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ANNUAL REPORT 2012

Year Ended March 31, 2012

RENESAS ELECTRONICS CORPORATION



In April 2010, NEC Electronics and Renesas Technology merged to become Renesas Electronics Corporation. As a specialist semiconductor manufacturer, operations are centered on three product categories developed worldwide—Microcontroller Units (MCUs), Analog and Power Devices, and System on Chips (SoC). Anchored by the MCU Business and its world-leading market share, Renesas Electronics is stepping up marketing efforts outside Japan and in emerging markets, eyeing business expansion in “Smart Society” applications and other growth fields to become a trustworthy partner able to meet customer needs worldwide by offering highly competitive products and optimal solutions in a timely manner.

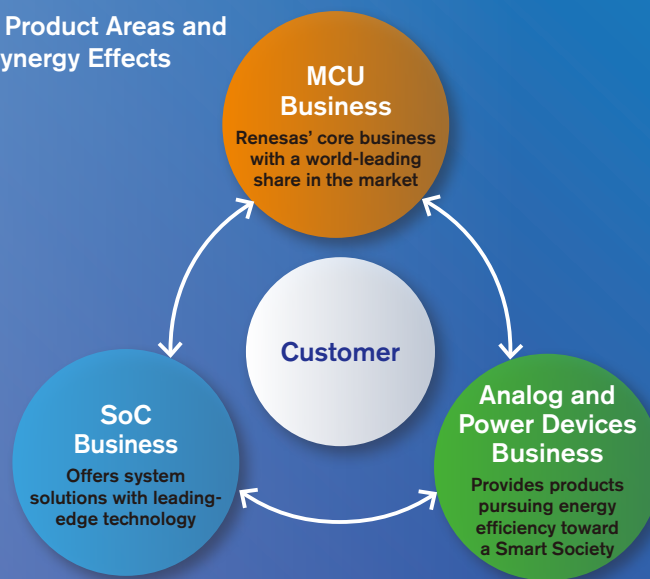
Corporate Philosophy

Harnessing our collective expertise in new technologies, Renesas Electronics contributes to a world where people and the planet prosper in harmony by realizing our vision and building our future.

Corporate Vision

We will be first to respond to customer needs worldwide with our creative power and technology innovations to become a strong, growing semiconductor manufacturer and a trustworthy partner.

3 Product Areas and Synergy Effects



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(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. We caution you in advance that actual results could differ materially from such forward-looking statements due to several factors.

The important factors that could cause actual results to differ materially from such statements include, but are 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.

FINANCIAL HIGHLIGHTS

Summary of Consolidated Financial Results for the Year ended March 31, 2012

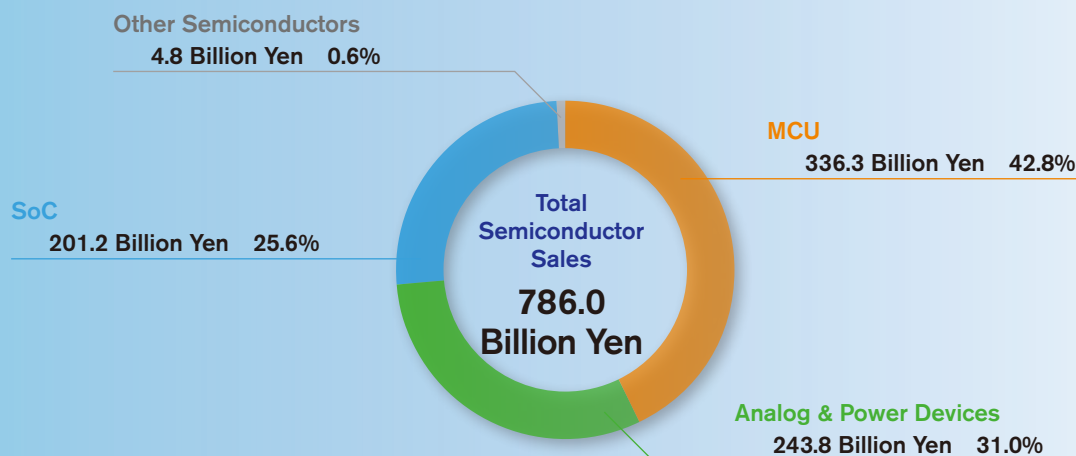
	2011/3	Billion Yen 2012/3
Net sales	1,137.9	883.1
Sales from semiconductors	1,018.9	786.0
Sales from others	119.0	97.1
Operating income (loss)	14.5	(56.8)
Ordinary income (loss)	1.0	(61.2)
Net income (loss)	(115.0)	(62.6)
Capital expenditures	43.5	36.5
Depreciation and others	115.1	111.9
R&D expenses	202.6	182.5
Total assets	1,145.0	858.2
Net assets	291.1	226.5
Equity ratio	24.8%	25.4%
Interest-bearing debt	378.2	258.3

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

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

3: Depreciation and others includes depreciation and amortization expenses and amortization of long-term prepaid expenses in consolidated statement of cash flows.

Semiconductor Sales in Fiscal Year Ended March 31, 2012



First Half of Fiscal Year Ended March 31, 2012

June

Resumed operations at the Naka Factory

Operations resumed in June at the Naka Factory, a facility that was severely damaged in the Great East Japan Earthquake. Thanks to tremendous support from many interested outside parties and a unified effort by the Group, operations got underway again far ahead of the schedule announced in the immediate aftermath of the disaster.



September

Released the "RL78/F12" MCUs for automotive applications, the first entry in the RL78 family of integrated MCUs

Released 32 new "RL78/F12" MCUs (16 bit), contributing to lower power consumption and better performance for keyless entry, power windows and mirrors, and other automotive control systems



May

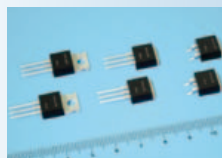
Released the integrated development environment for MCU software

Released "CubeSuite+," a new software tool offering a single integrated development environment for 8-bit and 32-bit MCUs



July

Released large-current, low power loss power semiconductor devices for consumer motor drive applications



Developed and released 100-amp, large-current power MOSFETs for consumer motor drive applications that can be used in power tools

Second Half of Fiscal Year Ended March 31, 2012

October

Released the "R-Car H1" Series SoC for next-generation, high-end car information systems

Five CPUs, two PowerVR high-performance graphics cores, and two image recognition cores were integrated into a single chip offering the highest performance in the industry



December

Developed the industry's first flash memory IP for 40nm MCUs

Leveraged years of expertise and experience in adapting miniaturization to 90 nanometer (nm) processes to complete development of embedded flash memory technology IP for 40 nm MCUs for the first time in the industry

March

Transferred the High-Power Amplifier (HPA) Business

Transferred Renesas' high-power amplifier (HPA) business and business operation of its manufacturing site, the Nagano Device Division of wholly-owned subsidiary Renesas Eastern Japan Semiconductor, Inc., to Murata Manufacturing Co., Ltd.

November

Released the "RL78/G1E" Group of MCUs, our first line of "Smart Analog MCUs"

Released a new series of "Smart Analog MCUs" combined with a new type of analog IC "Smart Analog IC" enabling customers to change circuit configurations and characteristics

Smart Analog

As Renesas Electronics delivers its annual report for the fiscal year ended March 31, 2012, I would like to reiterate my sincere sympathies to those directly affected by the Great East Japan Earthquake and my wishes for the earliest possible reconstruction of the affected areas.

As for financial results for the fiscal year ended March 31, 2012, Renesas Electronics posted net sales of 883.1 billion yen, a decrease of 22.4% year on year. This decrease primarily reflected the temporary suspension of production at certain major Renesas Group factories due to the earthquake and the yen's appreciation in the first half of the fiscal year. In the second half, major factors behind the decrease were the impact of the flooding in Thailand and the global economic slowdown. Regarding consolidated operating profit, we recorded an operating loss for the fiscal year, as the drop in net sales weighed heavily on earnings. This was despite efforts to cut selling, general and administrative expenses, including further raising the efficiency of R&D expenses and other measures. In addition to the operating loss, we recorded total special losses of 19.7 billion yen, including a loss on disaster. Consequently, we recorded a net loss of 62.6 billion yen.

The term also saw us transfer our power amplifier business, previously a part of our SoC Business, and decide to withdraw from the large-sized display driver IC business that had been a part of our Analog & Power Devices Business. At the same time, we also pushed ahead with reforms to our business and manufacturing structure, such as following through on closure and transfer regarding our production factories.

The Renesas Group is continuing to implement all possible measures for restoring our total sales volume and achieving sales growth as well as to promote business and production structural reforms to establish a robust and profitable structure. We look forward to your continued understanding and support as we endeavor to reach this goal.

