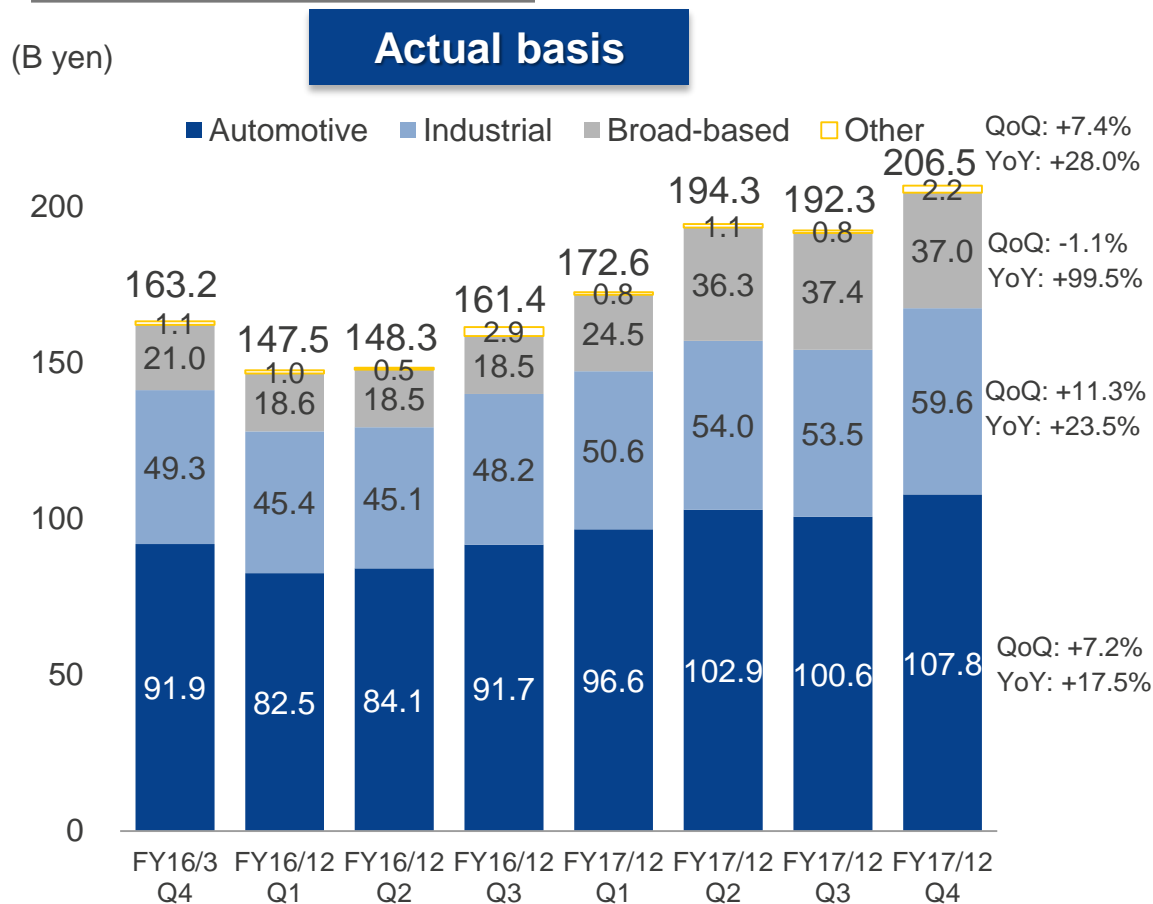
(B yen)



*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

QUARTERLY SEMICONDUCTOR SALES TRENDS

(NON-GAAP BASIS*1)



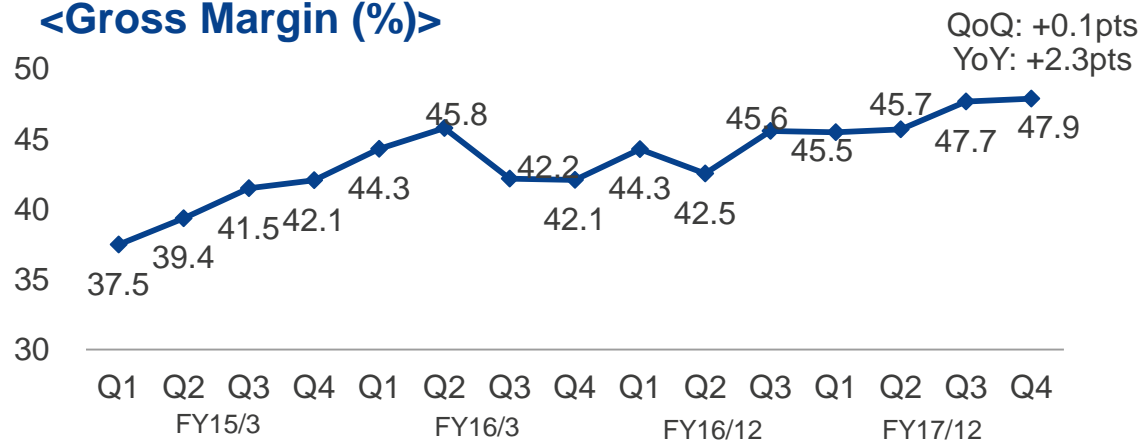
*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

*2: Renesas Net Sales including Intersil's historical revenue prior to the close of the acquisition on February 24, 2017

