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**Renesas Electronics Reports Financial Results
 for the Second Quarter Ended September 30, 2013**

Tokyo, Japan, October 30, 2013 — Renesas Electronics Corporation (TSE:6723) today announced consolidated financial results for the six months ended September 30, 2013.

Summary of Consolidated Financial Results

	Three months ended September 30, 2013		Six months ended September 30, 2013	
	Billion Yen	% of Net Sale	Billion Yen	% of Net Sale
Net sales	217.8	100.0	416.9	100.0
Sales from semiconductors	207.7		397.3	
Sales from others	10.1		19.5	
Operating income (loss)	10.9	5.0	20.7	5.0
Ordinary income (loss)	5.4	2.5	13.9	3.3
Net income (loss)	(8.8)	(4.0)	(12.8)	(3.1)
Capital expenditures	4.0		5.7	
Depreciation and others	19.2		38.4	
R&D expenses	31.8		64.4	
Exchange rate (USD)	98		Yen 98	
Exchange rate (Euro)	130		128	

	As of September 30, 2013
	Billion Yen
Total assets	796.2
Net assets	221.8
Equity Capital	208.7
Equity ratio (%)	26.2
Interest-bearing debt	287.4

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

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

Note 3: Depreciation and others includes depreciation and amortization of intangible assets and amortization of long-term prepaid expenses in quarterly consolidated statements of cash flows.

Consolidated Financial Results for the Second Quarter Ended September 30, 2013

English translation from the original Japanese-language document



October 30, 2013

Company name : **Renesas Electronics Corporation**
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange, First Section
 Code number : 6723
 URL : <http://www.renesas.com>
 Representative : Hisao Sakuta, Representative Director,
 Chairman and CEO
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 Tel. +81 (0)3-6756-5552
 Filing date of Shihanki Hokokusho (scheduled) : November 6, 2013

(Amounts are rounded to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2013

1.1 Consolidated financial results

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

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2013	416,866	1.8	20,688	---	13,910	---	(12,810)	---
Six months ended September 30, 2012	409,384	(9.1)	(23,310)	---	(24,443)	---	(115,081)	---

Reference: Comprehensive income for the six months ended September 30, 2013: (6,137) million yen
 Comprehensive income for the six months ended September 30, 2012: (119,647) million yen

	Net income (loss) per share basic	Net income (loss) per share diluted
	Yen	Yen
Six months ended September 30, 2013	(30.22)	---
Six months ended September 30, 2012	(275.89)	---

1.2 Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
September 30, 2013	796,221	221,778	26.2
March 31, 2013	669,104	77,924	10.0

Reference: Equity as of September 30, 2013: 208,666 million yen
 Equity as of March 31, 2013: 66,744 million yen

2. Cash dividends

	Cash dividends per share				
	At the end of first quarter	At the end of second quarter	At the end of third quarter	At the end of year	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	---	0.00	---	0.00	0.00
Year ending March 31, 2014	---	0.00			
Year ending March 31, 2014 (forecast)			---	---	---

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

3. Forecast of consolidated results for the nine months ending December 31, 2013

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

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)		Net income (loss) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Nine months ending December 31, 2013	613,900	2.2	36,700	--	26,900	--	11,200	--	13.34

Note: Change in forecast of consolidated results since the most recently announced forecast: Yes
Please refer to Appendix 1.3., "Consolidated Forecasts" on page 7.

4. Others

4.1 Changes in significant subsidiaries for the six months ended September 30, 2013

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

4.2 Adoption of special accounting policies for quarterly financial statements: Yes

(Note) For details, please refer to page 9.