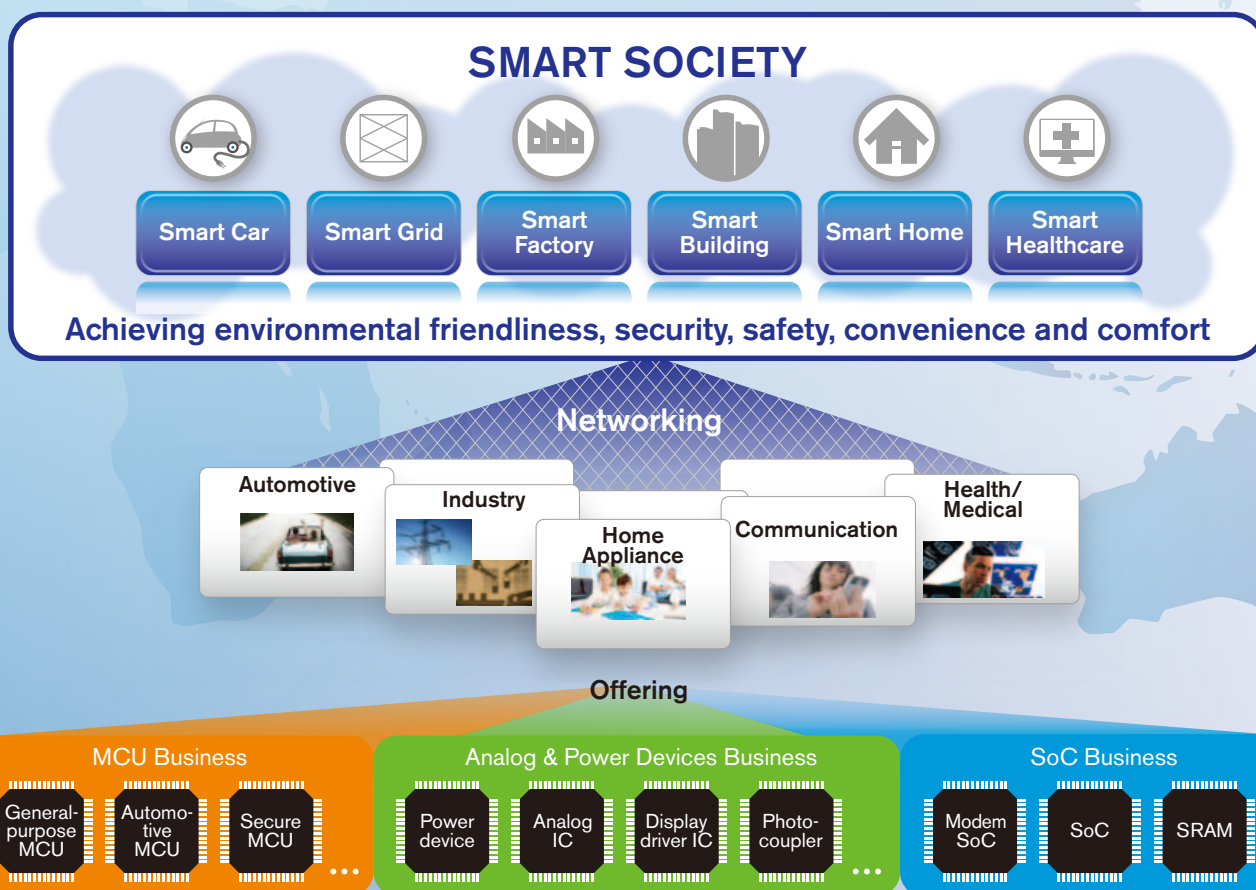


Representative Director, President
Yasushi Akao



Renesas' Business Strategies Toward a "Smart Society"

The networking of existing segments and applications for which the Group provides semiconductor products will bring about a "Smart Society" that allows for an ecologically friendly, secure, safe, convenient and comfortable life.



We will reinforce the Analog & Power Devices business, which has many synergies with MCUs, by using our position as the world's leading supplier of MCUs.

We will optimize the SoC business portfolio by selecting and focusing businesses.



HELPING CREATE A “SMART SOCIETY”

Electricity consumption is climbing year after year worldwide along with steady economic growth in developed countries and faster growth in emerging countries. Efficiently using the world's limited energy resources has subsequently become a critical issue. This is why the transition to a “Smart Society” is gaining momentum on a global scale.

Achieving this type of society will protect the environment while making our lives more convenient. Furthermore, the shift to a “Smart Society” will probably progress simultaneously in developed and emerging countries. One reason is a change in the outlook for the global energy supply due in part to the Great East Japan Earthquake. Strong growth in electricity demand in emerging countries is also behind this shift. The Renesas Group is the world's leading MCU supplier in all categories of this market. We make general-purpose and automotive MCUs and our lineup extends from the low-end to the high-end. By using MCUs as the primary means of helping create a “Smart Society,” we plan to build a robust base for sustainable growth and higher profitability.



STEPPING UP INITIATIVES OVERSEAS AND IN EMERGING MARKETS

China and other emerging markets are expected to drive future growth of the semiconductor market. That means stepping up our activities outside Japan, and particularly in emerging markets, will be vital to increasing sales of the Renesas Group. In China, we have been expanding and upgrading our on-site design and development operations in order to meet the needs of local customers. These initiatives give us a powerful foundation with increased market share in the Chinese MCU market to establish a prominent position in China. Furthermore, we are starting to use this same business cycle with deep local roots to promote operations in other emerging markets with excellent prospects for growth. We intend to step up initiatives for expanding our business in these markets, taking actions including opening of a branch in India and establishing of a sale support company in Brazil.

“RENESAS ELECTRONICS BRASIL-SERVICOS” ESTABLISHED IN SAO PAULO (ANNOUNCED IN FEBRUARY 2012)

Brazil's semiconductor market is poised for strong growth. Manufacturers from Japan, North America, Europe and other areas have been entering into the Brazilian market. Companies based in Brazil are growing too, especially in automotive, industrial equipment and consumer electronics segments. The new subsidiary will allow us to supply extensive technical support, mainly for companies based in Brazil. Another goal is increasing sales of kit solutions that combine our expertise in MCUs and analog and power devices to expand our market share in Brazil.

Reinforce Core Competences to Grow in Strategic Markets

Why Renesas is No. 1 in MCUs

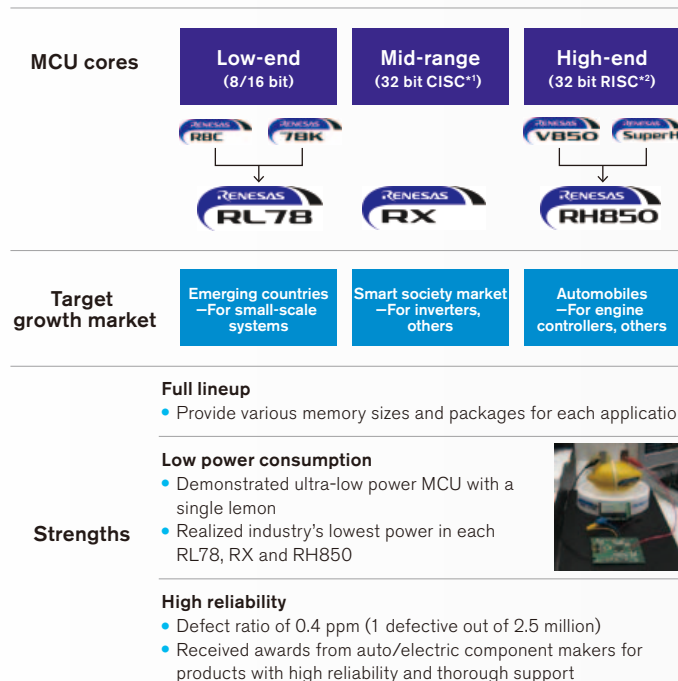
Three MCU cores and embedded flash memory technology

Two key strengths are instrumental to the Renesas Group's leading position in the global MCU market. One is the ability to offer three MCU cores, each ideally suited to a specific growing market sector. The other is expertise in flash memory technology to embed in MCUs.

Three MCU cores

Following the merger that formed Renesas Electronics two years ago, we had five MCU cores. Today they are consolidated into three: RL78 for the low-end, RX for the mid-range, and RH850 for the high-end market. Making one core for each market sector better enables us to focus our design, development and marketing resources.

All three cores will be available in a full lineup of variations and feature low power consumption and outstanding reliability. The RL78 is catered toward emerging markets, the RX mainly toward "Smart Society" applications, and the RH850 mainly toward the automobile industry. Supplying cores that cover a broad array of applications while placing emphasis on markets that will continue to grow, will allow us to utilize our strengths to the greatest possible advantage.



*1: CISC: Complex Instruction Set Computer *2: RISC: Reduced Instruction Set Computer

Built-in flash memory technology

The Renesas Group has been embedding its independently developed MONOS*-type flash memory technology in MCUs. Anticipating demand for more sophisticated flash memory with more reliability and higher integration, we began to create flash memory that uses a MONOS structure for use in 150nm MCUs. This technology is being developed for use in a wide variety of areas, so that flash MCUs can be further applied in automobiles, general consumer products, the manufacturing industry, and other sectors.

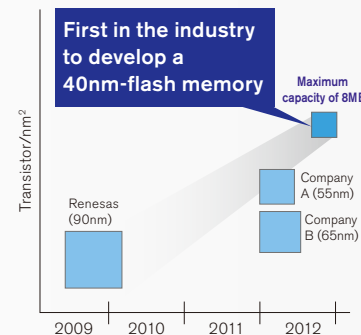
In 2007, we were the first company to begin sample shipments of 90nm flash MCUs. Late in 2011, utilizing the experiences in 90nm process technology, we achieved another industry first with the development of embedded flash memory IP at 40nm.

Applying the 40nm process realized the world's smallest memory cell, taking up only one-fourth the size of the current cell using the 90nm process.

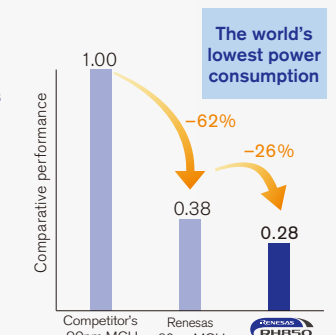
Our 40nm technology thus makes possible the capacity for large-volume program storage while still realizing high reliability, high speed and low power consumption all in one chip. We will apply the 40nm process technology to our high-end RH850 MCUs for automotive segments which will require higher reliability, higher speed and lower power consumption.

* Metal-Oxide-Nitride-Oxide-Silicon

Flash MCU sampling periods



Flash MCU power consumption



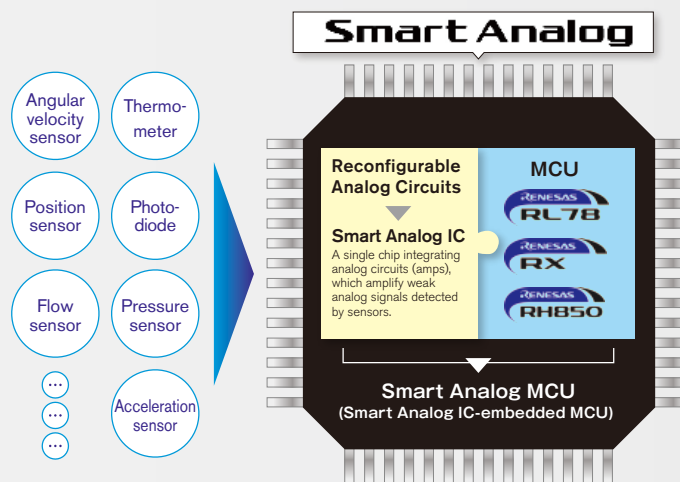
Smart Analog—the Combination of MCU and Analog

—Making it possible to support multiple types of sensors and to easily reconfigure analog circuits as well as to change their properties by controlling from MCUs—

The Renesas Group has developed a family of products called “Smart Analog,” which combines MCUs with reconfigurable analog circuits.