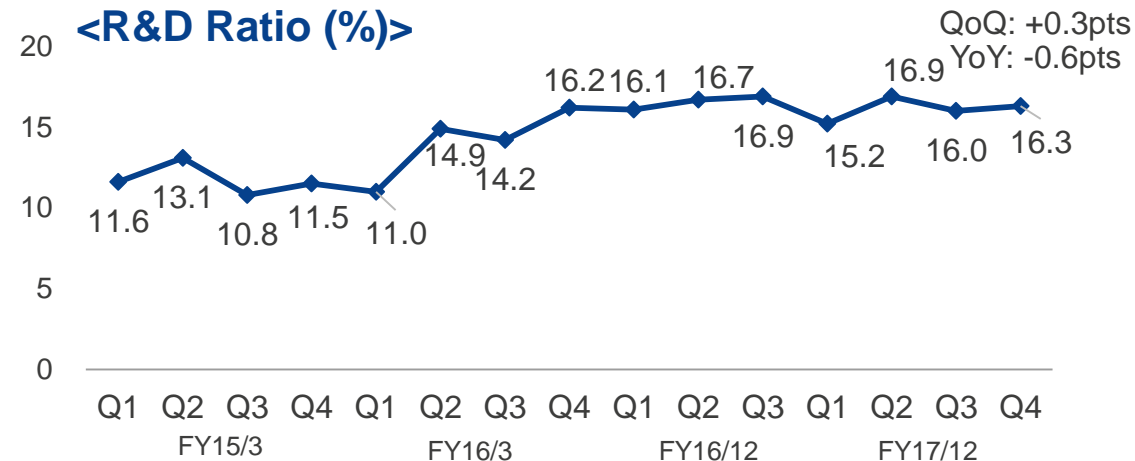
GROSS MARGIN, OPERATING MARGIN AND OPEX TRAJECTORIES

(NON-GAAP BASIS*1)