4.3 Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior Period Errors

- Changes in accounting policies with revision of accounting standard: No
- Changes in accounting policies except for 4.3.1: No
- Changes in accounting estimates: No
- Corrections of prior period errors: No

4.4 Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)

As of September 30, 2013: 1,667,124,490 shares
As of March 31, 2013: 417,124,490 shares

2. Number of treasury stock

As of September 30, 2013: 2,548 shares
As of March 31, 2013: 2,548 shares

3. Average number of shares issued and outstanding

For the six months ended September 30, 2013: 423,952,543 shares
For the six months ended September 30, 2012: 417,121,942 shares

(Note) Information regarding the implementation of quarterly review procedures

These quarterly financial results are not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. The review procedures for the quarterly financial report have been completed by the time of issuance of this report.

Cautionary Statement

The statements with respect to the financial outlook of Renesas Electronics Corporation (hereinafter “the Company”) and its consolidated subsidiaries are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to changes in several important factors.

The Renesas Electronics Corporation and its financially consolidated companies (hereinafter “the Group”) holds a quarterly financial meeting for institutional investors and analysts on October 30, 2013. The group plans to post the materials which are provided at the meeting, on the Group’s homepage on that day.

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1. First Quarter Consolidated Financial Results

1.1 Consolidated Operating Results

1.1.1 Summary of Consolidated Operating Results Six Months Ended September 30, 2013

	Six months ended September 30, 2012	Six months ended September 30, 2013	Increase (Decrease)	
	Billions of yen	Billions of yen	Billions of yen	% Change
Net sales	409.4	416.9	7.5	1.8
Sales from semiconductors	373.6	397.3	23.8	6.4
Sales from others	35.8	19.5	(16.3)	(45.5)
Operating income (loss)	(23.3)	20.7	44.0	-
Ordinary income (loss)	(24.4)	13.9	38.4	-
Net income (loss)	(115.1)	(12.8)	102.3	-
	Yen	Yen		
Exchange rate (USD)	80	98	-	-
Exchange rate (EUR)	102	128	-	-

[Net sales]

Consolidated net sales for the six months ended September 30, 2013 were 416.9 billion yen, 1.8% increase year on year. This increase was mainly due to steady sales of automotive devices, mid/small sized display driver ICs and weakened yen, despite a decline of the sales of SoCs for consumer electronic devices and others, along with the Group's ongoing selection and concentration of businesses. Sales from semiconductors for the six month ended September 30, 2013 were 397.3 billion yen, an increase by 6.4% year on year.

[Operating income (loss)]

Operating income for the six months ended September 30, 2013 was 20.7 billion yen, 44.0 billion yen improvement year on year, mainly owing to improved earnings structure by implementation of the business structure improvement, in addition to increased sales by improved exchange rate.

[Ordinary income (loss)]

Ordinary income for the six months ended September 30, 2013 was 13.9 billion yen, due to recording 6.8 billion yen for non-operating loss, by recording 9.3 billion yen for interest expenses and stock issue expense for issuing new stock for the Third-Party Allotment.

[Net income (loss)]

Net loss for the six months ended September 30, 2013 was 12.8 billion yen. This was mainly due to recording 27.9 billion yen of special losses centering on business structure improvement expenses, despite a special income of 7.6 billion yen as gain on forgiveness of debt.

**1.1.2 Summary of Consolidated Operating Results
for the Three Months Ended September 30, 2013**

	Three months ended September 30, 2012	Three months ended September 30, 2013	Increase (Decrease)	
	Billion yen	Billion yen	Billion yen	% Change
Net sales	222.8	217.8	(5.0)	(2.2)
Sales from semiconductors	205.3	207.7	2.4	1.2
Sales from others	17.4	10.1	(7.4)	(42.2)
Operating income (loss)	(5.7)	10.9	16.6	-
Ordinary income (loss)	(6.8)	5.4	12.2	-
Net income (loss)	(94.3)	(8.8)	85.5	-
	Yen	Yen		
Exchange rate (USD)	79	98	-	-
Exchange rate (EUR)	98	130	-	-

[Net sales]

Consolidated net sales for the three months ended September 30, 2013 were 217.8 billion yen, a decrease by 2.2% year on year. This decrease was caused by a decrease in sales from others than semiconductors, despite an increase in sales from semiconductors.

