

Renesas Electronics
Japan GAAP – Non-GAAP Reconciliation

(Billion yen)	Q1 FY2018 Forecast (Jan-Mar 2018)	Q4 FY2017 Actual (Oct-Dec 2017)	Q1 FY2017 Actual (Jan-Mar 2017)	Q3 FY2016 Actual (Oct-Dec 2016)
Net Sales (after PPA adjustment)	182.0	210.2	177.2	166.4
PPA Effects	-	+0.0	+0.4	-
Non-GAAP Net Sales	182.0	210.2	177.6	166.4
GAAP Gross Profit	79.4	100.2	77.7	74.7
GAAP Gross Margin (%)	43.6%	47.7%	43.8%	44.9%
PPA Effects (COGS)	+0.3	+0.4	+3.1	-
Inventory Buildup	-	-	-	+1.2
Stock-Based Compensation (COGS)	+0.1	+0.2	+0.0	-
Non-GAAP Gross Profit	79.8	100.8	80.8	75.9
Non-GAAP Gross Margin (%)	43.9%	47.9%	45.5%	45.6%
GAAP Operating Profit	10.0	21.9	22.1	21.6
Inventory Buildup	-	-	-	+1.2
PPA Effects (Net Sales/COGS)	+0.3	+0.4	+3.1	-
PPA Effects (SG&A) Increase in Depreciation of Fixed Assets, etc.	+0.1	+0.2	+0.1	-
Stock-Based Compensation (COGS)	+0.1	+0.2	+0.0	-
Amortization of Goodwill (SG&A)	+5.0	+5.3	+1.8	-
Costs Related to the Acquisition of Intersil (SG&A)	+0.4	+0.2	+0.5	-
Costs Related to the Acquisition of Intersil (R&D)	+0.1	+0.1	-	-
Amortization of Purchased Intangible Assets (SG&A)	+3.8	+4.4	+1.5	-
Stock-Based Compensation (R&D)	+0.3	+0.5	+0.0	-
Stock-Based Compensation (SG&A)	+0.5	+0.9	+0.0	-
Costs Related to the Offering (SG&A)	-	-	-	-
Non-GAAP Operating Profit	20.6	34.1	29.1	22.8
Non-GAAP Operating Margin (%)	11.3%	16.2%	16.4%	13.7%

GAAP Net Profit Attributable to Shareholders of Parent Company	16.0	18.6	17.2	24.7
Reconciliations in Operating Profit Level	+10.7	+12.2	+7.0	+1.2
Reconciliations in Ordinary Profit (PPA Effects)	-	+0.1	-	-
Reconciliations in Net Profit (PPA Effects)	-	-0.5	-0.5	-
Reconciliations in Net Profit (Impact from Intersil Acquisition)	-8.2	-	-	-
Non-GAAP Net Profit Attributable to Shareholders of Parent Company	18.4	30.3	23.6	25.9

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(Billion yen)	Full Year 2017 (Jan-Dec 2017)	Full Year 2016 (Jan-Dec 2016)
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Net Sales (after PPA adjustments)	780.3	638.8
PPA Effects	+1.2	-
Non-GAAP Net Sales	781.5	638.8

GAAP Gross Profit	352.8	271.2
GAAP Gross Margin (%)	45.2%	42.4%
PPA Effects (COGS)	+12.4	-
Inventory Buildup	-	+7.6
Stock-Based Compensation (COGS)	+0.2	-
Non-GAAP Gross Profit	365.3	278.8
Non-GAAP Gross Margin (%)	46.7%	43.6%

GAAP Operating Profit	78.4	70.4
Inventory Buildup	-	+7.6
PPA Effects (Net Sales/COGS)	+12.4	-
PPA Effects (SG&A)	+0.7	-
Increase in Depreciation of Fixed Assets, etc.		
Stock-Based Compensation (COGS)	+0.2	-
Amortization of Goodwill (SG&A)	+17.4	-
Costs Related to the Acquisition of Intersil (SG&A)	+1.5	-
Costs Related to the Acquisition of Intersil (R&D)	+0.1	-
Amortization of Purchased Intangible Assets (SG&A)	+14.7	-
Stock-Based Compensation (R&D)	+1.1	-

Stock-Based Compensation (SG&A)	+1.5	-
Costs Related to the Offering (SG&A)	+0.2	-
Non-GAAP Operating Profit	128.1	78.0
Non-GAAP Operating Margin (%)	16.4%	12.2%

GAAP Net Profit Attributable to Shareholders of Parent Company	77.2	54.4
Reconciliations in Operating Profit Level	+49.7	+7.6
Reconciliations in Ordinary Profit (PPA Effects)	+0.1	-
Reconciliations in Net Profit (PPA Effects)	-3.0	-
Non-GAAP Net Profit Attributable to Shareholders of Parent Company	123.9	62.0

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