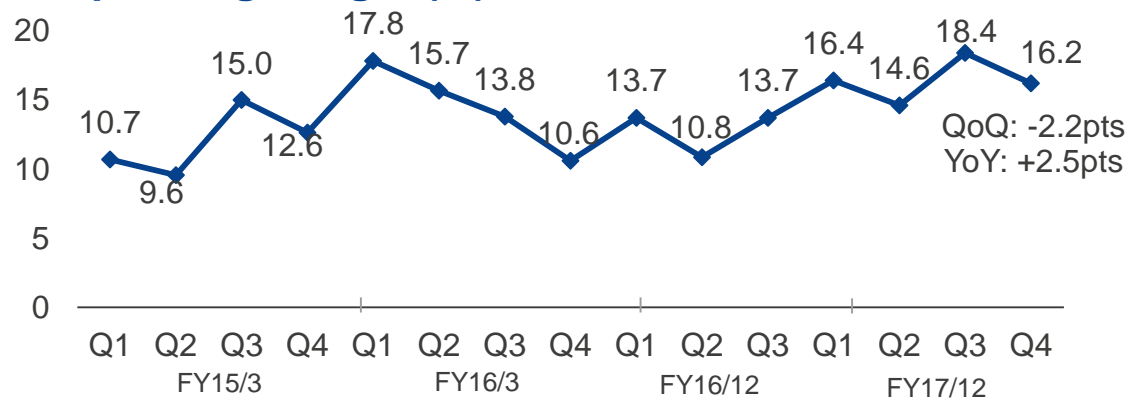
<Gross Margin (%)>



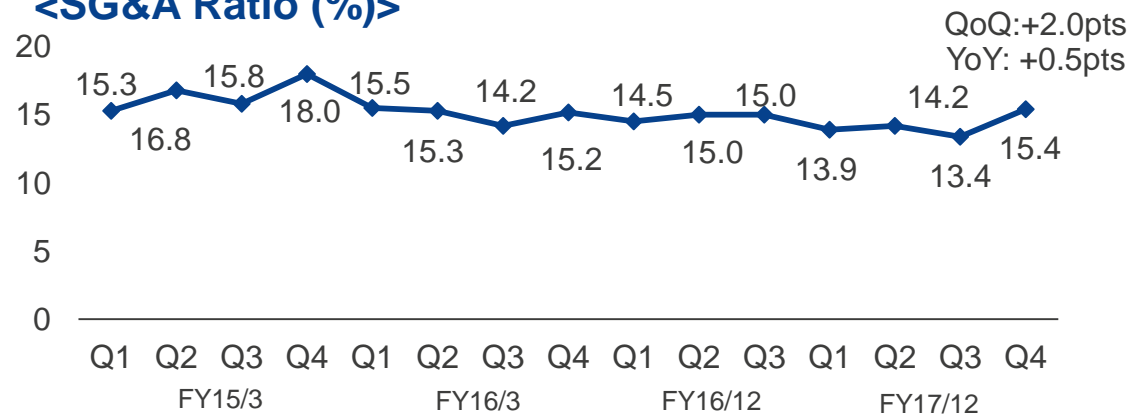
<R&D Ratio (%)>



<Operating Margin (%)>



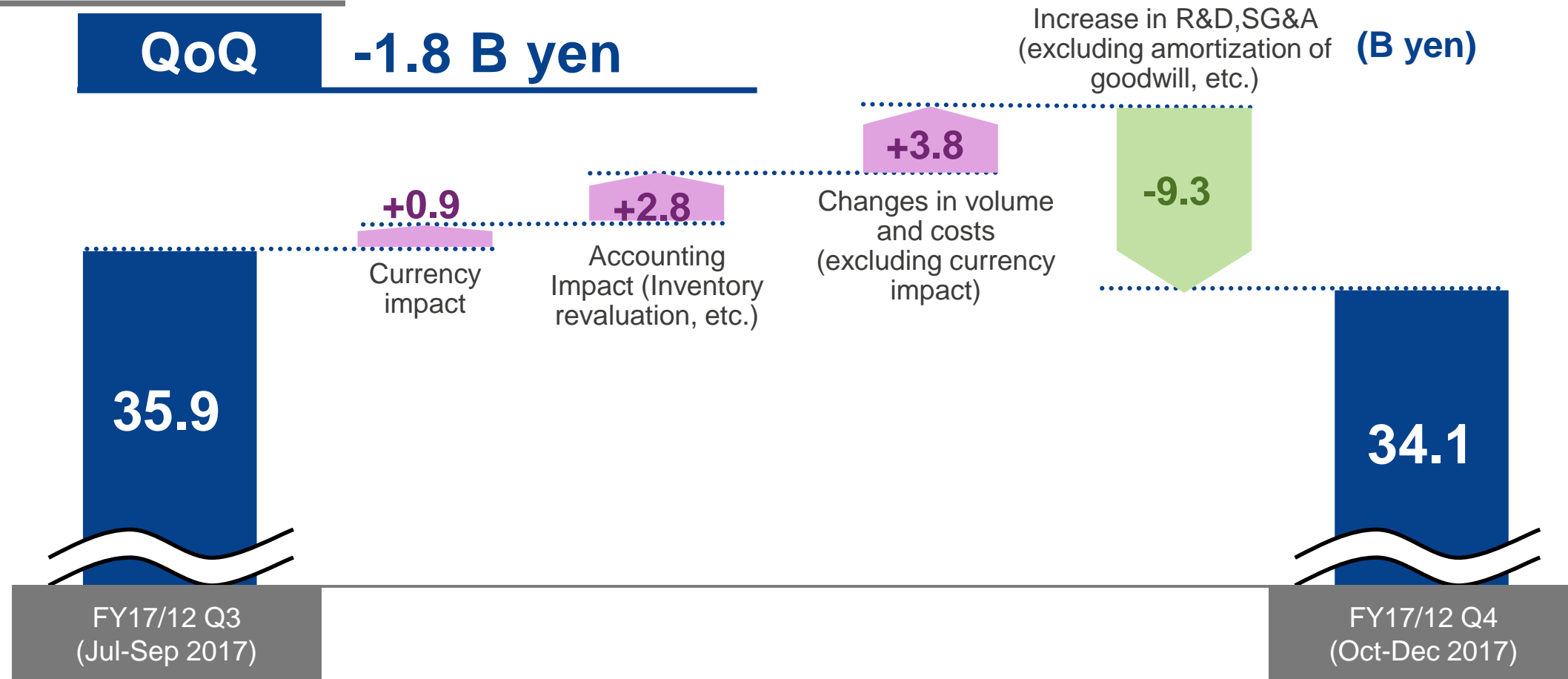
<SG&A Ratio (%)>



*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

FY17/12 Q4 OPERATING INCOME

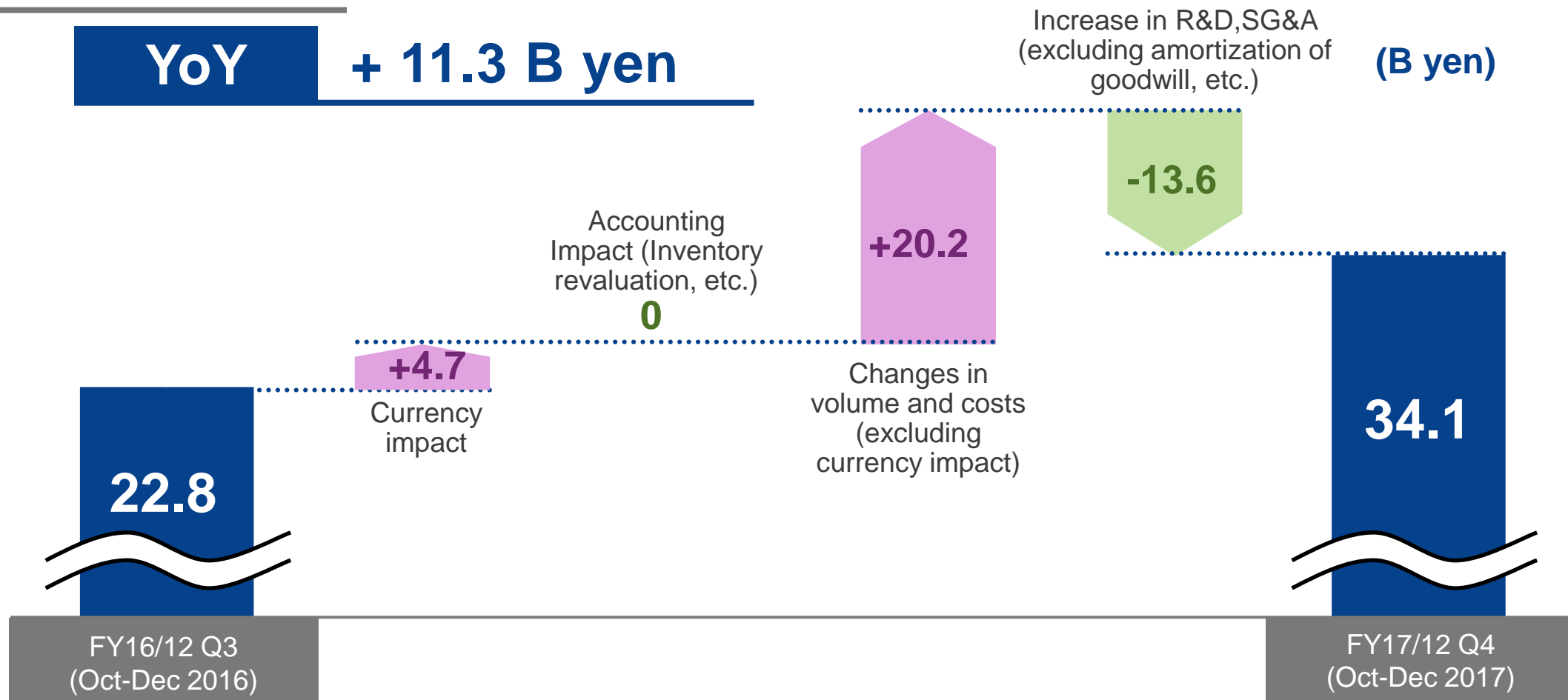
(NON-GAAP BASIS*1)



*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

FY17/12 Q4 OPERATING INCOME

(NON-GAAP BASIS*1)