[Sales from Semiconductors]

Sales from semiconductors for the three months ended September 30, 2013 were 207.7 billion yen, an 1.2% decrease year on year.

The main business of the Group comprises three product groups; "MCUs", "Analog & Power Devices" and "SoC (System on Chip) solutions", and "the other semiconductors" that fit to neither of above three product categories. Sales of respective product groups are as follows:

MCUs: 88.9 billion yen

MCUs mainly include automotive microcontrollers, microcontrollers for industrial systems, microcontrollers used in digital home appliances, white goods, and consumer electronics including game consoles, and microcontrollers for PC and PC peripherals such as hard disc drives.

Sales of MCUs for the three months ended September 30, 2013 were 88.9 billion yen, a 9.8% increase year on year. This increase was mainly due to a sales growth of microcontrollers for industrial systems and consumer electronics, in addition to solid sales of automotive microcontrollers.

Analog & Power Devices: 72.3 billion yen

Analog & Power Devices consist mainly of power MOSFETs, mixed signal ICs, IGBTs (Insulated Gate Bipolar Transistors), diodes, small signal transistors, display driver ICs, compound semiconductor devices such as optical and microwave devices, employed in automobiles, industrial systems, PC and PC peripherals and consumer electronics.

Sales of Analog & Power Devices for the three months ended September 30, 2013 were 72.3 billion yen, a 6.3% increase year on year, mainly owing to an increase in sales of automotive power devices, analog ICs and mid/small sized display driver ICs.

SoC solutions: 45.3 billion yen

SoC solutions mainly include semiconductors used in automobiles including car navigation systems, semiconductors for industrial systems, semiconductors for consumer electronics such as digital home appliances and game consoles, semiconductors for PC and PC peripherals including hard disc drives and USB devices, and semiconductors for network equipment and mobile handsets.

Sales of SoC solutions for the three months ended September 30, 2013 were 45.3 billion yen, a 17.6% decrease year on year. This decrease was mainly due to a decline in the semiconductor sales for consumer electronics and mobile handsets, despite increased sales of semiconductors used in automobiles and PC peripherals by the Group's ongoing selection and concentration of businesses.

Other semiconductors: 1.2 billion yen

Sales of other semiconductors include production by commissioning and royalties.

Sales of other semiconductors for the three months ended September 30, 2013 were 1.2 billion yen, an 8.7% decrease year on year.

[Sales from others]

Sales from others include non-semiconductor products sold on a resale basis by the Group's sales subsidiaries and development and production by commissioning conducted at the Group's design and manufacturing subsidiaries.

Sales from others for the three months ended September 30, 2013 were 10.1 billion yen, a 42.2% decrease year on year.

[Operating income (loss)]

Operating income for the three months ended September 30, 2013 was 10.9 billion yen, a 16.6 billion yen improvement year on year, mainly owing to implementation of the business structure improvement, in addition to increased sales by improved exchange rate.

[Ordinary income (loss)]

Ordinary income for the three months ended September 30, 2013 was 5.4 billion yen, due to recording 5.5 billion yen for non-operating loss, by recording 6.6 billion yen for interest expenses and stock issue expense for issuing new stock for the Third-Party Allotment.

[Net income (loss)]

Net loss for the three months ended September 30, 2013 was 8.8 billion yen. This was mainly due to recording 19.0 billion yen special losses centering on business structure improvement expenses, despite a special income of 7.6 billion yen as gain on forgiveness of debt.

1.2 Consolidated Financial Condition

1.2.1 Total Assets, Liabilities and Net assets

	June 30, 2013	September 30, 2013	Increase (Decrease)
	Billions of yen	Billions of yen	Billions of yen
Total assets	668.4	796.2	127.8
Net assets	80.3	221.8	141.5
Equity	67.9	208.7	140.8
Equity ratio (%)	10.2	26.2	16.0
Interest-bearing debt	299.4	287.4	(12.0)
Debt / Equity ratio	4.41	1.38	(3.03)

Total assets as of September 30, 2013 were 796.2 billion yen, an 127.8 billion yen increase from June 30, 2013, mainly due to the increase in the cash and cash equivalents by the Third-Party Allotment (150 billion yen). Net assets were 221.8 billion yen, an 141.5 billion yen increase from June 30, 2013. This was mainly due to increased common stock and capital surplus despite a net loss of 8.8 billion yen.