Sensors have become vital components of a variety of electronic devices. The reason is constantly increasing demands for better functions, performance and convenience, along with requirements for low power consumption and security. To meet these demands, a different analog IC had to be developed for each sensor, resulting in longer launch times for new products. “Smart Analog,” which was developed by the Renesas Group, solves this problem by allowing customers themselves to reconfigure with ease their analog circuits suitable for each sensor; therefore, no custom analog IC is required. These advantages enable customers to develop products faster and at a lower cost while reducing the size of their system.

The Group plans to support an even larger variety of sensors with “Smart Analog.” We will also make more progress in supplying the products with low and high voltages, low power consumption, and outstanding functions. By taking these actions, we will continue to provide a timely supply of products that precisely reflect customers’ needs.



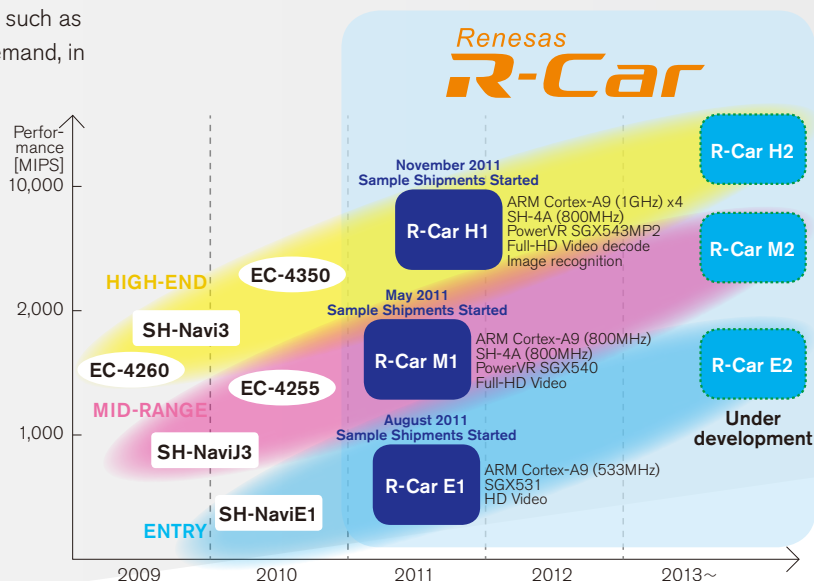
The Global No. 1 Track Record in SoCs for Car Information Systems

“R-Car series” covering high-end, mid-range and entry-class products

In recent years there has been demand for even lower power consumption in car information devices such as embedded car navigation devices, toward a “Smart Society” in which hybrid and electric vehicles are becoming ever more popular. At the same time, advanced user interfaces that provide improved operability such as “real” 3D graphics displays and touch panels are also in demand, in response to the available high-quality multimedia. Moreover, in emerging countries and also developed countries where smartphones are spreading, the markets for lower-priced display and audio devices that can use the content of mobile devices as is in vehicles, are continuing to grow.

To meet these wide-ranging needs, the Group is developing the “R-Car” series by integrating the “EMMA CAR” and the “SH-Navi,” which are SoCs with the global No. 1 track record for car information systems. In 2011, we started to ship samples of this product lineup: “R-Car H1” which targets high-end devices for luxury vehicles, “R-Car M1” for mid-range devices that are assumed to account for the largest share of the car information device market, and “R-Car E1” that is

designed for entry-class information terminals and audio equipment with displays. By providing products that realize the optimum functions required for each device, we will maintain and even expand our leading position in the world.



* ARM and Cortex are registered trademarks or trademarks of ARM Limited. PowerVR and SGX are registered trademarks or trademarks of Imagination Technologies Limited.

Extending Collaboration with TSMC in the MCU Market

FOLLOWING OUTSOURCING TO TSMC OF 90nm MCU PRODUCTION, RENESAS AND TSMC WILL COLLABORATE ON 40nm MCU DEVELOPMENT, WITH PRODUCTION TO BE OUTSOURCED TO TSMC

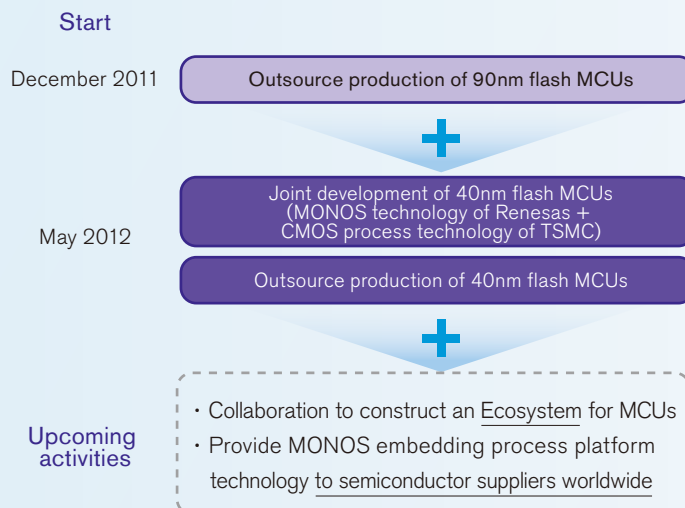
In May 2012, Renesas and Taiwan Semiconductor Manufacturing Company Limited (TSMC) agreed to extend their microcontroller (MCU) technology collaboration to 40 nanometer (nm) embedded flash process technology for manufacturing MCU products used in next-generation automotive and consumer applications such as home appliances.

Renesas already outsources MCU production to TSMC under an existing agreement, but under the 40nm MCU collaboration, Renesas will be outsourcing MCU production at 40nm and future technologies to TSMC as well.

Renesas and TSMC will collaborate to lead in advanced technologies for MCU platforms and production by combining Renesas' MONOS technology supporting both high reliability and high speed, and high-quality technical support with TSMC's advanced CMOS process technologies and flexible production capacity.

Building on a history of strong collaboration, this latest agreement will provide Renesas with a cost-effective, highly reliable way to successfully realize 40nm flash MCUs.

Overview of Collaboration with TSMC



PROMOTING COLLABORATION IN THE CONSTRUCTION OF AN ECOSYSTEM* FOR MCUs

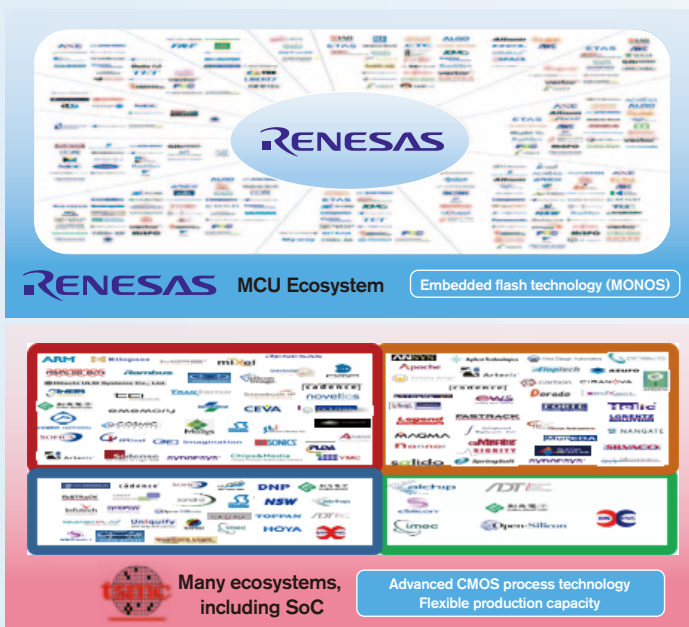
For MCUs, the core competence of Renesas, there is a vast world-wide ecosystem that encompasses more than 700 companies. Tool vendors, software vendors, foundries and many other companies belong to this ecosystem. Members of the ecosystem use our MCUs as a base for collaboration that draws on each company's technologies and financial resources. The objective is to facilitate mutual harmony and benefit for the whole MCU industry. TSMC possesses a great many ecosystems, covering system-on-chip (SoC) and other markets as well. For this partnership, the two companies will each leverage their own ecosystems; Renesas and TSMC plan to use these resources to conduct a joint development program to produce an expansive ecosystem that includes a MONOS embedded MCU platform. Both companies will make the resulting MCU platform available to semiconductor suppliers worldwide. Another goal of the Renesas-TSMC collaboration is to enlarge the new ecosystem to cover the SoC domain in addition to MCUs. Extending coverage will allow targeting of potential market needs of flash MCUs, which are currently included in the SoC market. Broader coverage is expected to lead to more growth in the number of customers and expansion of the entire MCU market.

*The meaning of "Ecosystem"

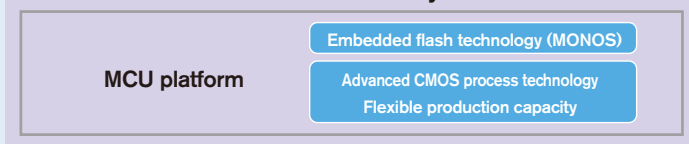
Originally, the term referred to a biological system consisting of all the living organisms and the environment with which the organisms interact.

As a business term, the word refers to a system in which multiple companies within a certain industry unite and cooperate for mutual harmony and benefit.

Ecosystem



An enormous ecosystem



TRANSFER OF HIGH-POWER AMPLIFIER BUSINESS TO MURATA MANUFACTURING

With the growing demand for smartphones worldwide and the expansion of low-end models in emerging economies, the market for mobile phones, which is the major user of power amplifiers, is seeing a growing trend toward all-in-one module and platform solutions that integrate basic communication functions in a device. In particular, demand is growing for modules that incorporate high-power amplifiers with radio frequency (RF) components, such as filters and switches.

In light of this changing business environment, Murata Manufacturing Co., Ltd., while maintaining a world-leading market share of front-end modules (FEMs), has been examining measures to strengthen its power amplifier technology in order to promote the integration of analog

front-end modules, including power amplifiers, and to expand its business. The Renesas Group, meanwhile, has until now been supplying power amplifier modules to mobile handset makers without RF filters and switches. To further strengthen its business structure, the Group has been urgently studying ways to respond to the demand for an all-in-one module that incorporates an FEM.