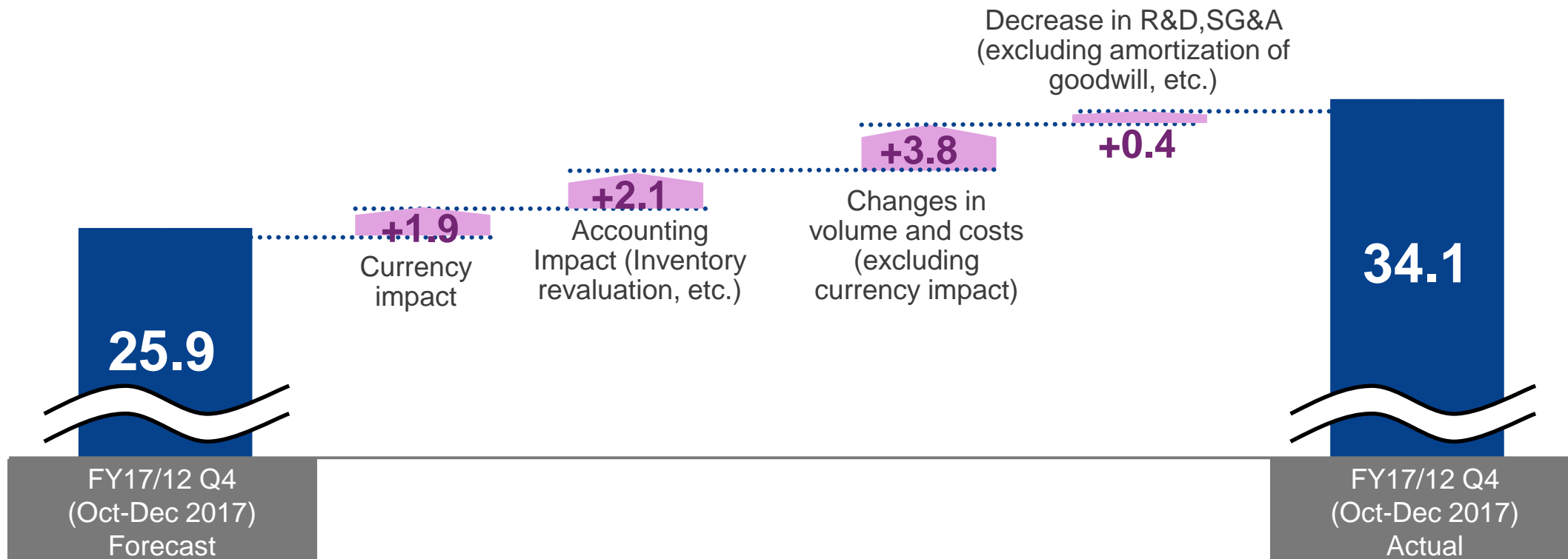
*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

FY17/12 Q4 OPERATING INCOME

(NON-GAAP BASIS*1)

vs FCT +8.1 B yen

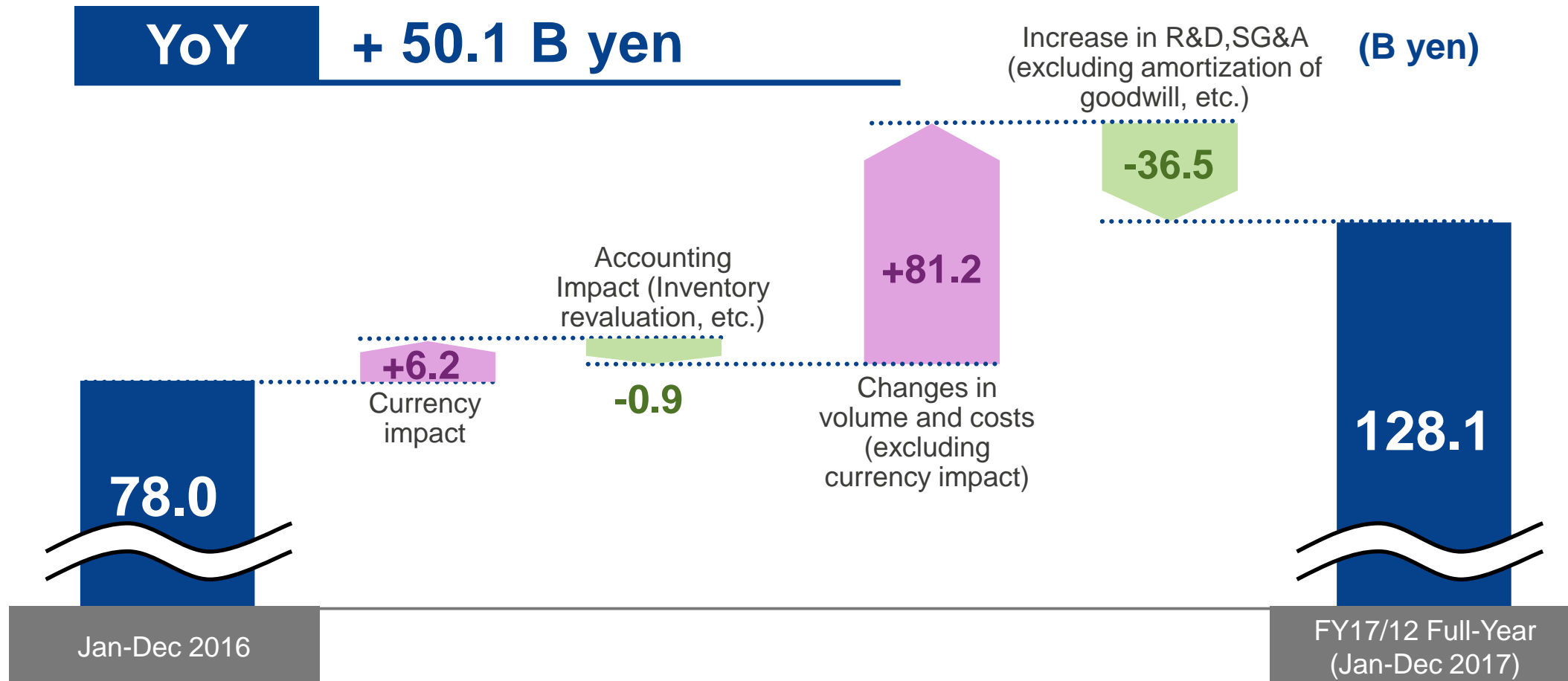
(B yen)



*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

FY17/12 FULL-YEAR OPERATING INCOME

(NON-GAAP BASIS*1)



*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition. (Reference: The impact of inventory buildup in FY2017 Q4 was negative 0.1 billion yen in operating income.)