Equity increased by 140.8 billion yen from June 30, 2013 and the equity ratio was 26.2%. Interest-bearing debt decreased by 12.0 billion yen from June 30, 2013. Consequently, the debt to equity ratio dropped to 1.38.

1.2.2 Cash Flows

	Three Months ended September 30, 2012	Three Months ended September 30, 2013
	Billions of yen	Billions of yen
Net cash provided by (used in) operating activities	4.6	9.0
Net cash provided by (used in) investing activities	(9.8)	(6.5)
Free cash flows	(5.2)	2.5
Net cash provided by (used in) financing activities	(11.7)	141.1
Cash and cash equivalents at the beginning of the period	87.0	95.8
Cash and cash equivalents at the end of the period	69.6	239.3

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

Net cash provided by operating activities for the three months ended September 30, 2013 was 9.0 billion yen, mainly due to depreciation and amortization, despite a loss before income taxes and minority interests.

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

Net cash used in investing activities for the three months ended September 30, 2013 was 6.5 billion yen, mainly owing to the purchase of property, plant and equipment.

The foregoing resulted in positive free cash flows of 2.5 billion yen for the three months ended September 30, 2013.

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

Net cash provided by financing activities for the three months ended September 30, 2013 was 141.1 billion yen, mainly owing to implementation of the financing of 150 billion yen with the Third-Party Allotment.

1.3 Consolidated Forecasts

The Group makes a quarterly forecast, because it is hard to forecast full financial year results with high accuracy due to the short-term volatility of the semiconductor market.

(For the nine months ending December 31, 2013)

(In millions of yen)

	Net Sales	(Reference) Sales from semiconductors	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Forecasts on the beginning of this fiscal year (a)	---	---	---	---	---
Forecasts on October 30, 2013 (b)	613,900	587,300	36,700	26,900	11,200
Increase (decrease) (b-a)	---	---	---	---	---
Percent change (%)	---	---	---	---	---
Reference : Results for the nine months ended December 31, 2012	600,398	550,729	(31,240)	(35,535)	(161,722)

The figures of the consolidated forecasts for the nine months above are sum of the results of the six months ended October 30, 2013 and the forecasts of the three months ended December 31, 2013. The supposed exchange rates for the nine months are 97 yen / USD and 130 yen / Euro.

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

2. Others

2.1 Changes in Significant Consolidated Subsidiaries

None

2.2 Adoption of Special Accounting Methods for Quarterly Consolidated Financial Statements

(Calculation of Tax Expenses)

Tax expenses are calculated by multiplying income before income taxes for the Second quarter of the fiscal year ending March 31, 2014 by a reasonably estimated effective tax rate against income before income taxes for the fiscal year including the Second quarter, while applying tax effect accounting.

2.3 Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Prior Period Errors

None

2.4 Additional Information

(Financing Arrangements)

On September 28, 2012, the Company executed a guarantee deposits agreement with NEC Corporation (hereinafter "NEC") and loan agreements with Hitachi, Ltd. (hereinafter "Hitachi") and Mitsubishi Electric Corporation (hereinafter "Mitsubishi Electric") to implement the total financing amounts of 49,500 million yen. Regarding these agreements, the modification of term and conditions had been discussed with the major shareholders, and the renewal of the existing agreements totaling 41,864 million yen was subsequently finalized on September 11, 2013, and the Company and the major shareholders implemented the loan agreements on September 30, 2013.

The Company also executed a total of 208,590 million yen syndicate loan agreement with the main financing banks on September 28, 2012. After negating the modification of term and conditions for the existing agreement with the main financing banks, the Company and the banks concluded the refinance of the existing 208,590 million yen syndicate loan agreement on September 11, 2013 and implemented the agreement on September 30, 2013.