Following discussions by the two parties of the possibility of collaborating on the complementary supply of parts for communication devices, the Renesas Group transferred its power amplifier business and the business operation of Nagano Device Division of a wholly owned subsidiary, Renesas Eastern Japan Semiconductor, Inc. to Murata Manufacturing on March 1, 2012.

TRANSFER OF A FRONT-END MANUFACTURING SITE OF A WHOLLY OWNED SUBSIDIARY TO FUJI ELECTRIC

To improve in-house, front-end manufacturing efficiency by promoting larger wafers and miniaturization, the Group has been reviewing various measures for its manufacturing sites. As part of the review process, an agreement was reached in March 2012 to transfer the Tsugaru Factory (location: Goshogawara, Aomori; wafer size: 6 inches) of a wholly owned subsidiary, Renesas Northern Japan Semiconductor, Inc. to Fuji Electric, which had been considering a new manufacturing facility to further expand the supply capacity of its power semiconductor business. As originally intended following the agreement, Renesas Northern Japan Semiconductor

transferred its business operation of the Tsugaru Factory to a wholly owned subsidiary, which was newly established on July 1, 2012 through an absorption-type separation (*Kyushu-bunkatsu*), with all new shares of common stock for the new company allocated to Fuji Electric also on July 1, 2012.

The supply of products manufactured at the facility will remain uninterrupted following the transfer of the Tsugaru Factory to Fuji Electric, with Renesas Electronics and Renesas Northern Japan Semiconductor continuing to provide products of the same quality and via the same sales channels as before to customers.

WITHDRAWAL FROM THE LARGE-SIZED DISPLAY DRIVER IC BUSINESS

The Group has been working to improve the performance of the large-sized display driver IC business by implementing various measures, including reducing manufacturing cost through process miniaturization and promoting development efficiency. However, the slowdown of the flat-panel display market, particularly for TVs, and falling prices have placed the Group in a very challenging situation to secure profitability. With no short-term recovery in sight, the Group concluded it is difficult to stay in the large-sized display driver IC business and decided to withdraw from

the business as part of its structural reform measures.

The Group has withdrawn from the development of driver ICs for large-sized displays effective March 31, 2012. For large-sized display driver ICs already in mass production, the Group will discontinue the supply of these products following consultations with existing customers affected effective March 31, 2013.

Renesas SP Drivers Inc., a consolidated subsidiary of Renesas Electronics, will continue to supply small- and mid-sized display driver ICs as in the past.

Segment Profile

Share of Sales by Segment (FY12/3)

MCU Business

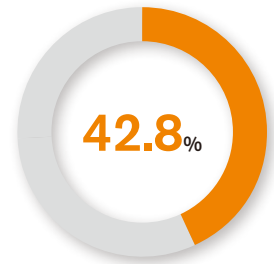
Renesas' core business with a world-leading share in the market

■ Major Products

Microcontrollers

■ Major Applications

Automobiles, industrial equipment, consumer electronics, PC peripherals



Analog and Power Devices Business

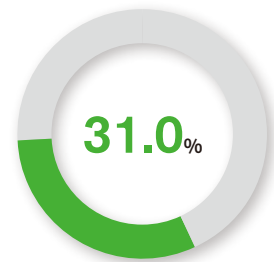
Provides products pursuing energy efficiency toward a Smart Society

■ Major Products

Power MOSFET (Metal-Oxide-Semiconductor Field-Effect Transistors), mixed-signal ICs, IGBT (Insulated Gate Bipolar Transistors), diodes, small signal transistors, display driver ICs, compound semiconductors

■ Major Applications

Automobiles, industrial equipment, consumer electronics, PC peripherals



SoC Solutions Business

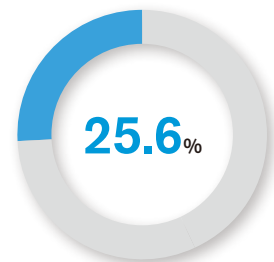
Offers system solutions with leading-edge technology

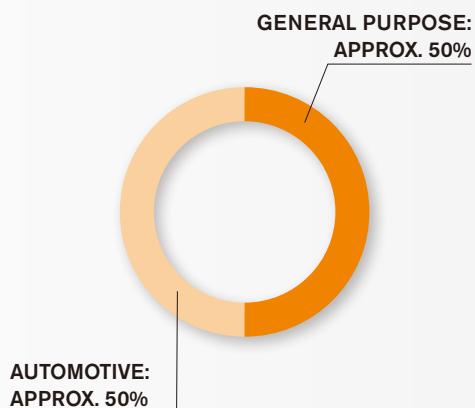
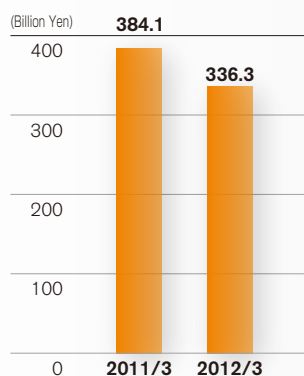
■ Major Products

ASIC (Application Specific Integrated Circuit), ASSP (Application Specific Standard Product)

■ Major Applications

Mobile handsets, networking equipment, industrial equipment, PC peripherals, consumer electronics, game consoles, car navigation systems

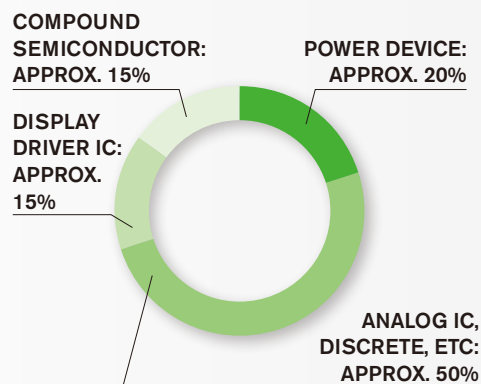
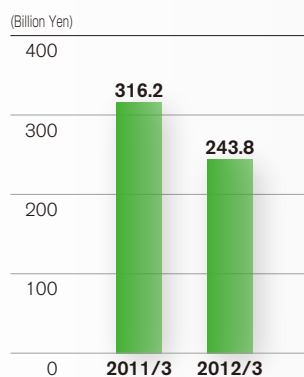




FY12/3 sales were ¥336.3 billion, a decrease of 12.4% year on year, due to sales declines of general-purpose MCUs although automotive MCU sales reached almost the same level as the previous year with sales recovery from the second half of FY12/3.

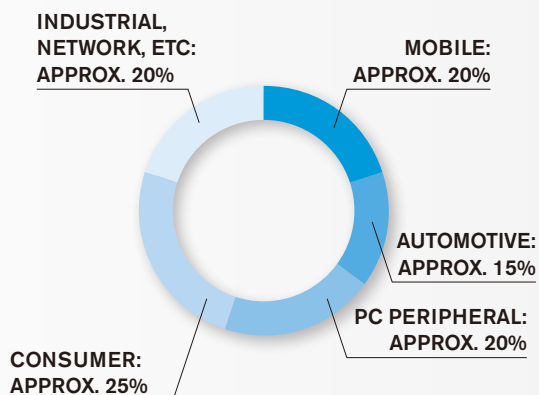
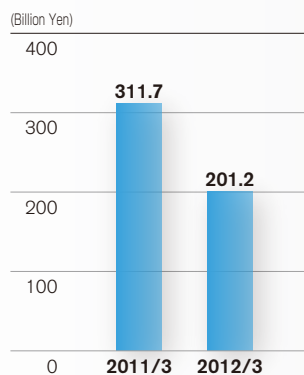
The drop in sales after the March 2011 earthquake along with flooding in Thailand and the global downturn in market conditions brought down sales of general-purpose MCUs by about 20%. There was a severe impact on sales from the downturn in China, a growing market where Renesas has been increasing its market share. As a result, sales were lower in the industrial, consumer, PC peripheral and all other categories.

Although the earthquake caused automotive MCU sales to plunge in the first quarter, they recovered to the same level as in the previous year along with production increases by Japanese automakers.



FY12/3 sales were ¥243.8 billion, a decrease of 22.9% year on year, due to sales declines of display driver ICs for PCs and LCD TVs as well as power devices and analog ICs for consumer electronics.

Sales of automotive power devices and analog ICs increased mainly because of the recovery in production at Japanese automakers. However, for consumer electronics, PCs and other non-automotive sectors, sales fell more than 20% primarily due to the impact of the March 2011 earthquake.



FY12/3 sales were ¥201.2 billion, a decrease of 35.5% year on year, due to sales declines of SoCs for consumer electronics and mobile.

Automotive SoC sales increased as a steady rebound in demand more than offset the impact of the March 2011 earthquake. However, mobile SoC sales decreased by almost half of the previous year due to a significant drop in sales for conventional mobile phones. Sales for consumer and PC peripherals decreased over 30% year on year due to partial business downsizing including for TVs, in addition to worsened market conditions.

CORPORATE GOVERNANCE

Fundamental Corporate Governance Policy

Renesas Electronics is committed to strengthening corporate governance by improving its management structure and taking many other actions involving management. This stance is based on the recognition that efficient management along with the soundness and transparency of management are vital to achieving constant growth in corporate value.

Renesas Electronics has adopted the corporate auditor system for its corporate governance, and has a corporate governance structure with the Board of Corporate Auditors that monitors execution of directors' duties. Renesas Electronics believes that its audit structure for corporate governance is sufficiently functional, through full-time auditors, who can effectively obtain high quality information from the accounting auditors, the

Internal Auditing Office in charge of internal audits and other relevant divisions using their profound knowledge and experience of the semiconductor business, while the meetings of the Board of Corporate Auditors, which includes highly independent outside corporate auditors, conduct analysis of the information from objective and many different viewpoints.

The Company formulated the Renesas Electronics Group CSR Charter to provide guidelines for all group CSR activities. The charter reflects the conviction that CSR initiatives based on this charter will enable the Group to fulfill social obligations as a responsible corporate citizen as well as contribute to steady growth in corporate value and shareholder value.