FY18/12 Q1 FINANCIAL FORECASTS

(NON-GAAP BASIS*1)

YoY and QoQ forecasts of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	FY17/12		FY18/12		
	Q1 (Jan-Mar)	Q4 (Oct-Dec)	Q1 Forecast (Jan-Mar)	YoY	QoQ
Net Sales	177.6	210.2	182.0	+2.5%	-13.4%
Semi Sales	172.5	206.5	178.7	+3.5%	-13.5%
Gross Margin	45.5%	47.9%	43.9%	-1.6pts	-4.1pts
Operating Income (Margin)	29.1 (16.4%)	34.1 (16.2%)	20.6 (11.3%)	-8.5 (-5.1pts)	-13.5 (-4.9pts)
Net Income Attributable to Shareholders of Parent Company	23.6	30.3	18.4	-5.2	-12.0
EBITDA*2	46.2	54.5	42.9	-3.3	-11.6
1 US\$=	114 yen	113 yen	107 yen	7 yen appreciation	6 yen appreciation
1 Euro=	121 yen	133 yen	132 yen	11 yen depreciation	1 yen appreciation

*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition.

*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

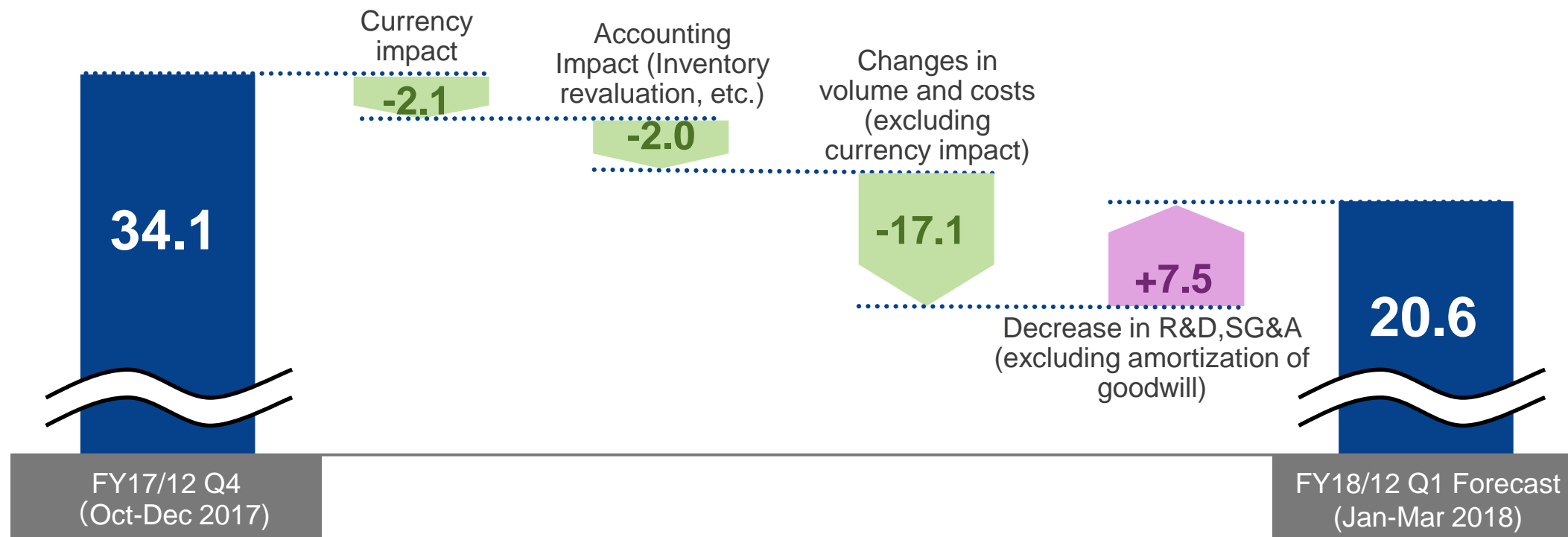
FY18/12 Q1 OPERATING INCOME FORECAST

(NON-GAAP BASIS*1)

QoQ

-13.5 B yen

(B yen)



*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition.