3. Quarterly Consolidated Financial Statements

3.1 Quarterly Consolidated Balance Sheets

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2013)	Current Second Quarter (As of September 30, 2013)
Assets		
Current assets		
Cash and deposits	78,072	239,620
Notes and accounts receivable-trade	78,075	84,263
Merchandise and finished goods	68,411	54,417
Work in process	70,196	71,648
Raw materials and supplies	12,742	10,669
Accounts receivable-other	13,496	15,565
Other current assets	5,567	8,540
Allowance for doubtful accounts	(184)	(196)
Total current assets	326,375	484,526
Long-term assets		
Property, plant and equipment		
Buildings and structures, net	102,450	95,876
Machinery and equipment, net	73,799	60,144
Vehicles, tools, furniture and fixtures, net	24,328	21,306
Land	35,262	32,722
Construction in progress	6,773	4,597
Total property, plant and equipment	242,612	214,645
Intangible assets		
Software	16,179	13,938
Other intangible assets	27,725	25,764
Total intangible assets	43,904	39,702
Investments and other assets		
Investment securities	8,063	8,327
Long-term prepaid expenses	29,333	24,440
Other assets	18,818	24,582
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	56,213	57,348
Total long-term assets	342,729	311,695
Total assets	669,104	796,221

(In millions of yen)

	Prior Fiscal Year (As of March 31, 2013)	Current Second Quarter (As of September 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	99,153	95,394
Short-term borrowings	1,000	1,500
Current portion of long-term borrowings	25,514	14,849
Current portion of lease obligations	6,416	4,732
Accounts payable-other	64,392	51,149
Accrued expenses	20,126	40,740
Accrued income taxes	6,443	8,161
Provision for product warranties	466	526
Provision for business structure improvement	1,128	5,923
Provision for contingent loss	7	700
Asset retirement obligations	331	235
Other current liabilities	3,618	3,347
Total current liabilities	228,594	227,256
Long-term liabilities		
Long-term borrowings	264,656	259,337
Lease obligations	8,795	6,943
Accrued retirement benefits	58,810	51,765
Asset retirement obligations	4,491	4,143
Other liabilities	25,834	24,999
Total long-term liabilities	362,586	347,187
Total liabilities	591,180	574,443
Net assets		
Shareholders' equity		
Common stock	153,255	228,255
Capital surplus	450,413	525,413
Retained earnings	(527,815)	(540,625)
Treasury stock	(11)	(11)
Total shareholders' equity	75,842	213,032
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	308	425
Foreign currency translation adjustments	(9,406)	(4,791)
Total accumulated other comprehensive income	(9,098)	(4,366)
Minority interests	11,180	13,112
Total net assets	77,924	221,778
Total liabilities and net assets	669,104	796,221

3.2 Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations
(The six months ended September 30, 2012 and 2013)

(In millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	409,384	416,866
Cost of sales	289,290	266,349
Gross profit	120,094	150,517
Selling, general and administrative expenses	143,404	129,829
Operating income (loss)	(23,310)	20,688
Non-operating income		
Interest income	132	177
Dividends income	17	23
Equity in earnings of affiliates	31	78
Foreign exchange gains	—	1,529
Insurance income	2,293	41
Other non-operating income	1,967	628
Total non-operating income	4,440	2,476
Non-operating expenses		
Interest expenses	1,845	2,784
Foreign exchange losses	350	—
Loss on disposal of long-term assets	693	159
Retirement benefit expenses	1,190	948
Share issuance cost	—	2,354
Other non-operating expenses	1,495	3,009
Total non-operating expenses	5,573	9,254
Ordinary income (loss)	(24,443)	13,910
Special income		
Gain on sales of property, plant and equipment	348	249
Gain on transfer of business	—	29
Gain on sales of investment securities	2,219	73
Gain on forgiveness of debt	—	*1 7,636
Total special income	2,567	7,987
Special loss		
Loss on sales of property, plant and equipment	12	25
Impairment loss	350	1,561
Loss on valuation of investment securities	10	10
Business structure improvement expenses	*2 89,305	*2 25,389
Loss on sales of investment securities	1	—
Compensation for damage	—	17
Provision for contingent loss	—	853
Loss on liquidation of subsidiaries and associates	869	—
Loss on transfer of business	18	—
Total special losses	90,565	27,855
Income (loss) before income taxes and minority interests	(112,441)	(5,958)
Income taxes	1,614	5,477
Income (loss) before minority interests	(114,055)	(11,435)
Minority interests in income (loss) of consolidated subsidiaries	1,026	1,375
Net income (loss)	(115,081)	(12,810)