Overview of Corporate Governance

Renesas Electronics's Governance Structure

Corporate governance at Renesas Electronics is based on "the election of external directors and collaboration with the Board of Corporate Auditors." This is one of the governance models contained in Report of the Study Group on the Internationalization of Japanese Financial and Capital Markets (announced June 17, 2009), which was prepared by the Finance Committee of the Financial System Council. The Company places priority on incorporating external perspectives in order to deal with management issues from a diverse range of viewpoints. To gain access to these viewpoints, the Company has outside directors and corporate auditors with a broad array of experience and professional knowledge. Currently, three of the 10 directors and four corporate auditors are from outside the Renesas Electronics Group. To upgrade the Group's performance and corporate governance, the Company seeks individuals from the outside who can provide advice and judgments based on accurate and objective viewpoints. This is why the Company has one independent outside director and two independent outside corporate auditors who have no financial or other interest in the Group.

Execution of Business Activities

The Company's Board of Directors carefully examines candidates for election as directors who are submitted at shareholders' meetings to ensure that all directors are well suited to executing business operations. Directors take into consideration background of candidates and other applicable items to reach decisions about their suitability.

The Board of Directors, which has 10 members that include three outside directors, meets once each month in principle and at other times as needed. The directors reach decisions with speed and flexibility about important matters involving management and supervise the execution of business operations by directors. The outside directors have two primary functions. One is to supervise and check the execution of business operations by directors to determine if these directors are performing their jobs properly. The other is to use their knowledge, experience and insight to reflect external viewpoints in the decision-making process for management. The Company plans to continue to appoint outside directors who have the required practical experience and professional skills to perform these functions.

All resolutions to be submitted for approval by the Board of Directors, except resolutions that do not require preliminary discussions, are, in principle, first submitted to the Executive Committee for a preliminary examination. These examinations provide for more thorough discussions of these resolutions. In addition, the Company has the following committees chaired by the president to oversee a broad range of risks.

Internal Control Promotion Committee

The Internal Control Promotion Committee periodically holds meetings to deliberate on and study serious compliance violations relating to the internal control system, determining how they happened and how they can be prevented in the future.

CSR Promotion Committee

This committee holds discussions and reaches decisions about important matters concerning the policies, goals and other items involving the Group's CSR activities.

Information Management and Security Committee

This committee holds discussions and reaches decisions about important policies and initiatives concerning information management and security for the Group.

The Company uses the Corporate Officer System to clarify accountability for the execution of business operations and enable reaching decisions about these operations quickly. A suitable level of authority is delegated to each corporate officer in accordance with the responsibilities assigned to each corporate officer by the Board of Directors and the Company's own fundamental rules of decision-making and authorization procedure.

Corporate Auditors and Board of Corporate Auditors

Corporate auditors are responsible for supervising the performance of the directors. The Board of Corporate Auditors has five members, including four outside corporate auditors and holds regular meetings once each month, in principle, and other meetings as required. At these meetings, the corporate auditors determine auditing policies and other matters and receive reports from each corporate auditor about the status of audits and other subjects. Two of the four outside corporate auditors are an attorney and certified public accountant who have no relationship with the Group. Also, four of these corporate auditors have extensive knowledge concerning finance and accounting.

In accordance with auditing policies and other items established by the Board of Corporate Auditors, each corporate auditor performs the following duties to supervise the performance of the directors: attend meetings of the Board of Directors and other important meetings; interview directors and employees about business activities and receive business reports from these individuals; examine documents approving decisions and other important business documents, perform investigations to determine the status of business operations and finances (including the compliance framework and internal controls system); and conduct investigations at subsidiaries. In addition, corporate auditors receive periodic reports from the Internal Audit Office and the independent auditor for the audit. Corporate auditors also exchange information and collaborate in other ways with these parties as required.

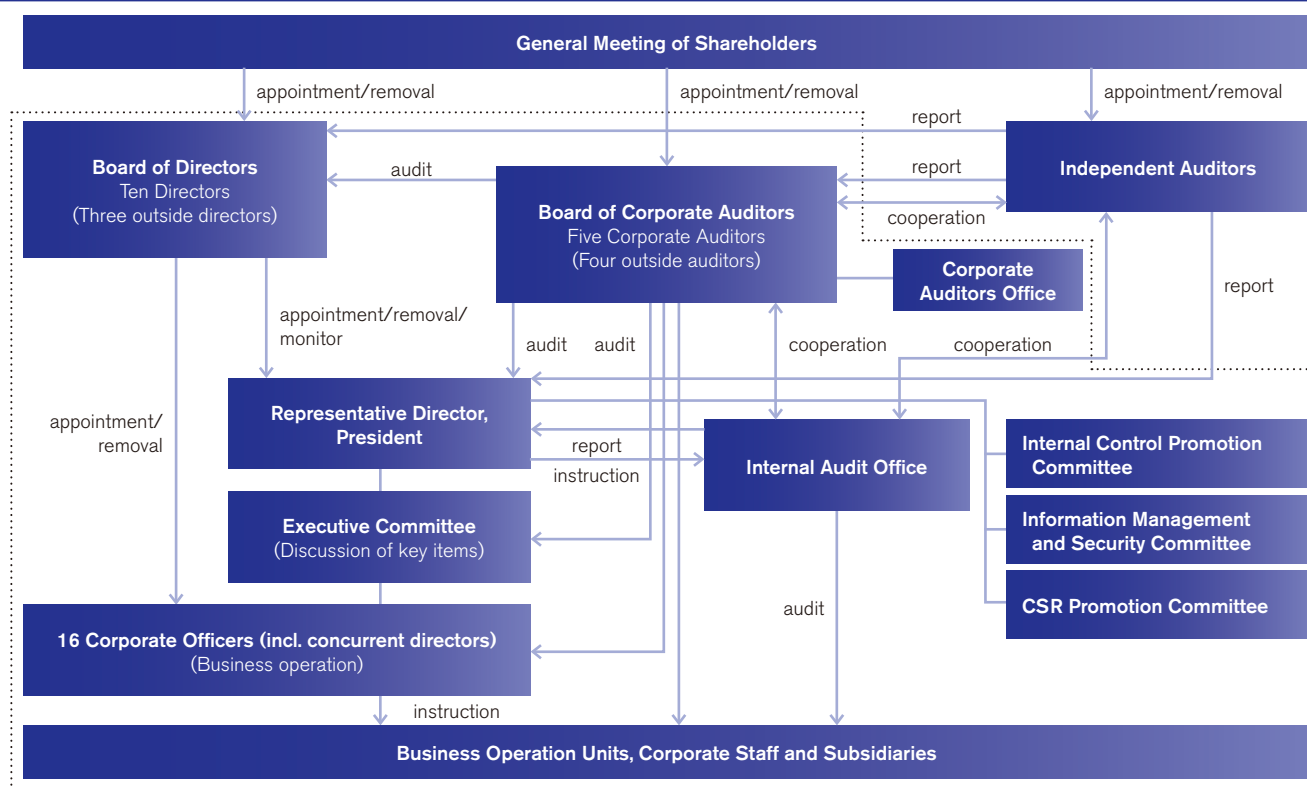
Internal Audit Office

Internal audit is performed by the Internal Audit Office, staffed by 15 employees. Specifically, this office serves as an autonomous third party for verifying and evaluating other parts of the management organization, including divisions responsible for business operation units, corporate staff, consolidated subsidiaries and other areas. This is carried out from a compliance, risk management and internal control perspective. The Internal Audit Office also proposes concrete measures for rectifying or improving problems that arise.

Accounting Audit

The auditors who performed the accounting audit of the Company's consolidated financial statements for the fiscal year ended March 31, 2012, were Jun Uemura, Kazuhiro Ishiguro, and Noriyasu Hanafuji, partners of Ernst & Young ShinNihon LLC. None of the three partners have performed an accounting audit of the Company for seven or more consecutive years. The audit team included certified public accountants and junior accountants.

The Company and its consolidated subsidiaries pay a total of ¥319 million to Ernst & Young ShinNihon LLC for services provided. This amount includes a payment of ¥232 million by the Company for services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.



(As of June 26, 2012)

Details of Remuneration for Directors and Corporate Auditors in the year ended March 31, 2012

Officer category	Total remuneration (in yen million)	Remuneration by category (in yen million)				Number of directors receiving remuneration
		Basic remuneration	Stock acquisition rights	Bonuses	Retirement allowances	
Directors (excluding outside directors)	134	134	—	—	—	8
Corporate auditors (excluding outside corporate auditors)	20	20	—	—	—	3
Outside directors and outside corporate auditors	47	47	—	—	—	8

- As of March 31, 2012, there were ten directors, including three outside directors, and five corporate auditors, including three outside corporate auditors. Included in the above were three directors, of which two were outside directors, and one corporate auditor who resigned at the close of the 9th Ordinary General Meeting of Shareholders held on June 28, 2011.
- Remuneration for directors does not include the salary received by directors who serve concurrently as employees.
- No executive bonuses or stock options were provided to directors or corporate auditors.
- Total remuneration for directors is limited to ¥30 million each month by a resolution approved by shareholders at an extraordinary shareholders' meeting held on February 24, 2010.
- Total remuneration for corporate auditors is limited to ¥12 million each month by a resolution approved by shareholders at an extraordinary shareholders' meeting held on February 24, 2010.
- The Company has no predetermined policy regarding remuneration for directors and corporate auditors, nor a fixed methodology for the calculation of such remuneration. Remuneration for each director, within the limit approved at the shareholders' meeting (¥30 million per month), takes into account the remuneration of directors at other firms in the same industry and salaries of the Company's employees. In addition, remuneration is set at a proper level in relation to the responsibilities of each director. The result is a monthly payment that matches the position of each director at the Company. Remuneration for each corporate auditor, within the limit approved at the shareholders' meeting (¥12 million per month), takes into account the remuneration of corporate auditors at other firms in the same industry and remuneration and salaries of the Company's directors and employees. In addition, monthly remuneration is set at a proper level in relation to the responsibilities of each corporate auditor based on discussions among the corporate auditors.

Renesas Electronics Group CSR

Renesas Electronics Group CSR Charter

Established on April 1, 2010

The Renesas Electronics Group will contribute to the sustainable advancement of society. As an enterprise, we will conduct business that helps build a better future for people around the world by supplying superior semiconductor products powered with advanced technologies and by providing customer service that is honest and sincere.