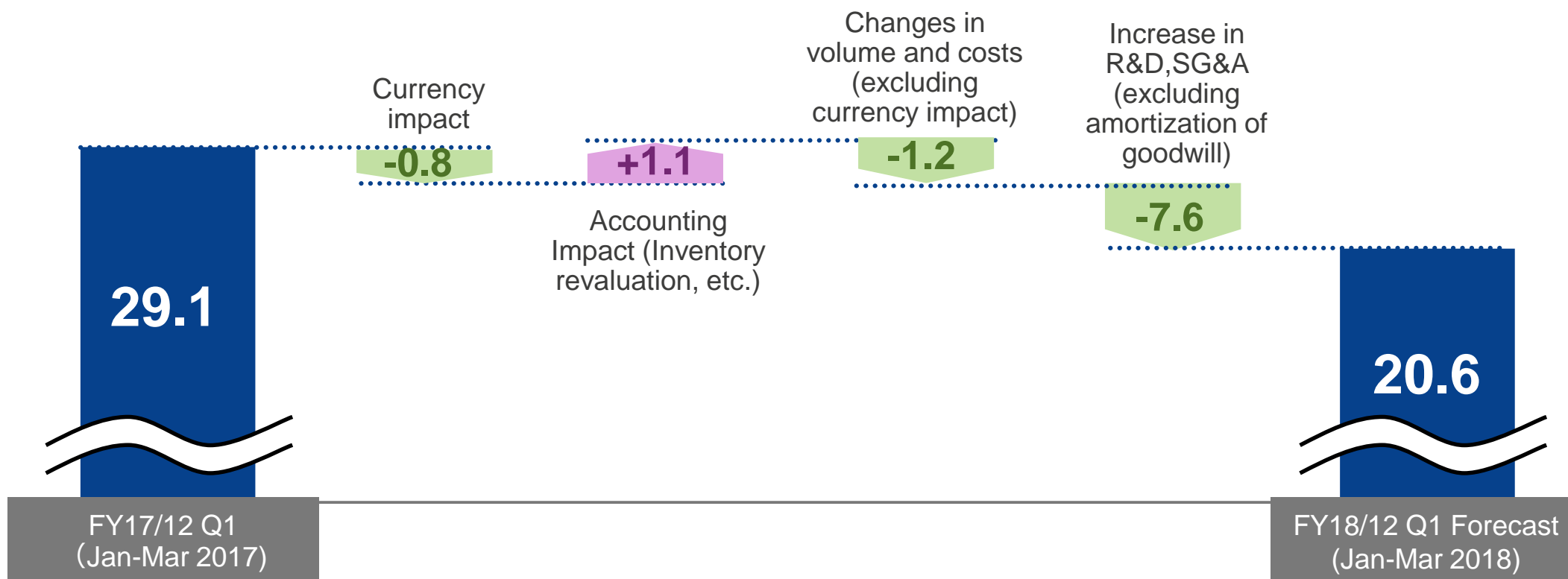
FY18/12 Q1 OPERATING INCOME FORECAST

(NON-GAAP BASIS*1)

YoY

- 8.5 B yen

(B yen)



*1: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016. Starting from FY2017 ending December 2017, Non-GAAP definition was revised to exclude amortization of goodwill, amortization of purchased intangible assets, costs related to the Intersil acquisition, stock-based compensation cost and costs related to the offering and PPA effects following the Intersil acquisition.

GAAP BASIS INFORMATION

The figures in this section are mainly based on GAAP (Generally Accepted Accounting Principles) stated on a financial reporting basis and are provided as additional information.

FORMER GAAP/NON-GAAP RECONCILIATION (UNTIL FY16/12)

(B Yen)	FY15/3				FY16/3				FY16/12		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Semiconductor Sales (GAAP) ①	201.2	199.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Renesas SP Drivers*1 ②	-17.6	-21.0	-	-	-	-	-	-	-	-	-
Semiconductor Sales (Non-GAAP*2) ①+②	183.6	178.6	177.4	175.1	174.5	177.0	160.9	163.2	147.5	148.3	161.4
Gross Profit (GAAP) ①	80.5	81.6	78.6	78.1	79.8	85.5	71.8	68.5	65.1	62.9	74.7
Renesas SP Drivers ②	-6.0	-6.4	-	-	-	-	-	-	-	-	-
Inventory Buildup*3 ③	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Gross Profit (Non-GAAP) ①+②+③	71.9	73.5	76.9	76.7	79.4	83.2	69.5	70.6	67.4	64.9	75.9
Operating Income (GAAP) ①	27.0	23.5	29.5	24.4	32.4	30.7	25.0	15.7	18.6	14.6	21.6
Renesas SP Drivers ②	-3.9	-4.0	-	-	-	-	-	-	-	-	-
Inventory Buildup ③	-2.6	-1.7	-1.7	-1.4	-0.4	-2.3	-2.3	+2.1	+2.3	+2.0	+1.2
Operating Income (Non-GAAP) ①+②+③	20.5	17.9	27.8	23.0	32.0	28.4	22.7	17.8	20.9	16.6	22.8
R&D (Renesas SP Drivers)	1.8	1.9	-	-	-	-	-	-	-	-	-
SG&A (Renesas SP Drivers)	0.3	0.5	-	-	-	-	-	-	-	-	-

*1: Sales and operating income (loss) of the former Renesas SP Drivers, which was transferred on October 1, 2014

*2: Results excluding non-recurring and certain other items. Non-GAAP basis excludes the impact of sales and profit/loss of Renesas SP Drivers, impact of profit/loss of LTE modem business and profit/loss from inventory buildup until the end of FY2016 ended December 2016.

*3: Amount of income (loss) from inventory buildup of the EOL products resulting from the realignment of the factories

FY17/12 Q4/FULL-YEAR FINANCIAL SNAPSHOT

YoY and QoQ results as well as the changes from November 2 FCTs of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	CY2016		CY2017 (FY17/12)							
	Oct-Dec	12 Months Cumulative (Jan-Dec)	Jul-Sep ^{*1} (Q3)	Oct-Dec (Q4) Forecast	Oct-Dec (Q4) Actual	YoY	QoQ	Change from Nov 2 FCT	12 Months Cumulative ^{*1} Actual	YoY
Net Sales	166.4	638.8	195.5	200.9	210.2	+26.3%	+7.5%	+4.6%	780.3	+22.1%
Semi Sales	161.4	620.4	192.3	197.6	206.5	+28.0%	+7.4%	+4.5%	764.4	+23.2%
Gross Margin	44.9%	42.4%	47.6%	46.0%	47.7%	+2.8pts	+0.1pt	+1.6pts	45.2%	+2.8pts
Operating Income (Margin)	21.6 (13.0%)	70.4 (11.0%)	24.9 (12.7%)	14.7 (7.3%)	21.9 (10.4%)	+0.3 (-2.6pts)	-3.1 (-2.4pts)	+7.1 (+3.1pts)	78.4 (10.0%)	+8.0 (-1.0pt)
Net Income Attributable to Shareholders of Parent Company	24.7	54.4	22.3	12.7	18.6	-6.1	-3.7	+5.9	77.2	+22.8
EBITDA ^{*2}	37.4	131.2	54.1	45.9	52.6	+15.1	-1.5	+6.7	187.1	+55.9
1 US\$=	105 yen	109 yen	111 yen	110 yen	113 yen	8 yen depreciation	2 yen depreciation	3 yen depreciation	112 yen	3 yen depreciation
1 Euro=	115 yen	121 yen	130 yen	125 yen	133 yen	18 yen depreciation	3 yen depreciation	8 yen depreciation	127 yen	5 yen depreciation

*1: The consolidated financial statements for the year ended December 31, 2017 reflect a significant revision in allocation of the acquisition cost following the provisional accounting treatment finalized on December 31, 2017 for a business combination of Intersil which Renesas acquired on February 24, 2017.