Quarterly Consolidated Statements of Comprehensive Income
(The six months ended September 30, 2012 and 2013)

(In millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Income (loss) before minority interests	(114,055)	(11,435)
Other comprehensive income		
Unrealized gains (losses) on securities	(138)	82
Foreign currency translation adjustments	(5,426)	5,181
Share of other comprehensive income of affiliates accounted for by the equity method	(28)	35
Total other comprehensive income	(5,592)	5,298
Comprehensive income	(119,647)	(6,137)
Comprehensive income attributable to:		
Shareholders of parent company	(120,658)	(8,078)
Minority interests	1,011	1,941

Quarterly Consolidated Statements of Operations
(The three months ended September 30, 2012 and 2013)

(In millions of yen)

	Three months ended September 30, 2012	Three months ended September 30, 2013
Net sales	222,772	217,809
Cost of sales	159,618	139,953
Gross profit	63,154	77,856
Selling, general and administrative expenses	68,861	66,947
Operating income (loss)	(5,707)	10,909
Non-operating income		
Interest income	64	109
Dividends income	10	15
Share of profit of entities accounted for using equity method	52	84
Foreign exchange gains	—	548
Insurance income	1,291	31
Other non-operating income	710	309
Total non-operating income	2,127	1,096
Non-operating expenses		
Interest expenses	875	1,381
Foreign exchange losses	513	—
Loss on disposal of long-term assets	516	132
Retirement benefit expenses	594	474
Share issuance cost	—	2,354
Other non-operating expenses	756	2,292
Total non-operating expenses	3,254	6,633
Ordinary income (loss)	(6,834)	5,372
Special income		
Gain on sales of property, plant and equipment	148	160
Gain on sales of investment securities	2,093	40
Gain on forgiveness of debt	—	*1 7,636
Total special income	2,241	7,836
Special loss		
Loss on sales of property, plant and equipment	8	20
Impairment loss	349	1,526
Loss on valuation of investment securities	—	5
Business structure improvement expenses	*2 86,904	*2 17,180
Compensation for damage	—	17
Provision for contingent loss	—	253
Loss on liquidation of subsidiaries and associates	869	—
Loss on transfer of business	18	—
Total special losses	88,148	19,001
Income (loss) before income taxes and minority interests	(92,741)	(5,793)
Income taxes	827	2,447
Income (loss) before minority interests	(93,568)	(8,240)
Minority interests in income (loss) of consolidated subsidiaries	756	580
Net income (loss)	(94,324)	(8,820)

Quarterly Consolidated Statements of Comprehensive Income

(The three months ended September 30, 2012 and 2013)

(In millions of yen)

	Three months ended September 30, 2012	Three months ended September 30, 2013
Income (loss) before minority interests	(93,568)	(8,240)
Other comprehensive income		
Unrealized gains (losses) on securities	105	59
Foreign currency translation adjustments	64	(322)
Share of other comprehensive income of affiliates accounted for by the equity method	(14)	26
Total other comprehensive income	155	(237)
Comprehensive income	(93,413)	(8,477)
Comprehensive income attributable to:		
Shareholders of parent company	(94,043)	(9,217)
Minority interests	630	740