We pledge to conduct our business with integrity and in compliance with legal requirements. We will work with and for the benefit of our stakeholders based on the following guiding principles:

Customer focus	We will quickly provide optimized and high-quality solutions in response to our customers' needs to maximize customer satisfaction and to earn our customers' trust.
Sound business practices	We will carry out fair, ethical and transparent business practices and convey these practices to all our stakeholders. In addition, we will maximize our corporate value through business practices that allow us to continue to grow.
Healthy work environment	We will respect the individual personalities of our employees. We will promote a rewarding, safe, and flexible working environment where each person is able to demonstrate his/her best talents and capabilities.
Global perspective	As a member of the global community, we will respect the history, culture, customs and human rights of each country and region, and we will not practice or permit any forced or child labor. In addition, we will promote activities that contribute to the betterment of the global society.
Environmentally friendly	We pledge to develop, manufacture and sell semiconductor products that respect the environment, and we will strive to minimize the environmental impact of our products throughout the entire product life cycle. We will also participate in activities intended to harmonize human pursuits and the environment with an awareness of issues such as climate change and biodiversity.

Renesas Electronics Group CSR Charter and Promotion Structure

We formulated the Renesas Electronics Group CSR Charter on April 1, 2010. This charter calls upon us to protect our customers and other stakeholders and mandates what practices to follow in our business. Pursuant to this charter, the entire Group is working as one to advance CSR activities.

In addition, a CSR Promotion Committee, headed by the President, sets policies, targets and priorities for Group CSR activities, which are then carried out throughout the Group. Directors of domestic business sites and Group companies, as well as Group company presidents, act as "CSR leaders," making sure that each site is actively carrying out CSR activities and that employees are being trained in CSR.

New Trends in CSR

At the 10th Conference of the Parties to the Convention on Biological Diversity (COP10), held in 2010, signatories voted to "take effective and urgent action to halt the loss of biodiversity by 2020." Biodiversity is a crucial theme to address for the sake of the earth and all people. The Renesas Electronics Group is also making every effort to protect biodiversity through our business and social contribution activities. Water shortages are also becoming a serious problem globally. Because the semiconductor industry consumes a great deal of water, we are working actively to protect biodiversity, as well as the forests that provide our water.

Renesas Electronics Environmental Activities

Environmental Policy

We will contribute to the harmonization of society and the environment in the course of our business activities.

Action Guidelines

1. We will incorporate environmental considerations into all stages of the product life cycle, including research & development, design, procurement, production, sale, logistics, use and disposal.
2. We will strive to prevent pollution as well as to minimize the impact of our products on the environment. When environmental problems arise, we will take appropriate steps to minimize the environmental impact and disclose accurate information.
3. Our environmental management efforts will involve compliance with all environmental laws, regulations and agreements, and we will promote compliance activities.
4. We will disclose environmental information to stakeholders and encourage communication with society for the purpose of promoting mutual understanding.
5. We will educate all employees in environmental conservation to create a company culture that promotes the harmonization of the environment and business activities.

Three Cornerstones of Environmental Activities

Some of the key issues in our environmental measures are 1) legal compliance, 2) reduction of environmental burden, 3) the development of eco-friendly products and 4) maintaining good relations with stakeholders.

We are tackling these issues through environmental management, in which all employees participate. Such management is based on a so-called Eco-Management system built on the cornerstones of the Eco-Factories, Eco-Products and Eco-Communication initiatives.

• Eco-Factories Initiative:

Aimed at reducing the environmental impact of manufacturing sites through the reduction of greenhouse gasses (GHG) and the appropriate management of chemical substances in manufacturing processes

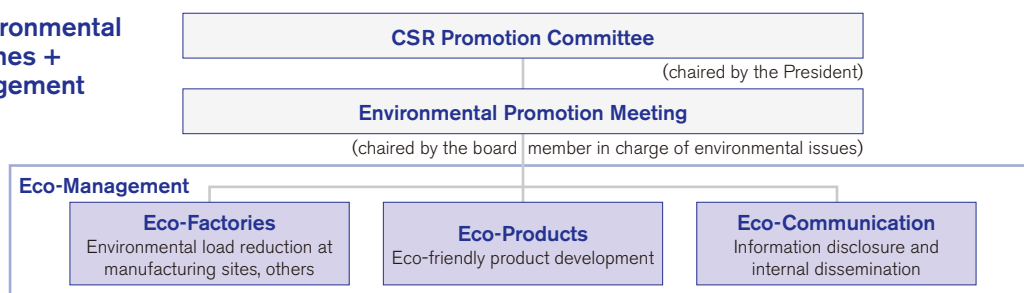
• Eco-Products Initiative:

Aimed at supplying eco-friendly semiconductors produced with environmental considerations in mind throughout their lifecycles, including the control of chemical substances contained in products and the development of products with excellent energy-saving performance

• Eco-Communication Initiative:

Aimed at strengthening employee awareness through environmental education and disseminating the Group's environmental information to society

Three Environmental Cornerstones + Eco-Management



Fiscal 2012 Results and Fiscal 2013 Plan Targets

Action	Fiscal 2012 Targets	Fiscal 2012 Results	Evaluation	Fiscal 2013 Targets
Eco-Management	• Organize environmental management system (EMS)	• Integrated EMS at three Renesas Electronics headquarter sites	◎	• Integrate EMS at five Renesas Electronics headquarter sites
	• Enhance internal environmental audits	• Conducted internal audits at 12 business sites	◎	• Promote integration of ISO14001 certification of manufacturing sites
Eco-Factories	• Reduce CO ₂ emissions (65% or less per unit of actual production volume compared to fiscal 1991)	• 63.7%* ¹	◎	• CO ₂ emissions reduction (per unit of actual production volume) 65% or less • PFC* ² emissions reduction
	• Continue to replace specified CFC refrigerants	• Continue	—	
	• Landfill disposal ratio of less than 1%	• 0.26%	◎	
Eco-Products	• Promote product environmental assessment during design	• Promoted unification of assessment techniques	◎	• Establish eco-friendly product verification system • Deal with substances subject to legal and voluntary regulations
	• Deal with substances subject to legal and voluntary regulations	• Dealt properly with Japanese and foreign regulations and Japanese legal revisions	◎	
Eco-Communication	• Issue environmental report, expand web information	• Issued environmental report, expanded web information	◎	• Issue environmental report • Enhance environmental education materials • Continue environmental and social contribution activities
	• Expand basic environmental education	• Enhanced position-specific education	◎	
	• Continue environmental and social contribution activities	• Activity implemented	◎	

*1 Using emissions coefficient at time of calculation of fiscal 2011 results

*2 PFC (perfluoro-compound): The semiconductor industry has specified CHF₃, CF₄, C₂F₆, C₃F₈, C₄F₈, SF₆ and NF₃ for emissions reduction.

MEMBERS OF THE BOARD, CORPORATE AUDITORS AND CORPORATE OFFICERS

(As of June 26, 2012)



Yasushi Akao
Representative Director,
President



Masaki Kato
Representative Director
and Executive Managing
Vice President



Yoichi Yano
Executive Vice President
and Member of the Board



Shozo Iwakuma
Senior Vice President and
Member of the Board



Shigeo Mizugaki
Senior Vice President and
Member of the Board



Tetsuya Tsurumaru
Senior Vice President and
Member of the Board



Susumu Furukawa
Member of the Board



Masahiro Yamamura
Member of the Board



Masayuki Ichige
Member of the Board



Tokuo Yamamoto
Member of the Board

MEMBERS OF THE BOARD

Representative Director, President

Yasushi Akao

Representative Director and Executive Managing Vice President

Masaki Kato

Executive Vice President and Member of the Board

Yoichi Yano

Senior Vice President and Member of the Board

Shozo Iwakuma
Shigeo Mizugaki
Tetsuya Tsurumaru

Member of the Board

Susumu Furukawa
Masahiro Yamamura
Masayuki Ichige
Tokuo Yamamoto

CORPORATE AUDITORS

Junichiro Nishi
Kazuki Fukuda
Yoichiro Yamakawa
Yoshinobu Shimizu
Yoshihito Kitamatsu

CORPORATE OFFICERS

Yoshiro Miyaji
Shinichi Iwamoto
Hideaki Chaki
Hideo Tsujioka
Tetsuro Kitano
Toshihide Tsuboi
Atsushi Hasegawa
Shinjiro Fujiwara
Tsutomu Aoki
Masahiko Sagawa

Notes: 1. Mr. Susumu Furukawa, Mr. Masayuki Ichige and Mr. Tokuo Yamamoto are outside Directors as stipulated in Item 15, Article 2 of the Companies Act.
2. Mr. Kazuki Fukuda, Mr. Yoichiro Yamakawa, Mr. Yoshinobu Shimizu and Mr. Yoshihito Kitamatsu are outside Corporate Auditors as stipulated in Item 16, Article 2 of the Companies Act.