*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses

BALANCE SHEETS*1

(B yen)	As of Dec. 31, 2016	As of Mar. 31, 2017	As of Jun. 30, 2017	As of Sep. 30, 2017	As of Dec. 31, 2017
Total Assets	823.1	995.3	1,018.5	1,023.7	1,062.7
Cash and Cash Equivalents*2	354.3	101.0	126.6	124.4	139.5
Inventories	97.3	113.9	109.0	120.6	126.6
Liabilities	400.7	565.3	566.7	544.0	550.8
Interest-Bearing Debt*3	157.3	252.7	249.8	232.1	229.5
Shareholders' Equity	408.3	425.4	444.6	466.9	485.5
Net Assets	422.4	430.0	451.7	479.7	511.9
D/E Ratio (Gross)*4	0.37	0.59	0.56	0.49	0.45
D/E Ratio (Net)*5	-0.47	0.35	0.27	0.23	0.18
Equity*6 Ratio	51.0%	43.0%	44.1%	46.5%	47.7%

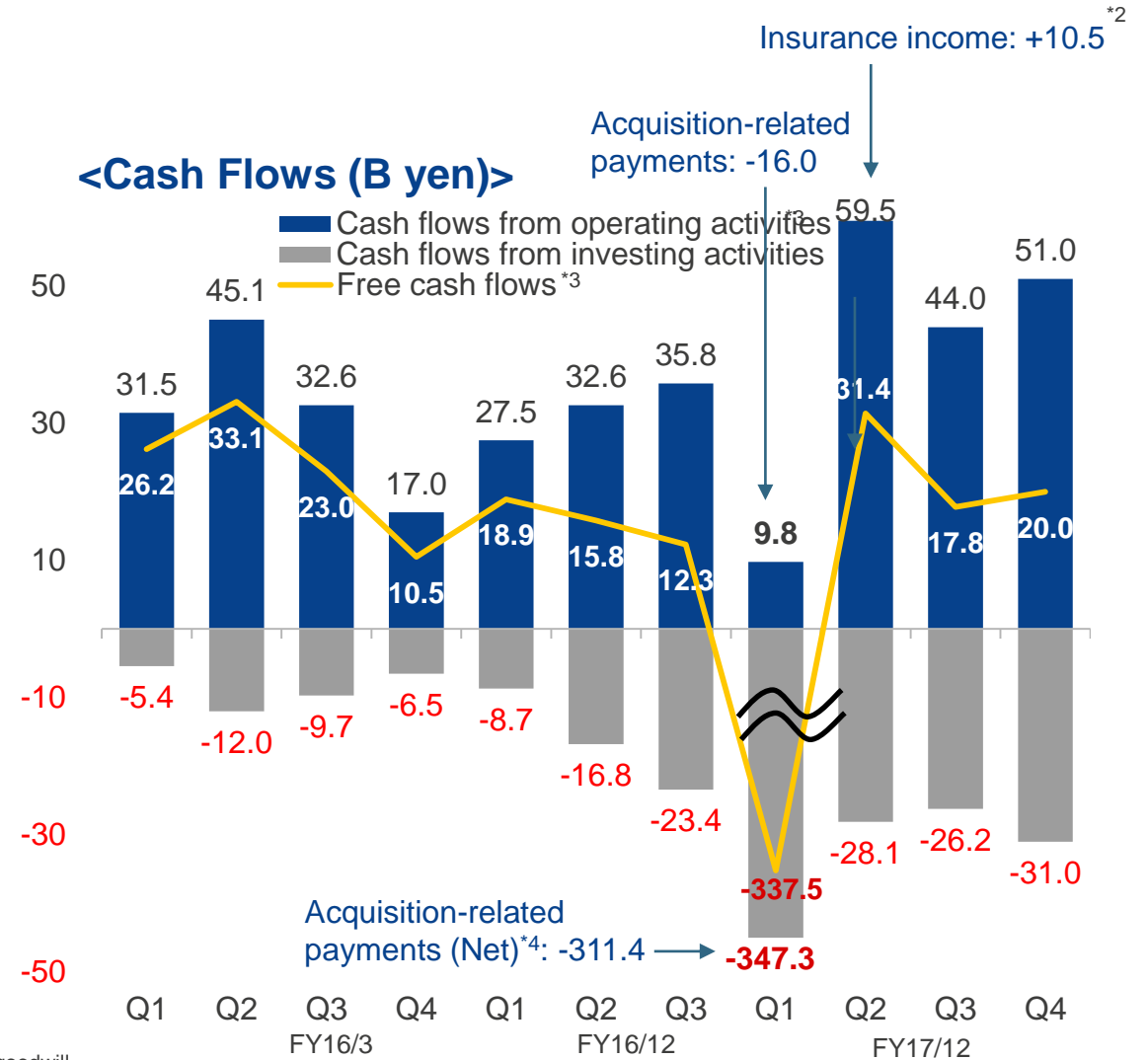
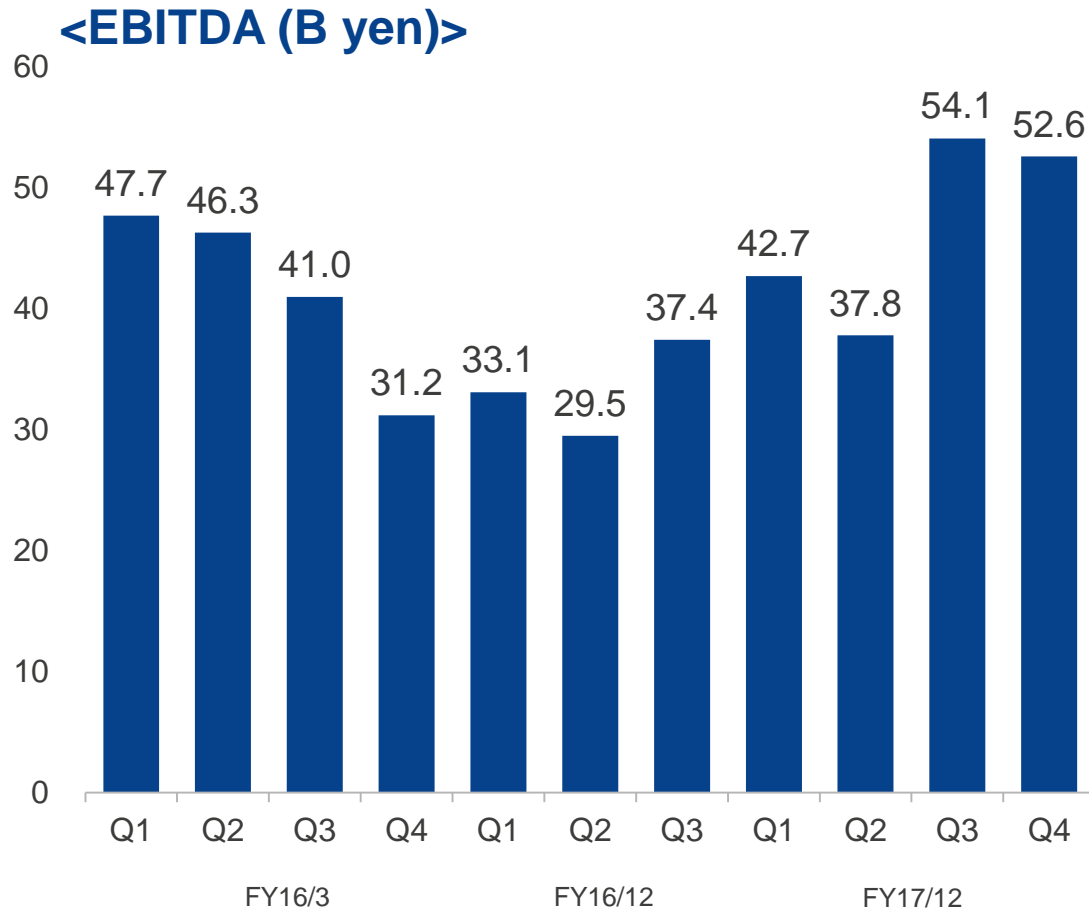
*1: The consolidated financial statements for the year ended December 31, 2017 reflect a significant revision in allocation of the acquisition cost following the provisional accounting treatment finalized on December 31, 2017 for a business combination of Intersil which Renesas acquired on February 24, 2017.