3.3 Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(112,441)	(5,958)
Depreciation and amortization	46,791	32,676
Amortization of long-term prepaid expenses	5,881	5,703
Impairment loss	350	1,561
Increase (decrease) in accrued retirement benefits	3,483	(7,911)
Increase (decrease) in provision for business structure improvement	81,903	5,165
Interest and dividends income	(149)	(200)
Insurance income	(2,293)	(41)
Interest expenses	1,845	2,784
Equity in (earnings) losses of affiliates	(31)	(78)
Loss (gain) on sales and valuation of investment securities	(2,208)	(63)
Loss (gain) on sales of property, plant and equipment	(336)	(224)
Loss on disposal of long-term assets	693	159
Share issuance cost	—	525
Gain on forgiveness of debt	—	(7,636)
Business structure improvement expenses	3,255	5,154
Loss (gain) on transfer of business	18	(29)
Decrease (increase) in notes and accounts receivable-trade	(353)	(3,094)
Decrease (increase) in inventories	1,284	12,105
Decrease (increase) in accounts receivable-other	(355)	(1,153)
Increase (decrease) in notes and accounts payable-trade	(19,881)	(4,059)
Increase (decrease) in accounts payable-other and accrued expenses	(11,357)	42,756
Other cash provided by (used in) operating activities, net	(465)	(101)
Subtotal	(4,366)	78,041
Interest and dividends received	221	271
Proceeds from insurance income	2,293	72
Interest paid	(1,897)	(2,823)
Income taxes paid	(3,367)	(4,751)
Payments for extra retirement benefits	(1,015)	(32,934)
Settlement package paid	—	(405)
Payments for loss on disaster	(5,373)	—
Net cash provided by (used in) operating activities	(13,504)	37,471

(In millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(23,184)	(11,344)
Proceeds from sales of property, plant and equipment	534	33
Purchase of intangible assets	(3,350)	(2,523)
Purchase of long-term prepaid expenses	(1,156)	(1,070)
Purchase of investment securities	(461)	(343)
Proceeds from sales of investment securities	584	514
Proceeds from transfer of business	6,573	5,592
Collection of loans receivable	—	350
Other cash provided by (used in) investing activities, net	5	(222)
Net cash provided by (used in) investing activities	(20,455)	(9,013)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(112,903)	500
Repayments of long-term borrowings	113,151	221,789
Repayments of long-term loans payable	(16,187)	(230,620)
Proceeds from issuance of common shares	—	149,475
Repayments of finance lease obligations	(4,336)	(3,572)
Repayments of installment payables	(5,170)	(6,509)
Other, Net cash provided by (used in) financing activities net	—	(472)
Net cash provided by (used in) financing activities	(25,445)	130,591
Effect of exchange rate change on cash and cash equivalents	(2,958)	2,475
Net increase (decrease) in cash and cash equivalents	(62,362)	161,524
Cash and cash equivalents at the beginning of the period	131,946	77,731
Cash and cash equivalents at the end of the period	69,584	239,255

3.4 Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Statements of Operations)

*1 Gain on forgiveness of debt

Due to the receipt of planned financial assistance in the form of a partial debt waiver from some of its major shareholders.

*2 Business structure improvement expenses

The Group has reformed businesses and structures of the production along with the streamlining of employees to strengthen its financial basis, and those related expenses are shown as business structure improvement expenses.

The details of business structure improvement expenses for the consolidated statements of operations for the six months ended September 30, 2012 and 2013 were as follows:

	(In millions of yen)	
	Six months ended September 30, 2012	Six months ended September 30, 2013
Personnel expenses including the special incentive of early retirement program	85,134	17,931
Impairment loss	3,195	3,761
Other (*)	976	3,697
Total	89,305	25,389

(*) The main item of "Other" for six months ended September 30, 2013 is a provision for loss on transfer of business due to the transfer of equity Interest for a consolidated subsidiary.