FINANCIAL SECTION

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CONSOLIDATED BALANCE SHEETS

As of March 31, 2011 and 2012

	(In millions of yen)	
	March 31, 2011	March 31, 2012
Assets		
Current assets		
Cash and deposits	170,691	111,981
Notes and accounts receivable—trade	137,346	102,556
Short-term investment securities	166,998	20,250
Merchandise and finished goods	45,800	58,189
Work in process	61,193	79,155
Raw materials and supplies	16,378	14,454
Deferred tax assets	1,289	2,173
Accounts receivable—other	37,966	17,405
Other current assets	4,239	3,707
Allowance for doubtful accounts	(237)	(180)
Total current assets	641,663	409,690
Long-term assets		
Property, plant and equipment		
Buildings and structures	294,478	291,009
Accumulated depreciation	(174,870)	(175,060)
Buildings and structures, net	119,608	115,949
Machinery and equipment	793,130	769,191
Accumulated depreciation	(657,424)	(660,772)
Machinery and equipment, net	135,706	108,419
Vehicles, tools, furniture and fixtures	138,544	143,368
Accumulated depreciation	(104,392)	(110,945)
Vehicles, tools, furniture and fixtures, net	34,152	32,423
Land	35,887	36,210
Construction in progress	20,947	14,198
Total property, plant and equipment	346,300	307,199
Intangible assets		
Goodwill	2,485	2,228
Software	28,742	28,626
Other intangible assets	52,003	45,027
Total intangible assets	83,230	75,881
Investments and other assets		
Investment securities	10,635	7,801
Deferred tax assets	2,100	2,373
Long-term prepaid expenses	43,096	38,228
Other assets	18,031	17,494
Allowance for doubtful accounts	(7)	(462)
Total investments and other assets	73,855	65,434
Total long-term assets	503,385	448,514
Total assets	1,145,048	858,204

(In millions of yen)

	March 31, 2011	March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable—trade	144,944	148,747
Current portion of bonds with share subscription rights	110,000	—
Short-term borrowings	143,467	168,963
Current portion of long-term borrowings	44,321	33,549
Current portion of lease obligations	8,176	8,256
Accounts payable—other	78,250	43,036
Accrued expenses	55,538	46,418
Accrued income taxes	3,962	5,322
Provision for product warranties	590	385
Provision for loss on guarantees	456	—
Provision for business structure improvement	2,239	781
Provision for contingent loss	399	92
Provision for loss on disaster	46,042	1,051
Asset retirement obligations	404	25
Other current liabilities	6,474	5,429
Total current liabilities	645,262	462,054
Long-term liabilities		
Long-term borrowings	58,192	32,580
Lease obligations	14,073	14,988
Deferred tax liabilities	14,063	11,492
Accrued retirement benefits	84,831	82,128
Provision for contingent loss	1,163	1,148
Asset retirement obligations	5,426	4,644
Other liabilities	30,980	22,670
Total long-term liabilities	208,728	169,650
Total liabilities	853,990	631,704
Net assets		
Shareholders' equity		
Common stock	153,255	153,255
Capital surplus	450,413	450,413
Retained earnings	(297,634)	(360,234)
Treasury stock	(11)	(11)
Total shareholders' equity	306,023	243,423
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	(259)	221
Foreign currency translation adjustments	(22,007)	(25,686)
Total accumulated other comprehensive income	(22,266)	(25,465)
Share subscription rights	48	26
Minority interests	7,253	8,516
Total net assets	291,058	226,500
Total liabilities and net assets	1,145,048	858,204

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended March 31, 2011 and 2012

	(In millions of yen)	
	The year ended March 31, 2011	The year ended March 31, 2012
Net sales	1,137,898	883,112
Cost of sales	745,927	607,334
Gross profit	391,971	275,778
Selling, general and administrative expenses	377,447	332,528
Operating income (loss)	14,524	(56,750)
Non-operating income		
Interest income	553	604
Dividends income	83	77
Equity in earnings of affiliates	759	65
Reversal of provision for business structure improvement	—	1,157
Insurance income	323	1,143
Compensation for damage received	—	834
Other non-operating income	1,927	3,096
Total non-operating income	3,645	6,976
Non-operating expenses		
Interest expenses	3,777	3,876
Foreign exchange losses	5,783	849
Loss on disposal of long-term assets	2,952	1,791
Retirement benefit expenses	2,383	2,386
Other non-operating expenses	2,241	2,552
Total non-operating expenses	17,136	11,454
Ordinary income (loss)	1,033	(61,228)
Special income		
Gain on sales of property, plant and equipment	768	1,127
Gain on negative goodwill	2,159	—
Reversal of provision for contingent loss	1,774	—
Gain on transfer of business	1,192	4,984
Gain on sales of investment securities	320	191
Compensation income	116	1,153
Reversal of provision for loss on disaster	—	13,533
Gain on liquidation of subsidiaries and affiliates	—	343
Gain on sales of subsidiaries and affiliates' stocks	—	11
Total special income	6,329	21,342
Special loss		
Loss on sales of property, plant and equipment	402	101
Impairment loss	36,051	2,594
Loss on disaster	49,504	12,760
Business structure improvement expenses	30,598	2,976
Loss on valuation of investment securities	119	668
Effect of adoption of accounting standard for asset retirement obligations	1,488	—
Provision of allowance for doubtful accounts	—	460
Loss on sales of investment securities	—	152
Loss on liquidation of subsidiaries and affiliates	—	3
Total special losses	118,162	19,714
Income (loss) before income taxes and minority interests	(110,800)	(59,600)
Income taxes—current	2,885	5,487
Income taxes—deferred	(829)	(3,796)
Total income taxes	2,056	1,691
Income (loss) before minority interests	(112,856)	(61,291)
Minority interests in income (loss) of consolidated subsidiaries	2,167	1,309
Net income (loss)	(115,023)	(62,600)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended March 31, 2011 and 2012

	(In millions of yen)	
	The year ended March 31, 2011	The year ended March 31, 2012
Income (loss) before minority interests	(112,856)	(61,291)
Other comprehensive income		
Unrealized gains (losses) on securities	(239)	483
Foreign currency translation adjustments	(8,744)	(3,713)
Share of other comprehensive income of affiliates accounted for by the equity method	(12)	5
Total other comprehensive income	(8,995)	(3,225)
Comprehensive income	(121,851)	(64,516)
Comprehensive income attributable to		
Shareholders of parent company	(123,624)	(65,799)
Minority interests	1,773	1,283

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the Years Ended March 31, 2011 and 2012

	(In millions of yen)	
	The year ended March 31, 2011	The year ended March 31, 2012
Shareholders' equity		
Common stock		
Balance at the beginning of the period	85,955	153,255
Changes during the period		
Issuance of new shares	67,300	—
Total changes during the period	67,300	—
Balance at the end of the period	153,255	153,255
Capital surplus		
Balance at the beginning of the period	242,586	450,413
Changes during the period		
Issuance of new shares	67,300	—
Increase by merger	140,527	—
Total changes during the period	207,827	—
Balance at the end of the period	450,413	450,413
Retained earnings		
Balance at the beginning of the period	(182,611)	(297,634)
Changes during the period		
Net income (loss)	(115,023)	(62,600)
Total changes during the period	(115,023)	(62,600)
Balance at the end of the period	(297,634)	(360,234)
Treasury stock		
Balance at the beginning of the period	(11)	(11)
Changes during the period		
Purchase of treasury stock	(0)	—
Total changes during the period	(0)	—
Balance at the end of the period	(11)	(11)
Total shareholders' equity		
Balance at the beginning of the period	145,919	306,023
Changes during the period		
Issuance of new shares	134,600	—
Increase by merger	140,527	—
Net income (loss)	(115,023)	(62,600)
Purchase of treasury stock	(0)	—
Total changes during the period	160,104	(62,600)
Balance at the end of the period	306,023	243,423
Accumulated other comprehensive income		
Unrealized gains (losses) on securities		
Balance at the beginning of the period	(16)	(259)
Changes during the period		
Net changes other than shareholders' equity	(243)	480
Total changes during the period	(243)	480
Balance at the end of the period	(259)	221
Foreign currency translation adjustments		
Balance at the beginning of the period	(13,649)	(22,007)
Changes during the period		
Net changes other than shareholders' equity	(8,358)	(3,679)
Total changes during the period	(8,358)	(3,679)
Balance at the end of the period	(22,007)	(25,686)
Total accumulated other comprehensive income		
Balance at beginning of the period	(13,665)	(22,266)
Changes during the period		
Net changes other than shareholders' equity	(8,601)	(3,199)
Total changes during the period	(8,601)	(3,199)
Balance at the end of the period	(22,266)	(25,465)
Share subscription rights		
Balance at the beginning of the period	52	48
Changes during the period		
Net changes other than shareholders' equity	(4)	(22)
Total changes during the period	(4)	(22)
Balance at the end of the period	48	26
Minority interests		
Balance at the beginning of the period	4,032	7,253
Changes during the period		
Net changes other than shareholders' equity	3,221	1,263
Total changes during the period	3,221	1,263
Balance at the end of the period	7,253	8,516
Total net assets		
Balance at the beginning of the period	136,338	291,058
Changes during the period		
Issuance of new shares	134,600	—
Increase by merger	140,527	—
Net income (loss)	(115,023)	(62,600)
Purchase of treasury stock	(0)	—
Net changes other than shareholders' equity	(5,384)	(1,958)
Total changes during the period	154,720	(64,558)
Balance at the end of the period	291,058	226,500

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended March 31, 2011 and 2012

	(In millions of yen)	
	The year ended March 31, 2011	The year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(110,800)	(59,600)
Depreciation and amortization	103,494	100,451
Amortization of long-term prepaid expenses	11,596	11,428
Impairment loss	36,051	2,594
Loss on disaster	6,187	1,288
Gain on negative goodwill	(2,159)	—
Increase (decrease) in accrued retirement benefits	(8,532)	(1,335)
Increase (decrease) in provision for business structure improvement	505	(931)
Increase (decrease) in provision for contingent loss	(1,807)	(264)
Increase (decrease) in provision for loss on disaster	46,042	(19,214)
Interest and dividends income	(636)	(681)
Insurance income	(323)	(1,143)
Interest expenses	3,777	3,876
Equity in (earnings) losses of affiliates	(759)	(65)
Loss (gain) on sales and valuation of investment securities	(201)	629
Loss (gain) on liquidation of subsidiaries and affiliates	—	(340)
Loss (gain) on sales of property, plant and equipment	(366)	(1,026)
Loss on disposal of long-term assets	2,952	1,791
Business structure improvement expenses	7,895	334
Loss (gain) on transfer of business	(1,192)	(4,984)
Effect of adoption of accounting standard for asset retirement obligations	1,488	—
Decrease (increase) in notes and accounts receivable—trade	39,807	31,365
Decrease (increase) in inventories	(880)	(32,416)
Decrease (increase) in accounts receivable—other	(10,368)	5,741
Increase (decrease) in notes and accounts payable—trade	(35,490)	4,626
Increase (decrease) in accounts payable—other and accrued expenses	27,886	(14,218)
Other cash provided by (used in) operating activities, net	1,794	(1,107)
Subtotal	115,961	26,799
Interest and dividends received	670	739
Proceeds from insurance income	323	17,143
Interest paid	(3,826)	(3,899)
Income taxes paid	(5,450)	(2,931)
Payments for extra retirement benefits	(786)	(20,664)
Payments for loss on litigation and others	(4,407)	(337)
Payments for loss on disaster	—	(26,546)
Net cash provided by (used in) operating activities	102,485	(9,696)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(77,111)	(82,694)
Proceeds from sales of property, plant and equipment	7,526	26,969
Purchase of intangible assets	(9,875)	(11,169)
Purchase of long-term prepaid expenses	(2,007)	(3,035)
Purchase of investment securities	(465)	(567)
Proceeds from sales of investment securities	649	2,033
Purchase of investments in subsidiary	(649)	—
Proceeds from liquidation of subsidiaries and affiliates	—	939
Proceeds from transfer of business	3,285	11,657
Payments for transfer of business	(17,654)	—
Other cash provided by (used in) investing activities, net	537	778
Net cash provided by (used in) investing activities	(95,764)	(55,089)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	27,377	25,500
Proceeds from long-term borrowings	40,056	7,932
Repayment of long-term borrowings	(53,970)	(44,321)
Redemption of bonds with share subscription rights	—	(110,000)
Proceeds from issuance of common stock	134,600	—
Repayments of finance lease obligations	(8,256)	(8,305)
Repayments of installment payables	(6,853)	(9,158)
Other cash provided by (used in) financing activities, net	(357)	—
Net cash provided by (used in) financing activities	132,597	(138,352)
Effect of exchange rate change on cash and cash equivalents	(5,155)	(2,206)
Net increase (decrease) in cash and cash equivalents	134,163	(205,343)
Cash and cash equivalents at the beginning of the period	91,234	337,289
Increase in cash and cash equivalents resulting from merger	111,892	—
Cash and cash equivalents at the end of the period	337,289	131,946