*2: Sum of Cash and deposits and Short-term investment securities minus the Time deposits with maturities of more than three months and Securities with maturities of more than three months

*3: Short-term borrowings + Current portion of long-term borrowings + Lease obligations + Long-term borrowings

*4: Interest-Bearing Debt / Equity *5: (Interest-Bearing Debt - Cash and Cash Equivalents) / Equity *6: Shareholders' Equity + Other Comprehensive Income

EBITDA*1 AND CASH FLOWS*2



*1: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

*2: The consolidated financial statements for the year ended December 31, 2017 reflect a significant revision in allocation of the acquisition cost following the provisional accounting treatment finalized on December 31, 2017 for a business combination of Intersil which Renesas acquired on February 24, 2017.

*3: Cash flows from operating activities + Cash flows from investing activities

*4: Sum of payments for purchase of Intersil stocks and Intersil's cash and deposits as of Feb 24, 2017

FY18/12 Q1 FINANCIAL FORECASTS

YoY and QoQ forecasts of the Net Sales and Semi Sales are rounded off to one decimal place.

(B yen)	FY17/12		FY18/12		
	Q1*1 (Jan-Mar)	Q4 (Oct-Dec)	Q1 Forecast (Jan-Mar)	YoY	QoQ
Net Sales	177.2	210.2	182.0	+2.7%	-13.4%
Semi Sales	172.2	206.5	178.7	+3.8%	-13.5%
Gross Margin	43.8%	47.7%	43.6%	-0.2pts	-4.0pts
Operating Income (Margin)	22.1 (12.5%)	21.9 (10.4%)	10.0 (5.5%)	-12.1 (-7.0pts)	-11.9 (-4.9pts)
Net Income Attributable to Shareholders of Parent Company	17.2	18.6	16.0	-1.2	-2.6
EBITDA*2	42.7	52.6	41.6	-1.1	-11.0
1 US\$=	114 yen	113 yen	107 yen	7 yen appreciation	6 yen appreciation
1 Euro=	121 yen	133 yen	132 yen	11 yen depreciation	1 yen appreciation

*1: The consolidated financial statements for the year ended December 31, 2017 reflect a significant revision in allocation of the acquisition cost following the provisional accounting treatment finalized on December 31, 2017 for a business combination of Intersil which Renesas acquired on February 24, 2017.

*2: Operating income + Depreciation and amortization + Amortization of long-term prepaid expenses + Amortization of goodwill

BIG IDEAS FOR EVERY SPACE

(FORWARD-LOOKING STATEMENTS)

The statements in this presentation with respect to the plans, strategies and forecasts of Renesas Electronics and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “continue,” “endeavor,” “estimate,” “expect,” “initiative,” “intend,” “may,” “plan,” “potential,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target,” “will” and similar expressions to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information based on our current expectations, assumptions, estimates and projections about our business and industry, our future business strategies and the environment in which we will operate in the future. Known and unknown risks, uncertainties and other factors could cause our actual results, performance or achievements to differ materially from those contained or implied in any forward-looking statement, 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, our products and services in the marketplace; our ability to continue to win acceptance of its products and services in these highly competitive markets; and movements in currency exchange rates, particularly the rate between the yen and the U.S. dollar. Among other factors, a worsening of the world economy, a worsening of financial conditions in the world markets, and a deterioration in the domestic and overseas stock markets, would cause actual results to differ from the projected results forecast.

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