The details of business structure improvement expenses for the consolidated statements of operations for the three months ended September 30, 2012 and 2013 were as follows:

	(In millions of yen)	
	Three months ended September 30, 2012	Three months ended September 30, 2013
Personnel expenses including the special incentive of early retirement program	85,134	13,878
Impairment loss	1,243	2,375
Other	527	927
Total	86,904	17,180

(Notes on Assumption for Going Concern)

None

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

The Company received the payment for the issue of new shares through third-party allotment to the innovation Network Corporation of Japan, Toyota Motor Corporation, Nissan Motor Co., Ltd., Keihin Corporation, Denso Corporation, Canon Inc., Nikon Corporation, Panasonic Corporation and Yaskawa Electric Corporation on September 30, 2013.

After the issuance of new shares, the amount of common stock and capital legal reserve increased by 75,000 million yen respectively for the six months ended September 30, 2013, and the amount of common stock and capital surplus was 228,255 million yen and 525,413 million yen, respectively, as of September 30, 2013.

(Significant Subsequent Events)

(Transfer of Certain Assets and Shares of Subsidiaries Related to LTE Modem Technology)

1. Outline of the business divestiture

(1) Name of the buyer

Broadcom Corporation (hereafter "Broadcom")

(2) Nature of the divested business

Design and Development of LTE Modem

(3) Main reasons for the divestiture

The Company and its wholly-owned subsidiary Renesas Mobile Corporation (hereafter "RMC") announced on June 27 that they would stop development activities and sales expansion of the 4th generation wireless modem (hereafter "LTE Modem") developed by Renesas Mobile Europe Oy, RMC's subsidiary (hereafter "RME") and Renesas Mobile India Private Limited, RME's subsidiary (hereafter "RMI"), and worked towards the termination of this business. After the announcement, the Company and RMC had started performing the steps necessary to end these activities. During the process, however, Broadcom proposed the Company and RMC to acquire the LTE Modem technology. Reviewing this proposal, the Company and RMC reached a conclusion to transfer LTE Modem Technology to Broadcom, a semiconductor company for wired and wireless communications.

(4) Date of divestiture

October 1, 2013

(5) Overview of transactions including statutory form

The Company and RMC transferred all of the common stocks for RME and RMI, and certain assets related to the LTE Modem technology to Broadcom with cash consideration.

2. Overview of accounting treatment scheduled

This transfer will be accounted in accordance with "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, issued on December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, issued on December 26, 2008).

Gain (Loss) on transfer of the business has not been recognized for the six months ended September 30, 2013.

3. Approximate amount of income (loss) pertaining to divested businesses recorded in the consolidated statement of operations for the six months ended September 30, 2013

	(Millions of yen)
Net sales	—
Operating loss	8,023

Forward-Looking Statements

The statements in this press release with respect to the plans, strategies and financial outlook of Renesas Electronics Corporation and its consolidated subsidiaries (collectively “we”) are forward-looking statements involving risks and uncertainties. We caution you in advance that actual results may differ materially from such forward-looking statements due to several important factors including, but not limited to, general economic conditions in our markets, which are primarily Japan, North America, Asia, and Europe; demand for, and competitive pricing pressure on, products and services in the marketplace; ability to continue to win acceptance of products and services in these highly competitive markets; and fluctuations in currency exchange rates, particularly between the yen and the U.S. dollar. Among other factors, downturn of the world economy; deteriorating financial conditions in world markets, or deterioration in domestic and overseas stock markets, may cause actual results to differ from the projected results forecast.

About Renesas Electronics Corporation

Renesas Electronics Corporation (TSE: 6723), the world’s number one supplier of microcontrollers, is a premiere supplier of advanced semiconductor solutions including microcontrollers, SoC solutions and a broad-range of analog and power devices. Business operations began as Renesas Electronics Corporation in April 2010 through the integration of NEC Electronics Corporation (TSE:6723) and Renesas Technology Corp., with operations spanning research, development, design and manufacturing for a wide range of applications. Headquartered in Japan, Renesas Electronics Corporation has subsidiaries in approximately 20 countries worldwide. More information can be found at www.renesas.com.

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