GLOBAL NETWORK

(As of August 31, 2012)

JAPAN SITES

■ Manufacturing/Engineering services

Renesas Electronics Corporation
Renesas Northern Japan Semiconductor, Inc.
Haguro Electronics Co., Ltd.
Hokkai Electronics Co., Ltd.
Renesas Yamagata Semiconductor Co., Ltd.
Renesas Naka Semiconductor Co., Ltd.
Renesas Eastern Japan Semiconductor, Inc.

Renesas Kofu Semiconductor Co., Ltd.
Renesas High Components, Inc.
Renesas Yanai Semiconductor, Inc.
Renesas Kansai Semiconductor Co., Ltd.
Renesas Semiconductor Kyushu Yamaguchi Co., Ltd.
Renesas Kyushu Semiconductor Corp.
Renesas Semiconductor Engineering Corp.

■ Design/Development/ Application technologies

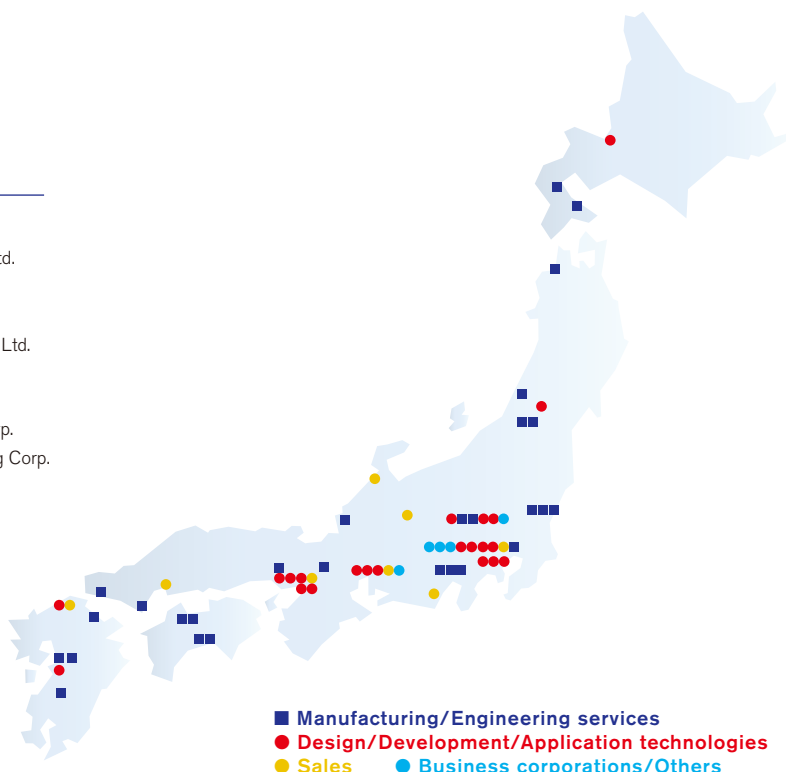
Renesas Electronics Corporation
Renesas Solutions Corp.
Renesas Micro Systems Co., Ltd.
Renesas Design Corp.
Renesas Takasaki Engineering Services Co., Ltd.
Renesas Musashi Engineering Services Co., Ltd.
Renesas Kitaitami Engineering Services Co., Ltd.

■ Sales

Renesas Electronics Sales Co., Ltd.

■ Business corporations/ Others

Renesas Mobile Corp.
Renesas SP Drivers Inc.



OVERSEAS SITES

■ Manufacturing/Engineering services

Renesas Semiconductor (Beijing) Co., Ltd.
Renesas Semiconductor (Suzhou) Co., Ltd.
Shougang NEC Electronics Co., Ltd.
Renesas Semiconductor Singapore Pte. Ltd.
Renesas Semiconductor (Malaysia) Sdn. Bhd.
Renesas Semiconductor Technology (M) Sdn. Bhd.
Renesas Semiconductor (Kedah) Sdn. Bhd.
Renesas Semiconductor KL Sdn. Bhd.

■ Sales

Renesas Electronics America Inc.
Renesas Electronics Canada Limited
Renesas Electronics Europe Limited
Renesas Electronics Europe GmbH
Renesas Electronics (China) Co., Ltd.
Renesas Electronics (Shanghai) Co., Ltd.
Renesas Electronics Hong Kong Limited
Renesas Electronics Taiwan Co., Ltd.
Renesas Electronics Singapore Pte. Ltd.
Renesas Electronics Malaysia Sdn. Bhd.
Renesas Electronics Korea Co., Ltd.

■ Business corporations/ Others

Renesas Design France S.A.S
Renesas Mobile Europe Oy
Renesas Telecommunication Technology Ltd. Corp.
Renesas Mobile India Private Limited
Renesas SP Drivers Taiwan Inc.

■ Design/Development/ Application technologies

Renesas Design Vietnam Co., Ltd.
Renesas Semiconductor Design (Beijing) Co., Ltd.
Renesas Semiconductor Design (Malaysia) Sdn. Bhd.
Renesas Electronics Brasil-Servicos Ltda.



■ Manufacturing/Engineering services

● Design/Development/Application technologies

● Sales

● Business corporations/Others

CORPORATE DATA

Company Name

Renesas Electronics Corporation

Established

November 1, 2002

(Started Operation as Renesas Electronics on April 1, 2010)

Capital Stock

153.2 billion yen (As of March 31, 2012)

Major Operations

Research, development, design, manufacture, sale, and servicing of semiconductor products

Employees (Consolidated)

42,800 (As of March 31, 2012)

Registered Head Office

1753 Shimonumabe, Nakahara-ku, Kawasaki, Kanagawa 211-8668, Japan

Headquarters

Nippon Bldg., 2-6-2, Ote-machi, Chiyoda-ku, Tokyo 100-0004, Japan

Investor Relations

<http://www.renesas.com/ir/>

Guided by the Renesas Electronics Guiding Principles, we promote highly transparent business practices that are fair, honest and conducted in good faith. We also proactively disclose the content of our activities to the public.

Contact Information

Renesas Electronics Corporation
Investor Relations
Corporate Communications Division
Tel: +81 3-6756-5552
Fax: +81 3-5201-5109
Email: ir@renesas.com

STOCK INFORMATION

(As of March 31, 2012)

Total Number of Shares Issued

417,124,490

(including 2,548 of treasury stock)

Stock Exchange Listing

Tokyo Stock Exchange First Section
(code: 6723)

Transfer Agent

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Department:
1-4-1, Marunouchi, Chiyoda-ku, Tokyo
100-0005, Japan

Postal Address:

1-10 Nikkou-cho, Fuchu-shi, Tokyo
183-8701, Japan

Request forms for change of address, etc.:

Toll free (in Japan): 0120-176-417

Shareholders

Name of Shareholders	Number of Shares Held (In thousands of shares)	Percentage of Shares Held
Hitachi, Ltd.	127,725	30.62
Mitsubishi Electric Corporation	104,502	25.05
Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd. / NEC Corporation pension and severance payments Trust Account)	78,200	18.75
NEC Corporation	69,695	16.71
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02	4,152	1.00
RBC DEXIA INVESTOR SERVICES TRUST, LONDON-CLIENTS ACCOUNT	3,522	0.84
MORGANSTANLEY & CO. INTERNATIONAL PLC	2,252	0.54
Renesas Electronics Employee Stock Plan	1,631	0.39
THE BANK OF NEWYORK, TREATY JASDEC ACCOUNT	1,050	0.25
Japan Trustee Services Bank, Ltd. (Trust Account)	959	0.23

(Notes)

- Shares less than a thousand are omitted.
- Percentage of shares held is calculated excluding 2,548 of the Company's own shares.
- Percentage of shares held is calculated by rounding off to two decimal places.
- 78,200,000 shares (percentage of shares held: 18.75%) owned by Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd./NEC Corporation Pension and Severance Payments Trust Account) were shares that were contributed by NEC Corporation as severance indemnities trusts. Also, NEC Corporation, as of May 1, 2012, contributed 57,100,000 shares (percentage of shares held: 13.69%) that were part of 69,695,857 shares (percentage of shares held: 16.71%) owned by it to Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd./NEC Corporation Pension and Severance Payments Trust Account). As a result, the number of shares held by Japan Trustee Services Bank, Ltd. (Re-trust of Sumitomo Trust & Banking Co., Ltd./NEC Corporation Pension and Severance Payments Trust Account) was 135,300,000 (percentage of shares held: 32.44%), and the number of shares held by NEC Corporation was 12,595,857 (percentage of shares held: 3.02%). The voting rights of such shares will be exercised at the instruction of NEC Corporation. Therefore, NEC Corporation holds 35.46% of voting rights.
- The Sumitomo Trust and Banking Co., Ltd. merged with The Chuo Mitsui Trust and Banking Company, Limited, and Chuo Mitsui Asset Trust and Banking Company, Limited as of April 1 2012, changed its corporate name to Sumitomo Mitsui Trust Bank, Limited.



RENESAS ELECTRONICS CORPORATION

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